How To Set Up An
Effective Appraisal System

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If you want some tips on how to set up an effective appraisal system for your company then this document is just for you!

If you already have one in place it will still help you as you can always tweak your system to make it even better!

The word **_"APPRAISAL"_** often stirs a range of emotions in staff and at first sight they appear to be very negative.

A while ago we were asked to help introduce a new appraisal process into a **District Council**.

The brief from the Chief Executive was very specific:

- the final appraisal process must contain targets
- reviews must:
    - review relevance of objectives
    - review progress on objectives
    - discuss "_how are you doing_"
    - discuss personal development
- the final process must be simple, fit for purpose and be detailed on no more than 4 sides
- there should be no more than 9 objectives (targets)
- 80% of objectives should be measurable
- as a principle _everyone_ within the Authority should have an appraisal
- it will be called Individual Performance Appraisal (although it will not solely be about performance.

One of the most challenging aspects for us was that the process was to cover everyone throughout the authority.

That meant everyone from a school crossing warden or catering assistant through to a divisional director.

Quite a tall order!

There were various appraisal processes operating already throughout the Authority with varying degrees of success.

So how could we possibly come up with another process that would suit all?

With some difficulty is the answer, but we did go through an enlightening process whilst gathering information, which enabled us to present a proposal and also learn a lot about the effects any appraisal process might have.

We desperately needed information from people working within different areas of the Authority.

We needed to find out their views and opinions so ultimately we could propose something that would work for them and address their needs as well as the organisations.

In other words, unless people within the Authority could see what was in it for them it would always be difficult to get effective implementation.

The approach we took was to facilitate a number of *focus groups.* The groups consisted of about 20 people from all types of jobs throughout the Authority. They ranged from Cooks to Caretakers to Department Managers and Senior Executives. Interestingly it appeared that this was the first time for many that they had been in the same room together!

We started by asking what they understood by the term "Appraisal"

Their answers were interesting and gave me a flavour of what we might be up against.

We received answers such as:

- give praise and offer some constructive criticism
- review the job description
- discuss strengths and weaknesses
- review if I am doing it right
- identify areas for improvement and discuss ways to enhance existing skills
- receive feedback on my performance
- reinforce policies and procedures
- identify rewards and consequences

It seemed to us that if this was their understanding about the term appraisal, it was going to be a real test to get them to fully support anything new.

Their experiences were very much around policing, rewards and punishment, checking if I was doing things right etc. This to us did not appear to be very motivational.

However, as discussions in the focus groups continued we asked the groups to think about the potential benefits of having an appraisal process.

In any large group there will always be someone that has had a good experience and we wanted them to share that with others.

Pleasingly, these were some of the comments that came out:

- it let's me know where I am and leads to career and personal development
- it's a motivator
- it could lead to some reward
- it identifies skills shortfalls
- it improves the *feelgood* factor
- it will improve my and the organisations performance
- it will ensure that the right skills have been identified to do the job
- it will help employee retention and succession planning
- it will help to improve the quality of service
- it will ensure collective ownership of targets
- it creates a sense of personal value
- it is forum for open communication
- it produces hard evidence about how well I am doing
- it helps explain where I fit into the big picture
- it helps me feel more involved
- it instils self confidence
- we will have a more focussed workforce

During the discussions, we witnessed first hand that the initial negative feelings towards appraisal were starting to wane and people were taking on board some of the comments being made and how the process might benefit them individually.

Just maybe it might not be as difficult a task as we had thought, if time was to be taken to listen to the views of people most affected.

We also discussed the potential *downsides* from having individual appraisals; it may not always be sweetness and light:

- Perceived as a devious management tool
- There are no links with the corporate goal and no perceived benefits
- Appraisal Skills of those undertaking appraisal could be lacking
- Not everyone will participate or want to be involved
- More bureaucracy and paperwork
- Application will be inconsistent
- The momentum will not be maintained
- Over emphasis of quantity over quality
- Progress of process not monitored
- The appraising manager could be the problem
- Might be difficult for less able staff and benefit more articulate staff
- People are unable to understand how it might benefit them individually
- The process could be too rigid
- The process will not be understood
- Managers may feel it is yet another task they have to perform

With the amount of knowledge and experience within the room of each of the focus groups, it seemed to us that the best people to recommend potential solutions to overcome some of the downsides were right there in front of us, so we asked them the question:

What potential solutions might you offer to overcome the downsides?

They suggested:

- Sell in the benefits strongly
- Train all managers in appraisal skills
- Train appraisers and appraisees to understand the process
- Have a process in place to deal with any potential conflict situations
- Ensure support / training / resources are in place
- Move ownership of the process from the manager to the appraisee
- Monitor manager competence
- Make clear links to corporate needs / goals
- Communicate honestly and clearly to everyone about the process and it's purpose
- Have a framework in place to guide the process
- Have clear benchmarks in place to measure performance against
- Make it compulsory
- Monitor progress and publish results
- Have a mandatory objective to participate in the appraisal process
- Run a *pilot* first
- Look at the good and not so good appraisal processes in place now
- Address both task and personal objectives
- Jointly agree what is to be discussed at the appraisal meeting
- Have no surprises at the appraisal meeting
- Keep the paperwork simple

Just by involving people, asking their opinions, pulling out the benefits and identifying what might be in it for them, really gave us all the information we needed to submit a realistic proposal to the Authority about what needed to happen.

We subsequently worked with the *in-house* training team and supported them to work through the project plan for implementation.

The comments and views we heard now form the benchmark for us when helping other organisations who need to introduce an effective appraisal process.

Maybe they might help you too….

About MTD

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Sean McPheat is the **Chief Executive Officer** of the multi-award winning **MTD Training Group**.

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