

Performance Appraisals

Is there a perfect appraisal form? Yes, says expert

Is there a “perfect” performance evaluation form? Yes, says 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. Grote is the developer of the informational Web site, www.Performanceraisal.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 says. “One size just doesn’t fit all.” You may be able to get by with two forms to cover the two Fair Labor Standards Act (FLSA) job categories: exempt and nonexempt. But the best approach is to have separate forms designed for the four key job categories: 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. If you haven’t identified your core competencies yet, you’re behind the times. The very first finding in Grote’s benchmark-

ing 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 that predict success in a person’s organization. One of the hallmarks

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of an up-to-date, best-practice performance management system is one that includes specific competencies that the organization has decided all its members should have.

However, selecting competencies 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.

A small number of competencies (usually 5 to 7) apply to everyone in the company, while other sets of competencies apply to some jobs and not others. For example, communication skills, customer focus, job knowledge, and interpersonal skills apply to everyone on staff. But other competencies—such as developing talent and visionary leadership—really apply only to people in managerial or supervisory positions, says Grote. And “attendance and punctuality” might only be included on the appraisal form for administrative and operations jobs.

Set mastery standards

The best way to assess any individual's performance in the competency areas is to develop for each one what Grote calls a "statement of mastery performance." "Don't provide appraisers with just a dictionary definition for "problem-solving skills," he advises. "Instead, describe some of the behaviors you would see in a true master, such as: '[The employee] quickly grasps the essence and underlying structure of situations and problems. Recognizes patterns—sees discrepancies, trends, or interrelationships in data.'"

Rating performance against competencies is measuring how often and to what extent the employee masters the competencies. The best rating scale for this assessment is a "behavioral frequency scale," says Grote. Instead of asking the appraiser to judge whether Sally was *Marginal* or *Superior* in her problem solving, 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 supervisors to coach employees, and facilitates their development.

What about results?

An ideal appraisal form emphasizes goals, objectives, and results as much as behaviors, skills, and competencies. "The ideal form assesses both how the person goes about doing the job and what he or she accomplishes," says Grote.

The best performance appraisal form examines two different kinds of results:

- **Key position responsibilities.**

These are 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, planning meetings, and typing documents. Most

jobs have between six and eight key responsibilities.

- **Goals.** These 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, such as: "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 supervisor or manager to note the positive contributions the employee has made during the review period. A model form might have a short section that asks the evaluator to list the employee's three most important achievements during the appraisal period that directly supported the organization's strategic plan, vision, and values.

Now you're ready to create the final rating process. If you're using a five-level scale (most forms do), make sure the middle rating doesn't connote mediocrity, says Grote. Call the middle rating "fully successful" or "good solid performer."

Be sure to leave room on the form for employee comments and signatures.

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HR Briefing looks at the argument for doing away with performance appraisals in an upcoming issue. **HR**

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