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Performance appraisal

Most employees want to know how well they are performing. Regular employee performance appraisals should fulfil that need and more. At least annually, a manager should review an employee's past and present performance, and set future directions. The most effective sessions are simple – they encourage open dialogue between the manager and employee.

The following steps can assist in the conduct of an effective performance appraisal meeting:

1. Allocate interview times for all employees

Employees need to know well in advance the date and time for their performance appraisal meeting. This gives you and the employee adequate time to prepare.

2. Encourage the employee to prepare for the meeting

With adequate forewarning, the employee should be able to prepare for the meeting. The design of the meeting form or an agenda can assist in this regard. Ask the employee to focus particularly on personal performance since the last meeting, comparing against goals previously agreed to.

3. Prepare yourself for the session

Plan for the meeting by assembling material relevant to achieving your outcomes. Review the records of the employee's past performance appraisal meetings and decide if there are any other issues you wish to raise or emphasise. Arrange for a location where you will not be interrupted and ensure you both allocate sufficient time for the meeting.

4. Establish rapport

Gaining the employee's trust and confidence is essential to successful outcomes. This process cannot be rushed and the meeting should not proceed until you feel rapport has been successfully established.

5. Reach agreement on past and present performance

Give the employee an opportunity up-front to describe personally how the job is progressing generally. Examine together how well the previously set goals in key result areas were achieved. Were the standards adequately met? Where they met on time? What improvement is needed? Are there any problem areas? If both parties have completed their pre-meeting preparation, agreement can be reached by each person walking through their respective lists. Those lists will include positive items and others in need of attention.

6. Acknowledge employee successes

Give full and generous acknowledgement for appropriate performance, and special emphasis to above average achievements. Indicate your intention to build upon these personal strengths.



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7. Assess progress fairly

When conducting performance appraisals, it's important to assess each employee fairly as follows:

- **Focus on facts:** Discuss objective data such as customer satisfaction scores, error rates, caseload volumes etc. To arrive at an unbiased conclusion, always begin with facts rather than opinions.
- **Benchmark progress:** A good review will compare this year's work with last year's work, and against agreed standards. Explore benchmarks to allow the employee to see what's been achieved and where they are headed.
- **Balance details equitably:** If you list examples of how your employee messed up, make sure you don't ignore the specifics of another employee's mistakes also. Consider each worker's performance consistently by focusing on the same level of detail in each case.

8. Identify and agree on areas needing improvement

Gain the employee's commitment to addressing those areas in need of attention. Focus particularly on no more than two or three areas. Explain why improvement is necessary, express improvement in measurable terms if possible, and record actions to be taken. This process should not be rushed and should involve considerable employee input – ownership of the issues is essential.

9. Stay focused

If you are criticised or forced to defend your position at any stage, remain calm and focused on outcomes. Adopt the attitude that nothing can happen in the meeting that you can't handle competently.

10. List future directions

You'll gain little from dwelling on the past. Devote maximum time to discussing the employee's future. Reach agreement on the next stage and list the steps to be taken. Agree on new goals or standards together with an action plan to achieve them. How can you assist in any staff training that may be appropriate? Update the job description if necessary. Document the outcome and include it on the employee's file. A review of that list will form the basis for the next performance appraisal meeting.

11. Close on a positive note

Conclude the meeting by summarising what you think the appraisal interview has achieved. Ensure that the employee leaves in a positive frame of mind, feeling prepared to tackle the next stage with confidence. If required, set a date for a follow-up meeting.

12. Monitor outcomes

Continue to look critically at the real results of your appraisal meetings and make changes accordingly. Those changes may involve moving to a 360° appraisal system.



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Further information

The following fact sheets provide further information on these issues:

- 360° appraisal
- Maximise the value of 360° appraisal
- Motivate employees
- On-the-job training
- Training needs analysis

