



The employer's  
complete guide to  
**appraisals**



# When you employ and manage people, it's important for you to provide regular feedback.



## This is typically done during an appraisal.

You may call them annual reviews, personal development plans, or performance reviews.

Whatever you call it, the purpose remains the same - to review an employee's performance and behaviour and to provide positive or constructive feedback.

Providing feedback in this way is really important. Employees feel more valued, listened to, and they get to see where there's room to progress and grow within your business. And for you, the employer, you can reward good work, discuss performance issues, and you benefit from increased engagement and loyalty from your employees.

Despite all of these benefits, lots of businesses don't hold regular appraisals for their staff.

Maybe because they don't see the benefit, or they don't feel they have the time, or perhaps because they don't feel entirely confident with the process...

If you don't already hold regular appraisals, it's time you started. And, this guide has been designed to help you. It should also answer your questions and concerns along the way, but if after reading it you still want to know more, as always, we'd be happy to help. Just give us a call.



# Why are staff appraisals important?

**When conducted properly, a staff appraisal can be an extremely useful tool for both parties involved.**

It's a process that helps to create good back and forth communication between employee and manager, it strengthens working relationships, and it opens up a regular opportunity to talk honestly about performance, expectation, and development, amongst other things.

Of course, this is when you're taking the process seriously. If you're simply doing it to tick the boxes, it may have a detrimental effect on your staff instead.

Appraisals can be the best way to improve employee happiness, motivation and performance.

The most obvious benefit of appraisals is that you can measure and review performance.

With the right structure, you can make sure your employees are working to the required standard, identify which employees are performing above and beyond expectations, and see who has hit their targets for bonuses, pay rises, or other rewards.

It's also the ideal opportunity to address any concerns you have over unsatisfactory performance (if it hasn't yet reached the point of misconduct).

You might use an appraisal to create personal development plans (PDPs) for your people, no matter how they're currently performing. PDPs help direct, record and measure development.

The goals and targets you set should be reached before your next appraisal or given a realistic timescale if the goals are longer or shorter term.

Your appraisals are also an ideal opportunity to identify skill and knowledge gaps and discuss and plan relevant training programmes for improvement or further development.

On the other side of the coin, you can use the opportunity to help your star performers map out their future career path and goals. This could include identifying the skills that will be required for future roles and planning the training and development that will be useful to start now.

The whole process can help you spot potential that you may not have seen otherwise.

Yet another benefit of appraisals is the opportunity to manage changing roles. As a business grows and changes, naturally the roles within it do too. Communication over these changes is vital to make sure they are fully understood, and that your people are aware of the new expectations on them, as well as the changing goals and purposes of the business.

And it's not only individual performance that can be discussed during appraisals. It's an excellent time to speak privately about group or team goals and expectations for performance and productivity. You're more likely to garner honest feedback on a 121 basis than in a group setting, and this could be hugely advantageous.

# The appraisal

So now you know the benefits that can come from regular, structured appraisals, both for you and for your employees. But if it's not something you're used to doing, where do you start?



## The best tool you could have to hand is a staff appraisal form.

It helps give structure to your conversation and keeps things on track. It's also a fantastic way to document discussions and the achievements and agreed actions and goals.

While there's no 'one size fits all' appraisal form (each company tends to create their own based around its own goals and targets), typically, every form should include the following...

- What level your employee is currently performing at
- Their ability to accomplish tasks and responsibilities
- The development they've made since your last meeting
- Whether they've hit their goals and targets
- Examples of outstanding performance
- Their understanding of their role and how that fits in with the organisation
- Suggestions for improvement (from both sides)
- What areas they would like to develop, or what areas you would recommend they develop

To go alongside an appraisal, you may also consider a 360° appraisal. This takes into account the opinion of your employee's colleagues, direct reports, manager, and potentially even customers.

It would involve a scorecard of sorts, that looks at factors such as proficiency of daily tasks, listening skills, whether they're a team player, organisation skills, or even things like timekeeping and honesty.



# Step-by-step

The first thing to ensure when starting the process of staff appraisals is your commitment to making sure they're a regular occurrence.



How often you hold them is at your discretion, though typically it is around every 6 to 12 months. The more regular the appraisals, the bigger the positive impact you'll see. Outside of appraisals it's a good idea for managers to hold less formal catch-up meetings with staff, say every month. This helps to keep communication open, and staff engaged.

Before each appraisal it's wise for you and your employee to take some time to prepare. Review previous appraisals, looking at the goals you set and improvement targets. This will give you a better understanding of what's been achieved since last time. It could also be beneficial to ask your employee to self-appraise before your meeting.

There's no fixed way of conducting your appraisals. You'll probably naturally settle into a rhythm that suits you and your team best. That said, here's a series of steps that act as a good outline to help you get started...

## **Begin with a general chat**

Put your employee at ease and create the right atmosphere. Check how they've been, both personally and professionally. It helps to create a more comfortable, easy conversation throughout.

## **Outline the period you're reviewing**

Make sure you're reflecting on the same timeframe to avoid confusion.

## **Discuss the positives first**

Start with what's going well to help put your employee at ease and reassure them that you're happy with their work.

## **Then look at concerns or issues**

This should include both concerns or issues with your employee's performance, and with the company. Keep it constructive and balanced.

## **Consider possible areas of development**

Even when your employee is a star performer there will be developments to be discussed for future roles within the company. People are happiest when they're growing, learning, and gaining new skills. This will not only help with business growth, but with engagement and productivity, too.

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### **Allow time for discussion**

Make time for your employee to raise any issues or concerns not directly related to what you've already discussed. This may include issues with other members of staff, salary, or even personal problems that are affecting work.

### **Agree measurable objectives**

Together, create an action plan, setting goals and targets that your employee can work on between now and your next appraisal. End your meeting on a positive note for both of you.

Try and make your conversation flow as naturally as possible. When handled correctly, you'll find that this is the way things go anyway. Your first meeting may feel awkward or stilted, but as a manager or business owner, it's your job to make sure this feeling disappears quickly for both of you.

If you're stuck with an employee who likes to use one-word answers, use your questions wisely to get them to really open up. Here are some good examples...

- ✓ What do you think is going well right now?
- ✓ What's not going so well?
- ✓ What are you most proud of achieving this month/quarter/year?
- ✓ What's the most challenging aspect of your role?
- ✓ What could we do differently?
- ✓ Which of your skills could we better utilise?
- ✓ What are your goals for the next 3/6/12 months?

You should always keep a written record of your discussion and ask your employee to sign and keep a copy for their own records.

As you can see, an appraisal is one of the best tools at your disposal when it comes to getting a real insight into not only how your employees are progressing, but also how they see themselves growing in your business, and what they think of the business.

It's also a brilliant way to create better relationships in the company, creating easier, more open conversations, and making sure your people know you're there for them and are happy to speak to them if and when they need it.

Once you begin regular appraisals, you'll wonder why you didn't start sooner. But like anything people-related, it can be a big task to try and start by yourself. If you'd like some expert support or guidance along the way, just give us a call.





We do the HR so  
you can run your  
business

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