

# Painless Performance Appraisal

Published in *HR Magazine* (Society for Human Resource Management)  
October 1998 Issue

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By Dick Grote

## INTRODUCTION

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Performance appraisals are like seat belts. Everybody agrees they're a good idea, but lots of people find them awkward to use. Every company has a system; few extol the system they've got. Most managers loathe doing appraisals – if they thought they could get away with it, they'd skip the repulsive chore completely. They feel it's a process that only terrorizes appraisees and enriches lawyers. And everyone expects the HR manager to be an expert on the whole sorry mess.

Still, everybody wants the things that a reliable performance appraisal system can deliver – clear and specific goals so people know exactly what's expected; solid information on just how well they're doing; senior management's awareness of the contributions they've made; data on where they're doing a great job and where some shaping up is needed; fair and equitable pay for performance; and a thumbs-up attaboy when they hit a home run. That's what a good performance appraisal system can deliver. Here's how to make the performance appraisal system work for you.

For starters, a positive attitude's important. So your form isn't very good and your system's crummy. So what? Nobody's got a perfect approach. Begin by believing that it can be done and communicating that belief to the people who look to you for leadership. Face the facts – if you're bad-mouthing the process, how can you expect anybody else to get positive results from it?

If you don't have a good form, create one. Every good form covers just a couple of essential elements. The two most important are, "What did the employee do over the last year?" and "How did she go about doing it?" In other words, RESULTS and BEHAVIORS. Everything else is gravy.

Get as many people involved in the creation process as you can. Circulate drafts, hold focus groups, get everybody's input. Ownership counts, and people support what they help create.

Whether you have a great appraisal form, or you're stuck with a second-rate checklist, or have no form at all, it's the *process* that counts, not the paper. Good managers are consistent in making performance management a key component of their personal job responsibilities. Their techniques will work for the managers who ask you how they can get the best from their people.

Tell them to start at the beginning. At the first of the year, ask each of your people to set a couple of goals for what they're going to do in the next twelve months to make your organization more efficient / service-oriented / client-friendly / admirable.

Don't sit still for generalities. Ask the person exactly how she will measure whether or not the goal has been achieved. "Just what will you accept as evidence, Susie, that we are meeting our clients' needs better?" "What will have to happen, Joe, for you to know that we really are operating more as a team?"

Focus on both the *what* and the *how* of the job — the results they produce and the way they got them. There's a malevolent myth around that claims that as long as Charlie is doing the specific tasks laid out in his job description, we can't ask him to have a good attitude and be a perky cheerleader type. Nonsense! There's nothing that prevents managers from telling everyone in their operation that because of the nature of your business it's important that every single person display a helpful, cheerful, outgoing demeanor. If Charlie says, "That's not in my job description!" just grab his job description and write it in.

When it's time to write the appraisals, start by asking people to write their own. There is nothing more powerful than giving a person a blank copy of your performance appraisal form and asking her to generate a self-appraisal.

Even if you don't ask people to write a complete self-appraisal, at least ask them to jot down and send you a list of what they feel were their most important accomplishments and contributions over the past twelve months. If nothing else, that simple request will prevent you from being blindsided when the employee wails, "You didn't even mention the Thompson contract I landed last February!" in the middle of November's appraisal discussion.

Most managers find that putting words on paper is the toughest part. In writing the appraisal, start by getting the big picture clearly in mind. Research on performance appraisal is dismayingly consistent — first, people rarely remember what they're told in appraisal discussions; second, what little they do remember they usually get wrong. To minimize these dilemmas, start by asking yourself, "What is the *single most important message* I want to send Sally about her performance over the past year? If I could have her remember only one thing a month after our talk, what would that one thing be?"

That's called the core message. Once you've got the core message clearly in mind, fill out the form and then identify a small number of key elements you want to concentrate on during the appraisal discussion. A reasonable target might be two areas of genuine strength that need to be continued and enhanced, one area that needs immediate improvement, and one skill that should be a target for development.

Make it easy on yourself: Instead of trying to cover twenty different things during the appraisal discussion, you'll have far more success if you talk about four important things five different ways. If Sally can accurately remember the core message and the key elements a month after the meeting, you've done a terrific job.

The most important requirement for performance appraisal success has nothing to do with the elegance of the form or the sophistication of the process. The critical requirement is *courage* – the courage to tell the truth. Draft your appraisal of Sally's performance before you read her self-appraisal or list of achievements; write the final version after. Highlight the best evidence you've got and give more examples to support especially high or low ratings. Tell it like it is; avoid promises or assurances.

Now comes the moment of truth . . . the meeting between the two of you. Here are some tips that will simplify an admittedly challenging job. First, if you have several appraisal discussions to conduct, start with the easiest – your best performers. Remember John Dillinger's advice: "Before you rob your first bank, knock off a couple of gas stations first."

Second, don't waste time and increase awkwardness by calling the employee into your office, handing him the appraisal to read while you pretend to be busy doing something else. That's dumb – the employee will race through the form missing half of what you've said and you'll be all pins-and-needles trying to gauge his reaction. A far better approach is to walk up to George a half-hour or so before your meeting and say, "George, we'll be meeting at 3 o'clock to discuss your appraisal. Here's a copy of it. Read it through so you'll be ready when we get together." Giving him a chance to read it in advance of the meeting reduces tension on both your parts and increases the odds that some genuine good will actually come of the process.

Knock, knock. It's 3 o'clock. Here's George, standing in your doorway. "Ready?" he asks. Here's a script for the opening few seconds that will get things off to a great start:

*Sit down, George. I've been looking forward to this chance to talk with you about your work last year. I think this discussion can be helpful to both of us.*

*I'd like to go through the process slowly and carefully. I've put aside about forty-five minutes for us to talk together. This is one of the most important things you and I will do together all year.*

*I want to start by having you tell me about how you see your own performance over the last year – what you feel you did particularly well and where you think you might have achieved more. Then I'd like to talk about the appraisal that I wrote.*

*I think the most effective way to start is by discussing those areas where you and I generally agree. Then we'll talk about those in which our views seem to differ. I'll give you my reasons, and I want to get your point of view.*

*The most important part of the process is reviewing the specific goals and objectives of your job. I'd like to start there and spend most of our time together talking about the results you achieved this year. Then I'd like to look at the section that deals with job skills and competencies [and any other key elements of the appraisal.]*

*When we've completed that, I'd like to talk about my overall rating and how I arrived at it. Why don't you start by telling me how you feel this past year has gone . . .*

For areas where the two of you agree, acknowledge the merits of the individual's reactions and add additional information of your own. For areas of disagreement, begin with your highest ratings and proceed toward your lowest (remember Dillinger's advice). Give specific examples, use active listening, and remember that the chances that the two of you will agree on every single item is zip. Your goal is not to get George's *agreement*; it is to get his *understanding*. Even if he disagrees and doesn't like it, as long as he gets the core message, you've done your job.

Even if you've got a great form and a motivated manager, awkwardness still arises. The source of the awkwardness is that the process typically requires the manager to sit in judgment of the subordinate. Whether our assessment of Sally's performance is that she is "superior" or "acceptable" or "marginal," the fact is that virtually every appraisal form forces the rater to make an *absolute judgment* about the ratee. Few of us like to sit in judgment of another; fewer still enjoy being the recipient of judgment – even when that judgment is positive.

Here's a workable way to minimize the defensiveness that judging another person frequently produces. Whatever the rating labels your form requires you to use, spend less time trying to justify your rating of DISTINGUISHED or COMPETENT or FAIR and more on describing how frequently the person performs at an ideal level. In other words, stop trying to convince Belinda that your rating of her as "satisfactory" in the "Problem-Solving" appraisal category is the most accurate assessment. Instead, explain to Belinda exactly what you consider to be truly outstanding problem-solving performance and then describe how often you see her acting this way.

In other words, in an area like customer service it's far easier to define ideal performance and explain to Sam that you see him performing at this level only occasionally or rarely than it is to convince him that your MARGINAL rating of his customer service performance is the most accurate one.

With the highly experienced individual, the appraisal discussion is easier but just as important. Get right to the point, be all business, and start by saying, "Emily, you've been through this many times before. Let's not waste our time on small talk. How do you think your department compares to where it was last year?" Then shut up and listen and continue as you would with any other employee.

Thirty to forty-five minutes is sufficient for most appraisal discussions, particularly when you're well prepared. To wrap things up professionally, start by signaling your intention to close: "Now that we've reviewed the complete appraisal, Carlos, let's summarize the key points we've discussed. In general, you feel that . . ." Summarize the discussion and the employee's reaction in a sentence or two and then review the key elements you identified when you wrote the appraisal: Two areas of genuine strength that need to be continued and enhanced; the one area that needs immediate improvement; and the one area that is a target for development. Then say, "That pretty well wraps it up for me. Are there any other questions I can answer for you?" Answer the questions, handle any administrative matters like reviewing a compensation change or getting the employee's acknowledgment of the meeting, shake hands and congratulate yourself on a tough job well done.

No other gadget in our managerial toolkit has the power that performance appraisal does to marshal organizational energy toward the achievement of meaningful goals. Start with a simple system that concentrates on both results and behaviors and incorporates a process for self-appraisal. Tell your managers to develop a clear core message and a limited number of important key elements. Concentrate more on describing the frequency of ideal performance and less on judging the worth of the individual. Act with integrity, mustering the courage to hold people to high standards and tell them the truth about exactly how well they're meeting them. Do this, and your performance appraisal process can revolutionize performance management in even the most skeptical of organizations.

#### ABOUT DICK GROTE

Dick Grote is Chairman and CEO of Grote Consulting Corporation in Dallas, Texas, and the developer of the GroteApproach<sup>SM</sup> web-based performance management system. He's the author of *The Complete Guide to Performance Appraisal*, *The Performance Appraisal Question and Answer Book* and *Discipline Without Punishment*. Dick's next book, *Forced Ranking: Making Performance Management Work*, will be published in 2005 by the Harvard Business School Press.

#### ABOUT GROTEAPPROACH, LTD.

GroteApproach, Ltd., is dedicated to delivering the technology, services and client care that transform organizations from best-effort climates into results-driven cultures. The GroteApproach web-based performance management system is the culmination of Dick Grote's mission to transform the way organizations manage and develop their most valuable resource - their people. It reflects best practices in strategy-based performance management as identified in Dick's 25 years of research and consulting with hundreds of sophisticated organizations throughout the world. Its combination of unrivaled expertise and superior technology make the GroteApproach system an ideal fit for organizations large and small.

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Grote Consulting Corporation is one of America's best-known and most respected specialized management consulting firms. Headquartered in Dallas, Texas, Grote Consulting helps sophisticated organizations, large and small, implement best-practice performance management systems. Its clients include some of the most prestigious organizations, public and private, in North America, Western Europe, and Southeast Asia.

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