

LINE MANAGER GUIDE – APPRAISALS

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1. INTRODUCTION

Appraisal is a two-headed process of looking backwards to analyse past job performance and looking forward into the future with a view to improving future performance.

The overall objective of an effective appraisal scheme should be to help each employee to maximise their job performance for the joint benefit of the employee and the organisation.

This overview aims to help you as Line Manager understand the processes involved in conducting effective appraisals.

2. THE PURPOSE OF APPRAISAL

The main purpose of an appraisal scheme should be to assist employees to improve their performance. This will be of benefit to both the employees and the organisation.

An appraisal scheme may be designed to include some or all of the following elements:

- A review of the employee's past performance;

- Discussion of the employee's strengths and weaknesses;
- Discussion of any problems and constraints, with a view to identifying solutions;
- A review of the extent to which the employee has achieved set targets;
- Discussion of appropriate targets for the forthcoming year;
- Identify training and development needs in relation to the employee's current job;
- Identify training and development needs in relation to a job that the employee may do in the future;
- A review of the employee's long-term potential;
- A discussion about the employer's future plans; and
- A discussion about the employee's future ambitions and plans.

3. THE BENEFITS OF APPRAISAL

If carried out effectively, a staff appraisal scheme will provide benefits for the individual, you as Line Manager and the organisation.

Benefits of appraisal to the individual employee:
The employee receives valuable feedback on their performance.
The employee learns precisely what is expected of them.
The employee gains recognition of their efforts.
Any problems restricting the employee's progress can be recognised and addressed.
The employee has the opportunity to contribute to discussions about their training and development needs.
Benefits of appraisal to you as Line Manager:
Your relationship with the employee can be strengthened.
Information from the employee may contribute to improvements in job design.
Focussing on each member of staff as an individual, and agreeing actions to develop each individual's performance, can contribute to better overall performance.
Benefits of appraisal to the organisation:
Problem areas can be highlighted and possible solutions discussed.
You have the opportunity to review how each employee's strengths can best be utilised within the organisation.
You have the opportunity to make succession plans in the event that the employee indicates an intention to retire in the near future.
Discussion of employees' ideas and expectations helps communication in general.
You are provided a forum to communicate the aims and direction of the organisation.
The suitability of individual employees for promotion - perhaps into management positions - can be determined.
The company's training needs can be analysed.

4. PROBLEM AREAS

While appraisal schemes have many potential benefits, you should appreciate that negative issues may sometimes arise.

- If appraisal is linked to the organisation's pay review process, discussions may become focused on pay instead of performance. Pay reviews are therefore best kept separate from performance appraisal.
- You may be tempted to use the appraisal interview to raise disciplinary matters. If there is a problem with an employee's conduct or performance, the matter should be raised with the employee at the time the problem arises and not stored up for the annual appraisal interview.
- You may be reluctant to deliver criticism on a face-to-face basis, perhaps because of a fear that the employee might react badly, become defensive or even respond negatively to the whole process of appraisal.
- You may not work closely with your staff and may not therefore have the necessary insight into their performance or strengths and weaknesses. If this is the case, it will be vital for you to talk to the employee's immediate supervisor to gain the necessary feedback.
- Personal likes and dislikes can affect the outcome of appraisal interviews, unless you have a sound awareness of these, and are able to put them to one side and view the employee's abilities objectively.
- An employee may believe that you hold prejudices against them, perhaps as a result of a personality clash or because of disagreements over the year.
- Some employees are intrinsically suspicious of appraisal.

5. PREPARING FOR AN APPRAISAL INTERVIEW

If appraisals are to be successful in motivating employees and enhancing job performance, it will be essential for you to plan and conduct effective appraisal interviews.

Preparation for an appraisal interview is one of the most important stages of the appraisal process.

6. RECORDING PERFORMANCE

You must have the necessary facts about the employee's performance before you at the time of the appraisal interview.

Since appraisal is often conducted only once a year, and no Line Manager has a perfect memory, it is advisable to make records throughout the year of instances when the employee has performed well, adequately or badly.

Doing so will provide specific, factual examples of job performance for you to discuss with the employee during the appraisal interview. Without such evidence, the appraisal interview may turn into a haphazard chat based on generalisations. This will be neither meaningful nor constructive.

Having specific examples will be particularly important if you need to discuss aspects of an employee's performance that are not wholly satisfactory. This will act as a starting

point for discussion on why performance was not satisfactory in the particular area and what can be done to achieve an improvement in the future. Without concrete examples, the employee may not accept your claim that their performance was unsatisfactory and may become defensive.

7. CHECKLIST FOR APPRAISAL INTERVIEW PREPARATION

If you fail to prepare properly for an appraisal interview, the employee being interviewed will quickly sense and resent this.

Dos and don'ts:

- Do review the job description and the previous year's appraisal report to check the job duties and responsibilities, and what was said at the previous year's appraisal.
- Do talk to other Line Managers or supervisors - and peers where appropriate - with whom the employee has been working during the year to obtain factual feedback on performance.
- Do think through what aspects of the employee's performance are to be discussed and identify specific examples of both good and not-so-good performance.
- Do be prepared to back up any criticism with facts and examples.
- Do consider what points the employee may wish to raise and think through how any delicate areas can best be handled.
- Do agree the date, time and place for the interview at least two weeks in advance, taking into account the employee's preferences. Part-time employees should be appraised at times that fall within their normal working hours.
- Don't underestimate the time necessary for the interview. There is no ideal length of time for an appraisal interview, but it is advisable to schedule more time than you think you will need to avoid having to cut a discussion short.
- Don't forget to brief each employee well in advance about the purpose and scope of the appraisal interview.
- Don't be tempted to complete the appraisal form until after the interview, although you should review the appraisal form and make some provisional notes.
- Don't allow interruptions during the interview, and make sure that there are no distractions from mobile phones and other electronic devices.
- Don't overlook the importance of taking into account the personality and temperament of each employee. Any likely reactions should be identified beforehand, and an appropriate response planned. Different styles of interview may be needed to cater for individual needs. A relatively insecure employee may, for example, need a lot of reassurance.

8. ADVANCE BRIEFING

Employees should be properly briefed before their appraisal interview on what the interview is for, how it will be conducted and what they should expect to gain from it.

These briefings may be done on a group basis. However, it is also important for you to ensure that each individual has the opportunity to raise questions about the purpose and process of appraisal, and have any doubts or concerns dealt with.

The briefings can be carried out at the same time as the self-appraisal forms are issued.

9. SELF APPRAISAL

Many organisations structure their appraisal review schemes to include a self-appraisal form. This is issued to each employee prior to the appraisal interview. It can be issued at the advance briefing. The self-appraisal form is a tool to help employees prepare for their appraisal interview.

Once the employee has completed the self-appraisal form, they should give a copy to you.

This process also benefits you. It provides advance notification of the employee's views and opinions about their performance and future development, and any contentious issues that the employee wishes to raise.

The self-appraisal form should be issued to the employee at least two weeks before the interview, and the employee should be asked to complete it and return a copy to you no later than one week before the interview.

Examples of self-appraisal form questions:

- In which areas of your job do you consider that you have performed successfully?
- What do you think the main reasons for your successes are?
- In which areas of your job do you feel that you have been less successful than you might have been, and what do you think the main reasons for this are?
- What do you believe your main strengths, skills and talents are?
- To what extent do you think your abilities are being fully utilised in your current job?
- What do you consider your weaknesses or shortcomings in relation to your current job are, and how do you think these could be overcome?
- What problems or constraints, if any, may have prevented you from doing your job to the best of your ability during the past 12 months?
- What ideas do you have for solving any problems identified?
- What goals and objectives do you think would be appropriate for you for the coming 12 months?
- What training, coaching or other development do you feel would enhance your job performance or benefit you in your employment with the organisation?

- What action would you like me to take to help you perform your job more effectively in the future?
- What action do you think you could take to do your job more effectively in the future?
- What are your plans and ambitions for the short, medium and long term?

10. APPRAISAL INTERVIEW STRUCTURE

Any system of appraisal will centre round the appraisal interview. You should carry out the review objectively, focusing on the job being performed and not on the employee's personality.

The employee should gain a clear understanding of how well they have carried out the job over the past year, a full awareness of where they stand at present, and an insight into what training, development and career opportunities might be available or planned for the coming year.

Preliminaries:
Take time at the start of the interview to relax the employee and establish rapport.
Explain the purpose and scope of the interview and what the intended outcomes are.
Remind the employee of the overall objective of appraisal, ie that it is intended to assist the employee to maximise their job performance, both for the employee's benefit and for that of the organisation as a whole.
Clarify the main duties of the employee's job and their areas of responsibility.
Recap on the objectives and targets that were set for the year.
Performance review:
Before providing feedback, encourage the employee to put forward their views about performance.
Discuss aspects of good performance first.
Give sincere praise for good performance. Use examples, and place particular emphasis on any tasks that required special effort.
Discuss how far agreed targets have been met.
Discuss any instances of poor or below-average performance, and the likely causes. Use specific examples and ensure that the discussion is frank and considers the problem areas in detail.
Explore any constraints that may have prevented performance to maximum capacity, and their causes.
Discussion of the future:
Discuss and agree any training and development that would benefit the employee in the coming year.
Discuss and agree any action that the employee needs to take to improve performance.
Discuss and agree objectives and targets for the future, and how these will be assessed.
Give the employee the opportunity to discuss their career aspirations and aims by asking the employee where they would like to see themselves in the short, medium

and long term. Take care not to raise false hopes or make promises that perhaps cannot be kept.

Share with the employee any plans that the employer has which may affect the employee's work and their aims.
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Refrain from assuming that an older employee may retire in the near future.

Close of interview:

Summarise what has been discussed.

Summarise the action points that have been agreed.
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End the interview on a positive note.

11. PERFORMANCE ASSESSMENT

The factors that are chosen for the purpose of assessing employees' performance should be properly defined and capable of objective - and, where possible, quantifiable - evaluation. For example:

- **Job knowledge** - including the employee's understanding of the job, its responsibilities and the procedures associated with it.
- **Quantity of work output** - including, for example, promptness in completing tasks that are allocated and reliability in meeting deadlines.
- **Quality of work** - including, for example, accuracy, the degree of supervision required and the extent to which objectives have been effectively met.
- **Planning and organisational skills** - the employee's ability to plan and prioritise their work effectively, coordinate different elements of the work and, where appropriate, delegate.
- **Ability to learn and develop** - the speed with which new duties and/or skills are learnt and the employee's perceived willingness to learn new things.
- **Paperwork** - accuracy and timely completion of reports and other relevant paperwork.
- **Communication skills** - the employee's effectiveness in written (including email) and verbal communication with colleagues, superiors, subordinates and/or customers.
- **Working relationships** - perceived effectiveness in working as a member of a team and the quality of relationships with colleagues and/or customers.
- **Motivation** - the employee's level of enthusiasm for their work and willingness to take different tasks on board and/or make extra effort, when asked.
- **Initiative** - ability and willingness to come up with constructive ideas, offer suggestions and take responsibility.
- **Supervisory ability** (where relevant) - ability to manage, motivate and lead staff effectively.

Due to a change in the law introduced on 6 April 2011, employers can no longer compel employees to retire at any specified age, unless the requirement to retire is justified objectively. *However, employees may retire, i.e., give up work, at a time of their own choosing.* This means that managers cannot use retirement as an excuse to dismiss employees who might be experiencing difficulties with their work (for whatever reason).

Instead, they should treat employees of all ages fairly and equally when appraising past performance and providing training and development opportunities. This will help to prevent capability issues from arising.

Treating older employees differently from younger employees in appraisal could amount to age discrimination, which could, unless justified, be unlawful. *For example, if you disregard inadequate performance on the part of a 65-year-old employee on the assumption that they will be retiring soon but deliver heavy criticism to a 25-year-old employee whose performance is similarly inadequate, the difference in treatment would amount to age discrimination.*

12. PERFORMANCE RATINGS

It is common for appraisal schemes to contain a system of performance ratings, i.e., a scale on which each employee is graded on the basis of the sorts of factors listed in the performance assessment section.

A typical grading scheme might run from 1 to 5, with 5 representing outstanding performance, 3 representing competent performance and 2 representing performance below the required standard.

Where such a system is in place, you may find yourself challenged by employees who believe that their ratings should be higher than those deemed appropriate by you.

Where there is a difference of opinion, you should discuss with the employee:

- why you have provisionally graded the employee at the specified rating, backed up by evidence of how the rating has been arrived at; and
- why the employee believes that they should be more highly graded.

You should ask the employee to give specific reasons to justify their belief.

You should be prepared to listen to the employee's point of view and remain open minded about the ratings until the interview has been concluded.

13. SETTING OBJECTIVES

If an employee is to be able to perform to the best of their ability, you should ensure that clear and specific objectives are identified and agreed. There are three overlapping areas for objectives:

- **Job objectives:** Targets defining specific tasks to be completed or projects that the employee agrees to achieve. Job objectives would be relevant no matter who was performing the job in question.
- **Career objectives:** The setting of projects that will assist the employee's future career development.

- **Skills-related objectives:** Areas in which the employee agrees to take specific action to develop their skills, for example the goal of becoming proficient to a defined standard in the operation of a new computer system. Such objectives will be specific to each individual.

Having clearly defined objectives will give the employee a sense of direction and be likely to create commitment and enhance motivation.

Objectives should:

- clearly define what is to be done;
- clearly define the end result that is expected;
- be expressed in precise terms;
- where possible, be measurable;
- be agreed with the employee;
- be set at a level that the employee believes to be realistic and achievable;
- challenge the employee; and
- have a realistic time deadline placed on them.

If the employee indicates during an appraisal interview that they are considering retiring in the near future, you should take care not to discriminate against them, but you could begin to make plans for the future if the employee does decide to retire.

Dos and don'ts:

- **Do** continue to treat the employee in the same way as you would treat other employees, for example in the provision of training opportunities.
- **Do** adjust the employee's performance expectations proportionately if they indicate that they would like to work reduced hours in the run-up to retirement, and if the employer can accommodate this.
- **Do** discuss with the employee how they could pass on their knowledge and skills to other staff in the run-up to retirement.
- **Do** discuss succession issues with the employee, for example how the employee might be involved in training a replacement for the job.
- **Do** reassure the employee that they can change their mind about retirement if they wish.
- **Don't** say or do anything that might amount to age discrimination against the employee.
- **Don't** assume that, if the employee indicates that they plan to retire at a particular time, they will do so. Until the employee actually hands in their notice, communication of an intention to retire is not binding on the employee. You could remind the employee of the requirement to give notice under the employment contract and the length of the notice period.

14. PURPOSE OF OBJECTIVES

Employers can use individual objectives (sometimes referred to as goals or targets) to assess individual performance and ensure that employees' day-to-day work feeds into wider organisational goals.

Objective-setting should involve a combination of the employee actively participating in setting the goals, so that they buy into the work that they are doing, and the Line Manager ensuring that the objectives are consistent with the organisation's strategy.

15. SMART OBJECTIVES

A common model for employers to adopt when setting objectives is the SMART model. This means that objectives should be:

- **Specific:** The more specific the objectives are, the less room there is for uncertainty.
- **Measurable:** Objectives should be measurable so that assessments can be made as to their success.
- **Achievable:** Objectives should be designed so that they are within an individual's power and role to be able to meet them.
- **Realistic:** While objectives can be designed to stretch an individual to maximise their potential, making them unrealistic is counterproductive.
- **Timebound:** Timescales and clear deadlines give clarity on when objectives must be completed.

16. TASKS vs BEHAVIOURS

Objectives should be a mixture of the "what" and the "how". The "what" refers to the outcomes, tasks and technical aspects of the objective. The "how" describes the behaviours for how the objective may be achieved. Defining objectives in relation to these two aspects can help people to understand their objectives, giving them a better chance of achieving them.

17. WHERE PERFORMANCE IMPROVEMENT IS NEEDED

Where the performance appraisal process raises serious cause for concern in relation to the individual's performance or behaviour, employers should investigate the issues further. When it comes to the final review, any performance issues should not come as a surprise to the Line Manager as they should be aware of them via regular feedback discussions. In some cases, the employer may need to implement a performance improvement procedure or instigate a disciplinary process.

18. GIVING CRITICISM EFFECTIVELY

Good feedback, including the giving of constructive criticism, is essential to an employee's development and is a fundamental element of effective appraisal

interviews. You should ensure that you provide your employees with regular feedback throughout the year, not just at the time of the appraisal interview.

The key rules for making criticism constructive are to concentrate on the person's actions or behaviour, not their personality, and to concentrate on the future and not the past. The aim should be to correct, not to punish. In giving criticism you should:

- Give criticism promptly after the event to which it relates;
- Ensure that the criticism is clear and specific;
- Avoid generalisations;
- Use specific examples;
- Remember to ask for the employee's input and listen without prejudging;
- Deliver criticism objectively, ensuring no annoyance or disapproval is implied;
- Make sure that the employee understands what they have done wrong, why it is wrong, and how they should do it next time;
- Explain the effects of the employee's actions or behaviour on colleagues, the department and/or the organisation as a whole;
- Encourage the employee to take full responsibility for their actions;
- Make clear that you want to work to seek solutions to any problem areas;
- Let the employee know if, in your opinion, they are capable of improvement;
- Since receiving criticism is difficult for most people, and there is a chance that misunderstandings may arise, check after giving criticism that it is understood;
- End the conversation with a positive statement, for example one about your confidence in the employee's overall competence to perform the job; and
- Where possible, use praise to cushion criticism.

Don't Say	Do Say
You are very careless.	There are regular mistakes in your work that we need to discuss. Here are some examples.
You're lazy and your work is always submitted late.	You have missed the agreed deadline on the last three occasions. We need to talk about how to prevent this happening in future.
You do a good job.	Your paperwork is always 100% accurate and on time.
You make too many mistakes.	I want to discuss what we can do to reduce the level of mistakes.
Your supervisory skills are not up to scratch.	What are your views on your ability to supervise your staff effectively?
I was really annoyed when that happened.	When that happened, the outcome was, as you know, that we lost the contract.
You should have taken more responsibility for that.	Do you agree that you were the person responsible for that?
You need to sort this problem out.	I want to discuss how I can support you in sorting this problem out.
You're simply not up to the job.	I believe that you are capable of improvement and would like to discuss what further training might be helpful.

19. COMPLETION OF APPRAISAL FORMS

Appraisal report forms should always be completed after the appraisal interview. If the form is completed before the interview, the employee may well wonder what the point of holding the interview was.

The purpose of the form will be to record the results of the appraisal interview. This will encompass the joint views of you as the Line Manager and the employee about the employee's performance, training needs and future career development. Action points that were agreed at the interview should be clearly recorded. The form should not contain comments about matters that were not discussed at the interview.

The employee should be asked to sign the form after completion, to confirm that it is an accurate record of what was discussed. Your manager should then review the forms, as an overview and consistency check.

20. KEEPING RECORDS

In line with the UK General Data Protection Regulation (UK GDPR), these records should be held confidentially and kept for no longer than necessary.

In some cases, data collected may include special categories of data (eg information about an employee's health), in which case more stringent rules apply.

21. SAMPLE APPRAISAL FORM

This sample form is to record the objectives that are set for an employee, to monitor their progress towards meeting those objectives, and the outcome of the performance appraisal based on meeting the objectives.

You and your Line Manager should review your objectives regularly and update them in line with our organisational needs.

While the objectives agreed between you and your Line Manager must be consistent with organisational needs, they should also be SMART: Specific, Measurable, Achievable, Realistic and Timebound.

An objective can be task-based, i.e., focus on outcomes. However, an objective can focus on behaviours, i.e., the behaviours and skills that you are expected to display when performing your role.

PERFORMANCE APPRAISAL FORM

Time Period:

Name of Individual:

OBJECTIVE 1

A. What is the overall objective?

This section should be one or two sentences providing an overview of the objective.

B. Key measurable indicators:

This section should set out the specific what measurements will be used to tell you whether the objective has been achieved.

C. Details of the objective:

This section should set out the specific steps that need to be taken to meet the objective, while giving as much autonomy as possible over how the objective is achieved, including a timeline for when each step is expected to be completed.

D. Employee comments on progress:

It is important to add notes here on any points that are raised during regular catchups with your Line Manager and especially during your formal review meetings, which should take place with your Line Manager every three months to assess your progress against your objectives. If objectives are changed or dropped, the reasoning can be explained here.

E. Line Manager comments on progress:

It is important for the Line Manager to add notes here on any points that are raised during regular catchups and especially during formal review meetings, which should take place every [three] months to assess progress against objectives. If objectives are changed or dropped, the reasoning can be explained here.

F. Employee comments on final review:

This section should set out an assessment of how you think you have performed in meeting your objectives. You can highlight what you think you did well, including where you went above and beyond, and what you think you could have done better.

G. Line Manager comments on final review:

This section should set out an assessment of how your Line Manager thinks you have performed in meeting your objectives. Your Line Manager can highlight what you did well, including where they think you went above and beyond, and what they think you could have done better.

H. Has objective 1 been met?

Met beyond expectations

Has been met

Has been partially met

Has not been met

OBJECTIVE 2

A. What is the overall objective?

B. Key measurable indicators:

C. Details of the objective:

D. Employee comments on progress:

E. Line Manager comments on progress:

F. Employee comments on final review:

G. Line Manager comments on final review:

H. Has objective 2 been met?

Met beyond expectations

Has been met

	<p>Has been partially met</p> <p>Has not been met</p>
OBJECTIVE 3	
A. What is the overall objective?	
B. Key measurable indicators:	
C. Details of the objective:	
D. Employee comments on progress:	
E. Line Manager comments on progress:	
F. Employee comments on final review:	
G. Line Manager comments on final review:	
H. Has objective 3 been met?	<p>Met beyond expectations</p> <p>Has been met</p> <p>Has been partially met</p> <p>Has not been met</p>
OBJECTIVE 4	
A. What is the overall objective?	

B. Key measurable indicators:

C. Details of the objective:

D. Employee comments on progress:

E. Line Manager comments on progress:

F. Employee comments on final review:

G. Line Manager comments on final review:

H. Has objective 4 been met?

Met beyond expectations

Has been met

Has been partially met

Has not been met

OBJECTIVE 5

A. What is the overall objective?

B. Key measurable indicators:

C. Details of the objective:

D. Employee comments on progress:

E. Line Manager comments on progress:	
F. Employee comments on final review:	
G. Line Manager comments on final review:	
H. Has objective 5 been met?	<p>Met beyond expectations</p> <p>Has been met</p> <p>Has been partially met</p> <p>Has not been met</p>
<p>Personal learning and development needs</p> <p>This section should focus on your personal development needs to meet the above objectives, together with additional training required for the role. This could be mentoring, coaching, in-role training, a formal course, buddying, shadowing or secondment to another department. Any personal development needs that are raised during regular catchups with your Line Manager and especially during your formal review meetings can be added here.</p>	
<p>Career developments</p> <p>This section should focus on your career aspirations and goals, including what steps you have taken towards achieving these so far and what you would like to achieve in the future.</p>	
Employee's signature:	
Line Manager's signature:	