Don’t Be a Dilbert!
Strategies for Conducting Effective Performance Appraisals

Ever wondered why so many comic strips poke fun at performance evaluations? A manager once joked that conducting an employee performance evaluation is worse than having a root canal, and for those who have had a root canal, that can be painful! All joking aside, I've had many conversations with leaders who dread this annual event, feeling ill equipped to evaluate the performance of others, let alone engage in a conversation with the employee about it.

Further, many wonder about the usefulness of performance appraisals. A recent US poll by the consulting firm Achievers suggests many of us feel this way – including both employees and managers. Out of 2,677 respondents (1,800 employees, 645 HR managers, and 232 CEOs), 98% reported annual performance reviews as unnecessary. Yet, according to research cited by Edward Lawler, professor of business at University of Southern California, 93% of companies use annual appraisals and only 6% have considered dropping them.

"Performance appraisal is not an event. It is a process."
Dick Grote

Yet, it doesn’t have to be this way. As managers, it starts with our reframing performance appraisals as an ongoing series of discussions between the manager and staff member, rather than an annual event. At their best, these annual meetings should be nothing more than a meeting that formalizes the regular development and feedback conversations we’ve been having with the staff member throughout the year.

So, if I could rename the performance appraisal process, it would be “Performance Feedback and Development Discussions,” emphasizing the focus on three key outcomes for improving performance for the future:

- Feedback – both reinforcing (aka “positive”) and corrective (aka “constructive”) to help the employee succeed
- Relationship – feedback often generates as many questions as answers, so this process can promote candid two-way conversations between managers and employees
- Development – a springboard to ongoing coaching conversations throughout the year

Strategies for conducting effective performance appraisals:

1. Establish clear job expectations.

Even before the performance appraisal, employees want to know what is expected of them. Research by the Gallup Organization reports a critical element for engaging and retaining employees is ensuring they know what is expected at work and have clear goals. This includes knowing my role, responsibilities, critical behaviors and success factors. Just as important is providing the “why” behind
those goals, with a clear line-of-sight as to how those goals are aligned to the organization’s strategies and purpose.

“Before anything else, preparation is the key to success.”

* Alexander Graham Bell

2. Preparation is key.
As Stephen Covey reminds us, *keep the end in mind* as you prepare for the performance appraisal meeting. First, what is your core message? What do you want to make sure the employee walks away with? In preparing your core message, keep in mind that employees want answers to:

- How well am I doing? How will I know if I am doing well?
- What are my strengths and weaknesses?
- How can I do a better job or contribute more?

Second, consider both the “what” (goals, measurable results) and the “how” (competencies, or the manner in which the results are achieved) of performance. The “what” is often more tangible, yet by itself, misses out on valuable development feedback for the person. You may have experienced an employee who is quite skilled at getting results, but leaves bruised employees in their wake.

“To err is human.”

* Alexander Pope

3. Be aware of bias.
Unfortunately, there is potential for error whenever we evaluate an employee’s performance or effectiveness. For example, we may be influenced by a recent situation or event, rather than looking at an employee’s performance across the entire year. Or a positive impression we have about one outstanding skill influences our assessment of all other behaviors. In contrast, we may give too much weight to a negative impression about a certain skill and miss aspects of positive performance. Some of us may be “harsh graders” and let our high standards lead to an employee rating lower than might be warranted. And, some of us may be biased more towards a lenient rating, possibly because of our discomfort with providing feedback.

All is not lost though! First, being aware of your potential biases will set you up for success. Do you tend to be a perfectionist? Or the easy grader? Consider also the individual’s performance over the past year, not just the most recent situation or encounter you’ve had. Many managers find keeping notes or emails throughout the year gives them a reference point to go back to. And make sure you have an opportunity to observe your employees throughout the year.

4. Manage your own emotions.
Have you experienced how contagious emotions are? Research has shown that the person with the least amount of power in a relationship is more likely to adapt their emotions to the other. And that power differential is especially pronounced in the performance appraisal meeting. This was really reinforced to me when talking recently with a workshop attendee. Bob (fictitious name) shared the story about his last performance evaluation where his manager was extremely nervous. Bob sensed
this and found himself feeling extremely nervous throughout the conversation, impacting their ability to have a meaningful conversation. So, as a manager, this is where we have the guiding hand with employees. Recognize your self-talk – what are you thinking about the upcoming session? What are you feeling? How is that helping you? In the moment, be sure to breath! Refocus yourself on the outcomes – relationship, feedback, development. And be aware of your body language. How is your tone of voice? Do you look tense?

These are just a few areas to look at so you won’t be a Dilbert. And at the heart of all the strategies is dialogue. Whether in the formal performance appraisal meeting or the informal coaching and feedback conversations throughout the year, keep the focus on two-way communication. The good news is you can start today and shift performance appraisals towards a performance feedback and development discussion!

“Courage is what it takes to stand up and speak; courage is also what it takes to sit down and listen.”

Winston Churchill

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