

The Performance Appraisal Process

December 2005

Guidelines and Suggestions



*“You can’t do the same thing,
the same way, and
expect different results.”*

Internal cultural beliefs regarding the Performance Appraisal System have created some unique ideas when it comes to appraising an employee’s performance. Historically, our overall appraisal ratings have been very generous.

The intent of the Performance Appraisal System is to provide timely, honest, and fair employee feedback.

It’s our hope that this short training message will introduce a more realistic concept of what it means to rate an employee’s effectiveness.

How can we best benefit from the Performance Appraisal process?

- ❖ Identify meaningful measures by which an employee and manager can make an honest evaluation of performance.
- ❖ Provide the opportunity for on-going open dialogue between management and their employees.
- ❖ Employees learn how their performance is truly perceived, and it gives them the opportunity to set goals for future accomplishments and improvements.
- ❖ By linking standards and goals directly to individual performance, it helps us look beyond bias factors such as work proximity, personal friendships, years of service, years in the job, and individual economic factors.

What does a well done Performance Appraisal look like?

1. A well prepared written document, along with honest and carefully thought out verbal feedback.
2. Confidential in all aspects. Discussed in a private place where you will not be interrupted by others.
3. Scheduled time frame that allows adequate time for two-way conversation. The discussion is not rushed or skimmed through.
4. The manager and employee both mutually agree upon objectives, goals, and end results.

What does a well done Performance Appraisal look like?

5. There are no surprises. Periodic feedback and coaching throughout the year prepares the employee for their year end evaluation.
6. Crucial conversations take place. Strengths are recognized. Developmental areas are discussed honestly, and directly, and action plans are made for improvement. In some cases, retooling and/or exit strategies must be identified or developed to help the employee transition to new employment.
7. “Meets Expectations” is correctly presented as a successful year! A “Meets” rating should not be viewed as average, or as mediocre by the employee. A “Meets” rating means they’ve succeeded in doing what we hired them to do.

Defining the Overall Rating

- *Meets* – The employee has consistently done a good job at the duties performed in their position. They have done what we've hired them to do, and they have done it well. They may at times exceeded expectations. The employee has had a successful year.
- *Exceeds* – The employee has done the job so well that they found time to consistently contribute beyond their normal job role, and have done so with great success. There will be clear evidence throughout the year of things they've achieved beyond their job description.

Defining the Overall Rating

- ***Greatly Exceeds*** – The employee has performed at an exceptionally high level on a consistent basis. They have consistently and successfully gone beyond exceeding expectations, demonstrating that they have mastered their current job role.

This employee's significant contributions are seen and felt not only by their team, but also throughout the Department. This employee is most likely prepared for a new developmental opportunity.

Defining the Overall Rating

- *Does Not Meet* – This employee is not consistently performing at minimum standards, either currently, or throughout a majority of the appraisal year.

If the employee is not currently meeting standards, then they should be placed on a 90 day probationary period designed to assist the employee in meeting performance standards. Human Resources can assist you with a probation letter if needed.

Giving someone a “Meets” rating when they do not consistently perform at the minimum level expected, is unfair to the other employees and hurts the integrity of the appraisal process.

A Look at Last Year's Rating Distribution for Temple Department Exempt Employees

26% Greatly Exceeds

51% Exceeds

23% Meets

- 77% of all Exempt employees were rated Exceeds or higher last year.
- The generous percentage of high ratings is most likely a result of our lack of training on the individual rating definitions and on the overall performance process.
- We expect that the ratings will be more conservative this year, as a result of this training.

A Look at Last Year's Rating Distribution for Temple Department *Non-Exempt* Employees

8% Greatly Exceeds

27% Exceeds

63% Meets

- 35% of all Non-Exempt employees were rated Exceeds or higher last year. This is a stark contrast compared to the last year's Exempt rating distribution. However, this distribution is more in line with overall market averages.

Realistic Corporate Rating Distribution for Exempt & Non-Exempt Employees

10% Greatly Exceeds

20% Exceeds

70% Meets

- Business studies show that this is a more realistic distribution of overall ratings.
- This is a guideline, not a required or forced distribution of ratings.
- With this distribution spread, higher rated employees are more generously rewarded by their merit increases. In fact, with this distribution spread, merit increase percentages for all three rating categories are usually higher.

Summary

1. Employees learn how their performance is truly perceived, and they have the opportunity to set goals for future accomplishments and improvements.
2. A two way conversation takes place. Strengths are recognized. Developmental areas are discussed and action plans are made for improvement.
3. Crucial conversations may need to take place. Direct and honest constructive feedback could be the wake up call needed for the employee. In some cases, exit strategies may need to be identified or developed.
4. Despite some cultural beliefs, a “Meets” rating is a successful year!
5. The overall rating distribution of 10% Greatly Exceed, 20% Exceeds, and 70% Meets, is a guideline and not a requirement. However, studies show it typically to be a realistic picture of performance. Merit increases are usually higher for everyone when ratings are more conservative.