



THE IMPORTANCE OF EFFECTIVE EMPLOYEE APPRAISALS: AN EFFECTIVE TOOL FOR MANAGING, DEVELOPING AND MOTIVATING PEOPLE

Employee appraisals are important for improving communications between the employee and reviewer. They are an essential element of a cooperative leadership. Unfortunately, both managers and employees cite performance appraisal as one of the tasks they dislike most. The manager is uncomfortable in the judgment seat and the staff member whose performance is under review often becomes defensive. Poor preparation, poor communication skills, and a lack of clear performance indicators – there are many mistakes that managers can make when giving performance reviews to employees. On the other hand, well-designed and well-executed performance appraisals have a strong motivational impact because they provide a number of interconnected benefits.

Being unsure of your role and responsibilities affects your performance

Leadership is only effective when employees receive proper orientation. Ultimately, clear target agreements are an excellent foundation for performance evaluation and reward, which are essential components of employee appraisal. The minimum requirements of goals are always verifiability and an agreed timeline between employees and management. In the worst case goals are so imprecisely formulated, that in an appraisal their manner of achievement and verifiability cannot be established.

Opening space for dialog and teamwork

A positive attitude towards dialog and openness in communication are prerequisites not only for employee appraisals but also for the entire work process. In principle, every manager can establish employee appraisals and target agreements, in order to bring more success to his department and infuse energy into his team. However, to allow for maximum success it is indispensable that employee appraisals are implemented and institutionalized in the entire organization. By listening to team members, a leader can often learn about the barriers preventing a goal from being achieved and through facilitation find a way to an appropriate solution. Well-executed performance appraisals build a sense of personal value and appreciation and can provide underperforming employees the tools (training) and guidance they need to refocus and reenergize. By speaking openly about the job performance and issues that may be affecting it, the employee and reviewer can develop a sense of trust that may have been lacking.

Balancing the importance of metrics: The importance of social skills

Accurate metrics – whether they involve sales, production, repeat customers, and so on – are important for judging an employee's

improvement over baseline performance. But numbers just aren't enough. In the race for survival in the market, no company can afford to dispense with quality in customer care and service, and lag behind in differentiating itself from the competition through these. To do so, companies need employees with excellent social skills. "Soft skills", therefore, must also be mixed into the evaluation of your employees in order to create a more complete picture.

Actions to take after the meeting

The evaluation itself should also provide you with opportunities in which to coach the employee. Make sure that all of this is documented in order to ensure everybody's understanding of what needs to be improved and areas in which the employee is excelling. A few weeks later a brief meeting should be held between you and the employee to review progress towards objectives and to assess whether any additional support or training is required.

Employee appraisals are important for improving communications between the management and employees. The employee receives important information as to what areas of the job he is performing well and those that need improvement, so he knows exactly where he stands. Your management may also uncover issues that could be impeding employees from performing their best, and you can take corrective measures if necessary.

MFB Resultants can help your management understand what needs to be done to address a range of issues related to employee appraisals and then work with you to develop practical solutions.

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