Solutions for top 50 Problems people face with performance appraisals

Lessons learnt from Experience

Synergita

software for the people

This eBook is based on the blog by Dr John Sullivan on top 50 problems people face with performance appraisals, available at http://drjohnsullivan.com/performance-appraisal-the-most-dreaded-hr-process-a-list-of-the-top-50-problems/

We thank Dr John Sullivan for allowing us to use his blog as the basis for this eBook. We sincerely hope that this eBook will help HR practitioners across the world in their talent management journey.

About Dr John Sullivan

Dr John Sullivan has been a professor of management for over 26 years at San Francisco State University. His specialty is HR strategy and designing world class HR systems and tools for Fortune 200 firms. He has worked with over 200 different businesses and organizations in more than 30 countries around the world as a speaker or advisor.

Dr John Sullivan has not reviewed / endorsed / recommended this eBook or Synergita software in any manner. He is also not associated with us in any formal capacity.

Dr John Sullivan has given permission to Synergita team for using his blog as the basis for this eBook.

Table of Contents

◆ ◆ ◆   1 **CHAPTER**

Reproducing a blog by Dr John Sullivan on top 50 problems people face with performance appraisals

http://drjohnsullivan.com/performance-appraisal-the-most-dreaded-hr-process-a-list-of-the-top-50-problems/

"(Some) 90 percent of performance appraisal processes are inadequate." – *Salary.com survey*

In conversations with HR leaders and employees, the talent management process that suffers from the most disdain around the world is the performance appraisal. It's one of the few processes that even the owners of the process dread.

If everyone hates it, but it still gets done nearly everywhere, you might assume some government regulation requires it, but in this case there is no such regulation. The only legal justification pertains to showing just cause for termination and other disciplinary action.

While that is the justification used, no matter how strong their design, most performance appraisals are executed so poorly that they may actually harm a legal case. (A major labor law firm found that among a random sample of performance appraisals conducted in a retail environment, a majority would damage the employer's case versus support it.)

Most ignore the shortcomings of performance appraisals and suffer through it, but that's hard to do once you realize how incredibly expensive the process is. In 1996, Frederick Nickols estimated the cost at just under $2,000 per employee. My estimate, which includes a managers preparation time, employee time, HR processing time, opportunity costs, and advances in technology, still puts the process cost at over $2,500 per employee per year. If you choose to take on the challenge of revising your performance appraisal process, the first step is to fully understand the potential problems associated with it.

Here are the Top 50 problems with performance appraisals (grouped into six categories):

1.1   Most Serious Performance Appraisal Problems

1. **Don't assess actual performance —** most of the assessment that managers complete focuses on "the person," including characterizations of their personal "traits" (i.e. commitment), knowledge (i.e. technical knowledge) or behaviors (i.e. attendance). While these factors may contribute to performance, they are not measures of actual output. If you want to assess the person, call it "person appraisal." Performance is output quality, volume, dollar value, and responsiveness.

2. **Infrequent feedback –** if the primary goal of the process is to identify and resolve performance issues, executing the process annually is silly. A quality assessment/control program anywhere else in the business would operate in real time. At the very minimum, formal feedback needs to be given quarterly, like the GE process.

3. **Non-data-based assessment —** most processes rely 100% on the memory of those completing the assessment because pre-populating the forms with data to inform decisions would be too difficult (cynicism). In addition, most assessment criteria are "fuzzy" and subjective.

4. **Lack of effectiveness metrics —** many accept that the goals of the process are to recognize results, provide feedback to address weaknesses, determine training needs, and to identify poor performers. Unfortunately, rarely do process owners ever measure their processes' contribution to attaining any of these goals. Instead, the most common measure relating to performance appraisal is the percentage completed.

5. **Lack of accountability –** managers are not measured or held accountable for providing accurate feedback. While they may be chastised for completing them late, there is no penalty for doing a half-assessed job or making mistakes on them, which is incredibly common. One firm attempting to remove a troublesome employee found that the manager had rated the individual the highest within the department and awarded them employee of the year.

1.2   Process related problems

6. **Disconnected from rewards —** in too many organizations, getting a merit raise, bonus, or promotion is completely disconnected from an employee's performance appraisal scores. When there is a weak link, employees and managers are not likely to take the process seriously.

7. **No integration —** the process is not fully integrated with compensation, performance management, development, or staffing (internal movement). A lack of integration and coordination leads to duplication and missed opportunity.

8. **Individual scores exceed team performance —** without controls, quite often the average score of team members exceeds the actual performance of the team (i.e. the team reached 80 percent of its goals but the average performance appraisal for its members was 95 percent).

9. **Each year stands alone —** each performance appraisal by definition covers a finite period of time. However, if the goal is to assess potential and identify patterns, an employee's performance must be assessed over multiple years.

10. **No comprehensive team assessment –** although individuals on the team are assessed, there is no simultaneous overall assessment of the team. Often contingent workers on the team are not addressed at all.

11. **A focus on the squeaky wheel —** most performance appraisal systems focus on weak performers. There is significantly less focus on top performers and thus there is no system to capture their best practices and then to share them with others.

12. **Little legal support —** performance appraisals may be an executive's worst enemy in grievances and legal proceedings. Even though the process may be flawless, poor execution by managers often results in performance appraisals that do not aid in a disciplinary action. Errors may include "unfettered discretion," improper handwritten notes, generalizations about race, gender, or age, and appraisals that do not match the performance data. At my university, a study demonstrated that while Asians got the highest performance score, they somehow managed to get the lowest average pay raise. When the HR director was confronted, he was furious that anyone would calculate and expose the obvious discrimination.

13. **No second review —** even though the process may have impacts on salary, job security, and promotion, in many firms the assessment is done by a single manager. If there is a second review, it may be cursory, and therefore not ensure accuracy or fairness.

14. **Not reliable or valid —** most process managers do not regularly demonstrate with metrics that the process is consistently repeatable (reliable) and that it accurately assesses performance (valid).

15. **Cross-comparisons are not required —** one of the goals of the process is often to compare the performance of employees in the same job. Unfortunately, most appraisal processes (with the exception of forced ranking) do not require managers to do a side-

by-side comparison, comparing each member of the team with one another.

16. **Assessments are kept secret —** although a salesperson's performance ranking may be posted on a wall, performance appraisals are often kept secret. An overemphasis on privacy concerns might allow managers to play favorites, to discriminate, and to be extremely subjective. Keeping ratings secret allows managers to avoid open conversations about equity.

17. **Process manager is not powerful —** often the process is managed by lower-level HR administrators without a complete understanding of performance and productivity.

18. **No process goals —** the overall process operates without clear and measurable goals, and as a result there is little focus.

19. **Not global —** most processes and forms are "headquarters centric," failing to address cultural, language, and legal differences.

20. **Forced ranking issues —** although forced ranking has some advantages, using it may result in significant morale and PR issues.

21. **No ROI calculation —** HR fails to do a periodic business case justifying the value added compared to the time and the cost of the process.

1.3   Instrument (form) problems

22. **Doesn't address diversity —** all too often, the same appraisal form is applied to a large but not homogeneous group of employees (i.e. all hourly, all exempts, all managers etc.). As a result, the assessment form does not fit the job. Only management-by-objective-type approaches address individual needs.

23. **The process does not flex with the business –** rarely does any portion of the appraisal process flex to address changing business objectives.

24. **The factors are all equal —** most forms treat all assessment factors as if they are of equal importance. Instead, they should be weighted based on their relative importance in a particular job (i.e. a janitor's customer service rating should be weighted lower than for a salesperson.

25. **Inconsistent ratings on the same form —** it is not uncommon for managers to put one level (high, average or low) of ratings in the Likert scale portion of the form, but another level of rating in the "overall assessment" box. The final narrative portion of the assessment may contain still another completely different level of assessment.

26. **Disconnected from job descriptions –** in many cases, the factors on the form are completely different from the factors on an employee's job description, bonus criteria, or yearly goals. This can confuse employees and cause them to lose focus.

1.4   Manager/execution problems

27. **Managers are not trained —** in most organizations, managers are not trained on how to assess and give honest feedback. If the process includes a career development component, it is even more likely that managers will not know how to enhance the career path of their employees.

28. **Managers are "chickens" —** some managers will do almost anything to avoid tough decisions or confrontation. Some provide no differentiation and spread "peanut butter" (an even distribution) to avoid it, while others give everyone "above average" ratings. Some managers will provide feedback that is extremely vague in order not to offend anyone. Rarely if ever is anyone immediately terminated as a result of the process.

29. **Gaming the system —** often managers artificially rate individual employees to save money or to keep employees from becoming visible for promotion. Some selfishly give a score just below that

required for a pay increase, while others give scores just above the point where they would be required to take disciplinary action.

30. **Recency errors —** managers, especially those who don't consult employee files and data, have a tendency to evaluate based primarily on events that occurred during the last few months (rather than over the entire year).

31. **Corporate culture issues —** subjective appraisals can restrict cultural change in organizations. In some organizations, there are cultural norms and values that influence performance appraisals. For example, in one organization new hires were automatically given an average rating for their first year, regardless of their actual performance. One top performing hire I knew abruptly quit after receiving this cultural gift.

32. **Inconsistency across managers —** some managers are naturally "easy raters" while others are not. As a result, employees working under easy managers have a better chance of promotion due to their higher scores. In firms that rely heavily on the narrative portion of the assessment, having a manager with poor writing skills may hamper an employee's career. Without "benchmark" numbers to set as a standard, inconsistency is guaranteed in large organizations.

33. **Managers don't know the employee —** managers of large and global organizations, as well as newly hired and "transferred in" managers may be forced to do appraisals on employees they barely know. Recently promoted managers may be forced to assess their former friends and colleagues. Following a merger, managers are likely to be confused about whether to focus on the whole year or just "post-merger" work.

34. **Secret codes —** I did some work with an army unit where by custom literally everyone got a perfect numerical score. So assessments by higher-ups were made as a result of interpreting "code words" in the small written narrative portion of the assessment. Unfortunately, if your commander didn't know the code words, your army career was limited.

35. **Mirror assessments —** most people, and managers are no exception, have a tendency to rate people like themselves more positively. This can result in discrimination issues.

36. **Managers are not rewarded —** managers that go out of their way to provide honest feedback and actually improve the performance of their workers are not rewarded or recognized.

37. **Managers don't own it —** managers often feel they don't own the process, so they invest little in it and proceed to blame HR for everything. Managers would embrace it instead of grumbling if they were presented with a positive correlation proving that managers who did excellent performance appraisals were among the highest performers with regards to business result and bonus awards.

1.5   Employee/subject problems

38. **High anxiety —** because the process is so subjective and no benchmark performance numbers are set in advance, uncertainty can cause many employees high levels of anxiety weeks before the process. Managers may also be anxious because of the uncertainty related to an employee's reaction. I know one employee who sincerely thought she was going to be fired prior to her assessment but ended up being the highest rated employee on the team. Employees should have an accurate idea of their assessment long before any meeting is scheduled.

39. **One-way communication —** some managers simply give the employee the form to quickly sign and they don't even solicit feedback. Many employees are intimidated by managers and the process, and as a result, they say nothing during or after the appraisal.

40. **Self-assessment is not possible —** if an ambitious employee wanted to self-assess their performance midstream (in order to improve), most processes do not provide access to the instrument. Providing each employee with a virtual assessment scoreboard and performance management process would be an ideal solution.

41. **No alerts —** most processes do not allow an employee to be notified midstream should their performance change to the point where it was suddenly dramatically below standards.

42. **No choice of reviewers —** although there are a few exceptions (Sun), in most cases, unlike with 360 reviews, employees are not allowed input into who does their assessment.

43. **One-way process —** in most cases, employees also have no input into the factors that they are assessed on, how often they are assessed, and what type of feedback they can receive. It is unfortunately even rare for a process manager to routinely survey their users for suggestions on how to improve it.

44. **No appeal process —** employees who disagree with her appraisal are seldom given the opportunity to challenge the results with a neutral party.

45. **Retention issues —** the ultimate cost of an "unfair" assessment may be that it actually drives your top employees away because, for example, there was no differential in recognition and rewards for their superior performance.

46. **Many possible emotional consequences —** if performance appraisal is blotched, you can expect a decrease in employee engagement, trust, employer brand strength, teamwork, and innovation contribution. Employee referrals from disgruntled employees will probably also drop.

1.6   Timing issues

47. **A time-consuming process —** most of the forms are incredibly long and time-consuming. As a result, some managers routinely recycle "last year's" evaluations. If HR is required to sit in on the sessions, the amount of wasted time increases significantly.

48. **It is historical —** the process is focused on capturing feedback about last year rather than on discussing necessary changes to job and skill requirements that must necessitated by the business strategy.

49. **Not coordinated with business cycles –** some appraisal dates do not coincide with the end of major business periods or seasons when all other business results are tabulated and reported.

50. **Not simultaneous —** if appraisals are done on the employee's anniversary date, the entire team will not be assessed at the same time.

Dr John Sullivan is an internationally known HR thought-leader from the Silicon Valley who specializes in providing bold and high business impact; strategic Talent Management solutions to large corporations. He's a prolific author with over 900 articles and 10 books covering all areas of Talent Management. He has written over a dozen white papers, conducted over 50 webinars, dozens of workshops and he has been featured in over 35 videos. He is an engaging corporate speaker who has excited audiences at over 300 corporations / organizations in 30 countries on all 6 continents. His ideas have appeared in every major business source including the Wall Street Journal, Fortune, BusinessWeek, Fast Company, CFO, Inc., NY Times, SmartMoney, USA Today, HBR and the Financial Times. He has been interviewed on CNN and the CBS and ABC nightly news, NPR, as well many local TV and radio outlets.

Formerly the chief talent officer for Agilent Technologies (the 43,000-employee HP spin-off), Dr John Sullivan is now a professor of management at San Francisco State University. Please visit www.drjohnsullivan.com for more details.

◆ ◆ ◆

2
C H A P T E R

Introduction

All organizations face significant learning curve on designing and implementing a performance management system (PMS). This eBook is based on Dr John Sullivan's blog. It reflects the practical challenges that everyone faces in the organization right from a HR to a manager to an employee – towards defining, using and evolving a robust performance management system that works for them. It collectively gives us the direction on what to do / what not to do while designing an employee performance management system.

This eBook highlights the principles & best practices that Synergita software (www.synergita.com) has adopted to design and implement a performance system in an organization.

Synergita is a SaaS based Continuous HR Performance Management Software. We hope that our software will be useful for organizations aiming to implement best practices and improve performance feedback process. For more information on the product, please visit the site – www.synergita.com (or) write to info@synergita.com.

◆ ◆ ◆   **3** C H A P T E R

Most Serious Performance Appraisal Challenges

3.1 Don't assess actual performance

Dr John Sullivan: Most of the assessment that managers complete focuses on "the person," including characterizations of their personal "traits" (i.e. commitment), knowledge (i.e. technical knowledge) or behaviours (i.e. attendance). While these factors may contribute to performance, they are not measures of actual output. If you want to assess the person, call it "person appraisal." Performance is output quality, volume, dollar value and responsiveness.

Managers are hard-pressed with time and business goals and allocate very less time on providing performance feedback / appraisals to their team members. Moreover, they are frustrated and lack faith in the traditional performance appraisals. This leads to the challenge of in-effective appraisals, non-setting of goals and effectively leading to poor employee engagement.

Managers need to be guided towards a well-defined performance appraisal process. If the process is not defined or does not have well defined appraisal forms, it will lead the conversation more open ended. When there is open ended conversation without addressing any goals, performance parameters, competency characteristics, the discussion will focus on personal traits. Clearly defined competency matrix and appraisal forms help managers to focus on providing feedback, set expectations / goals, inspire the individuals towards their key accomplishments.

Solution:

Synergita provides a well-defined mechanism for defining appraisal forms, setting goals, identifying development needs, etc. Managers can provide rating according to well established guideline for each goal / competency characteristic. This allows the manager to capitalize on the strengths of team members and contribute to the accomplishment of work goals rather than personal traits and thereby increasing the effectiveness of appraisal.

A well-defined appraisal form captures the following:

- Key Result Areas (Goals)
- Competency Requirements
- Development Areas
- Training required

% of weightage may vary between KRA and competency rating from one organization to another organization. For example, certain organizations insist 100% weightage to KRA to and no specific rating for competency. Certain organizations put it as 70% KRA and 30% on competency rating.

3.2 Infrequent feedback

Dr John Sullivan: If the primary goal of the process is to identify and resolve performance issues, executing the process annually is silly. A quality assessment/control program anywhere else in the business would operate in real time. At the very minimum, formal feedback needs to be given quarterly, like the GE process.

Performance appraisal cycle when done annually does not actually reflect the real performance. Following are some of the reasons:

- Recency Effect: Often times, manager will be able to recollect only the previous few months performance and rate an individual accordingly. This does not reflect year-long performance.
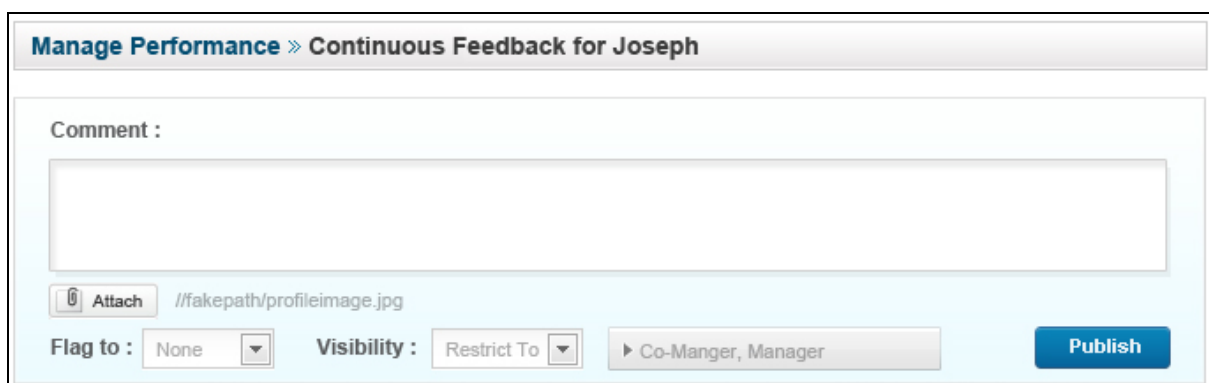
- As most of the organizations move towards projects based execution, people work in at different teams with different mangers. But, their appraisal is done by one manager (whoever is the latest) and this manager's feedback may not reflect other manager's rating/feedback.

Solution:

Synergita solves this through four different mechanisms.

i. **Continuous Feedback**

People can provide feedback to an individual at any point of time. And, these feedback are available for reference for a manager anytime. A continuous feedback can be a diary for an individual to note their own achievements, for a manager to keep track of appreciations / area of improvements, for a peer to pass their thoughts, etc. Good thing is the continuous feedback provided is accessible in any other feedback session. This will really help the manager, HR and employee to take stock of others perspectives and use it in constructive manner during the appraisal.


ii. **Periodic Feedback**

Synergita provides the ability to have periodic feedback sessions to an individual. These feedback can be tailored towards an individual needs. For example, you may have a star performer in your team and you want him/her to pick up leadership skills as the growth path.

You may want to provide periodic feedback around these skills alone. Or, you may have come up with a performance improvement plan for a person and this would cover only some area of improvements. This will also be tailored to an individual. While HR will have an overall view of things happening in a periodic feedback sessions, the manager and employee will be in the driving seat as far as designing the goal of periodic feedback sessions.
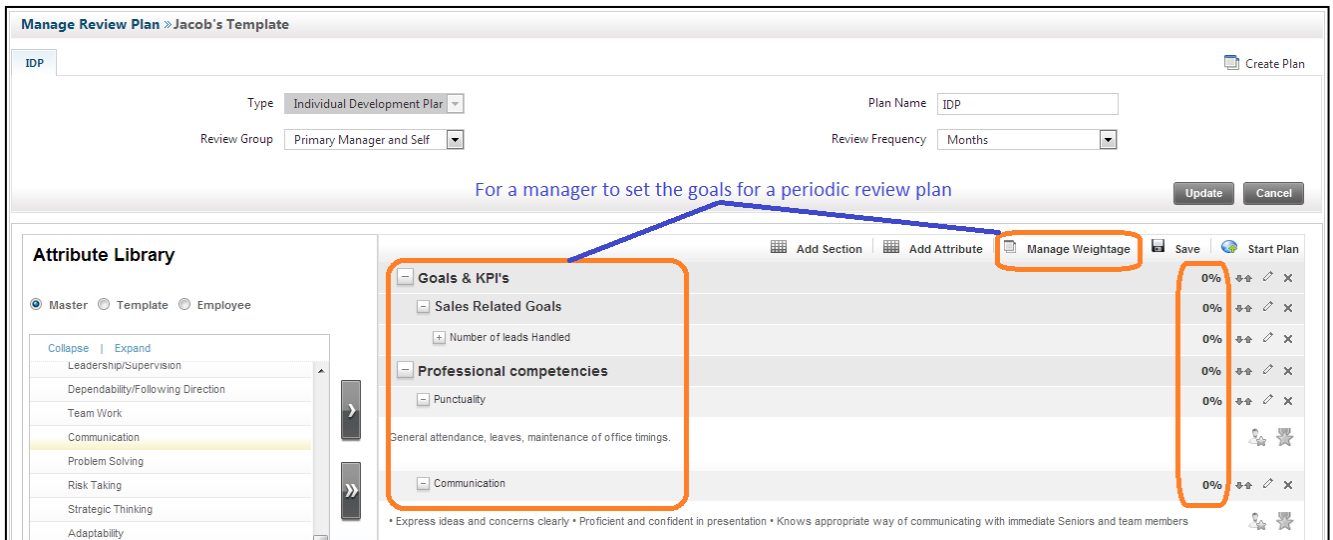
iii. **End of Assignment Feedback**

Several organizations are moving towards project based assignments for their people. And, it is important to provide feedback towards the end of project/assignment. This is prevalent in services organizations such as accounting services firms, law firms, software services firms, etc. Synergita helps in doing such feedback sessions easily.

### iv. **Formal HR initiated quarterly / half yearly review feedback**

HR can initiate a formal quarterly / half yearly review cycles through the organization (or) just for few departments (or) for project teams.

3.3 Non-data based assessment

Dr John Sullivan: Most processes rely 100% on the memory of those completing the assessment because pre-populating the forms with data to inform decisions would be too difficult (cynicism). In addition, most assessment criteria are "fuzzy" and subjective.

It is important for the managers to substantiate their rating with numbers and reasons to get better acceptance among his/her team members. For example, a support engineer should be rated based on the customer satisfaction metric, number of support calls taken, etc. When the parameter is rated based on a

number, it avoids all the subjective elements and keeps the decisions crystal clear. However, there may be some parameters which will be assessed qualitatively. But, it is essential to publish the assessment criteria / guidelines to make sure that everybody understands it the same way. These guidelines will help in bringing in better consistency across all managers.

Synergita provides following tools in addressing the above challenge:
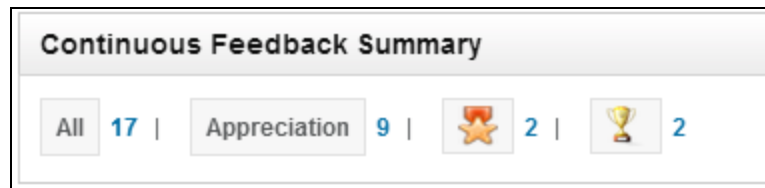
i. Synergita has a feature called - continuous feedback and related dashboard. Continuous feedback is a 'critical incident diary' for a manager on an employee. Managers can use this tool to pass on appreciations, awards, area of improvements, disciplinary actions, etc.
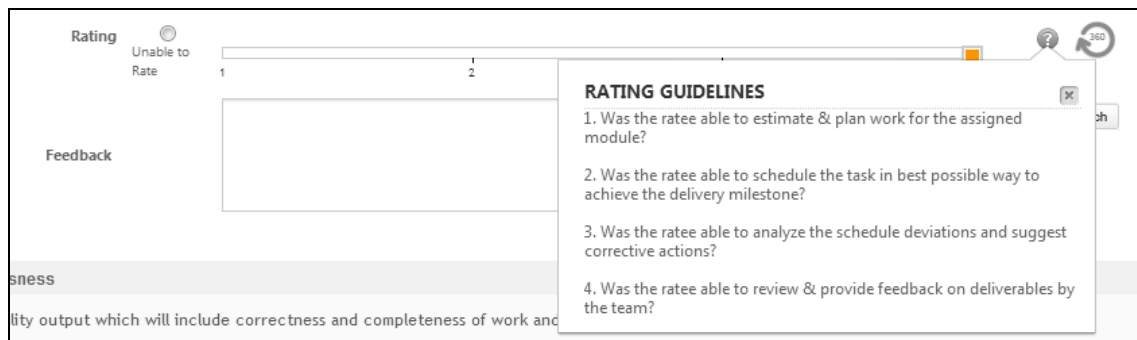
ii. Every assessment criteria should have clearly defined guidelines for rating to bring in consistency across managers. Wherever possible, associate a metric. For example, if the sales target is 1M USD, rating guidelines should clearly specify:

- Target achieved: <700K   :   Rating: Poor
- Target achieved: 700K-1M   :   Rating: Good
- Target achieved: 1M-1.5M   :   Rating: Very Good
- Target achieved: >1.5M   :   Rating: Exceptional

iii. If there is no 'good rating', make sure that you provide an evidence by attaching reports, emails, etc. so that it is easy for an employee to digest the rating and see the reasons.
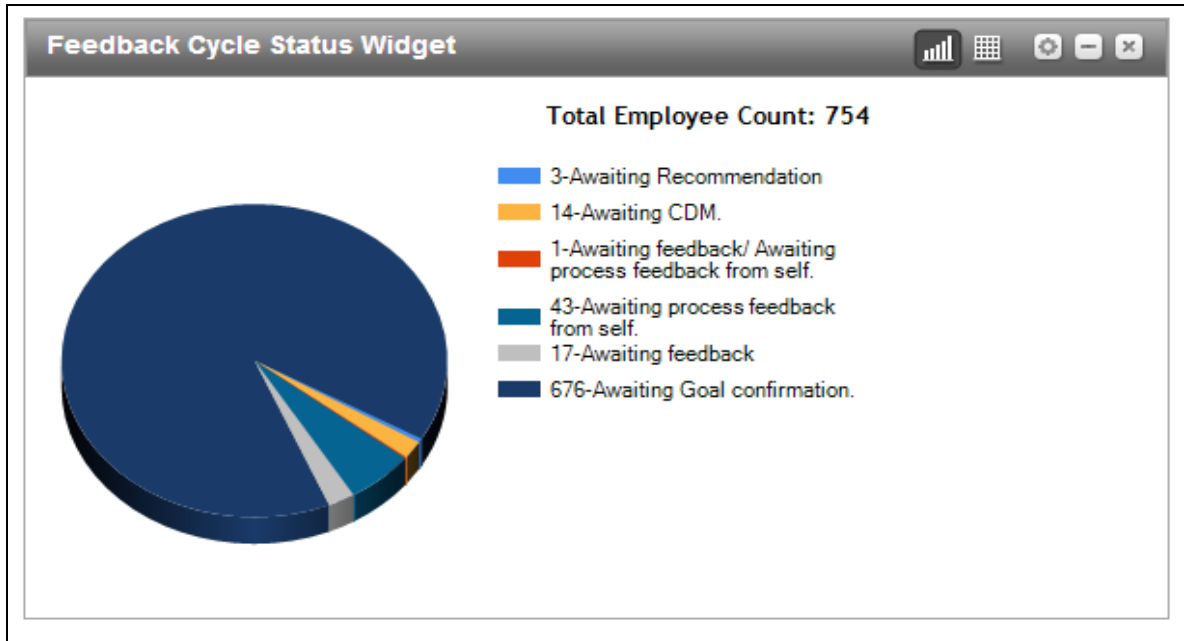
3.4 Lack of effectiveness metrics

Dr John Sullivan: Many accept that the goals of the process are to recognize results, provide feedback to address weaknesses, determine training needs, and to identify poor performers. Unfortunately, rarely do process owners ever measure their processes' contribution to attaining any of these goals. Instead, the most common measure relating to performance appraisal is the percentage completed.

HR spends lot of time in designing and implementing the process. For many managers, performance management is perceived as non-critical and are tied up with other business priorities. Because of this, HR has to spend lot of time in follow-ups. Typically, for a large organization of 1000 people size, sometimes, performance appraisal process goes well beyond 2 months

period. By the time, they complete the process, focus is typically only on salary revisions and NOT beyond.

Solution:

Synergita helps HR in several ways to make life simpler. Status of the process is easily available any time as a dashboard item:

Automated email reminders with multiple escalations are sent out at appropriate time to avoid regular HR follow-up. Managers typically get to see complete information in a single view.

Also, there are several tools available to help on day to day basis. They can maintain critical incident diary on each of their team member easily, without having to spend lot of time.

Once data is available, HR can spend more time in analysis. Rating distribution, SWOT analysis, 9 quadrant report, etc. are available in single click. This will help HR

- To do better analysis on the performance appraisals and take important talent planning decisions.

- To go much beyond salary revisions and have a positive impact on employee engagement.

You will be able to derive following metrics easily from Synergita:

- Progress on the appraisal process, % completion, etc.

- Rating distribution among people

- Top 10 strength, Top 10 weaknesses in the organization

- % of people falling under PIP

- % of people under star rating

3.5   Lack of accountability

Dr John Sullivan: Managers are not measured or held accountable for providing accurate feedback. While they may be chastised for completing them late, there is no penalty for doing a half-assessed job or making mistakes on them, which is incredibly common. One firm attempting to remove a troublesome employee found that the manager had rated the individual the highest within the department and awarded them employee of the year.

A Manager should be considered as a key player during the appraisal process for his/her team members. If a manager is not held accountable during the performance appraisal process, the onus gets transferred to the Human Resources Department. In several organizations, role of the manager ends with providing the feedback to the employee and the rest being taken care by

the HR Department. This is counterproductive and HR will not be able to own a manager's decision.

Managers should realize that doing a half assessed appraisal will not instil confidence in the minds of the employees and the gap may widen between the manager and the employee because of this.

Solution:

Synergita provides following:

- HR will be able to see any manager bias.

- During issues, HR can look back on the records and keep the managers accountable on the rating. Access to data in quick manner is the key.

- Managers are encouraged to provide evidences. This will be helpful in future to defend any decisions.

- Manager's analysis and trend of providing feedback can be viewed.

Idea is to make sure that managers own the employee performance decisions and not the HR. It is a cultural change required in any organization. Synergita helps in fostering and speeding up the cultural change. Process is easy to implement and configure in Synergita; product is still user friendly for managers, employees and HR.

◆ ◆ ◆

4 CHAPTER

Process Related Problems

4.1   Disconnected from rewards

Dr John Sullivan: In too many organizations, getting a merit raise, bonus, or promotion is completely disconnected from an employee's performance appraisal scores. When there is a weak link, employees and managers are not likely to take the process seriously.

Employee's performance appraisal scores play a crucial role in suggesting the bonus or promotion for the employee. The confidence about their appraisal score being considered for merit raise, motivates employees to achieve their goals of the organisation.

Solution

In Synergita, the HR can enforce Merit raise or bonus depending on the employees overall appraisal score. HR has the provision to configure "Business Rule" to decide on the final promotion or salary change of an employee:

Managers can access the details of awards and appreciations received by an employee while providing rating.

Below is the screen shot of a Manager referring to the continuous feedback received by the employee throughout the year while providing the rating.

4.2   No integration

Dr John Sullivan: The process is not fully integrated with compensation, performance management, development, or staffing (internal movement). A lack of integration and coordination leads to duplication and missed opportunity.

Appraisal process is an input of activities such as compensation, talent planning, training, etc. If the inputs go seamlessly for such activities, it will make the appraisal process more meaningful.

Solution

Synergita has a strong link between the People and Performance management. It does not stop with just performance appraisal. It provides compensation management as an extension of the Appraisal cycle.

A best example for the statement that Synergita does not stop with just appraisals would be the Review Plans. Whenever a manager feels that an employee needs more training on certain areas, he/she can set up a training plan for a team member. As and when the training happens, team member can also update the training hours, which managers and HR will be able to see.
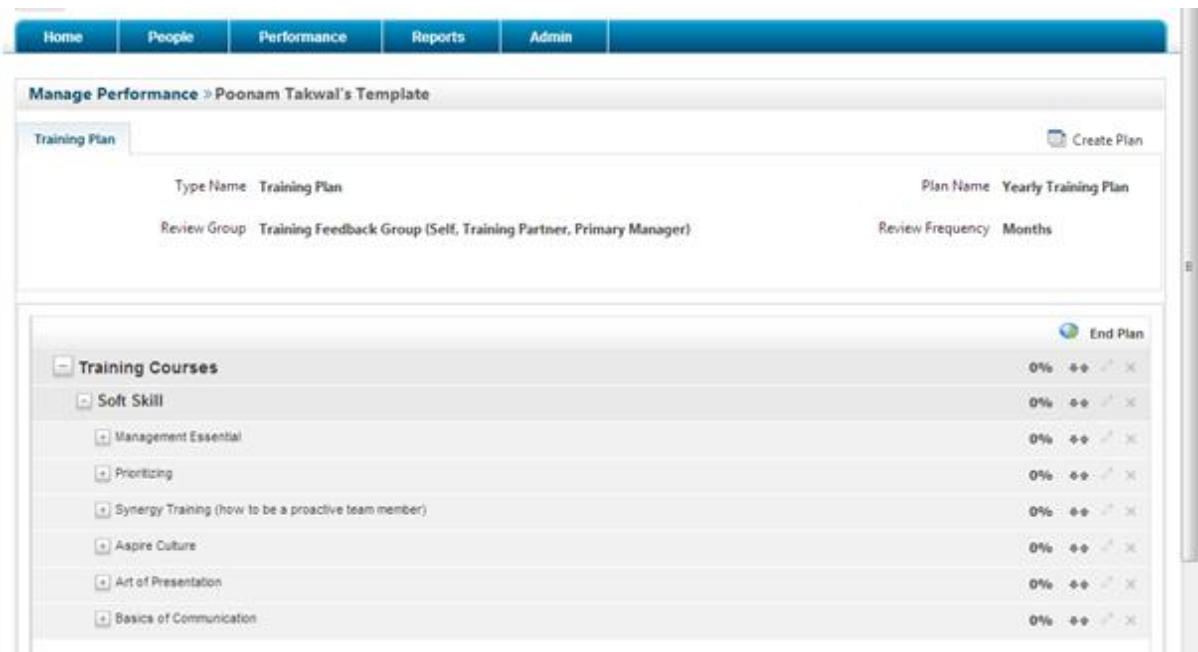
Synergita also helps in taking steps required for succession planning or staffing. It provides the 9 Quadrant report through the appraisal process to identify the Star performers or weak performers.
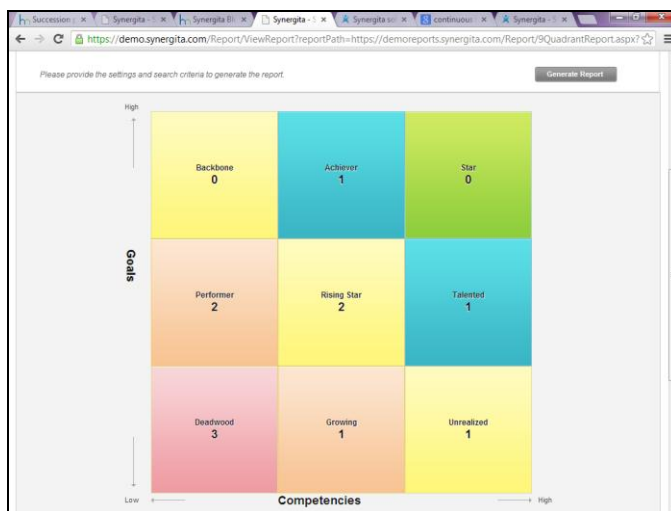
The HR can easily decide on the movement of next level and training or review. It is easy for HR people to manage the complete Employee information using Synergita and integrate it with the necessary systems such as the Medallia (used extensively in hospitality industry to know the customer satisfaction). It is also possible to integrate Synergita with any other HRIS systems easily.

4.3   Individual scores exceed team performance

Dr John Sullivan: Without controls, quite often the average score of team members exceeds the actual performance of the team (i.e. the team reached 80 percent of its goals but the average performance appraisal for its members was 95 percent).

It is important to have proper alignment between organization, department and individual goals. To achieve this, the goal management process should be well defined. The Organization Goal should be clearly communicated to all the Departments /Teams of the Department. Hence the Managers should be clear about the team's goal and accordingly set the goal of all his team members.

Solution

Synergita HR defines the first level of Appraisal form, the weightage split between competencies and goals. The Employee is allowed to set his/her own goals and finally the manager has an overview of both the competencies set by HR and the goals that are added by the employee. Manager can check if the employee goals align to the team's goal and make the necessary changes.
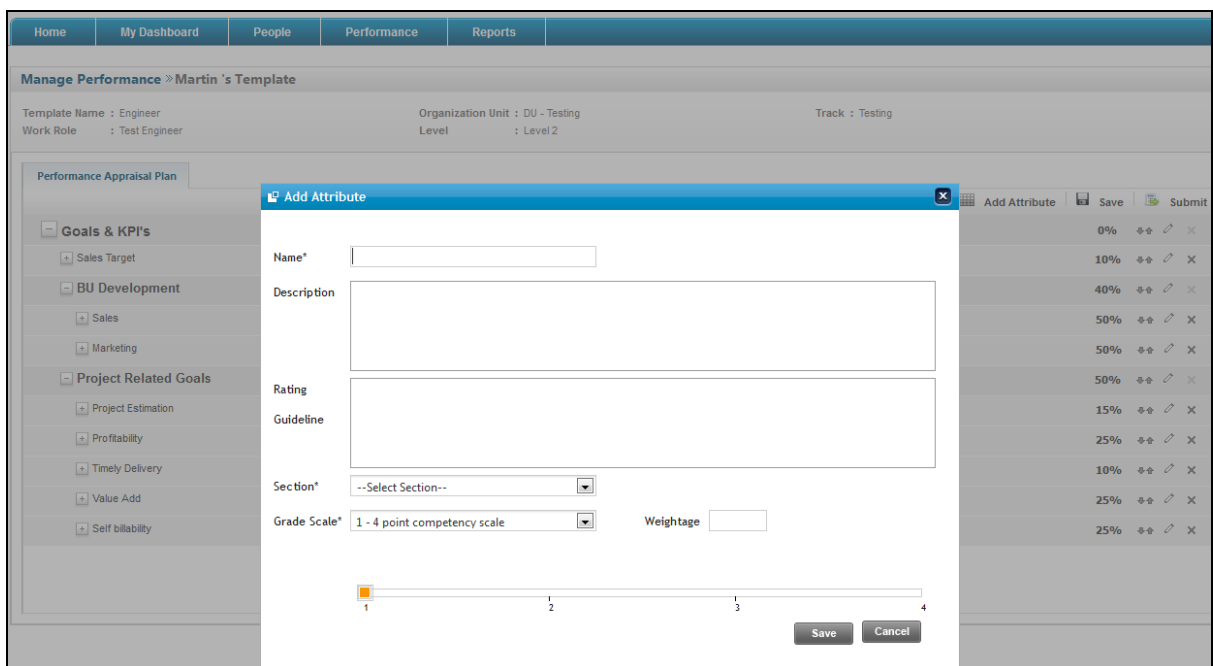
Synergita helps in reducing the mismatch between the individual employees score and the Team's score.

4.4   Each year stands alone

Dr John Sullivan: Each performance appraisal by definition covers a finite period of time. However, if the goal is to assess potential and identify patterns, an employee's performance must be assessed over multiple years.

Solution

Synergita allows the goals of the previous year to be retained for rating in the next appraisals. The goals set for the current year are retained in the appraisal form until the manager explicitly clears them off. The manager can also add/edit the existing goals through the set goals process. Synergita provides the opportunity for both the Employee and Manager to view the appraisal form along with the goals set at any time during the year.

When manager rates the goal to be assessed for multiple years, he/she can view the rating given to that goal in the previous year and track the improvement in the current year.
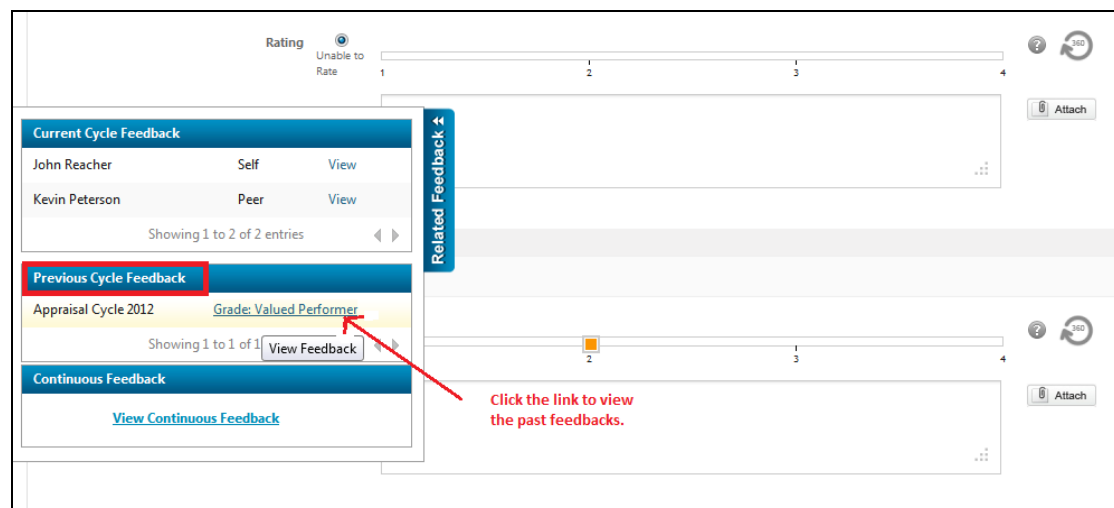
4.5   No comprehensive team assessment

Dr John Sullivan: Although individuals on the team are assessed, there is no simultaneous overall assessment of the team. Often contingent workers on the team are not addressed at all.

Contingent workers are generally not added into the appraisal process for the following reasons:

- Their appraisal (salary revision) is the responsibility of contracting company. Considering that majority of the companies look at performance appraisal as a tool to do salary revision, they don't include contingent workers.

- Contingent workers are temporary in the system.

- Conducting an appraisal process is going to cost time and money for HR.

However, as the performance appraisals move up in the value from salary revisions to a strategic tool for talent management, it is important to include contingent workers as well. Their work impacts the entire team's performance, depending on the role played and number of such workers in the team.

Solution

Synergita makes the administration of performance appraisal process very easy. HR will not have to spend additional time specifically for contingent workers. That way, it is easier to include them into the process.

As the goal is more around talent management and NOT salary revision, inclusivity will help to get better picture of entire team.

Synergita provides a report which compares the Competency and goals score and divides the employees of the organization into 9 quadrants identifying the top performers, average performers and non-performers. This helps the Management team or HR to easily understand the strength of any department or team in the organization.
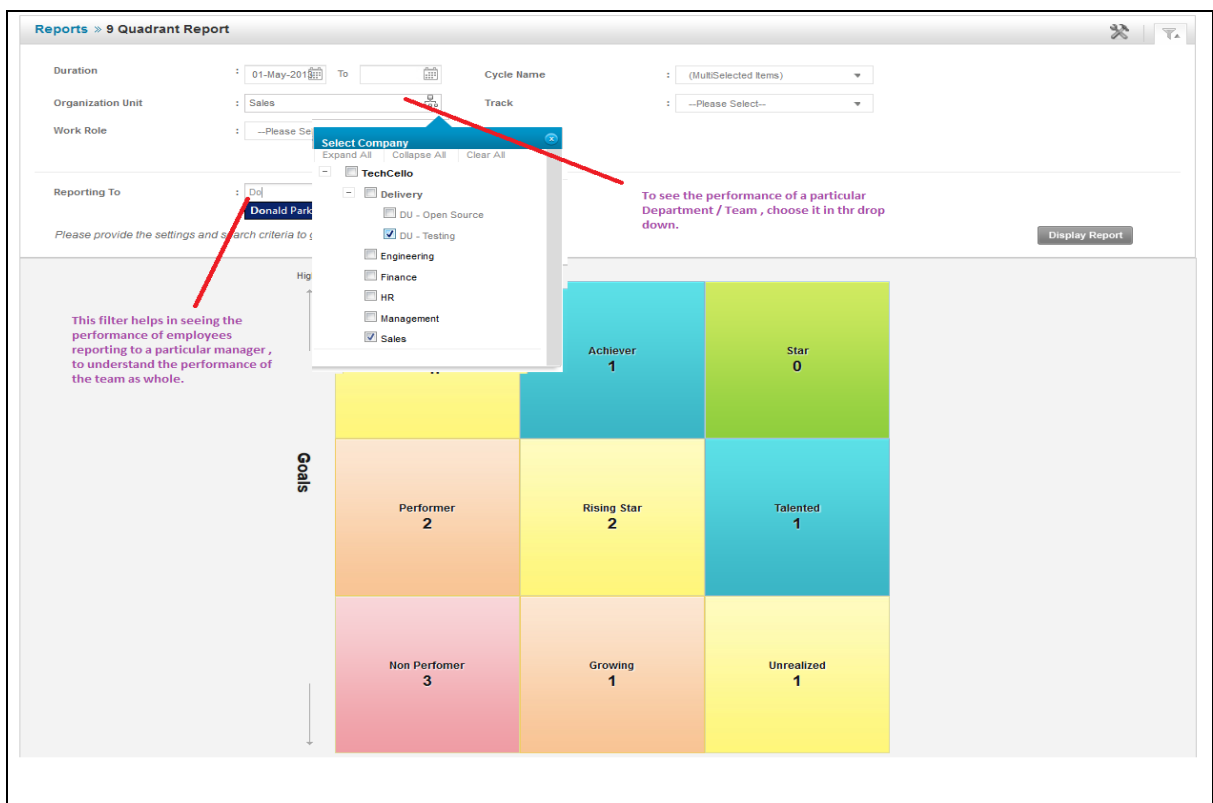
The system also has various other reports which help the HR in understanding the performance of the team like the SWOT (Strength and Weakness analysis of the team) report, Recommendation report which gives the rating distribution details. Specific analysis on contingent workers highlights the following benefits:

- Plan better on contingent workers (their induction, training, monitoring, etc.)

- Better source management (which contracting company provides better workers)

- Choosing the right contingent workers into permanent roles

4.6   A focus on the squeaky wheel

Dr John Sullivan: Most performance appraisal systems focus on weak performers. There is significantly less focus on top performers and thus there is no system to capture their best practices and then to share them with others.

Performance appraisal systems should be used to identify the potential of each individual in the organization be it a weak performer or a top performer. It should be easy for a management or HR

- To get the list of top performers or weak performers in a single click.

- To know the strength and weakness of the organization from performance feedback.

Solution

Synergita allows the HR and management team to focus both on the weak and top performers.

The system provides strength and weakness report based on the rating given by managers to their employees. The report is used:

- To find out the top 5 strengths of a particular department or a particular team.

- To find out the performance of people under particular designation like the strength of Engineers in the organization, similarly the weakness of the Managers in the organization etc.

From 9 Quadrant reports, it is easy to segregate the star performers, potential (but achieving less), etc. Once this information is set, the HR will be able to plan specific "Individual Development Plans" for stars/upcoming stars to maximize their potential.

4.7   Little legal support

Dr John Sullivan: Performance appraisals may be an executive's worst enemy in grievances and legal proceedings. Even though the process may be flawless, poor execution by managers often results in performance appraisals that do not aid in a disciplinary action. Errors may include "unfettered discretion," improper handwritten notes, generalizations about race, gender, or age, and appraisals that do not match the performance data. At my university, a study demonstrated that while Asians got the highest performance score, they somehow managed to get the lowest average pay raise. When the HR director was confronted, he was furious that anyone would calculate and expose the obvious discrimination.

Synergita greatly helps in decision making for the Managers and HR people. HR can view the feedback received by the employee as continuous feedback and find any mismatches with the appraisal feedback. HR can ensure that there is no manager bias for any employee.

Also, HR can bring in multiple approvals before a manager sends the feedback sheet for a team member. This way, approvers can make sure that the feedback language is appropriate before it reaches the employee.

Synergita helps the HR and Managers in following the principles of equity and fairness that should be upheld in any good employee evaluation process.

4.8   No second review

Dr John Sullivan: Even though the process may have impacts on salary, job security, and promotion, in many firms the assessment is done by a single manager. If there is a second review, it may be cursory, and therefore not ensure accuracy or fairness.

It is crucial for the managers to be more responsible while providing the rating since it impacts the career growth of their employees. To ensure this Synergita helps HR in few ways.

Solution

Synergita supports configurable workflows with one or multiple levels of approvals.

The organization can easily adopt changes in the flow of their appraisal by adding approvals to the feedback or rating given by the managers.
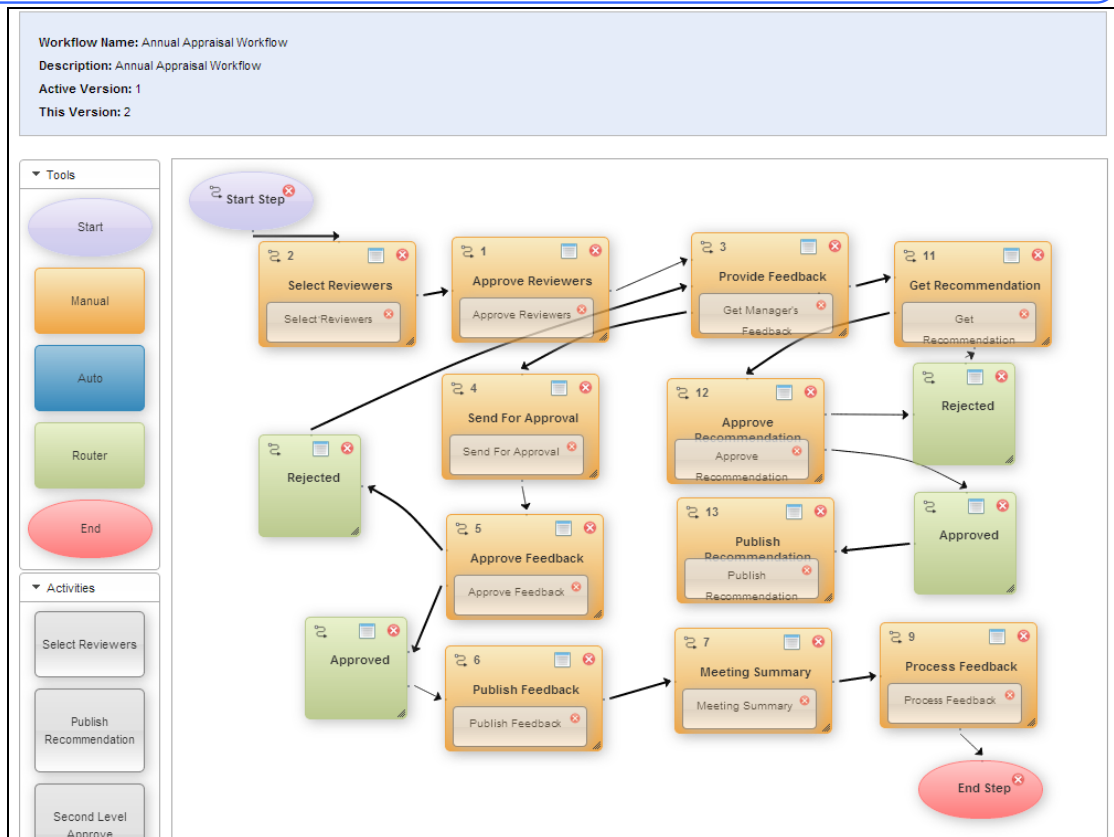
When the assessment is being reviewed by one or multiple person in the organization it will help in ensuring the accuracy and fairness of the appraisals conducted for employees.

The system also allows the HR to have a better perspective on the organization growth by comparing the performances year wise.
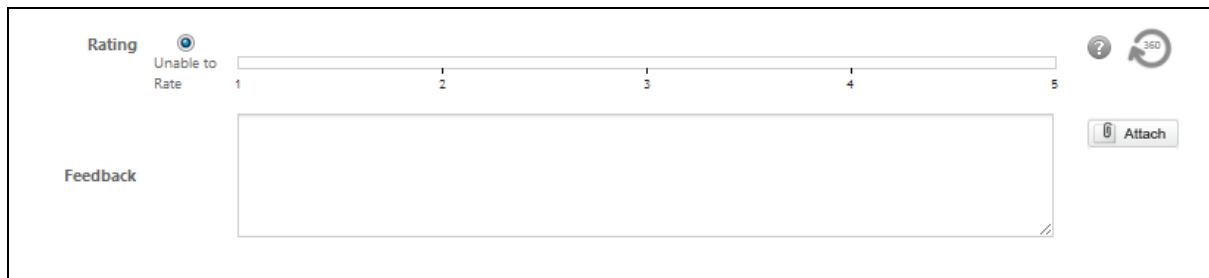
4.9   Not reliable or valid

Dr John Sullivan: most process managers do not regularly demonstrate with metrics that the process is consistently repeatable (reliable) and that it accurately assesses performance (valid).

The role of Managers is to understand and guide the team on their lacking. When corrective feedback are not given in an acceptable way, it results only in dissatisfaction. On the other hand when it is explained with sufficient metrics and proofs it helps the employees in accepting their mistakes/weaknesses.

Solution

Synergita helps in providing corrective feedback in an acceptable way. A comment box to describe managers rating and expectations is provided Mails/Evidence documents supporting the feedback can be attached for the employee's perusal. This helps the manager in assessing an accurate and reliable performance.

HR has an option of making this comment box to be mandatory when the Manager rates either of the extreme rating (1 – Poor or 5 – Excellent).

4.10 Cross-comparisons are not required

Dr John Sullivan: one of the goals of the process is often to compare the performance of employees in the same job. Unfortunately, most appraisal processes (with the exception of forced ranking) do not require managers to do a side-by-side comparison, comparing each member of the team with one another.

Synergita permits HR or managers to:

- Compare the performances of employees through reports.
- Provide the Perception gap analysis report that can be exported as excel or pdf for multiple employees.
- Export the feedback and rating from the system at any point of time.

4.11 Assessments are kept secret

Dr John Sullivan: Although a salesperson's performance ranking may be posted on a wall, performance appraisals are often kept secret. An overemphasis on privacy concerns might allow managers to play favourites, to discriminate, and to be extremely subjective. Keeping ratings secret allows managers to avoid open conversations about equity.

Though secrecy is a factor to be considered for appraisals, it is the responsibility of the HR to define the proper level of secrecy. For instance, the ratings and comments given to the employee can be made visible to the Management people, Department Heads, etc. and can be kept a secret for the peers of the employee. Managers and department heads will be able to compare the scores of people.

Solution

Synergita is flexible in allowing the HR to define the right degree of privacy. All the features available in Synergita right from the Employee Organization / Profile Details, the Performance Ratings, the salary details of the employees etc. can be configured with ease using privileges. HR can easily set the visibility and control of details in the system.

4.12 Process manager is not powerful

Dr John Sullivan: Often the process is managed by lower-level HR administrators without a complete understanding of performance and productivity.

Effectiveness of the process always lies in the hands of the executor and the clarity he/she has in the process. It is difficult for the lower level HR people to run the appraisal process a successful one. As rightly said by Dr John Sullivan, they may not have a complete understanding of the processes and productivity. It is therefore important in such organizations to choose the right Performance Management software.

Solution

Synergita proves helpful for lower level HR executives handling appraisal process, as it is well defined tool for conducting Annual or Half Yearly appraisal cycles.

All that is required for a successful appraisal is readily available in Synergita - easily configurable Workflow and Appraisal forms to be loaded based on various criteria's, remainder mails for pending tasks, escalations on overdue, etc. HR can track the status of completion using widgets and reports
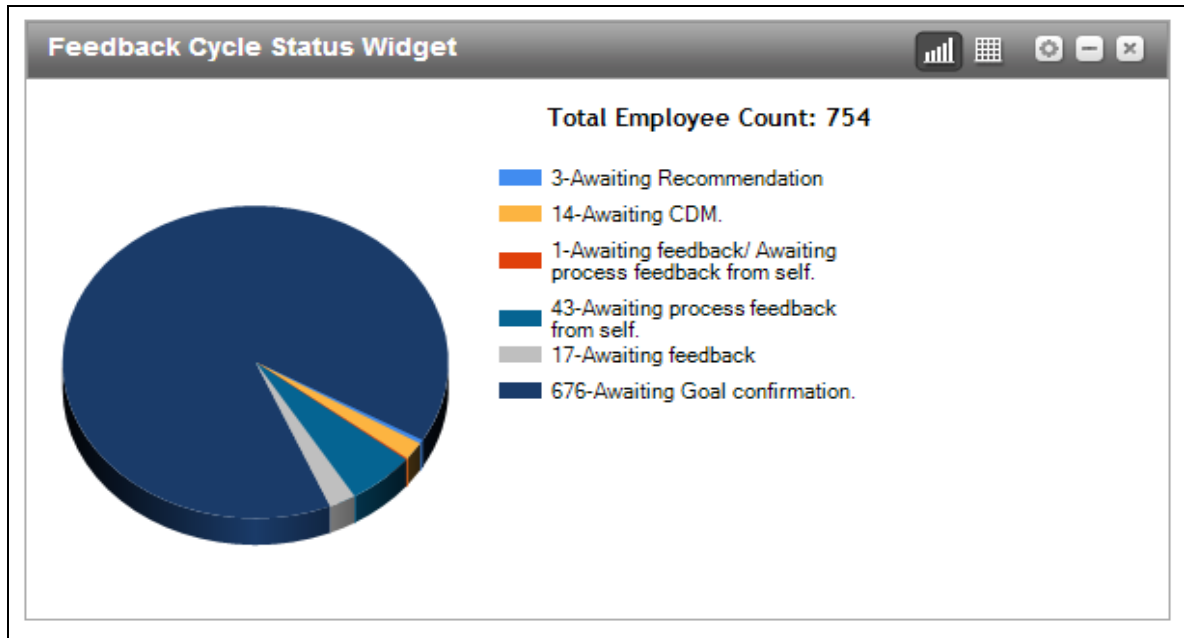
It is also possible to have process related Help documents available for both HR and Employees in the system always for their reference. Configuring the notifications for completion of rating or approval intimation to the HR is also possible. Synergita also provides many reports which assist in analysing the performance improvement or the rating distribution across the organization to understand the productivity.

4.13 No process goals

Dr John Sullivan: the overall process operates without clear and measurable goals, and as a result there is little focus.

In many organizations, Appraisal cycles are completed merely for name sake. Any work done without a proper goal is never complete. Identifying the Goal and understanding the purpose of Appraisal cycles are equivalently important as conducting it.

Solution

Analysing the satisfaction of Employees is easily done in Synergita through a report which gives information about the Employee acceptance and comments.

At the end of the appraisal cycle, Synergita allows to get the process feedback from employee.. Based on the inputs received, HR can analyse if their goals of conducting the cycles are met or need to improve the process.

It is also possible for the HR head or Management people to review the feedback given by the Employees on the process and take necessary steps. Process Feedback form is easily customizable and more questions corresponding to the organizations can be added to get information on all aspects of the Organization.
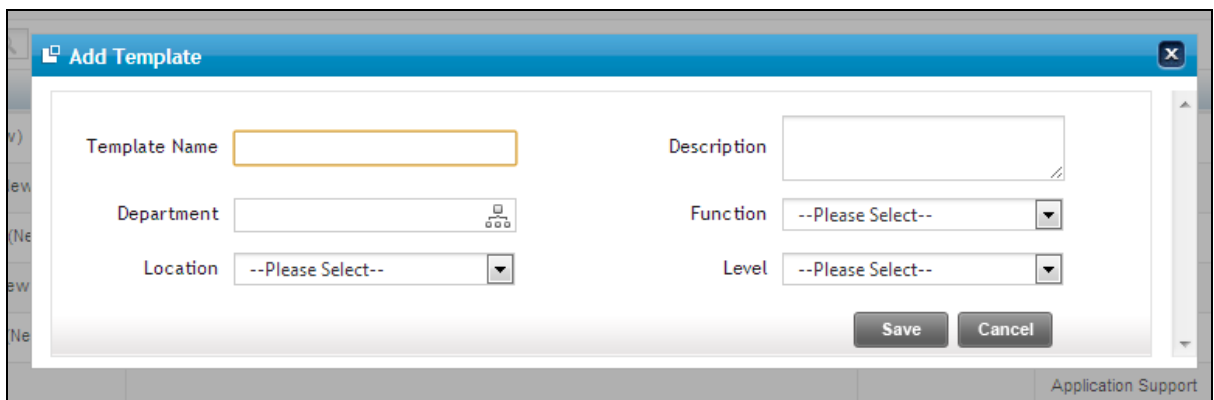
4.14 Not global

Dr John Sullivan: Most processes and forms are "headquarters centric," failing to address cultural, language, and legal differences.

Although it is difficult to have appraisal processes and forms to address the different cultural and language differences, It is essential to have a process that suits all employees in the organization to get the full benefit of conducting appraisals.

Solution

Synergita provides the option to have multiple appraisal forms (Templates) based on various criteria's like department, function, location, etc. This appraisal form is defined by the HR and there is a provision for the Manager to review the form and make any customizations suit a particular employee, if needed.

The appraisal process as such is defined with the help of work flow which is also easily configurable in Synergita. It is possible for an organization to have multiple appraisal workflows and create different cycles for employees in different location etc.

4.15 Forced ranking issues

Dr John Sullivan: Although forced ranking has some advantages, using it may result in significant morale and PR issues.

Forced ranking is a form of identifying the company's best and worst performing employees using comparisons. Managers rank workers into three categories: The top 20 percent, the middle 70 percent and the bottom 10 percent. The long-run impact of Forced ranking should ideally be increased productivity, profitability, and shareholder value. T

Synergita facilitates the people of HR and Management team to analyse the performance of each individual and place them in a 9 quadrant report, based on their performance. This comparison can be made in the organization as whole, or within a department, or a team.
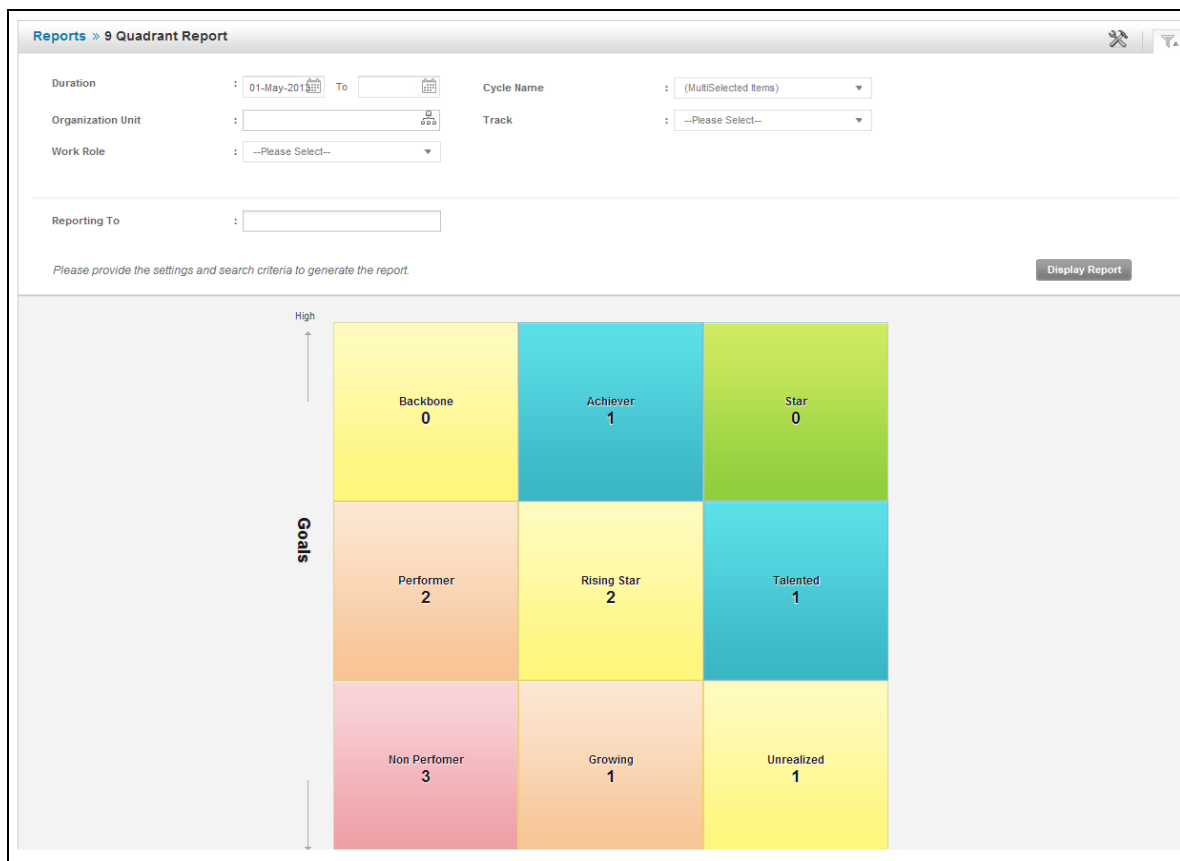
This report allows the manager to

- View the performance of reporting team
- Sort them / categorize them / take specific actions.

4.16 No ROI calculation

Dr John Sullivan: HR fails to do a periodic business case justifying the value added compared to the time and the cost of the process.

Synergita reports provide various measurable benefits to the Management and employees. For instance, conducting an appraisal review meeting and getting the feedback from employee would allow the HR to know the problems faced by the employee and his satisfaction level. This helps in reducing the attrition rate and reduces the cost of conducting interviews to appoint new employees. The attrition rate of the organization is always available to the HR in form of Widget and Report.

Other benefits include Strength and Weakness Report (which gives the top 5 Strengths and weakness), Feedback report which can be seen for every cycle that is conducted, etc.

5 CHAPTER

Most Instrument (form) Problems

5.1   Doesn't address diversity

Dr John Sullivan: All too often, the same appraisal form is applied to a large but not homogeneous group of employees (i.e. all hourly, all exempts, all managers etc.). As a result, the assessment form does not fit the job. Only management-by-objective-type approaches address individual needs.

As the organization grows, so does the number of designations and roles. Each role will need to have a clear job description and also associated competency matrix and goals. Competency matrix will be more or less same across all the individuals in the same role; but, goals can be different. It is important that HR understands the job description at each role and design a specific form for each role and NOT use a single, fit-all form.

There may be some portions which will be same. For example, you may want to measure everyone across "Corporate values". That section will be the same for everyone. But, job responsibilities, competencies required for doing a job will be different from one role to another.

At advanced level, you may also want to extend the coverage to suit to the individual needs. For example, for a production manager may have to be rated/coached on P&L responsibilities (generally available at Director or VP level).

Solution

Synergita provides the capability to define competency matrix for each role and also to an individual. An employee's competency matrix can be further tailored by the manager to suit the individuals' ambition and specific job descriptions.

HR can build a competency/Goals library at the organization level. The elements of competency library / goals library can be again split based on balanced score card, job responsibilities, levels, etc. Once the library is built, it is easy to assemble the form specific for a specific job role.

Synergita also helps in extending the form designed for a job role specific to an individual employee needs. This will empower the managers to make it more suitable for an individual employee needs.

5.2   The process does not flex with the business

Dr John Sullivan: Rarely does any portion of the appraisal process flex to address changing business objectives.

Change is the only thing which is constant in any business. People go through change, get promoted / rotated to different job profiles and have different targets to meet. It is important that the software is flexible and adopts the change easily.

Solution

Synergita is easy to use and flexible software. You can change the following easily through a HR administrator:

- Workflows
- Business rules
- Goals for an individual's (and have a track on the changes & history)
- Change the competency and goals matrix at org level / at department level / individual level / etc.
- Manage the weightages for the matrix

Imagine a situation where a project manager is promoted as an account manager and he is rated only based on the customer satisfaction and account growth. Unless the person's rating mechanism changes to reflect the role change, it will not be meaningful. Software has to be flexible in this case.

Similarly, imagine a situation where the organization takes over another company. It should be easy to extend the defined PMS to another business unit / group company. Synergita helps in these easily.

Or, let us assume that workflow needs to change with some of the hierarchical changes happening in the company. Let us say that you are decentralizing HR to align with various business units & pretty much each business unit has a separate HR manager. In this case, it should be possible to align the approval process with the newly created HR positions.

5.3   Inconsistent ratings on the same form

Dr John Sullivan: It is not uncommon for managers to put one level (high, average or low) of ratings in the Likert scale portion of the form, but another level of rating in the "overall assessment" box. The final narrative portion of the assessment may contain still another completely different level of assessment.

Solution

Often times, managers have difficulties in providing appropriate feedback to their team members. Generally, they want to be nice and positively inclined towards the performance (irrespective of whether it is right or wrong). Overall, HR should expect a positively skewed rating distribution of the people rated by their managers. It takes few education sessions and one or

two performance cycles to get everybody to the same page as far as "appropriate rating" is concerned.

Synergita encourages managers to do the following:
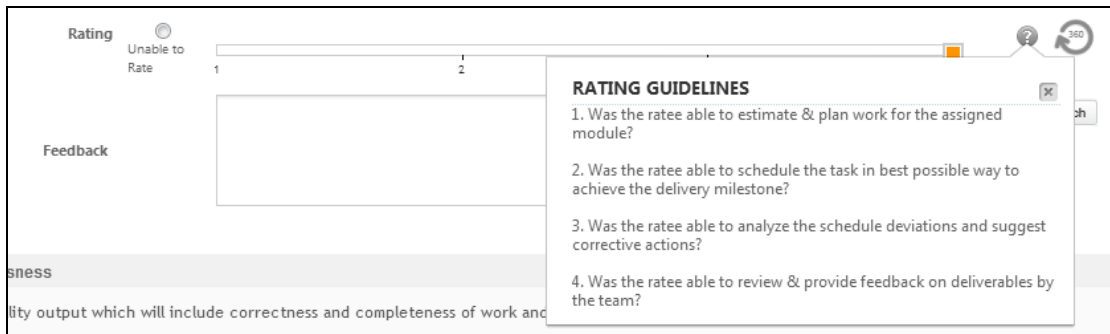
Follow rating guidelines while providing rating. Managers can quickly see the rating guidelines and the method to adhere them. This will increase the consistency of same/similar rating across all managers.

Final rating is generally derived from the individual rating. Synergita has "business rules" that HR can enforce. For example, you can compute the final rating number from individual rating. And, enforce rules as follows:

Rating value	Rating
<2.5	Need Improvement
2.5-2.8	Average performer
2.81-3.2	Good performer
>3.2	Excellent performer

Since the final rating is computed automatically from the aggregated rating value, manager cannot make mistakes / cannot choose different rating compared to what they have rated in individual parameters.

5.4   Disconnected from job descriptions

Dr John Sullivan: In many cases, the factors on the form are completely different from the factors on an employee's job description, bonus criteria, or yearly goals. This can confuse employees and cause them to lose focus.

Solution

It is very important to start the form design (basically the set of competencies and goals) from an employee's job description. For example, when you look at a production manager, their typical goals would be:

- Annual / Quarterly / Daily production targets
- Quality goals

- People goals

These goals would be almost similar to each manager in the production department, except their quantification would be different from one another. There may be one or two additional goals specific to an individual manager (eg. Take up certification on safety policy, project management, etc.).

Synergita offers a library where HR can define the goals and competencies required to do a job at each level (manager, engineer, customer support, purchase manager, etc.).

Managers can use this library and then extend it to suit each individual (define their specific goals). This helps in accomplishing two things:

- Deriving the company goals, department goals and align them with individual goals

- Empowering individual managers and their team members to fine tune the alignment to suit individual employee needs. For example, if MBA is an individual aspiration, manager can set a goal to get the team member certified in production management. This need not be on the organizational / department goals.

◆ ◆ ◆ 6 **CHAPTER**

Manager / Execution Problems

6.1   Managers are not trained

John Sullivan: *in most organizations, managers are not trained on how to assess and give honest feedback. If the process includes a career development component, it is even more likely that managers will not know how to enhance the career path of their employees.*

When manager have no clue about what is expected of them while providing feedback and how they are to approach the same, the process of performance management is going to be a nightmare for everyone in the organization. Everyone, will be left clueless and without a sense of direction or purpose. Appropriate training and guidelines should be given to managers and they should be apprised on the importance of sharing honest feedback and also how that will in turn help the employee and the organization. When managers understand the important of the task at hand, we can be sure that they would do their best to complete it successfully.

Solution

While the organization's HR must take complete initiative to train their managers about the performance management process, its importance and tips to evaluate employees honestly and the best approaches to pass on feedback to the employees, Synergita provides an opportunity to reinforce these training imparted to managers. In the Synergita home page, the organization can share these best practice and guideline documents that managers can refer to at any point of time.

Also, at the time of providing feedback, clear descriptions and rating guidelines can be provided to managers in the evaluation form itself. This helps managers to better understand the employee evaluation form and thereby provide honest and appropriate feedback to the employee.

6.2   Managers are "chickens"

John Sullivan: some managers will do almost anything to avoid tough decisions or confrontation. Some provide no differentiation and spread "peanut butter" (an even distribution) to avoid it, while others give everyone "above average" ratings. Some managers will provide feedback that is extremely vague in order not to offend anyone. Rarely if ever is anyone immediately terminated as a result of the process.

Managers often try to avoid tough confrontations with their direct team. They feel that it would be easier to have a smooth talk with their subordinates at all times and thus they can maintain a good relationship with the team members. However, what managers fail to realize here is that unless they provide the right feedback to the employees, the employees might never realize what they need to do right in order to develop or correct themselves and it might only result in a much more frustrated employee sometime in near future.

Solution

With Synergita, we can make sure that managers can provide appropriate feedback and also substantiate their ratings/feedback with detailed descriptions or comments and also upload supporting documents for the feedback given. When managers are able to add such documents to support their feedback, they might feel more comfortable about providing honest and open feedback about the employee. Confronting the employee's questions at the time of sharing the feedback with them becomes easier for managers with this feature.

6.3   Gaming the system

John Sullivan: often managers artificially rate individual employees to save money or to keep employees from becoming visible for promotion. Some selfishly give a score just below that required for a pay increase, while others give scores just above the point where they would be required to take disciplinary action.

Managers may resort to the above behaviours owing to various reasons such as reluctant to confront a difficult situation, forcefully trying to stop an individual from being promoted, etc.

Solution

Features such as 360-degree feedback, continuous feedback, etc., help in overcoming the above mentioned problem.

Synergita 's 360-degree feedback feature provides for feedback to be captured from more than one source. In this feature, feedback may be obtained from the employee, peers, co-managers (other manager's), subordinates, etc., apart from the manager. When feedback is obtained from various sources, managers will not be able to fabricate incorrect feedback, in which case the manager's feedback will be way different than the one obtained from other sources.
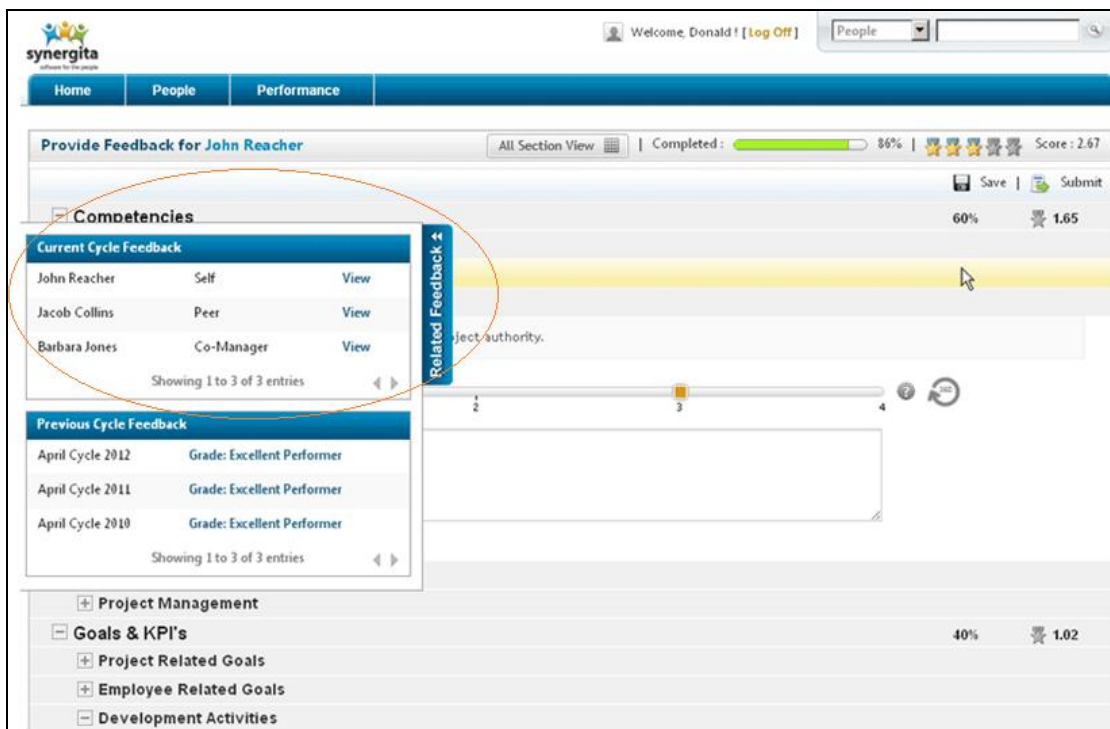
The continuous feedback feature also helps in resolving this issue. In continuous feedback, the employee's performance feedback is captured on a continuous basis. Therefore, there is a continuous record of how the employee has performed at various times during the year. Here again, continuous feedback can be obtained from different sources. Features such as 360-degree, continuous feedback, etc., bring about a lot of transparency into the performance management process and there gives little room for incorrect/fabricated feedback.

6.4   Recency errors

John Sullivan: managers, especially those who don't consult employee files and data, have a tendency to evaluate based primarily on events that occurred during the last few months (rather than over the entire year).

Managers typically will have multiple team members reporting to them and it becomes difficult for them to remember everything about an employee's performance over a period of time. Unless they meticulously maintain records of how the employee performed at regular intervals, it is almost impossible for them to recollect an employee's performance throughout the year and their rating are influenced by the employee's most recent performance (in the last few months). This is called recency error. Due to the recency error, employees do not get complete credit for their work done all through the year.

Solution

Synergita's continuous feedback module helps in reducing the effects of recency error. Continuous feedback is a module which allows managers and other employees to be able to record the feedback about an employee's performance then and there, on a continuous basis. The system also allows managers to access this continuous feedback at the time of rating and managers can retrieve the performance feedback of an employee for the specified evaluation period. The system also provides for grouping the feedback into different categories and assigning rewards and provides a quick snapshot of the number of feedback obtained in each category/reward.
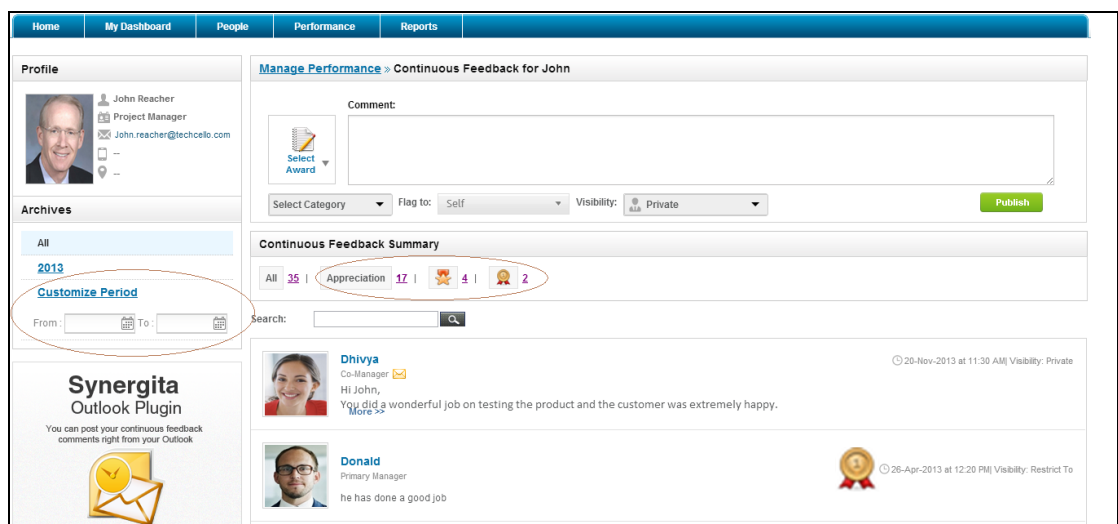
This module also provides flexible features such as a being able to post a continuous feedback from your e-mail server instead of logging on to the Synergita performance management system and therefore saves a lot of time

for managers and enables them to keep a record of the employee's performance very easily without having to spend a lot of time for the same.
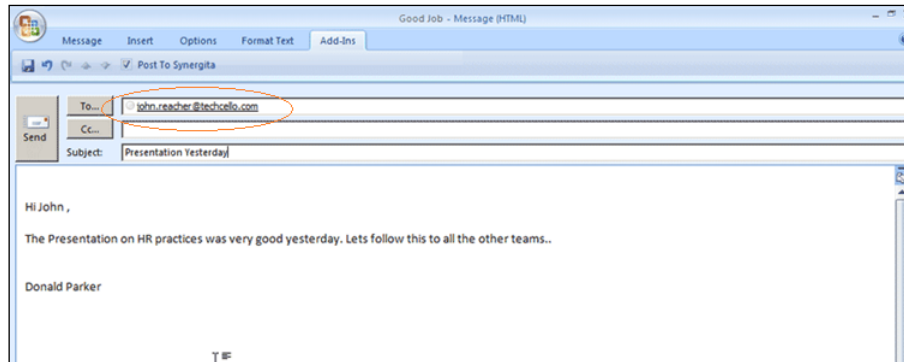
By means of facilitating continuous feedback and making it available for reference to the managers at any point of time and also at the time of performance evaluation, Synergita helps to solve the recency error.

6.5   Corporate culture issues

John Sullivan: subjective appraisals can restrict cultural change in organizations. In some organizations, there are cultural norms and values that influence performance appraisals. For example, in one organization new hires were automatically given an average rating for their first year, regardless of their actual performance. One top performing hire I knew abruptly quit after receiving this cultural gift.

This is a common problem faced in organizations where there is no proper system for performance evaluation.

Solution

With the various mechanisms for capturing feedback such as 360-degree mechanism, continuous feedback, customized evaluation forms, etc., Synergita makes it possible to provide objective feedback and there is little room for subjectivity. Such strong channels of performance management help organizations to achieve the cultural shift towards a more comprehensive and transparent system of performance evaluation.

6.6   Inconsistency across managers

John Sullivan: some managers are naturally "easy raters" while others are not. As a result, employees working under easy managers have a better chance of promotion due to their higher scores. In firms that rely heavily on the narrative portion of the assessment, having a manager with poor writing skills may hamper an employee's career. Without "benchmark" numbers to set as a standard, inconsistency is guaranteed in large organizations.

Every person perceives things differently. This is also true of managers. Some managers could be extremely lenient while others might be extremely stringent while evaluating their team. This usually brings about an inconsistency in ratings or evaluations among managers.

Solution

Synergita provides a simple remedy for this problem. In the Synergita performance management system, there is a provision to provide a clear description for each evaluation parameter. Here, the organization can explain to manager what that evaluation parameter means for an employee at a certain level. Synergita provides the flexibility of being able to customize the employee evaluation forms for different groups of employees. Therefore, even the same evaluation parameter can be explained differently for different groups of employees. Providing clear descriptions of what the expectation are on each evaluation parameter, it will bring about uniform understanding about expected levels of performance for each employee group among managers.
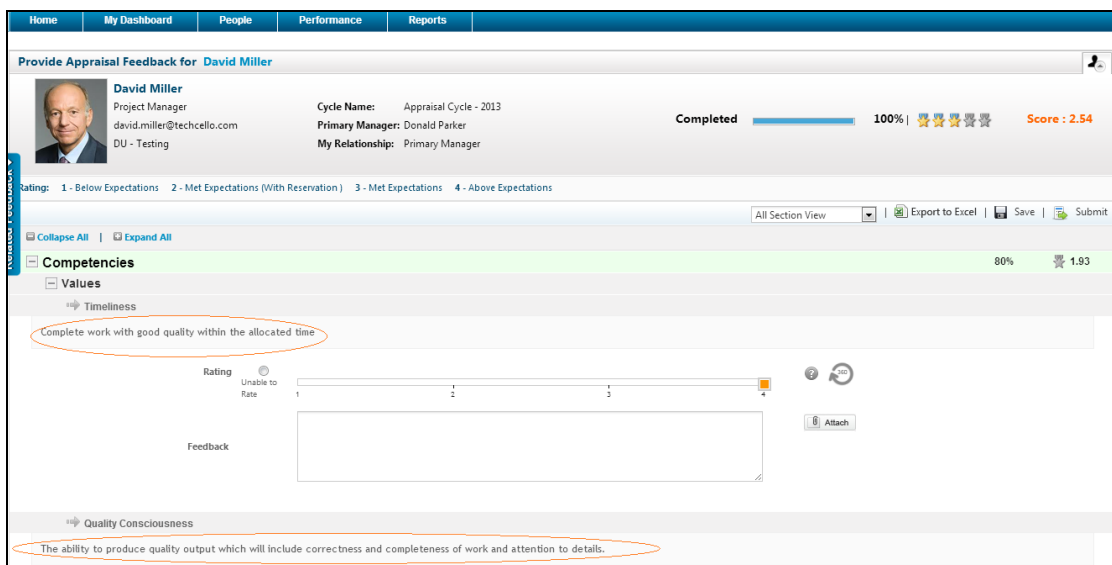
Apart from providing description on evaluation parameters, Synergita also has a feature where clear rating guidelines can be provided. Example: If an evaluation parameter such as "Timeliness" is rated on a 1 – 4 scale, the organization will be able to clearly define under what circumstances an employee should be rated as 1, 2, 3 or 4. When such guidelines are available for reference at the time of providing feedback, managers will be able to reference the same, understand the expectations on each score level for each evaluation parameter and then provide their rating. Such clear descriptions will help to bring a consistency among the ratings provided by managers within an organization.

6.7   Managers don't know the employee

John Sullivan: managers of large and global organizations, as well as newly hired and "transferred in" managers may be forced to do appraisals on employees they barely know. Recently promoted managers may be forced to assess their former friends and colleagues. Following a merger, managers are likely to be confused about whether to focus on the whole year or just "post-merger" work.

When manages barely know their employees, it becomes very hard for them to be able to provide any feedback at all. In such situations, managers often tend to play safe by trying to stay at the mid-ranges (not rating too high or too low). This type of feedback might demotivate a good performer and will not server to pin-point the areas of growth for a poor performer. Employees will not see any value of the feedback and the basic essence of the appraisal itself would be lost.

Solution

While Synergita's 360-degree review would help this situation to an extent, managers might still not be able to obtain a complete insight into the employee's performance history and aspirations. Synergita fills this gap by capturing all past feedback and the same is available for the manager to refer to at the time of feedback. By referring to the past appraisal feedback, managers will be able to understand the consistency of performance for an employee, the areas in which the employee has improved from the past year, any inputs, suggestions or concerns that the employee may have raised during the past year, their aspirations, training recommended, etc.   This insight would prove to be extremely useful for managers, especially, new managers who do not have any idea about their new subordinates.

The continuous feedback of the employee is also available for reference to the manager at the time of providing appraisal feedback. The continuous

feedback page would have captured feedback about an employee's performance at different times during the year. From continuous feedback, managers will be able to obtain details about the employees' performance throughout the appraisal period.

Synergita also helps maintaining "Career aspirations" in which employees can be asked specific questions about their career aspirations and the same are recorded. The career aspirations page could contain details about an employee's future growth aspirations within the organization, relocation preferences, if any; educational pursuits that the employee might want to do in order to benefit his career, etc. This information will also prove to be very insightful for the new managers.

6.8   Secret codes

John Sullivan: I did some work with an army unit where by custom literally everyone got a perfect numerical score. So assessments by higher-ups were made as a result of interpreting "code words" in the small written narrative portion of the assessment. Unfortunately, if your commander didn't know the code words, your army career was limited.

This type of problem generally dwells when the performance management system is not transparent and people do not have a complete understanding of how the systems works.

Solution

Synergita is a simple and user friendly system. Its many features such as 360-degree feedback, continuous feedback, individual development plans for employees, ability to keep track of career aspirations, training, etc., keep the system very transparent and there is no room for surprises. Synergita's flexible reporting feature enables managers to obtain quick inputs about employee's performance and thereby make informed decisions.
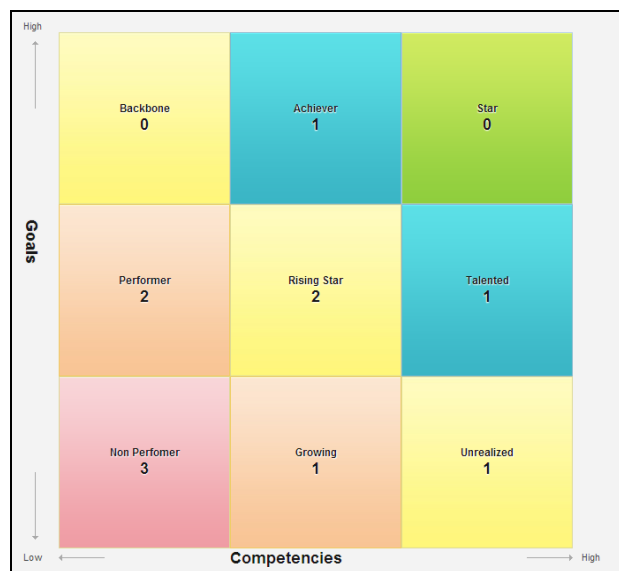
6.9   Mirror assessments

John Sullivan: most people, and managers are no exception, have a tendency to rate people like themselves more positively. This can result in discrimination issues.

It is common human tendency to compare others work to them and managers are no exception to this rule. However, every employee is unique and the way they approach their tasks would be different. Also, the performance and approach to solutions by an employee will largely vary based on their skill-sets, their job role, their experience levels, etc.

Solution

When managers are given clear descriptions to understand the expected performance levels for an employee, it will help them to steer away from comparing the employee's work output to their own standard of work. Synergita has provisions where organizations will be able to customize the performance evaluation forms for every employee level or job role, etc. Example: An evaluation parameter "Requirements understanding" can be explained differently for an employee performing a job at an entry level and for an experienced employee. These differentiations can be clearly brought out in the Synergita performance evaluation system.

Organizations can create any number of performance evaluation forms for their employees and each of these forms can be associated with a certain group of employees. These classifications can be based on job title, department, work level, etc. Also, for each evaluation parameter in these forms, clear descriptions of the expected level of work achievement can be provided. Thus managers know what to expect from the employee and will be able to evaluate them based on expected work output levels instead of comparing to their own work.

6.10 Managers are not rewarded

John Sullivan: managers that go out of their way to provide honest feedback and actually improve the performance of their workers are not rewarded or recognized.

With the flexibility of being able to have customised performance evaluation forms for different job types, managers can be specifically rated on how well they evaluate their employees and help them to improve their performance. Weights can be associated to each evaluation parameter and based on this, managers who execute this responsibility well can be recognized.

Synergita's Continuous feedback and social recognition module also has provisions where the organization can create any number of awards and recognize individuals who have performed well in the respective areas. This is a good place to recognize managers who focus on performance evaluation and how well they cater to the developmental needs of their team members.

6.11 Managers don't own it

John Sullivan: Managers often feel they don't own the process, so they invest little in it and proceed to blame HR for everything. Managers would embrace it instead of grumbling if they were presented with a positive correlation proving that managers who did excellent performance appraisals were among the highest performers with regards to business result and bonus awards.

This again is a common problem faced by many managers. Since the managers do not have a major part in structuring or driving the performance management process, they feel that they do not own the process and hence there is no drive from their end to complete these processes effectively on time.

Solution

The Synergita performance management solution has the provision for designing employee specific review plans. Here, the HR can give complete control to the managers and allow them to design their own performance management plans for their team members. Managers could create individual development plans, performance improvement plans, training evaluation plans, end of project reviews or any other developmental plan for their team. They will also be able to set the review frequencies, decide on the group of reviewers and decide on evaluation parameters while creating these plans. These plans are totally owned by the managers and by means of these review plans, they will be able to track the development of their team. When managers are given the freedom and flexibility to structure their own developmental plans for their team, their ownership becomes more on these areas. The feedback gathered during these interim review plans can also be used as reference at the time of yearly appraisals.

7
CHAPTER

Employee / Subject problems

7.1   High anxiety

Dr John Sullivan: Because the process is so subjective and no benchmark performance numbers are set in advance, uncertainty can cause many employees high levels of anxiety weeks before the process. Managers may also be anxious because of the uncertainty related to an employee's reaction. I know one employee who sincerely thought she was going to be fired prior to her assessment but ended up being the highest rated employee on the team. Employees should have an accurate idea of their assessment long before any meeting is scheduled.

Solution

This usually happens in a Performance Appraisal Management Process where both the employee and the manager will be finding it tough to take the performance appraisal forward based on oral confirmation.

👤 Employee	👤 Manager	👥 HR	🐾 Organization
Goals are set upfront and communicated to employees Employees understand the Organization goals and know what is needed from their end	Able to set the goals for team members Track the progress during interim reviews Rate team members based on agreed upon parameters	Goals are set for everyone based on Organization unit, level, etc. Identify & rewards top performers	Goals driven Organization Meet and beat the goals set for the organization Get everyone to the same page easily

Setting Goals is the best way to make sure both the employees and the managers are in the same line. Before the start of the appraisal period, there should be a consultative discussion between the employee and the manager on what the expectations are from both and this should be mutually agreed upon during the start of the year.

This will motivate the employee to attain goals set at the beginning so that he can plan his work accordingly in the future.

- Synergita offers a comprehensive goal setting feature which will help the appraisal process to be a defined one.

- Define Individual goals, which can be used for creating feedback forms/templates across the organizations.

- Set the goals for employees based on the Organization unit, Work Role & Level

- Create review groups and define who provides feedback for goals

- Quantitative and qualitative feedback can be provided for goals and scores are calculated based on the grade scale and weightage settings.

- Goals which have been agreed upon both by the Manager and the employee will be made visible so as to work on the set goals.

7.2   One-way communication

Dr John Sullivan: *some managers simply give the employee the form to quickly sign and they don't even solicit feedback. Many employees are intimidated by managers and the process, and as a result, they say nothing during or after the appraisal.*

Appraisals should be a two way process where the manager lets the employee know about his expectations and the employee also lets his expectation be known to the manager. There should a high level of confidence, trust and mutual respect that both will gain in the process which will increase the rate of retention in the organization. Employees are the face of the organization and they are the best brand partners and understanding them is the best way to lead a healthy organization.

An appraisal room cannot be considered as a War Room, where an employee vents out his feelings in the appraisal process, so they can be systemized by making the employee walk along with the appraisal process and keep the employee informed of the same.

Synergita Performance Appraisal Process has the extensive feature of addressing both the employee needs and the Organizations needs put together at ease

There is a Meeting Summary as a part of the employee work flow where once the feedback is given then there is a meeting summary which focuses on the areas that the employee needs to focus on and the same has been captured.

This can be taken as a reference at any point of time and see the improvements that the employee has made based on the mutual agreement made by the Manager and the Employee

Training Needs of the employee can also be addressed or the future course of action can also be mentioned.

7.3   Self-assessment is not possible

Dr John Sullivan: if an ambitious employee wanted to self-assess their performance midstream (in order to improve), most processes do not provide access to the instrument. Providing each employee with a virtual assessment scoreboard and performance management process would be an ideal solution.

Solution

Synergita has a review plan called the Periodic Feedback where the manager can enter the feedback about the particular employee for a reference in between the review period.

The Privileges for the Periodic Feedback is generally provided to the managers so as to have a control over the performance of his subordinates, on the core areas which the employees has to be rated.

7.4   No alerts

Dr John Sullivan: most processes do not allow an employee to be notified midstream should their performance change to the point where it was suddenly dramatically below standards.

The main aim of the Performance Appraisal is to constantly monitor the employee performance over a period of time and provide required inputs.

The main reason for the failure of appraisal process is that the employees are not informed on their performance requirements. The Managers wait for the appraisal time and list out the mistakes which will not go well with the employee.

Solution

Synergita offers a Continuous Feedback where the managers can help the employee to make sure that his/her performances are as per the goals setup during the discussion.

Continuous Feedback & Social recognition

👤 Employee	👤 Manager	👥 HR	👣 Organization
Receive feedback and appreciation anytime; helps in increasing the morale and bonding with peers	Ability to express critical feedback anytime	Helps in reducing manager bias	Motivated employees
Foster better collaboration and trust among employees	Better bonding with the reportees and peers	Better insights into overall feedback process (much ahead of yearly appraisal cycle)	Reduced attrition
Gets quick feedback without having to wait till the appraisal process	Maintain confidential notes easily (blue book) so that year long performance of the people can be kept track	Faster closure of appraisal process	Better business performance
Avoids situations where managers forget year long performance and just remember only the last 3 months			

Continuous Feedback is a direct and instant feedback tool that can be used to communicate to the employee his or her performance highlights on a day to day basis

- Provide continuous feedback anytime to your team members, peers and managers. Will help you to pass on the appreciation as well as critical inputs to them anytime without having to wait for the appraisal process.

- Provide continuous feedback and use it in your appraisal process.

- Maintain confidential notes on your team members, managers, peers, etc.

- Direct control on who can provide feedback to whom – easy to manage the settings

- Provide continuous feedback right from your outlook. Saves time and you don't have to get into Synergita

7.5   No choice of reviewers

Dr John Sullivan: although there are a few exceptions, in most cases, unlike with 360 reviews, employees are not allowed input into who does their assessment.

Reviewers play an important role in the appraisal process. They truly bring out the work qualities of the employee who is a part of their team and who is going to be apprised. Most of the organizations started having the 360 Degree Feedback which will help the managers understand the employee.

Solution

Synergita provides the option of letting the employee select the list of people who can apprise him in the appraisal cycle. This transparency in the system will help the employee to find the right people to evaluate him.
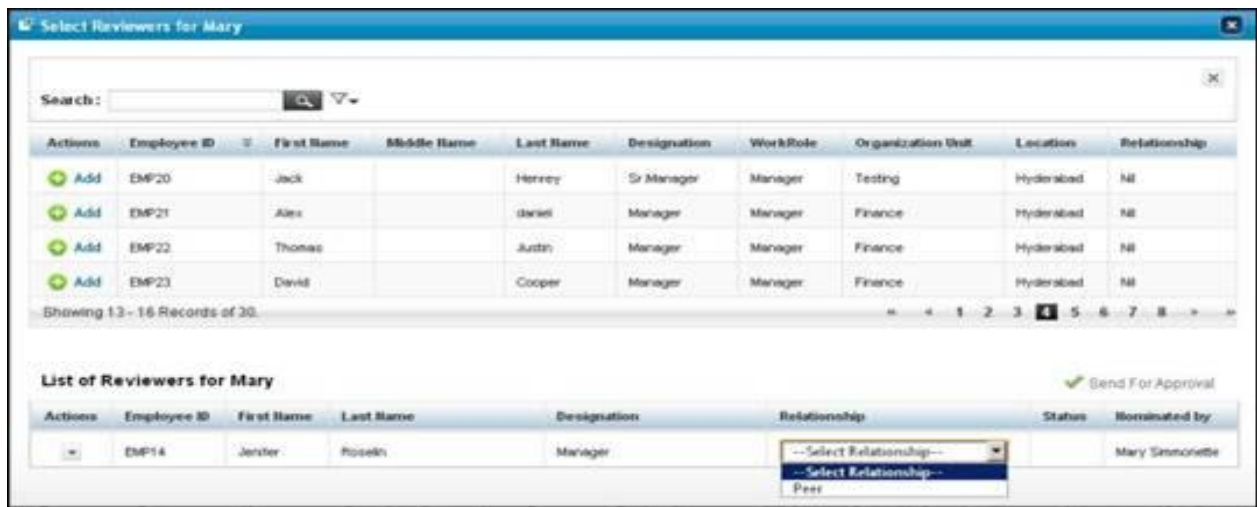
Once the List of Reviewers is selected then the list has to be approved by the Manager. The Reason being that the Manager will have a better knowledge on the relationship details and also approve the same taking into consideration of other factors such as favouritism, biased nature etc.

(An employee can refer his friend as a reviewer in order to get a good feedback, these can be checked by the primary manager before approving and hence the final approval is provided to the manager)

7.6   One-way process

Dr John Sullivan: *in most cases, employees also have no input into the factors that they are assessed on, how often they are assessed, and what type of feedback they can receive. It is unfortunately even rare for a process manager to routinely survey their users for suggestions on how to improve it.*

Appraisals without the consent of the employee on his career aspirations, what is expected from him and what he expects from the organization will always fail because this one way process will create a negative impact among the employees. Appraisals should always be a win-win situation where the requirements, expectations are put forward on the table both by the employee and the organization.

Solution

In Synergita the Competencies and KRA's though set at the organizational level can be modified according to the individual in the organization. This can be done based on the discussion and the expectation from both the employee and the manager. The competencies (1 – 3 Years' Experience) can be set differently for a 1 Year old experienced employee and totally a different one for a 3 year old experienced employee.

The Rating Guidelines Option provided in the Feedback will help the managers to rate the employee effectively.

Employees will also be able to receive continuous feedback at any point of time instead of waiting for the appraisal time and they can make the necessary improvement during the course of the year rather than waiting for the appraisal time.

The Action Review Plan also help the managers to keep a constant tab on the performance of the employee considered underperforming and provide ways to build up his career.

7.7   No appeal process

Dr John Sullivan: employees who disagree with her appraisal are seldom given the opportunity to challenge the results with a neutral party.

Employee Appraisals always comes with a Tagline "My Signature on the acceptance of performance appraisal doesn't imply that I agree with the above said ". This is the common problem faced in the Performance Appraisal Process across industries, sectors. The main reason being when both the employee and the manager come to the appraisal table there is a chance of either not accepting the views, scores given or the feedback generated. At this instance the very first thing that would cross our mind why not challenges the appraisal with the neutral party.

Solution

Synergita provides with a good notification options, The workflow in the appraisal process can be set such that if the employee is not satisfied with the outcome of the appraisal process then there can be a mail trigger which will notify the senior management on the employee's dissatisfaction in the appraisal process and the meeting can be arranged with the Human Resource Manager, Senior Management and the employee himself to sort out the difference.

7.8   Retention issues

Dr John Sullivan: the ultimate cost of an "unfair" assessment may be that it actually drives your top employees away because, for example, there was no differential in recognition and rewards for their superior performance.

In most of the appraisal scenarios the top performers in the organization are taken on the same scale as others and a basic rating is given with a similar percentage of hikes which does not go well with the employee. When they have been identified as top performers in their previous appraisal they would have given more effort to keep the momentum going and also wanted to be in the elite list of top performers.

When they feel that their hard work is not being recognized they tend to look out for other opportunities and thereby create a void space in the team and in the organization which will take some considerable amount of time for the organization to find the correct employee or make an internal employee grow up to that level in that organization. The amount of time and money invested to find a right fit can be utilized to make the employee stay in the

organization and get his concerns clarified and also by giving him an assurance on how things will be going forward.

Solution

If an average employee and excellent employee receive same score at the end of appraisal cycle, it will not go well with an excellent performer. It will basically indicate that the rating is not done in fair way and there is no differentiation (or) manager does not want to differentiate.

Synergita will help in clearly defining the rating criteria and managers will be forced to provide higher score to excellent employee compared to average employee. The score can be linked to the bucketing system through a business rule where the average performers and the excellent performers are distinguished separately.

Synergita also has a feature called Interim Feedback where the employee can have a discussion with his/her manager on what has to be continuously assessed so as to move to the next level of the organization and when both of them have finalized then this review feedback can be put in place. The employee and the Manager can have a look at this and keep working towards the goal.

7.9   Many possible emotional consequences

Dr John Sullivan: if performance appraisal is blotched, you can expect a decrease in employee engagement, trust, employer brand strength, teamwork, and innovation contribution. Employee referrals from disgruntled employees will probably also drop.

As observed in many organizations, the maximum rate of attrition happens in the month of June-August. Why does attrition happen, how does the organization cope up with the level of attrition predominantly higher with the experienced people and who had also put in good amount of years in the same organization.

The main drawback is that they are not able to understand how their performance is evaluated from the organizational point of view and what the organization expect from them. Employees are always considered the Brand Ambassador of the Organization and there is a saying Employers don't build the business they build the employees and the employees build the business. The Relationship between the Employer and the Employee needs to be on a good track since the employees will always want to be felt recognized by the employer and this would build up their confidence levels, leadership spirit, and team handling skills and give a positive image about the organization that will be helpful for the organization

Synergita Performance Management Software helps in addressing these queries by providing the best in class appraisal software customized according to the organization needs and thereby helping in:

- Bringing Performance Management closer to business and people
- Resulting in Increased Business Performance and reduced attrition

- Fostering collaboration and creating better employee engagement of the employees.

Synergita helps the Managers and the employees walk the same track in the appraisal process providing them with more transparency and what is expected from everyone involved in the appraisal process.

◆ ◆ ◆

8
CHAPTER

Timing Issues

8.1   A time-consuming process

Dr John Sullivan: Most of the forms are incredibly long and time-consuming. As a result, some managers routinely recycle "last year's" evaluations. If HR is required to sit in on the sessions, the amount of wasted time increases significantly.

Solution

It is important to keep the appraisal process simple and straight forward. It is always better to follow KISS principle in performance appraisals. Often times, in majority of the organizations, it is clubbed with pay revisions. In this case, pay, performance and emotions are getting mixed and it is important to make sure that these are done objectively as much as possible. Following are critical:

- Keep the form simple and straight forward.

- Keep the no. of parameters minimal and make sure that these are always tied to the job description.

- Make sure that these are objectively evaluated with metrics. Numeric numbers make the decision factors easy and meaningful.

- Train the managers on the system

- Publish the dates ahead of time and also send reminders to people to complete the process on time.

- It is important that people see the connect between the forms, manager's action and HR's action. If the form captures training needs of employees, it is important that managers and HR act on such training requests. That will provide more confidence from the employees on managers, HR and in overall, organization.

Synergita provides the following tools to help the managers:

- Filling the forms is easy.

- Managers get to access all the information about an employee (peer feedback, other manager feedback, critical incident diary (or continuos feedback), past feedback, etc.) in single click from a single screen. Rating guidelines are available so that managers can refer them to provide accurate rating.

- Managers will know the process status for their team members easily.

Synergita provides following tools to HR:

- Automated reminders to defaulters. HR need not do the follow-up. System will do the necessary follow-up & also escalate to their supervisors.
- HR will get complete view of the process status, detailed reports on who is at what stage, etc.

8.2   It is historical

Dr John Sullivan: the process is focused on capturing feedback about last year rather than on discussing necessary changes to job and skill requirements that must necessitated by the business strategy.

Solution

There is an important concept about "Feed Forward". Interesting example from Mr Mali Mahalingam, HR Practitioner and Executive coach (in.linkedin.com/pub/mali-mahalingam/2/965/573) – "Next time onwards, slow down the vehicle when you are taking U turn"; Next time onwards – is the key in this statement - it brings the feed forward approach into the element and helps the conversation focus on future rather than the past. You cannot change the past (feedback) in any way. But, you can control the future.

Appraisal process / forms should contain two sections:

- Appraisals around the goals accomplished – you will need this to provide rating, increments, etc.
- Goals / plans / any specific training requirements for the next year

With Synergita, it is easy to design the forms and capture information. You can get excellent reports based on people' training expectations, identifying organization area of improvements, etc.

While the tool is flexible to design the form and process to your organization needs, it is advisable to keep performance appraisals and salary revisions apart. This reduces the conflict of interest between both.

8.3   Not coordinated with business cycles

Dr John Sullivan: Some appraisal dates do not coincide with the end of major business periods or seasons when all other business results are tabulated and reported.

8.4   Not simultaneous

Dr John Sullivan: If appraisals are done on the employee's anniversary date, the entire team will not be assessed at the same time.

Solution

It is a timing issue. Best practices are:

- Coincide the appraisal dates with business cycles. For example, if the company is following up Jan-Dec as the financial year, it is better to keep the appraisals also around similar time frame (either Jan-Dec, Feb-Jan, etc.). That way, salary revisions will go into yearly budgets. Plus, it will be easy to take organizational performance into individual performance. Once the organizational performance is announced, it is easy to link it with individual salary revisions. You will be able to avoid issues such as "team members did very well; but, overall organization performed poorly".

- Also, it is better to split the appraisals into two portions: one focussing on salary revisions; other focussing on the competency,

- training needs for next year, etc. This will keep the discussions more objective.

- Keep the appraisals for everyone together. This will help in doing better analysis on the performance, appraisals, etc. Will also reduce lot of overheads on HR, payroll systems, etc. All the changes will be done in one shot. Certain organizations keep the appraisals on employee's anniversary date – this will help in reducing the comparison (salary front) among people. But, in a way, it increases lot of overhead and also does not help in doing performance comparisons among peers.

With Synergita, it is easy to create start and end appraisal cycles. It is easy to add people, set the workflow for the cycle, etc.

◆ ◆ ◆

9
C H A P T E R

Summary

9   Summary

Designing a performance management process and implementing a software is a challenging one. There are several places where things can be overwhelming. Key is to keep it simple and always establish a connect between the design and actions. It should be objective driven and focus on talent development.   Like Dr John Sullivan mentioned, strategic benefits will come out if the performance management software is implemented properly that suits the organization.

We sincerely hope that this eBook will be useful to know the challenges and mistakes *other* people make and how to avoid them. Whichever software tool you are going to use for your performance management, kindly adhere the essence outlined throughout in this book. You will be able to save significant amount of time and energy while designing and implementing your performance management software.

Web: www.synergita.com

Email: info@synergita.com