



Top 10 Personnel Appraisal Ideas

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Introduction

Are your employees performing ok? How many employees may require improvement of skills? Which employees are the best and what individuals lag behind? Answers to these questions can be obtained only through personnel appraisal. At the same time, it might be problematic to choose the most effective method. Moreover, certain personnel appraisal systems are not easy to implement. The bad comes to worst when evaluation results are distorted. This will certainly create an atmosphere of distrust and envy in any company (it is not a secret that the majority of bonus compensation plans are based on results of personnel evaluation).

Evaluation may become a nightmare, once employees sense unfair practices and approaches. For example, when rating employees from worst to best it often becomes impossible to fairly rank employees in the middle of the ranking. Another example includes evaluation of personnel based on completion of seemingly identical tasks which however differ in complexity, in fact. A combination of several methods may create even more problems, so HR managers must be really cautious.

This article focuses on top 10 personnel evaluation methods currently used in various industries. Each method has its peculiar features, advantages and disadvantages, problems with implementation etc. Short summaries include most important details and teasers that may offer food for thought for HR managers and team leaders.



Top 10 Personnel Appraisal Ideas

It is true that no visible success is possible without constant evaluation of employees' performance. All pay increases and promotions are usually based on results of personnel appraisals that can help employees improve their performance and also help companies organize internal and external business processes in the most efficient way. Moreover, such appraisals do not only reveal strengths and weaknesses of employees, but also imperfections in company procedures, strategies, management approaches and training frameworks.

Employee appraisal is a typical procedure in lots of companies, especially huge corporations. At that, the chosen appraisal system may function independently, or as a part of a bigger performance evaluation framework. In this article we gathered summaries of the most popular personnel appraisal systems to deeply look into their pros and cons.

1. Trait-Focused Performance Appraisal

As the name suggests, this system is based on such personal traits as dependability, helpfulness and punctuality. So, an employee is evaluated as a person. Of course, professionalism matters a lot, however, even the best company is doomed to fail when having a miserable organization climate and an atmosphere of total distrust. Normally the checklist of ratings includes excellent, good, satisfactory and poor. It may happen that evaluations are biased. However, stats show that this system proves to be rather reliable and accurate. Satisfactory marks are the most common, by the way.

2. Behavior-Focused Performance Evaluation

This is an appraisal system known as behaviorally anchored rating system (BARS). It evaluates actions of employees for various behaviors, namely: behaviorally anchored rating, graphic rating, mix standards scale and forced choice scale. Behaviors are rated as excellent, average and poor. To successfully implement this appraisal system it is imperative to develop a precise set of behaviors having utmost importance for a particular position or company in general. Some examples include "Does an employee use correct greeting when answering calls from customers?" or "Does he/she process customers' orders in the correct way"? This system is widely used throughout a wide range of companies since it addresses everyday behaviors and activities.



3. Unstructured Method

The simplest and perhaps the oldest method implies a direct report or a statement from a manager or a supervisor. It should be mentioned that although this evaluation technique is still used, it is rather unreliable as it depends on personal relations and chemistry between people. In other words, if a manager praises a particular employee for some reason, it does not necessarily mean this employee really deserves it. Of course, this method implies trust and honesty between everyone in the company which does not happen too often.

4. Straight Ranking

This is an extremely simple method which implies comparison of employees to each other who are ranked from the best to the worst. The biggest disadvantage is that while it is rather easy to identify top performers and those who lag behind, it is not easy to rank those in the middle. Sometimes, such evaluation can be subjective. A typical example would be ranking contact center employees who handle support tickets. Employee A may be the best for having handled 15 simple tickets while the worst employee (B) can be perplexed with problem tickets from weird customers. Therefore, it is imperative to create a fair evaluation system that works honestly for all employees.

5. Paired Comparison

This evaluation framework deals with comparison of each staff member with every other employee in a particular group of business unit. Paired comparison is usually used when a manager needs to pick the best employee for a promotion. Thus, employees are compared with each other until one stands out.

6. Grading and Checklist

Grading offers a very simple principle – like the one used at school, i.e. from A to F, although mostly yes-no questions are used. For example, typical questions may include “Is the employee helpful to colleagues” or “Is he/she motivated to take leadership functions” etc. Sure, to get precise and helpful evaluation results it is important to develop standards and categories.

7. Management By Objective

As known, the key goal of every personnel evaluation system is to avoid bias and subjectivity. Thus, to avoid unnecessary information, companies often use management by objective, having agreed a number of objectives in advance. Of course, evaluation is based on particular goals and pretty much depends on a constant feedback in the company/business unit.



8. Psychological Appraisals

Nobody wants quiet employees who all of a sudden get mad at everyone. Psychological appraisal looks deep into souls and brains of people, assessing emotional stability, intellectual ability, analytical skills, as well as a number of psychological traits. Efficiency of this method depends on the right choice of traits. For example, a security officer and a sales manager may have whole different sets of psychological traits.

9. 360-Degree Feedback

360 degree feedback is an all inclusive evaluation method which implies getting feedback on employee's personal traits, competencies and skills. This method involves self evaluation as well, which means the employee being evaluated answers the same questions as his/her manager, colleagues and customers. Although 360 degree evaluation is the most difficult to implement, this is the most popular and reliable method which is known for reliability and precision, as information is obtained from a number of individuals (usually from 7 to 15).

10. A mixture of any of the abovementioned methods

Various personnel appraisal methods can be combined in a variety of ways. Of course, evaluation of personnel should comply with company or business unit goals, mission and values.