



PERFORMANCE MANAGEMENT AND APPRAISALS:

*Does your system
meet its potential?*

Note: *This communication provides general information about human resources and employment practices issues. It is not a legal opinion or legal advice. Readers should confer with appropriate legal counsel for their particular situations.*

Performance management is a core business process that links strategy and organizational performance. Performance appraisal is a method of evaluating how well employees do their jobs to realize organizational results.

For many companies, however, performance appraisal systems fail, resulting in limited or negative impact on business performance, productivity, retention, and motivation. Appraisals are often the least favored activity by managers and employees alike – dreaded because they are ambiguous, bureaucratic, and not clearly aligned with the strategy of the organization.

Although the ideal performance appraisal system may not exist, many systems do not meet their potential for real business impact. To get the most out of your performance appraisals, you should:

- Make certain that employees have clear goals linked to the larger business context;
- Communicate constantly with employees so that they understand the link between their performance goals and business strategy;
- Keep the system simple and easy to operate;
- Make links with rewards clear;
- Train managers and employees in how to communicate performance information;
- Hold managers accountable for effectively managing employees' performance; and
- Check the system regularly to make certain that it is working.

BottomLine

Performance management is about running your business. You should review your performance management and appraisal system to determine whether it positively impacts your business performance, productivity, motivation, and retention. Transforming your performance management system starts with your business strategy, followed by clarity and communication about goals, skills and behaviors that produce results.

If you would like more information about this or other human resources and employment practices issues, please contact Praxis HR via email at info@praxis.com by phone at 206.262.8133 or visit our website at www.praxishr.com.