

11.8: Steps in the Appraisal Process

Learning Outcomes

- Describe the steps in the appraisal process

The appraisal process consists of six steps (see Figure 1). We'll dive into each step below.

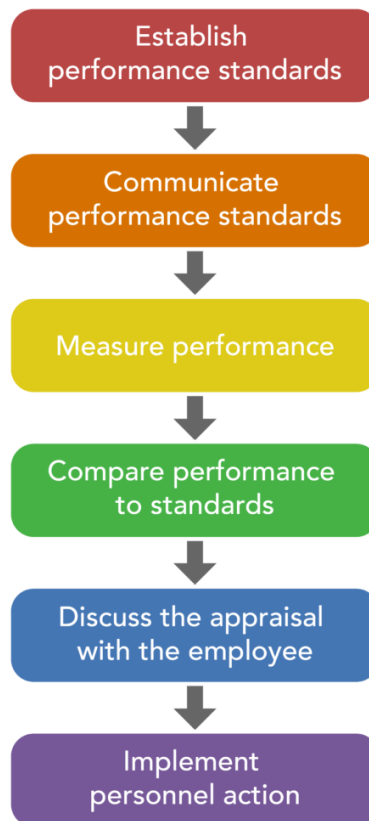


Figure 1. Steps in the Appraisal Process

Step 1: Establish performance standards

Performance standards are set to ensure achievement of departmental goals and objectives and the organization's overall strategy and objectives. Standards are based on the position, rather than an individual. In order to be clearly understood and perceived as objective, standards should adhere to the same rules that apply to goal-setting; that is, they should be "SMART:" specific, measurable, achievable, relevant and timebound.

Indiana University's Human Resource department explains that "while a list of major job duties tells the employee what is to be done, performance standards provide the employee with specific performance expectations for each major duty."^[1] Performance standards include both observable behaviors—the how—and the expected results that comprise satisfactory job performance.

Learn More

For perspective on a range of position performance standards, see Indiana University's Performance Standard Examples.

Step 2: Communicate performance standards

In order to be effective, performance standards must be clearly communicated and understood to be expectations. Performance standards assume that an individual is competent, so initial and corrective training should be factored into the performance

management process. If there is a specific training period after which an employee is assumed to be competent and performing to standards, that should be communicated as well.

Step 3: Measure performance

Performance that is expressed in numeric terms—for example, cost, quantity, quality, timeliness—is relatively easy to measure. Performance in the area of soft skills—for example, communication, customer service and leadership—is more difficult to evaluate. DeCenzo, Robbins and Verhulst recommend using a variety of sources of information including personal observation, oral reports and written reports. They note, however, that what is measured is probably more critical than how an aspect is measured.^[2] The focus should be on measuring what matters rather than measuring what's easy to measure.

? Key Takeaways

Focus measurement—and, thus, employee effort—on activities that make a significant contribution to organizational goals and objectives.

Step 4: Compare actual performance to performance standards

In this step of the appraisal process, actual performance is compared to the performance standards. Documentation should highlight actions and results. For example, “Amir left confidential documents on the printer even after he had been warned to maintain control of confidential information.” Or “Amir’s process improvement recommendations saved the department \$3,500.”

Indiana University’s Human Resource department identifies the following characteristics of effective documentation:^[3]

- Accurate
- Specific
- Consistent (covering the entire review period)
- Factual (not based on conjecture)
- Balanced, including instances of both positive and unsatisfactory performance
- In writing

Step 5: Discuss the appraisal with the employee

This is generally the step in the process that is the most difficult for managers and employees alike and it can be a challenge to manage emotions and expectations. Even when performance is strong, there can be differences of opinion on the next action. A significant difference of opinion regarding performance can create an emotionally-charged situation. If the manager is providing feedback and coaching on a regular basis, this shouldn’t be the case. Related point: If an employee has consistently poor performance, the issue should be addressed—corrective action taken—in a timely manner and not deferred to an annual review. To identify and prepare for differences of opinion, management can ask employees to complete and submit a self-evaluation prior to the appraisal meeting. A key point to keep in mind is that the manager’s ability to remain calm and civil will have a significant impact on the employee’s confidence, motivation and future performance.

Step 6: Implement personnel action

The final step in the appraisal process is the discussion and/or implementation of any next steps: a reward of some sort—a raise, promotion or coveted development opportunity—or corrective action—a performance plan or termination. Note, however, that corrective action that might help an employee achieve expectations shouldn’t be tabled until the next formal appraisal. As performance gaps are identified, supervisors and managers should take the time to identify why performance is not meeting expectations and determine whether the employee can meet expectations with additional training and/or coaching. As mentioned above, if performance is such that termination is warranted, that action should be taken in a timely manner as well.

? Practice Question

<https://assessments.lumenlearning.co...essments/18183>

1. "Define Performance Standards for Each Duty." Indiana University Human Resources. Accessed August 15, 2019. ↵

2. DeCenzo, David A., Stephen P. Robbins, and Susan L Verhulst. 2016. *Fundamentals of Human Resource Management*. New York, NY: John Wiley & Sons. ↵
3. "Document Job Performance." Indiana University Human Resources. Accessed August 15, 2019. ↵

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