

# 6. 'How to Develop an Appraisal System'

## Introduction

An appraisal system supports the cascading of organisational objectives from departments and teams through to individuals. It is also a mechanism for reviewing people's performance and identifying what development or support they need to be successful in their role. It should lead to demonstrable improvements in individual and team performance, and enhance the capabilities of the organisation as a whole. If it doesn't, users will perceive it as an unnecessary overhead and the system will fall into disrepute.

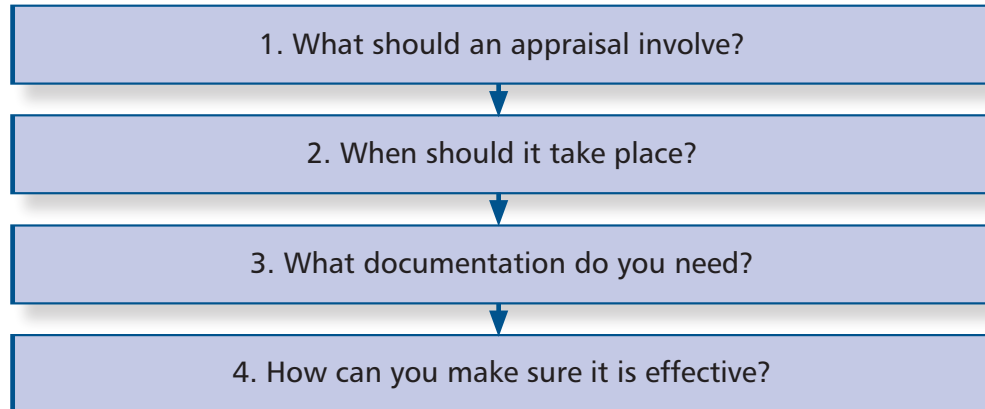
## Definition

An **appraisal system** is a management process for maximising the performance and contribution of employees in an organisation. The outputs are an agreed set of future work objectives for each individual, together with a plan that addresses personal development needs.



## Planning the appraisal system

Consider the following as you plan your appraisal system:





## 1. What should an appraisal involve?

An appraisal involves:

- Reviewing performance, by recognising formally what the individual has achieved during the appraisal period and providing constructive feedback
- Reviewing training and development over the period. Was it successful? Were the objectives met? How has this impacted on performance?
- Identifying gaps in knowledge and skills, discussing career aspirations and agreeing a development plan
- Agreeing new work objectives for the period ahead that are in line with team, department and organisation goals
- Checking that the job description is still accurate, and adjusting it if needed.

There are three stages:

- Prepare.** Individuals should assess their own achievements, identify performance gaps and improvements and consider future objectives. Managers should carry out similar preparation and should gather evidence so that they can provide examples to support the feedback they plan to give.
- Discuss.** This is a constructive discussion of the evidence. It should include praising good aspects of performance, analysing the reasons for poor performance and identifying areas for improvement. The aim is to reach an agreed set of objectives for work and personal development.
- Follow-up.** The outcomes of the discussion - in particular what has been agreed regarding future objectives, performance and development - should be documented as a point of reference that can be monitored on an ongoing basis.

In practice, work doesn't fall into neatly packaged timeslots and managers plan and review work on an ongoing basis with their staff. Good managers also give feedback - for good or poor performance - when it is relevant, rather than save it for an appraisal. There should therefore be no surprises during an appraisal discussion. It should be a motivating experience with the focus on providing praise and constructive feedback, and on finding out what the individual thinks and wants to do.

'How to Prepare for an Appraisal' provides more guidance on preparing for an appraisal.





## 2. When should appraisal take place?

This is for each organisation to decide, but most carry out appraisals once or twice a year. They should be timed to coincide with the business planning cycle to support the cascading of business objectives through the organisation.

## 3. What documentation do you need?

Aim to keep the documentation as simple as possible. Its key purpose should be to:

- Help the line manager and individual prepare for the appraisal discussion
- Provide an agenda for the appraisal discussion
- Capture the agreed outcomes regarding future objectives, performance and development.

There are some examples that can be tailored to suit your organisation at the end of this guide.

## 4. How can you make sure it is effective?

The appraisal system needs to add value to the organisation and the individuals who use it. Here are some tips:

- Provide guidance on the system to both appraisers and appraisees, and train them in the skills of appraising.
- Use the outputs from the appraisal process to support strategic planning. What are the trends? What do they tell you about employee motivation and achievement? How skilled are the workforce and where are the gaps? Are you getting the best return on your investment in people development?
- Ask for user feedback about the system and use it to make improvements.



# APPRAISAL FORMS

**Title:** APPRAISAL PREPARATION

**Completed By:** Appraisee

**When:** Before the appraisal discussion

**Purpose:** To encourage the appraisee to prepare for the discussion

Name: \_\_\_\_\_

1) Which of your objectives have you achieved since your last review? What helped you?

---

---

2) Are there any objectives that you haven't achieved? Why?

---

---

3) What do you consider to be your major achievements since your last review?

---

---

4) What aspects of your work have you found most interesting and why?

---

---

5a) What aspects of your job do you enjoy least and why?

---

---

5b) What recommendations do you have to alter the above (5a)?

---

---

6) What actions have you taken since your last review to improve your performance?

---

---

7) What are your work priorities for the coming months?

---

---

8) Which aspect(s) of your performance would you say you need to improve and how can you do this?

---

---

Title: PERFORMANCE REVIEW FORM

Completed By: Appraiser

When: During and/or immediately after the appraisal discussion

Purpose: To record outputs from the discussion

Name: \_\_\_\_\_

Line Manager: \_\_\_\_\_

### Review of Personal Objectives

Objective No.

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

### Future Objectives

Objective No.

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____



Title: PERSONAL DEVELOPMENT PLAN

Completed By: Appraisee

When: Following the appraisal discussion

Purpose: To plan personal development in more detail

## Personal Development Plan

Name: \_\_\_\_\_

Development Need	Activity	Who's Involved	Success will be Measured By	Target Date

Signed (Appraisee): \_\_\_\_\_ Date: \_\_\_\_\_

Signed (Appraiser): \_\_\_\_\_ Date: \_\_\_\_\_