

Performance Appraisal: How to conduct effectively to foster meritocracy!



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If you're an executive, manager, or team leader, one of your toughest responsibilities is managing your people's performance. How do you appraise just how well your direct report has carried out his/her job?

Now the performance appraisal aims : (1) to provide substantive feedback to each person on his or her performance; (2) to serve as a basis for modifying or changing behaviour toward required working habits; and (3) to provide information to managers with which they may judge future job assignments and compensation.

Having said that, we observe managers do cursory reviews that are really up or down rating announcements, not feedback. Employees then see the “appraisal” as non-existent or unfair and approach the next review with that attitude.

So with best of effort and preparations both sides, dissatisfaction with performance appraisals is pervasive. They are seen as time-consuming, demotivating, inaccurate, biased, and unfair.

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Rethinking performance reviews should not mean getting rid of this essential managerial responsibility. So, what's the purpose and key components of an effective performance review process?

The goal of performance appraisers in conducting appraisals therefore is two-fold: an accurate and actionable evaluation of performance, and then development of that person's skills in line with job tasks.



For recipients, feedback has intrinsic and extrinsic value. Across industry, research shows that people become high performers by identifying specific areas where they need to improve and then practicing those skills with performance feedback.

For the giver of feedback, the process is key to getting people to practice the right things, prioritize opportunities, and clarify accountabilities owned by the individual versus the manager or the company. It's also key to effective leadership. The higher you rise in any organization, the more dependent you are on subordinates' performance.

Considering the implications of conducting performance appraisals correctly, let's break the appraisal process to 3 steps i.e. What to prepare before the review, What to convey during the Review, What to do after the review.

What to Prepare Before the Review :

Firstly, you can lay a good foundation by making clear the standards on which you will evaluate your direct reports performance i.e. what's important and how much you expect. In most cases managers are unsure or uninformed on how their units goals are aligned to their strategy and this results in mixed signals about performance. So work on it create goal clarity for your unit/s and your direct report's as well.

Secondly, you need to make time on your calendar to conduct periodic reviews and not resort to quick reviews. Be mindful of providing actionable and constructive feedbacks not only on what your direct reports are doing but also how they are doing i.e. observe behaviours to reaffirm what they need to continue and mention what they need to change & to what.

Thirdly, you can make effective contributions to your direct reports performance by enabling them to understand the causes of good or wanting performance. Wherever appropriate you can recommend better methods and or provide coaching to improve skills or skills enhancement training & work with them on their motivation.

What to convey during the Review :

One of your aims in the review process is to create an environment where your recipient is ready to accept your feedback. Here are some of the pointers that you may want to adopt for generating better outcomes

- Start by conveying a positive intent i.e. create a safe, secure and open environment for dialogues
- Describe in specific what you had observed i.e. choose critical incidents only, mention when, what, where and the impact on their performance
- Help them visualise the impact of their behaviour or action i.e. show cause and effect relationships between their behaviour and outcomes
- Seek response from the appraisee i.e. frequently test your appraisee's understanding, their assumptions and the reasoning they are deducing from your statements
- Share Next Steps i.e. what responsibility lies both sides, what is needed to improve performance, arrive at timelines and standards to be used to evaluate next performance

What to do after the review :



To drive effective behavioural change and continuous improvement, providing ongoing feedback about progress towards the goal is as much important as setting the goals in the first place.

Therefore a good way is to schedule in your calendar periodic follow-ups and you can use technology to get this in place. During your follow-ups observe patterns of change as much as the outcomes getting delivered.

With the above actions you can create a positively reinforcing cycle of assessment and investment by potentially reallocating money, time and people to align better with your strategic imperatives.

At Strategea, our recommendations include creating a journal for each direct report, document shared observations, recommendations & any support requirements that you agreed to provide, address insecurities by creating frequent check-ins and encouraging dialogues, create goal clarity and agreement on standards to evaluate performance.

Call us to know more about how Strategea can help you to develop better performance evaluation capabilities of your executives, business heads and managers.

About Strategea:

Strategea is your trusted partner on the journey of transforming your business into a thriving and scalable enterprise. Our mission is simple yet profound: to guide business leaders like you to realize your growth ambitions, embrace transformation, and accelerate your path to success. We work with our clients to provide holistic and customised solutions in the areas of Organization Strategy, Operations, People and Digital Transformation in order to enhance organizational performance and achieve their aspiration!

Business leaders in India face a favourable growth opportunity both in domestic market & globally. To be able to grow to the next level, business leaders need to find a way to replicate their success in new product categories which they need to enter to grow to next level, reduce their learning curve to develop profitable revenue streams in newer markets, achieve efficiencies while they scale their operations and rally their people around the growth vision & business initiatives.

Strategea brings in the required expertise to guide business leaders on solving the complexities that come their way while scaling and expanding their operations to realise their growth aspiration.

Playing the Business Game : Running a successful business is a high-stakes game. Your business journey has routes, detours, and all sorts of obstacles you have to work through. So you need a map. In this book “Playing the Business Game” we are addressing the construct & thinking i.e. what could be direction that you want to take, what model suits you etc. to put your business on a high growth trajectory.

Connect with Us:

We love to hear from you. If you are a business with a rapid growth ambition, don't hesitate to contact us. Let's begin a conversation about how we can help you achieve your goals and set your business on the path to success.

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