

Is There a Perfect Appraisal Form?

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By Dick Grote

INTRODUCTION

Is there a “perfect” performance evaluation form? Yes, argues Dick Grote, the Dallas consultant who wrote the book, *The Complete Guide to Performance Appraisal*, and led last year’s national benchmarking study of best practices in performance appraisal sponsored by Linkage, Inc. and the American Productivity and Quality Center. Dick Grote is the developer of the informational web site, www.performanceappraisal.com and a member of *HR Briefing’s* editorial board.

HOW MANY FORMS DO YOU NEED?

“It’s almost impossible to have one appraisal form work for everybody in the organization,” Grote notes. “One size just doesn’t fit all.” You may be able to get by with two forms to cover the two FLSA job categories: exempt and non-exempt. But the best approach is to have separate forms designed for the four key job families: Managerial/Supervisory, Professional/Technical, Administrative / Operations, and Sales.

What should the form assess? Grote points out that there are only two major areas that can be assessed: behaviors and results; the *how* and the *what* of job performance.

START WITH BEHAVIOR

The first part of the appraisal form should be devoted to evaluating the individual’s performance against the competencies that your organization has determined as critical to success. Haven’t identified your core competencies yet? You’re behind the times. The very first finding in Grote’s benchmarking study was, “Best-practice organizations are using their performance management system to establish and reinforce the importance of core competencies.”

“Competencies” is the umbrella term used to describe those skills, talents, proficiencies, traits, attributes and aptitudes that correlate with superior job performance and predict success in organizational life. One of the hallmarks of an up-to-date, best practice performance management system is that it includes specific competencies that the organization has decided all of its members should display.

Competency selection is tough. For example: Which is more important for success in your organization — planning and organizing skills or decision-making? Is it better to be a master communicator or to have a tremendous drive for results? Identifying core competencies will allow you to communicate to everyone in your company exactly what the most important skills and attributes are. And it provides a solid and uniform basis for performance appraisal.

The best way to assess any individual's performance in the competencies area is to develop a statement of mastery performance for each one, Grote says. Don't provide appraisers with just a dictionary definition for "Problem Solving." Instead, describe some of the behaviors you would see in a true master: "Quickly grasps the essence and underlying structure of situations and problems. Recognizes patterns – sees discrepancies, trends or interrelationships in data. Highly attuned to subtleties and nuances."

The best rating scale to use for assessing performance against competencies is a "behavioral frequency scale," Grote explains. Instead of asking the appraiser to judge whether Sally was *Marginal* or *Superior* in her problem solving, instead ask how often she performed as a master. Was it *Sometimes* or *Often* or *Consistently* or *Invariably*? If the appraisal tool describes mastery-level performance and then asks how often the person performs that way, it makes the appraiser's job easier, encourages coaching and facilitates development.

In addition to the small number of competencies (usually 5 - 7) that apply to everybody in the company, there's another set of competencies that apply to some jobs and not others. "Communication skills, Customer Focus, Job Knowledge and Interpersonal Skills apply to everyone on the payroll," Grote notes. "But other competencies – like Developing Talent and Visionary Leadership – really apply only to people in managerial or supervisory positions." Likewise, skill in Process Management might be assessed only for people holding professional and technical jobs, while Relationship Building might show up exclusively on the appraisal form for sales people. "It's not that these skills aren't used by everyone in the organization," Grote explains. "But it is important to pinpoint the small number that make a critical difference in specific jobs." We expect everyone to show up on time every day, for example, but "Attendance and Punctuality" might only be included on the form for administrative and operations jobs.

WHAT ABOUT RESULTS?

An ideal form puts at least as much emphasis on goals, objectives and results as it does on behaviors, skills and competencies. "The ideal form assesses both the *how* and the *what*," Grote explains: how the person goes about doing the job and what the individual accomplishes.

The best performance appraisal form examines two different kinds of results. The first involves *key position responsibilities* – those duties and accountabilities that should be detailed in a well-written job description. For a mathematician, examples might include developing numerical algorithms, writing software and maintaining good relationships with universities and think tanks.

For an administrative assistant, key job responsibilities might include making travel reservations, handling mail, typing documents, and greeting visitors to the office. Most jobs have around six or eight key responsibilities.

Goals are different. "Goals" are significant and ambitious aspirations that go well beyond the boundaries of a job description. It's unlikely that anyone can set and achieve more than three major goals in a year's time and still get the basic job done. And while competencies lend themselves to a behavioral frequency assessment scale, goals are best assessed using an expectations scale: "Far exceeded expectations / Achieved all expectations / Achieved many / Achieved some / Failed to meet expectations."

FOCUS ON EXCELLENCE

An ideal appraisal form integrates the company's mission statement and forces the appraiser to note the positive contributions the individual has made over the review period. A model form might have a short section that asks the evaluator to list the individual's three most important achievements during the appraisal period that directly supported the strategic plan or vision and values of the organization. That's an effective way of connecting individual performance with the company's mission statement.

Now all that's left to create is the final rating. If you're using a five-level scale (most forms do), make sure that the middle rating has no connotation of mediocrity. Call it "Fully Successful" or "Good Solid Performer."

Leave room for employee comments and for the signatures, and you've got a model performance appraisal form.

ABOUT DICK GROTE

Dick Grote is Chairman and CEO of Grote Consulting Corporation in Dallas, Texas, and the developer of the GroteApproachSM 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 latest book, *Forced Ranking: Making Performance Management Work*, was 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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15303 DALLAS PARKWAY, SUITE 645 ADDISON, TEXAS 75001

800.734.5475 www.GroteApproach.com www.GroteConsulting.com