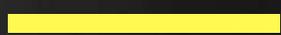


A PRACTICAL GUIDE TO NEW-AGE
APPRAISALS

WHY THE AGE-OLD PROCESS DOESN'T WORK
& HOW TO DO THEM DIFFERENTLY!



APPRAISALS...

HOW WE LOVE TO HATE THEM!

What do the words 'annual appraisal' bring to mind?

A situation including an employee and a manager, in an impersonal meeting room or corner, involving a litany of complaints and problems, sandwiched neatly between a couple of thin slices of positivity, and finishing with an overall score or rating.

Well... at least that's the cliché... the version most of us *love to hate!*

But why should it be that way?

Everybody wants to know how they're performing at their jobs... and very few people actually want to do a bad job... so, Yes... feedback on performance is important... However, *maybe it can be delivered a little differently?*

CHANGING THE WAY APPRAISALS ARE DONE!

While appraisal processes are set, you can bring in small but significant changes that can vastly change how your employees feel at the end of the day. After all, there is a substantial shift in the way we work too.

More employees are looking at the employer brand and core values before saying yes to a job.

They are paying equal attention to the benefits and perks and their overall career growth while being employed with you.

So, what can you do differently that can create a mutually beneficial relationship between the HR and the employees this year?

The devil lies in the details, so that's where we go!

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DITCH THOSE LONG FORMS!

Forms with 50 questions asking employees to rate themselves are a complete crime. Beyond a point it gets confusing.

From an employee's perspective, this is what typically goes in his/her mind:

- If I rate myself low, I am low on confidence, and it gives HR an excuse not to increase my salary.
- If I rate myself average and try to play safe, no one will take me seriously.
- If I give myself a high rating, I am overconfident and can be pulled up with questions, with the probable intent to prove I am wrong more than right.



HOW TO CHANGE THINGS...

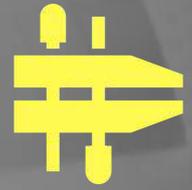
Keep the form short and give the employee an opportunity to showcase their achievement.

Also present a roadmap to the near future.

Instead of asking them to rate themselves, **ask them productive questions like...**

What they could change from the previous year and how the change can improve their performance in the coming year?

Giving a concrete voice to the learnings and getting a way to apply them to the future shows the employees mettle and will provide you with **more reasons to reward rather than criticise.**



SAY NO TO THE 'SANDWICH' APPROACH

Managers are used to trying the sandwich approach during interviews, where they push one negative feedback between two positive sentences.

Most of us have misguided notions regarding the approach, such as:

- We may think it softens the blow of receiving 'negative' feedback.
- We may assume that the approach provides 'balanced' feedback.

But as you may also know, this approach has been proved to be ineffective because **people generally have selective hearing.**

Those with weaker performance may choose to ignore the negative feedback while those with good performance may choose to ignore the positive aspects.



HOW TO CHANGE THINGS...

The reality here is that there isn't a one size fits all.

If you have employees who have met or exceeded expectations, it is great to focus on their strengths and motivate them further.

A 2005 Corporate Leadership Council survey of 90,000 employees had found that focusing on performance-strengths improved performance by 40%.

The flip side of the coin cannot be missed either.

Employees who haven't met the mark need to know about it. But it is essential to not just stop with critical feedback.



HOW TO CHANGE THINGS...

A few ways to help employees use the appraisal feedback constructively!

- **Discuss clear goals for specific, measurable factors** such as productivity, competencies, skill sets or expertise.
- **Assign a mentor or a ‘buddy’** to help average employees improve their productivity. It could also help to enlist the assistance of an HR coach, who actively listens to employees and supports them to better their performance.
- **Encourage employees to participate in skill-building** courses, and provide them the necessary support and resources.
- **Schedule a follow-up at least a month** after the appraisal to keep track of the improvements made by the employee.
- **Reward employees for their achievements** - even the smallest improvement should be recognised and acknowledged appropriately. It needn't always be an expensive gesture - a pat on the back or a note of appreciation works just fine!

SETTING THE RIGHT EXPECTATIONS



With current appraisal system, most companies link the assessment directly to the pay raise.

This could be an unfavourable situation for an employee, especially if the company follows ‘subjective evaluation’ (based on criteria like personality, attitude, appearance, communication, initiative, etc).

Moreover, it mandates ‘forced distribution’ where only a certain number of employees fall into predetermined percentage brackets.

It is also a problem when an employee has too many goals set without a priority order where some are achieved, and others aren’t.

Giving an accurate rating becomes less meaningful. Such assessment systems set themselves up for failure.



HOW TO CHANGE THINGS...

The first thing to do is to set no more than three priorities for three months each.

This often talked about, **3x3 approach** is a great way to get your employees to focus on the most important task at hand.

It also gives a tangible way to translate their achievement.

Ask your employee to choose the tasks that can make the most significant difference in the company's performance and then make it a part of their goals

In the end, they will be able to see the big picture and take pride in knowing that a drop does make a difference in the ocean.

Last but not the least, keep the assessment clear that you'll be **linking the pay raise only to objectively verifiable results** and refrain from bringing the rest of the performance review while deciding on this.

The appraisal system shouldn't become a negotiation game for higher salary where the objective of ensuring that the employee is engaged and motivated is lost.



EXPLORE NEW APPRAISAL TECHNIQUES

Just like we want employees to get out of their comfort zone and set their bar higher, it applies to appraisals as well.

Every once in a while, it is important to step out of your comfort zone and test new waters. Without this, there won't be a learning curve, experimentation or innovation among employees, which in turn would benefit the employees.

There are different types of appraisal techniques which can be used under specific circumstances. You can try implementing one that will be deemed as fair for your employees.



HOW TO CHANGE THINGS...

Be up-front... Before implementing the process, it is important to let all employees know the evaluation criteria at the beginning of the year. That way, they'll be able to gear themselves towards achieving goals that can be translated into tangible outcomes.

Some Appraisal Techniques You Can Try!

#1. Assessment Centre Method:

This method analyses the employee's cultural fit and rewards employees who have gone above and beyond their role and responsibilities to get things done. This is especially useful to evaluate managers who have to deal with subordinates, clients, supervisors and partners on a day-to-day basis.



HOW TO CHANGE THINGS...

#2. Essay Evaluation:

Popular with startups, this method involves writing detailed and descriptive essays by an employee's direct supervisor. The advantage of this method is that it tends to bring up points that a standard assessment wouldn't have thought of. Care must be taken to **keep individual biases at bay** while following this method.

#3. Human asset method:

This is a practical approach to the evaluation that ties each employee to the revenue they generate, money saved, business they bring in and retain, number of leads generated, sales or even happy customers. It is **deemed fair by both employees and employers** as it is a number and profit oriented approach.

HOW TO CHANGE THINGS...

#4. Paired Comparison:

This method involves rating and reviewing an employee's performance compared to everyone else in their team. This method shows employees their standing when compared to people doing the same or similar work.

On the flipside, this could affect employee morale if they know that their performance is being assessed in comparison to co-workers!

#5. Trait Focused:

Beyond getting the job done, there are traits that we all want in the people we work with - being punctual, fair, honest, dependable and helpful to name a few. It is important for the assessor to be as clear as possible while determining the traits for appraisal.

However, this may not be as effective for non-routine or managerial tasks - employees might become resentful because these appraisals are not very useful for improving performance.



APPRAISING CREATIVELY

Who Said You Can't Be Creative With Appraisals?

You could opt for innovative ways of conducting appraisals and set the trends for others to follow.

Here are some of them:

#1. Change The Location...

A simple change might be the place in which you appraise. How about a slightly more relaxed atmosphere and not a conference room? You don't even have to stay on the premises. Go out, drink a coffee, grab some lunch... Change the venue and remove the formality and stiffness from the meeting.

Of course, do check that the person on the receiving end is okay with it (it's their appraisal, after all). Additionally, this may not be very practical for a large team!



APPRAISING CREATIVELY

2. Try 5-Word Appraisals...

It'd help to take a cue from **Kayak.com co-founder, Paul English** - he has long delivered feedback to his reports in just five words. Yes, there will undoubtedly be more in-depth discussion around those words (examples or performance to justify them, etc.) but the essence of his appraisal technique is to give each person five words, three positive, two negative.

How Paul English Does It!

Let's talk about the method Paul English follows. His dislike of some of the performance reviews he'd received as an employee spurred him to do something about it as a boss.



APPRAISING CREATIVELY

Instead of filling out forms, he takes a piece of paper and writes down the five words. He then meets with the employee outside of the office, where they are likely to feel more comfortable.

When he hands the piece of paper to the employee, he gets instant feedback. They spend about an hour talking things over. He'll give examples and together, he and the employee see if they're interpreting things in the same way.

He then leaves it to the employee to decide what to do with the feedback.

A Word Of Caution:

Never put anything in writing that hasn't been communicated verbally.

APPRAISING CREATIVELY

#3. Go 360° ...

You've probably heard it... But, 360 degree feedback is still a very alien concept to many businesses and the benefits are proven.

By inviting feedback from peers, colleagues, other management, and even customers/clients, the appraisee gets a fuller picture, one that is more likely to uncover their strengths... and put any weaknesses into context.

#4. Better Still, Have NONE...

Yes, that's right, just don't do them. Stop the annual performance appraisal meeting. In the words of quality guru W. Edwards Deming...

"It nourishes short-term performance, annihilates long-term planning, builds fear, demolishes teamwork, nourishes rivalry and politics."

Which is not to say you should stop telling people how they're doing at work, just find a different way to do it.

Adobe abandoned appraisal meetings in 2014, replacing them with a system of informal but regular feedback between peers and managers – more casual, more timely, more effective.



IN CONCLUSION...

There are plenty of employers out there who are trailblazing their appraisal behaviour. Some have gone on to providing constructive feedback that was forward-looking instead of criticism being done in retrospection.

Others have moved to giving more frequent feedback including making it a quarterly routine to ensure that employees who go off track are quicker to get back in line. The shift in focus is apparent.

It is going from dictating what employees should do at work to how they can get better in their skills which will benefit both... them and the organisation.

At the end of the day, you need a motivated and engaged employee at every stage of the business.

We may run companies, but it is humans who will be responsible for the experience it delivers.

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