

**Title:**

Ten Tips For Creating A Terrific Employee Appraisal System

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**Summary:**

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Based on my experience in helping dozens of companies create performance appraisal systems that actually work, here are ten tips that will help any company create a new performance evaluation system that will provide useful data and be enth...

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**Article Body:**

Face the facts: Creating a new performance appraisal system is a difficult undertaking. It's even more difficult if the organization doesn't have a logical, well-tested, step-by-step process to follow in developing their new procedure.

Based on my experience in helping dozens of companies create performance appraisal systems that actually work, here are ten tips that will help any company create a new performance evaluation system that will provide useful data and be enthusiastically supported by all system users.

One – Get top management actively involved. Without top management's commitment and visible support, no program can succeed. Top management must establish strategic plans, identify values and core competencies, appoint an appropriate Implementation Team, demonstrate the importance of performance management by being active participants in the process, and use appraisal results in management decisions.

Two – Establish the criteria for an ideal system. Consider the needs of the four stakeholder groups of any appraisal system: Appraisers who must evaluate performance; Appraisees whose performance is being assessed; Human Resources

professionals who must administer the system; and the Senior Management group that must lead the organization into the future. Identifying their expectations at the start helps assure their support once the system is finally designed. Ask each group: "What will it take for you to consider this system a smashing success?" Don't settle for less.

Three – Appoint an Implementation Team. This task force should be a diagonal slice of both appraisers and appraisees from different levels and functions in the organization. The implementation team is responsible for accomplishing the two major requirements for a successful system. First, developing appropriate appraisal forms, policies and procedures. Second (and the task too often overlooked) assuring a successful deployment.

Four – Design the form first. The appraisal form is a lightning rod that will attract everyone's attention. Design the form early and get lots of feedback on it. Don't believe anybody who tells you that the form isn't important. They're wrong. If you're designing a new form internally, make sure it assesses both behaviors and results.

Five – Build your mission, vision, values, and core competencies into the form. Performance appraisal is a means, not an end. The real objective of any performance management system is to make sure that the company's strategic plan and vision and values are communicated and achieved. Core competencies expected of all organization members should be included, described and assessed. If your mission statement isn't clearly visible in the performance appraisal system, cynicism will likely result. Values become real only when people are held accountable for living up to them.

Six – Assure on-going communication. Circulate drafts and invite users to make recommendations. Keep the development process visible through announcements and regular updates. Use surveys, float trial balloons, request suggestions and remember the cardinal principle – "People support what they help create."

Seven – Train all appraisers. Performance appraisal requires a multitude of skills – behavioral observation and discrimination, goal-setting, developing people, confronting unacceptable performance, persuading, problem-solving, planning, etc. Unless appraiser training is universal and comprehensive, the program won't produce much. And don't ignore the most important requirement of all: the need for courage.

Eight – Orient all appraisees. The program's purposes and procedures must be explained in advance – and explained enthusiastically – to everyone who will be affected by it. Specific skills training should be provided if the new

performance management procedure requires self-appraisal, multi-rater feed-back, upward appraisal, or individual development planning.

Nine – Use the results. If the results of the performance appraisal are not visibly used in making promotion, salary, development, transfer, training and termination decisions, people will realize that it's merely an exercise.

Ten – Monitor and revise the program. Audit the quality of appraisals, the extent to which the system is being used, and the extent to which the original objectives have been met. (One of the great advantages of an online performance appraisal system is that all of these data are available instantaneously.) Provide feedback to management, appraisers and appraisees. Train new appraisers as they are appointed to supervisory positions. Actively seek and incorporate suggestions for improvement.

A company's performance appraisal process is critically important. It answers the two questions that every member of an organization wants to know: 1) What do you expect of me? and 2) How am I doing at meeting your expectations? Using these ten tips will help you develop or select a system to will give accurate and complete answers to everyone.