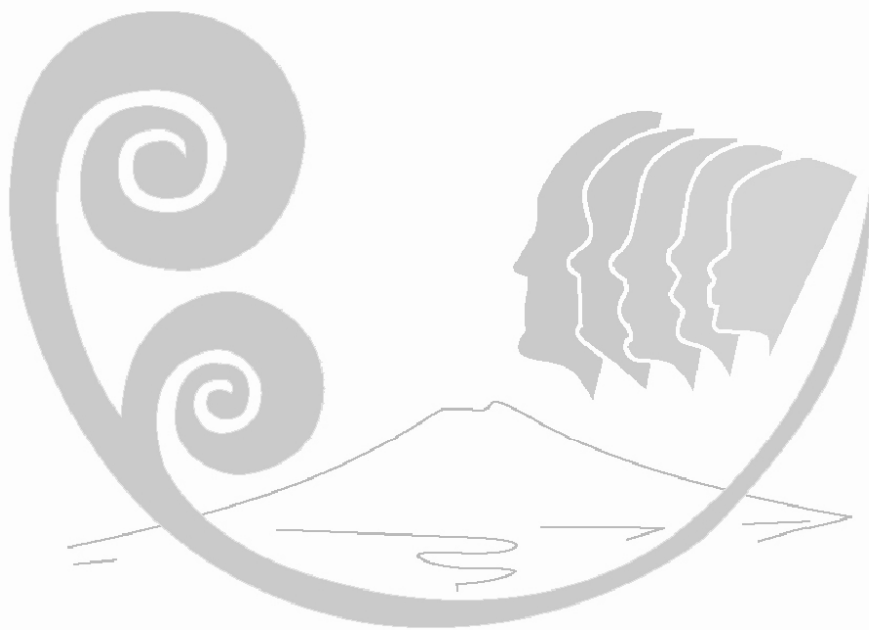


Performance Appraisals



Another Community Resource for the Not for Profit Sector



ACKNOWLEDGEMENT

The North Shore Community and Social Services Inc. was formed in 1975 and incorporated in 1979. Our organisation, which is a co-ordinating council for community groups, enhances or promotes the community development process on the North Shore and empowers community groups to serve their communities.

COMMUNITY RESOURCES

North Shore Community and Social Services Inc. continues to publish resources that have helped many Not-for-Profit organisations in their day-to-day management.

Our community resources provide affordable, practical, hands on advice, written by experts drawing from their experience working in the community sector.

Should you wish to order any of our publications, an order form is on the next page. Orders can be placed by post, phone, fax or email.

North Shore Community and Social Services Inc.
PO Box 33-284 Takapuna, Auckland 9
Phone: (09) 486-4820 Fax: (09) 486-4823
Email: admin@nscss.org.nz

Have you seen our TRAINING VIDEO?

Can You Manage?

- Part 1 Community Development – A Process to Define Community Needs
- Part 2 Meetings – Be Prepared
- Part 3 Roles and Responsibilities
- Part 4 Being a Good Employer – Getting It Right
- Part 5 Volunteers – A Planned Approach

Running Time 27 minutes

“It helped when our new Board members were elected – we found it humourous and very useful”

“Our meetings are much more focused”

“It helped us when we were formulating policy”

“It is humourous, not at all threatening and promoted good discussion”

While reproduction by not-for-profit and charitable agencies is encouraged, this material is the copyright of the North Shore Community and Social Services Inc. It may not be reproduced, stored in a retrieval system or transmitted in whole or in part by any means (photocopying, electronic, recording, scanning or otherwise) without prior permission of the owner.

TABLE OF CONTENTS

- PERFORMANCE APPRAISALS 2**
- The Purpose Of Performance Appraisal..... 2
 - Performance of appraisals: 2
- Objectives For Appraisal..... 2**
 - Assessment Objectives: 3
 - Assistance Objectives:..... 3
 - Benefits..... 3
- Importance of Good Job Descriptions..... 4**
 - Example of a very BASIC Job Description..... 4
- Some Perspective’s On Performance Appraisals 5**
- Who Does Performance Appraisals? 5**
- Salary Reviews..... 5**
- The Appraisal Process 6**
- Performance Appraisal Issues..... 7**
- Choosing A Format 8**
- The Process Of Performance Appraisal..... 9**
- Example Of An Appraisal Form..... 9**
 - Staff Performance Appraisal Form..... 10
- Qualities Of A Good Performance Appraisal..... 12**
- Further Reading 12**

ISBN 1-877415-04-9

PERFORMANCE APPRAISALS

THE PURPOSE OF PERFORMANCE APPRAISAL

Performance appraisals are a more formal and structured way of meeting similar goals to supervision and support, as well as serving additional purposes:

- They meet agency accountability requirements for service standards.
- They provide the agency and the staff with written records to guide them.
- They meet staff needs to receive feedback on how they are doing, to examine ways of improving performance, and to plan goals for their future career development.

Performance of appraisals:

- Focus on performance (i.e. outcomes) rather than personality.
- Require quality communication from both parties.
- Should be supportive, not punitive.
- Need to be prepared for by both parties.
- Should take place at intervals of not more than 12 months.
- Should contain no surprises if regular supervision and support processes are effective.
- Give opportunities to step back from the day-to-day concerns of the job and look at broader issues.

(Performance Practices in Voluntary Agencies: Paid Workers - New Zealand Federation of Voluntary Welfare Organisations)

OBJECTIVES FOR APPRAISAL

Many organisations, companies and firms use performance appraisal systems, but for various purposes.

Some objectives for performance appraisal can be classified as **assessment-oriented** while others are **assistance-oriented**; within each system there are specific benefits to be gained by individual managers and subordinates.

Assessment Objectives:

- To provide feedback for staff so that they will know where they stand.
- To develop valid data for pay (salary and bonus) and promotion decisions and to provide a means for communicating these decisions.
- To help the manager in making discharge and retention decisions and to provide a means for warning staff about unsatisfactory performance.

Assistance Objectives:

- To counsel and coach staff so they will improve their performance and develop future potential
- To develop commitment to the larger organisation through discussion with staff of career opportunities and career planning.
- To motivate staff through recognition and support.
- To strengthen supervisor-subordinate relations.
- To diagnose individual and organisational problems.

Benefits

There are numerous benefits to both approaches in performance appraisal systems:

- Establishing individual performance objectives or expectations which are linked to department plans and performance
- Providing regular performance feedback and counselling to staff identifying development and training needs of staff
- Identifying and assisting staff with performance problems
- Providing information for mobility decisions such as temporary assignments and other management initiated transfers
- Determine a development plan for improving job performance and utilisation of employees
- Communicates expectations regarding employees performance
- Diagnoses all employees' strengths and weaknesses
- Provides feedback to employees on progress
- Equips you better to guide employees on how to achieve job objectives and requirements
- Assists in succession planning
- Assists you in translating goals into individual work objectives
- Providing a continuous record of employees' performance, experience, personal qualifications, individual goals, etc

- Clarifies and confirms duties, responsibilities or objectives at the beginning of the review period
- Establishes performance standards that are required
- Identifies individual strengths and weaknesses
- Identifies options for improving performance

IMPORTANCE OF GOOD JOB DESCRIPTIONS

If you do not have clear job descriptions, it is almost impossible to have a successful performance appraisal, as there are no standards or expectations to evaluate. The first step is to ensure your job descriptions are clear and adhered to.

Example of a very BASIC Job Description

Position:	Administration Assistant
Responsible to:	Centre Manager and in her absence the Chief Executive Officer
Primary Objective:	To assist with the administration and office duties
Key Tasks:	<ul style="list-style-type: none"> • Efficient management of administration and database • Acting as receptionist both on the telephone and for people visiting the office • Processing correspondence and word processing as required • Contributing to the efficient and professional manner in which the office is run • Maintaining good relationships with staff and members
Required Outcomes	<ul style="list-style-type: none"> • Providing a professional face for the organisation through the telephone, in correspondence and in person. • Ensuring that the organisations strategic plan and projects are supported with efficient and effective administrative back up.
Skills Required	<ul style="list-style-type: none"> • Ability to communicate effectively • Ability to use Microsoft Office programmes including Word, Outlook, Publisher, Excel and Access • Ability to confidently manage both in sole charge and pressure situations.

SOME PERSPECTIVE'S ON PERFORMANCE APPRAISALS

- Appraisals are designed to enhance performance and provide motivation and recognition - they are not designed as means of criticizing or dismissing staff.
- Introducing appraisals requires sensitive handling. There is often fear and misunderstanding among staff of the purpose of appraisals. Time for explanations and discussions at groups or individual meeting with staff, and opportunities for suggestions from staff will encourage positive reactions.
- Don't make the mistake to believing that performance appraisals will fulfill all supervision and support functions in your agency. Performance appraisals are one part only of the agency's responsibility to nurture its human resources.
- Remember that performance appraisals tied to salary reviews tend to be less than satisfactory. Do salary reviews at different times.
- Appraisals which provide surprises for employees suggest that normal supervision and support processes in the agency have broken down.
- Supervisors with a limited experience in undertaking appraisals will benefit by training for this responsibility. Common mistakes made include focusing on irrelevancies, stereotyping (e.g. the supervisor's beliefs on the characteristics of certain classes of workers), being influenced by popularity of the employee, a tendency to assume all failures to meet objectives are to be blamed on the employee rather than exploring other possibilities, or approaching appraisals with predetermined attitudes or beliefs.

WHO DOES PERFORMANCE APPRAISALS?

Performance appraisals are normally conducted by the person to whom the worker is immediately responsible.

On rare occasions when this is not possible (e.g. long-term leave), the employer and employee will need to reach agreement on the method to be followed and the involvement of a suitably qualified person to supervise the performance appraisal.

SALARY REVIEWS

A performance appraisal is **not** about an increase in salary it is about **performance**. A salary increase is not the reason for a performance appraisal but may occur as a result of a performance appraisal. Salary review dates, like performance appraisal dates, should be included in the job description but treated as separate issues.

THE APPRAISAL PROCESS

The Performance appraisal process consists of four interrelated steps:

- Step 1. WORK PLANNING
- Step 2. INFORMAL FEEDBACK
- Step 3. FORMAL REVIEW
- Step 4. FORMAL APPRAISAL INTERVIEW

STEP 1: WORK PLANNING

a. Choose Objectives

Analyze job duties/responsibilities and required outcomes; choose and define appraisal criteria

b. Communicate Targets

Set performance expectations & targets; communicate to subordinates; allow for participation

c. Plan

Assist subordinates in determining and implementing effective strategies/process to perform tasks; explore options and limits to discretion in selection of methods; obtain required resources

Step 2: INFORMAL FEEDBACK

Verbal comments only (nothing written)

Step 3: FORMAL REVIEW

a. Monitor and Control

Continually monitor performance; provide ongoing feedback and assistance in the form of problem solving, on-the-job training, counselling, developing, moving blocks to successful performance, taking action as required.

Step 4. FORMAL APPRAISAL INTERVIEW

a. Appraise

Observe, recall, record and evaluate performance against expectations & standards, complete appropriate appraisal option (i.e. assessment or assistance), back up evaluation with concrete examples/dates/situations

b. Feedback

Review evaluation with subordinate in carefully planned feedback session. Be specific and explicit; listen carefully: build a joint problem solving atmosphere; cover strengths & weaknesses: complete an action plan to remove performance deficiencies, maintain current performance levels, and/or develop performance capabilities

c. Develop

Implement developmental action plans agreed on in formal interview, make personnel decisions (e.g. incentives, training etc.

PERFORMANCE APPRAISAL ISSUES

<p>1. THE CRITERION PROBLEM (Deciding What To Evaluate)</p> <ul style="list-style-type: none"> • Ambiguity in roles and responsibilities of each job • Job performance is difficult to quantify • No clear statement of overall organisational or unit objectives 	<p>CRITERION SOLUTIONS</p> <ul style="list-style-type: none"> • Job Analysis and credible position descriptions • Outcomes for each job identified and criteria determined • Set overall organisational and unit objectives
<p>2. THE JUDGMENT PROBLEM (Appraising Performance)</p> <ul style="list-style-type: none"> • Disagreement on standards and ratings • Job tasks change within appraisal period • Appeals, grievances, accusations of bias & discrimination • Individual anxiety about judging others 	<p>JUDGMENT SOLUTIONS</p> <ul style="list-style-type: none"> • Use observable (behaviorally based) criteria. Agree prior to appraisal period (at work planning interview) • Document performance regularly and be flexible • Train users prior to appraisal • Practice setting goals and counselling skills • Use a range of criteria (behaviours results & competencies) • Development of clear criteria and standards to be used, skill training programs, and organisational commitment to a systematic approach
<p>3. THE POLICY PROBLEM (Using the results of appraisal)</p> <ul style="list-style-type: none"> • Management does not appear to support systems • Marginal performance not promoted or developed • Organisational goals not achieved • Unclear use of results 	<p>POLICY SOLUTIONS</p> <ul style="list-style-type: none"> • Top management actually use performance appraisal scheme • Policies applied consistently • Performance expectations and development plans decided upon • Organisational goals communicated and used in performance goals • Clear policy of use

<p>4. THE REALITY PROBLEM (Recognising managerial work and organisation culture)</p> <ul style="list-style-type: none"> • Appraisal forms and options not completed • Managers complain about time requirements • System perceived to belong to designers, not users • System revised regularly • Unclear use of results 	<p>REALITY SOLUTIONS</p> <ul style="list-style-type: none"> • User participation in the development and implementation • Relevance, practicality & choice of options clearly demonstrated • User orientation, training & participation in design • Careful research of organisation and development of relevant criteria standards, rating scales, etc, prior to implementation
--	--

CHOOSING A FORMAT

Agencies will need to find a form of performance appraisal that will best meet the needs of the services undertaken. There are many variations of formats to choose from, but basically all systems should cover three areas:

1. Performance appraisal under a number of headings, based on the primary objectives, key tasks set out in the job description and general attitudes and skills required.
2. A review of objectives set for the appraisal period and whether they were achieved.
3. Setting of objectives for the ensuing period (this would be likely to include work-related, training/skill development and career objectives).

THE PROCESS OF PERFORMANCE APPRAISAL

1. Advise the employee of time, date and place of the appraisal.
2. It is extremely important for employee morale that all performance appraisals be conducted in a timely manner.
3. You should be as familiar as possible with the work of your employees.
4. You should look at all aspects of your employee's performance, not just one or two.
5. Marginal employees should not be allowed to linger with the company.
6. You must be honest with your employee's during the appraisal process.
7. When you conduct the performance appraisal, the standards that you use should be specific to the job.
8. The standards you develop should be relative to the job, not the person being evaluated.
9. Any judgments that you make, must be backed up by facts.
10. Personalities and individual work habits shouldn't be allowed to interfere with the true measurement of what the employee has done to meet the requirements of the job.
11. The employee should have a clear understanding of what the performance standards are.
12. The employee should sign the acknowledgment section of the performance appraisal form. If the employee refuses to sign the form, they should be encouraged to respond to the appraisal in writing.
13. Complete original performance evaluation records are to be kept in the employee's file. The supervisor is to retain a copy and may give a copy to the employee if they request it.

EXAMPLE OF AN APPRAISAL FORM

The following appraisal form is a starting point a copy of the appraisal form should be given to the employee to complete at least a week before the appraisal.

Some staff members will underestimate their performance and others will rate their performance abnormally high. The supervisor completes the form based on past and present observations and past discussions held with the employee.

STAFF PERFORMANCE APPRAISAL FORM

NAME: _____

POSITION: _____

PERIOD: FROM _____ TO _____

ASSESSMENT KEY

Performance Rating:

Needs Improvement

1

Importance:

Critical to job

Columns:

Employee

E

Meets Requirements

2

Moderately Important

B

Supervisor

S

High Level

3

Lesser Importance

C

<u>PRIMARY OBJECTIVES (From Job Descriptions)</u>	<u>1/2/3</u>	
	<u>E</u>	<u>S</u>
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

COMMENTS:

<u>KEY TASKS: (From Job Description)</u>	<u>A/B/C</u>	
	<u>E</u>	<u>S</u>
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

COMMENTS:

OBJECTIVES SET FOR THE PERIOD	MET
work related	Y/N
1.	
2.	
3.	
4.	
Personal development/skills/training	
1.	
2.	
3.	
4.	

COMMENTS: (Identify factors that you feel assisted/hindered your performance for the period)

OBJECTIVES AGREED UPON FOR ENSUING PERIOD:

Work related:	DATE BY
Personal development/skills/training:	

Signature of Supervisor: _____

Signature of Employee: _____

(Signature indicates agreement with performance appraisal)

Date: _____

This form is then filed with the employees other details in a secure place.

QUALITIES OF A GOOD PERFORMANCE APPRAISAL

1. Take it seriously. It is essential to decisions about salaries, promotions, terminations, staffing. Although you may feel awkward about the process, it is an invaluable chance to refresh the working relationship between you and your employees.
2. For employees, most appraisal sessions have the atmosphere of final exam, heavy with the fear of judgment. This atmosphere can be lifted, however, if the manager stresses the positive nature to improve and to have a say in judging their own performance.
3. Performance appraisal must be done against certain standards. It is essential that your employees understand and agree upon their job description. Performance appraisal is principally an exchange of viewpoints and ideas.
4. A performance appraisal should not be a once a year event, feedback on performance should be continuous to have its best effect. You should keep continuous records on your employees' quality of work, attitude, etc.
5. Before going into a performance appraisal meeting you should consider the strengths and weaknesses of the employee, his/her potential, and what the company can do to tap that potential.

FURTHER READING

Performance Practices in Voluntary Agencies, paid workers - New Zealand Federation of Voluntary Welfare Organisations

<http://governance.tpk.govt.nz>