

Blood: Water Technical eUpdate Vol. 16 Performance Appraisals

Dear Partners,

Performance Management and Appraisals tends to be one of those essentials in an organization. The very forum that could help people understand their roles within the organization, be assessed on the quality of their work, gain support and encouragement is often ignored or endured simply because the people doing the appraising/performance managing find it deeply uncomfortable and hard to do.

Still appraisals are essential processes for staff review, debrief and generally, goal setting to develop the skills and confidence of the person being appraised. Sadly, it often doesn't work that way. That's because most of the time it's all about procedures and not about people. The tips below will help you develop an effective performance appraisal system for your organization:

- 1. The appraisal system should be tailored to the specific needs of the organization.** The performance appraisal system should be designed to fit the specific requirements of the organization. However, what works well for one enterprise may be inappropriate for another even though the two organizations may appear to be similar. The organizations may have different cultures, operate in different environments, or differ in other crucial respects.
- 2. Rating factors should be as objective and concrete as possible.** Like other management functions, performance appraisal cannot be truly or completely objective. Some degree of judgment is required in all appraisal systems just as it is in other management areas.
- 3. Appraisals should be free of bias.** Performance ratings should not be influenced by race, sex, age or other irrelevant factors. Unconscious or conscious prejudices toward subordinates may affect supervisors' appraisals.
- 4. Procedures and administration should be uniform.** A system's procedures and its administration should be standardized and uniform in their application. This is especially important if information generated by the appraisals is to be used to compare employees. Even if the information is not used for employee comparisons, the system must still be applied uniformly to all. If it is not, the system will be seen as unfair and as giving preferential treatment to some employees and not to others. Favoritism, whether actual or perceived, will lead to employee cynicism about the system and will probably affect its acceptability.
- 5. The system should be easy to operate.** The system must be easy to administer and managers should be able to use it without undue effort. There should not be too many forms to complete; nor should they be burdensome to fill out.

6. The system's results should be used in decisions. If nothing comes of performance appraisals, if they are merely recorded and placed in personnel files never to be referred to again, the system will be perceived as a useless exercise, as mere paperwork. Managers will tend to place a low priority on the system or ignore it altogether. In time it will lose whatever credibility it may have had.

For a system to be taken seriously it must be useful to line management. Using appraisals as a basis for rewards, promotions, work assignments, employee developmental activities, punishments and other personnel decisions will demonstrate the importance and credibility of the system

7. The system should provide a review or appeals process. To help ensure fairness in appraisal, some type of review and/or appeal mechanism should be established. Providing a safety valve may reduce complaints and is likely to help strengthen employee confidence in the system. It may also enhance the public image of the organization. No matter what the specific procedure is, it must be publicized to all employees. Furthermore, managers must be knowledgeable about the appeals process and how it works. They should be trained to deal with employee complaints and, when possible, to resolve them to prevent their escalation into more serious problems.

8. The system should be acceptable to users. Lack of user acceptance may well undermine a system. One way to increase acceptance is to involve users in developing the system. Participation of employees, whether managerial or non-managerial, has been shown repeatedly to be an important factor in bringing about acceptance of change. Employee involvement can also be beneficial in identifying possible problems or weaknesses in a system and in coming up with suggestions for improvement. Providing periodic feedback on performance also is likely to promote acceptance of the system by ratees. Notifying them of performance shortcomings when they occur and giving ratees the opportunity to correct weaknesses reduce the possibility of surprises and resentment at the time of the annual performance review.

9. The system should be economical to operate. In addition to the costs of developing the system (such as the time and salaries of human resource department staff, line managers, and possibly outside consultants), there are costs of installation (including orientation and training program administration, salaries of system administrators), and costs of operating the system (including processing and maintaining records by human resource department staff, time of line managers and subordinates). If these costs impose an unreasonable financial burden, top management may well decide to scuttle the system.

10. Performance ratings should be documented. The ratings given to ratees should be substantiated by the raters and the ratings must be put in writing. The reasons for appraisals and specific instances of inadequate performance should be recorded in writing.

11. Raters should be trained and qualified. Experience and research tell us that for performance appraisal to succeed, raters must be trained in the philosophy of the system, how it fits in with the organization's goals and strategies, how it will help managers, and the actual mechanics of the system, including how to use the rating forms. Raters must be helped to develop skills for observing and recording employees' behavior and for giving them appropriate feedback.

12. The system should provide for monitoring and evaluation. It is probably impossible to design a performance appraisal system that will work perfectly when it is initially installed. Some provision needs to be made not only to identify weaknesses in the design, but also to ensure that the system is being installed properly and is operating according to plan. Careful preparation and follow up is required.

Here are some resources to help you explore different methods to evaluate performance:

NGO Connect Chapter 5: Managing People: NGO connect is an online clearing house of resources to support civil society organizations in strengthening their systems and processes. This chapter provides guidance on how to develop a human resources management policy that includes the essential elements of managing people effectively, ensuring that they perform to their best and develop personally through their jobs. This is a great starting point to broader HR systems review and context setting before honing in on performance appraisal processes further. **Click on the following link or see the attached PDF:**

<http://www.ngoconnect.net/documents/592341/749044/Capacity+Building+for+Local+NGOs+-+Chapter+5+-+Managing+People>

Performance Appraisals: the Website on Human Resources for Students provides an excellent section on performance appraisals covering the different elements, methods and steps in the process. This is an excellent one-stop resource for a more in-depth review of the process as well as links to other helpful related topics and resources: **For more info click here:** <https://sites.google.com/site/whatishumanresource/performance-appraisal>

AED Performance Appraisal Template: AED, currently known as FHI360, was an international NGO working in 68 countries working in community development, health, education and governance. This template provides a simple format for performance appraisal of staff in an NGO context. **Click here to access the form or see attached PDF:**

<http://www.ngoconnect.net/documents/592341/749044/Sample+Employee+Appraisal+Reports>

UC Berkley Performance Management Toolkit: The University of California Berkley has made their Performance Management Toolkit available online. This toolkit is designed to give an overview of guidelines, tools, and resources available to support their employees in this important aspect of

people management. I encourage you to explore the toolkit and the available forms to compare and review against your current processes and templates.

- **Click here to access the toolkit or see the attached PDF:**
<https://hr.berkeley.edu/sites/default/files/attachments/Performance-Management-Toolkit.pdf>
- **Click here to access samples of forms and templates:**
<https://hr.berkeley.edu/hr-network/forms-letters>

More to come!