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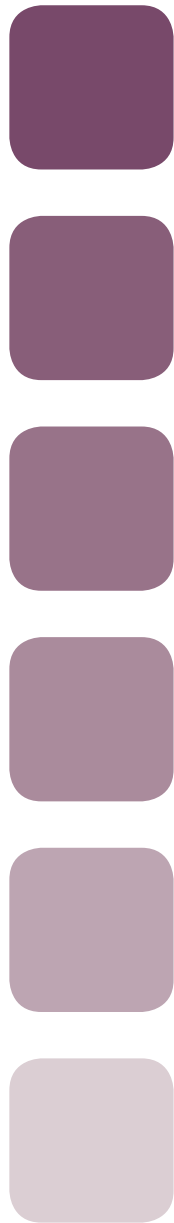
Theory **I**nto **P**ractice **S**trategies

A Resource Kit for the
Alcohol and Other Drugs Field

8

PERFORMANCE APPRAISAL

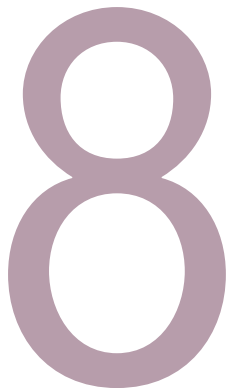# Workforce Development 'TIPS'

Theory **I**nto **P**ractice **S**trategies

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PERFORMANCE APPRAISAL

ABOUT THE WORKFORCE DEVELOPMENT TIPS RESOURCE KIT

This Resource Kit aims to provide straightforward and practical guidance, tools and resources to support workforce development activities and initiatives in the Alcohol and Other Drugs (AOD) field.

The Resource Kit comprises 14 chapters: an introduction to workforce development and 13 workforce development topics relevant to the AOD field. Each chapter contains evidence-based strategies to address a particular workforce development issue, as well as resources and tools that can be used to implement the strategies. Each chapter can be treated as a stand alone section, however, as workforce development topics are inherently interrelated, links between chapters are identified throughout the Kit.

Performance Appraisal is the 8th chapter in the Resource Kit.

CHAPTER

Acknowledgements

PERFORMANCE APPRAISAL

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Overview

What is performance appraisal?

Performance appraisals are a systematic way of evaluating the standard of a worker's performance.

Benefits of performance appraisals

Performance appraisals can be used to:

- Make employment decisions such as determining pay and promotions
- Identify professional development needs
- Identify factors in the work environment that help or hinder performance effectiveness.

Fundamentals of an appraisal system

In order to be effective, an appraisal system needs to be perceived by workers as:

- Relevant and applicable to everyday work
- Acceptable and fair
- A mutual collaboration between management and workers.

A performance appraisal system that meets these criteria is likely to have the greatest impact on workers' satisfaction with the appraisal process and their motivation to improve performance.

Steps for developing a systematic performance appraisal

A five-step approach to conducting a performance appraisal is recommended.

1. Identify key performance criteria

Development of key performance criteria should be based on a comprehensive job description and undertaken in consultation with workers. Four dimensions of performance can be considered:

Competencies	Knowledge, skills, and abilities relevant to performance
Behaviours	Specific actions conducted and / or tasks performed
Results / outcomes	Outputs, quantifiable results, measurable outcomes and achievements, objectives attained
Organisational citizenship behaviours	Actions that are over and above usual job responsibilities

2. Develop appraisal measures

In order to obtain accurate and valid performance appraisals, appraisal measures should be tailored to the specific job or "job family" (i.e., groups of similar jobs). An evaluation of factors in the work environment which help or hinder performance is also recommended. This ensures that realistic expectations are set for workers' performance, and is also likely to increase the perceived fairness and acceptability of performance appraisals.

3. Collect performance information from different sources

Traditionally, it has been the sole responsibility of managers / supervisors to assess performance. However, other organisational members (e.g., clients, coworkers, subordinates) can be a valuable source of information as they are likely to have exposure to different aspects of a worker's performance. Collecting information from multiple sources can increase the accuracy of performance evaluation (i.e., reduce bias), and increase workers' perceptions of fairness.

4. Conduct an appraisal interview

The two central purposes of the appraisal interview are to:

1. Reflect on past performances to identify major achievements, areas for further improvement, and barriers / facilitators to effective performance
2. Identify goals and strategies for future work practice.

The appraisal interview should be a constructive, two-way exchange between the supervisor and worker, with preparation for the interview done by both parties beforehand.

5. Evaluate the appraisal process

The performance appraisal process should undergo regular review and improvement. For example, focus groups or surveys could be conducted to gauge workers' perceptions of the appraisal process. A successful performance appraisal process should demonstrate a change in both the ratings of workers' performance and aspects of the work environment that impact upon work performance.

Best practice in performance appraisal

In essence, best practice in performance appraisals involves:

* Integrating performance appraisal into a formal goal setting system
* Basing appraisals on accurate and current job descriptions
* Offering adequate support and assistance to workers to improve their performance (e.g., professional development opportunities)
* Ensuring that appraisers have adequate knowledge and direct experience of the workers' performance
* Conducting appraisals on a regular basis.

Introduction

Conducting regular performance appraisals is an important workforce development strategy for organisations in the AOD field. Given the challenges of working in the AOD sector, performance appraisals offer a valuable opportunity to recognise and reward workers' efforts and performance, detect key barriers and facilitators to work practice, and identify professional development needs and opportunities. Investing time in regular, structured performance appraisals is a key strategy for supervisors and managers to support, motivate and reward AOD workers.

What is performance appraisal?

Performance appraisal is a formal system that evaluates the quality of a worker's performance.[1] An appraisal should not be viewed as an end in itself, but rather as an important process within a broader performance management system that links:

- Organisational objectives
- Day-to-day performance
- Professional development
- Rewards and incentives.[2, 3]

What is the purpose of performance appraisal?

Performance appraisals are useful for AOD organisations in several ways including:

- Professional development (identifying strengths and weaknesses in performance, implementing strategies for improvement)[4-7]
- Determining organisational training and development needs[1, 7]
- Making and validating administrative decisions (e.g., pay, promotion, placement, termination)[4-7]
- Identifying systemic factors that are barriers to, or facilitators of, effective performance.[4, 8, 9]

Some workers can find performance appraisals to be threatening or intimidating. However, with good design and planning, performance appraisals can be rewarding and constructive for both workers and managers / supervisors. When performance appraisals are clearly linked with recognition and rewards, there are also likely to be benefits for workers' motivation, productivity and retention.[8, 10, 11]

PRACTICAL TIP

What can supervisors and managers do to reward workers?

Developing a valued and effective reward system can be a challenge. Financial rewards are often not an option in some AOD government and non-government agencies. Alternatives to financial rewards include:

- Public recognition of effort and contribution
- Opportunities to work on preferred activities (and / or a break from less desirable work)
- Time off or flexi-time
- Support for professional development activities (e.g., financial contribution, time off).

Don't forget – you can also ask the "experts" – the workers themselves. Developing reward systems that are based on workers' needs and preferences are likely to be most effective. Remember – what one person may find rewarding and satisfying may not appeal to another.

> If workers and appraisers do not accept the appraisal system, it will be ineffective regardless of its degree of technical soundness.[12]

Fundamentals of an appraisal system

To develop a successful performance appraisal system, two criteria need to be met:[6]

- Relevance and applicability to everyday work practice
- Acceptability to appraisers and workers.

A systematic approach to performance appraisal can help ensure that these two important criteria are met.

How to conduct a performance appraisal

The following five-step approach to conducting a systematic performance appraisal is recommended:

1. Identify key performance criteria
2. Develop appraisal measures
3. Collect performance information from different sources
4. Conduct an appraisal interview
5. Evaluate the appraisal process.

Step 1: Identify key performance criteria

Perhaps one of the most challenging aspects of setting up a performance appraisal is deciding *what* to assess. In essence, four key dimensions of performance should be considered in a performance appraisal.

Key Dimensions of Performance	
Competencies	Knowledge, skills, and abilities relevant to performance
Behaviours	Specific actions conducted and / or tasks performed
Results / outcomes	Outputs, quantifiable results, measurable outcomes and achievements, objectives attained
Organisational citizenship behaviours	Actions that are over and above usual job responsibilities

LINK

The *Worker Performance* chapter provides a comprehensive discussion of the various dimensions of effective performance.

To ensure that the performance criteria are relevant to work practice and acceptable to appraisers and workers:

    i.   Base the performance criteria on an up-to-date job description

    ii. Develop criteria in consultation with appraisers and workers.

i. Base the performance criteria on an up-to-date job description

Clear and explicit links between performance appraisal and a job description will ensure the relevance of the appraisal.[1, 9]   If a detailed job description is not available or is out-of-date, it is strongly recommended that an accurate job description is developed prior to conducting a performance appraisal.[1]

The *Recruitment and Selection* chapter discusses techniques to develop comprehensive and accurate job descriptions.

ii. Develop criteria in consultation with appraisers and workers

Linking performance appraisals with job descriptions can help to focus the appraisal process on the key competencies, behaviours and outcomes associated with a particular role or position. It can also be useful to consult with workers to:[12-14]

- Ensure that key aspects of a role / position are represented in the job description, for example:
  - *Screen all clients for AOD use*
  - *Conduct assessments*
  - *Plan interventions*
  - *Manage cases*
  - *Liaise with and refer to other providers*
  - *Keep up-to-date service records and case notes*
  - *Write reports*
- Develop a clear understanding of the relative importance of various competencies, behaviours and outcomes
- Identify how these key competencies, behaviours and outcomes can be fairly and accurately assessed.

Workers are more likely to accept and be satisfied with the appraisal system if they participate in the development of appraisal criteria and measures, and in the process of conducting appraisals.[12, 14]

Strategies for facilitating workers' participation include:

- Engagement in formal meetings or informal discussions with supervisors to seek input and / or feedback on appraisal measures and criteria
- Representation on groups / committees involved in the design and implementation of performance appraisals
- Inclusion of self appraisals in the appraisal process
- Providing opportunities for workers to contribute to the performance appraisal of coworkers and managers / supervisors.

It is also important that workers perceive the appraisal system to be equitable and fair.[15]

The importance of fairness in performance appraisals

The perception that an appraisal system is fair is likely to encourage positive attitudes towards the appraisal system and the organisation in general, as well as increased motivation and performance.[15] Specifically, the perception that an appraisal system is fair has been linked with a range of desirable outcomes including increased:

- Acceptance of performance evaluations[14, 15, 18]
- Satisfaction with the appraisal process[15]
- Motivation to improve performance[15]
- Performance[15]
- Trust in supervisor[15]
- Commitment towards the organisation[14, 15, 18]
- Intentions to remain in the organisation.[14, 15, 18]

Step 2: Develop appraisal measures

Once clear and specific performance criteria have been developed, the next step is to decide how to assess workers' performance.

It is recommended that a structured and systematic approach is taken to assessing performance.[21] Problems that arise when an unstructured "blank sheet" approach is used include:[9]

- Increased chance of appraiser errors (i.e., reduced accuracy)
- Knowledge, skills and abilities most critical to job performance may be overlooked (i.e., feedback may have limited impact on performance effectiveness)
- Reduced consistency between appraisers (i.e., evaluations may reflect differences between appraisers rather than actual differences in a worker's performance)
- Perceptions of "subjectivity" in evaluations, which may in turn reduce workers' satisfaction with, and acceptance of, appraisals.

There are three important considerations in the design of appraisal measures:

i.   Generic versus individually tailored measures

ii. Objective versus subjective assessments

iii. Assessing the impact of the work environment on performance.

i. Generic versus individually tailored measures

Many workplaces use a generic rating form for all workers irrespective of their role or position within the organisation.[8] Although this approach can save time and minimise cost, the accuracy and relevance of appraisals may be significantly diminished. The "one size fits all" approach of generic measures may overlook important performance criteria that are relevant to particular jobs, and may also include criteria that are irrelevant to others.[8]

Where time and other resources permit, it is more appropriate to construct appraisal formats tailored to specific jobs or "families" of jobs.[8] If the development of job-specific (i.e., individually tailored) appraisal formats is beyond the resource capacity of your organisation, an alternative would be to develop two groups of criteria:[8]

1. **Core competencies** that have applicability to the performance appraisal of all workers within the organisation

2. **Additional competencies** applicable only to some jobs and included in the performance appraisal if relevant.

ii. Objective versus subjective assessments

A basic distinction between different types of appraisal measures concerns the use of objective or subjective criteria.

Objective assessments of work performance

Objective measures of job performance involve counts of various work-related behaviours. Some common objective job performance measures include: [22]

- Absenteeism (number of days absent)
- Accidents (number of accidents)
- Incidents at work (number of incidents / assaults / altercations)
- Lateness (days late)
- Meeting deadlines.

Objective measures can be relatively quick and easy to obtain (given good organisational record-keeping). However, it can be unwise to place too much emphasis on these types of objective measures.[5, 22] An exclusive focus on results / outcomes may mask factors that impact on workers' performance that are beyond their control (e.g., client workload).

Subjective assessments of work performance

Subjective measures rely on the judgment of an appraiser (self, coworkers, or supervisor). Subjective assessments are commonly used in performance appraisals and often involve the use of rating scales.

Subjective assessments are more likely to provide accurate performance appraisals when:

- The behaviours and outcomes being assessed are stated in clear behavioural terms
- The worker understands the measures (e.g., rating scales) being used to evaluate their performance, and agree that the measures are fair and accurate (i.e., measures what it is supposed to)
- Measurement is as brief as possible whilst addressing essential behaviours and outcomes (frustration with long and unwieldy questionnaires may introduce error in responses).

iii. Assessing the impact of the work environment on performance

The goal of a performance appraisal is to support and improve workers' performance and effectiveness. Therefore, it makes sense for an appraisal to include an assessment of factors in the work environment (e.g., access to clinical supervision) that help or hinder a worker's capacity to perform effectively.[23] Explicit assessment of environmental factors is also likely to increase the perceived fairness and acceptability of performance appraisals.[3]

For example, an AOD worker's capacity to provide effective treatment interventions is influenced by factors such as:

- Access to private, soundproofed, adequately sized rooms for AOD counselling
- Availability of validated, user-friendly assessment tools
- Access to clinical protocols
- Availability of reliable and approachable management / administration.

PRACTICAL TIP

Strategies to promote fairness in appraisal systems

For a fair and equitable performance appraisal process, incorporate the following strategies:

Ensure that the outcomes of the performance appraisal is fair and equitable[15]

- Establish consistent standards for all workers[15, 16]
- Provide clear explanations of the relationship between performance appraisal ratings and outcomes.

Ensure that the appraisal is accurate and reliable[15]

- Keep a note of incidents that reflect exceptional performances and performances that need further improvement[1, 17, 18]
- Have multiple appraisers[18]
- Provide training for appraisers[1, 12, 15, 19]
- Ensure appraisers are familiar with the individual's work[15, 16]
- Ensure appraisal ratings are relevant to the job.[15]

Provide feedback in a constructive manner[15]

- Communicate performance standards before the appraisal process[1, 15]
- Avoid "surprises" at the review – regular feedback on the worker's performance throughout the year should ensure that he / she will know what to expect at the review session[15]
- Let the review be a two-way exchange of views.[15, 16]

Providing workers with opportunities to contribute to the design, implementation and evaluation of the appraisal process is also likely to promote perceptions of fairness and equity.[12, 15-17, 20]

Step 3: Collect performance information from different sources

Once the appraisal measures are developed, the next step involves collection of accurate performance information. A common trap is to begin noting observations of workers just before conducting appraisals. This is likely to give an inaccurate picture of a worker's performance.[10] Ideally, workers' performance should be observed in a systematic way over time (e.g., in a diary).[1, 17, 18] This method ensures the accuracy of information about their performances.

Many workers in the AOD field operate with a relatively high degree of autonomy. This, combined with the heavy workload of most managers / supervisors, may limit opportunities to conduct regular observation of workers' performance. In addition, perceptions of ongoing monitoring may foster a sense of surveillance which can damage staff morale.

A more suitable approach may be to keep critical incident reports that note specific examples of both excellent and unsatisfactory performances. Supervisors can also encourage workers to keep track of their own performance records such as emails or letters that commend them on their achievements.

Traditionally, it has been the sole responsibility of managers / supervisors to assess performance. However, other organisational members can be a valuable source of information as they are likely to have exposure to different aspects of a worker's performance.[6, 7, 13] This approach is known as 360-degree feedback. For instance, coworkers can provide valuable information on teamwork skills, and subordinates can provide useful information on leadership style.

There are many advantages to obtaining feedback on performance from sources other than supervisors or managers. Key benefits include:[15, 18, 24]

- Accuracy and reduced bias (incorrect information from one source can be corrected from another)
- Increased likelihood that workers will perceive the performance appraisal system to be a fair and accurate reflection of their performance (compared to relying on supervisor ratings alone).

If time and resources are limited, it is recommended that supervisor appraisals are conducted in conjunction with self assessment. Including self assessments as part of the appraisal process is likely to enhance workers' commitment to, and satisfaction with, the appraisal process.[8]   It also provides workers with an opportunity to identify barriers and facilitators to effective performance in their work environment.

Five different sources of performance appraisal information are considered here:[8]

    i.   Manager / supervisor appraisals

    ii.   Self appraisals

    iii.   Coworker appraisals

    iv.   Subordinate appraisals

    v.   Client appraisals.

i. Manager / supervisor appraisals

Managers / supervisors play a central role in the appraisal process, and should always be included as one of the main appraisers.[6] In essence, managers and supervisors have two roles in performance appraisal:[8]

1. "Judge": assessing performance
2. "Coach": providing constructive feedback and identifying areas for improvement.

Performing both roles simultaneously can be difficult. Workers may be reluctant to admit areas for improvement if performance assessment is linked with desired outcomes such as pay, promotion or opportunities to work in desired areas.[8] One solution is to separate the judge and coach roles by conducting separate appraisal meetings.[8]

ii. Self appraisals

The process of evaluating one's own performance can help to increase workers' commitment to the appraisal process, perceptions of appraisal fairness, and satisfaction with the appraisal process. Self appraisal can also be useful for identifying areas for development.[8, 25, 26] Not surprisingly, self appraisals are usually biased towards leniency.[8, 26] Strategies to increase the accuracy of self appraisals include:[8, 26]

- Using clear definitions of performance criteria linked to specific, observable behaviours
- Informing workers that their ratings will be checked and compared to other sources of appraisal (i.e., for accuracy)
- Ensuring workers receive regular feedback on their performance.

It is recommended that self appraisals are used for professional development purposes, rather than for making administrative decisions (i.e., pay increases, promotion).[6]

iii. Coworker appraisals

Coworkers can provide valuable feedback on performance, particularly where teamwork occurs. Coworkers are often aware of different aspects of a worker's performance that managers / supervisors may not have the opportunity to observe. In addition, as there is usually more than one coworker who rates a worker's performance, their evaluations tend to be more reliable.[27]

Coworker evaluations, however, may be biased towards those individuals most well-liked in an organisation (i.e., friendship bias).[8] Furthermore, coworker appraisals may have a negative impact on teamwork and cooperation if workers are competing with one another for organisational incentives and rewards.[27] It is recommended that coworker appraisals are used for professional development rather than administrative decisions.

iv. Subordinate appraisals

Subordinates are a valuable source of information regarding particular aspects of a supervisor or leader's performance such as communication, team-building or delegation.[6, 8] Subordinates can provide feedback to help managers / supervisors develop their skills in these areas.[8] The focus should be on aspects of managerial performance that subordinates are able to comment upon.[3] This source of appraisal may only be appropriate in larger organisations where there are sufficient subordinates to allow anonymity.[3, 28]

v. Client appraisals

Clients may also offer a different perspective on a worker's performance, particularly for jobs that require a high degree of interaction with people.[6] For example, client appraisals can be a valuable source of feedback regarding the quality of service provision (e.g., the quality of interaction, degree of empathy, level of support, degree of professionalism).

AOD organisations often have performance contracts that specify goals and deliverables for client outcomes. Whilst it is important that organisational goals and deliverables are reflected in the appraisal criteria for individuals and teams, it is recommended that particular care is taken if incorporating client outcomes.

Relying on client outcomes as an indicator of performance can have undesirable effects due to the complex and sensitive nature of AOD work. A range of factors may influence client outcomes, many of which are outside the control of an individual worker. It is rare for a successful (or otherwise) outcome to be the sole result of one person's efforts.[8] This makes client outcomes a poor reflection of the quality of treatment provided by the AOD worker. For example, "good" worker performance will not always bring about client improvements, and client relapses may not be due to "poor" worker performance.

In addition to considering client outcomes, it may also be beneficial to focus on workers' skills and abilities in providing services per se (i.e., independent of client outcomes).

Strategies to support appraisers and enhance appraisal accuracy

Rating another person's performance is not an easy task, particularly with complex jobs or performance criteria. Strategies to support appraisers and increase the likelihood of accurate assessments include:[6, 19]

- Providing practical training in rating techniques, which includes opportunities to practice appraising performance and providing feedback
- Limiting the assessment to performance criteria that an appraiser has observed / experienced in regard to the worker
- Providing structured assessment tools with clear explanations regarding the criteria to be assessed, and performance standards.

Step 4: Conduct an appraisal interview

The next step in a performance appraisal is to conduct the appraisal interview. The two central purposes of the appraisal interview are to:

- Reflect on past performance to identify major achievements, areas that require further development, and barriers / facilitators to effective performance
- Identify goals and strategies for future work practice.

The *Goal Setting* chapter describes goal setting strategies for individuals and teams to maximise motivation and performance.

As discussed below, supervisors and managers can use a range of strategies to ensure that the appraisal interview is positive, constructive and of greatest benefit for workers' effectiveness.

PRACTICAL TIP

Preparation questions for the worker

To help workers prepare for their appraisal interview it may be useful to ask them to consider the following types of questions:[29]

- What do you feel are your major contributions to the organisation?
- What would you identify as your most significant accomplishments over the past X months?
- In what areas of your work do you feel you could improve?
- What have been the barriers to working effectively in your job?
- How would you change your job to increase your effectiveness?
- What can the organisation do to support your performance at work?
- What can the organisation do to support your wellbeing at work?
- What can I do as your supervisor to support you?
- What area(s) of your work practice would you like to develop over the next appraisal period?

Before the interview

- Help workers to become familiar and comfortable with talking about their performance by engaging in regular, informal communication on work progress, potential obstacles and issues, possible solutions and assistance[4, 6]
- Encourage workers to prepare – workers should be encouraged to review their own performance before the interview [6, 29]
- Do your own preparation – plan ahead.[6, 30, 31] Draft a list of the issues that you want to address with the worker (i.e., strengths and weaknesses of performance, strategies to improve performance). Give specific examples of the worker's performances that you want to highlight.

During the interview

- Encourage worker participation – start by inviting the worker to share their views about their performance[6, 29]
- Begin with positive feedback to put the worker at ease [6, 29]
- Make it a two-way discussion[6, 29]
- Set goals mutually – ensure workers participate in determining specific, challenging but attainable goals for future work performance[6, 9]
- Ensure that there is a clear agreement on performance objectives and the evaluation criteria for the next year[6, 9, 30]
- Keep written records of the appraisal interview on which both parties have "signed off".[6, 29]

The *Goal Setting* chapter discusses strategies to engage workers in setting realistic and motivating goals.

> The appraisal process is a mutual activity of problem-solving. It's not about blaming. It's about looking forward not backward. [4]

After the interview

- Coach workers regularly – provide frequent feedback to help workers improve their performance[6, 9]
- Assess progress towards goals frequently – periodic reviewing of progress towards goals helps keep behaviour on track and enhances commitment to effective performance[6]
- Relate rewards to performance – by linking appraisal results to employment decisions such as promotions and salaries, workers are more likely to prepare for, participate in, and be satisfied with the appraisal system.[6]

The *Professional Development* chapter identifies strategies to support and enhance workers' knowledge, skills, abilities and confidence.

Step 5: Evaluate the appraisal process

As with any organisational system, the performance appraisal process should undergo regular review and improvement.[12]

For example, the process of performance appraisal could be evaluated by conducting focus groups or surveys with workers to gauge their satisfaction with the appraisal process (and suggestions for improvements).[12] It may also be useful to monitor the types of issues raised by supervisors and workers over time. A successful performance appraisal process should demonstrate a change in both the ratings of workers' performance (i.e., ideally performance ratings should improve, or at least remain at a satisfactorily stable level over time) and the work environment (i.e., evidence that significant barriers to work practice are being addressed by the organisation).

Providing good feedback

Giving feedback can be difficult. It is a skill that needs to be developed with proper training.[32] The following are some helpful hints for providing good feedback:

1. Create a positive context for feedback

- Develop the feedback system in consultation with workers[33] (i.e., negotiate issues such as frequency of feedback, format (e.g., face-to-face, written) and focus (e.g., process and / or outcomes of performance))

- Feedback needs to be timely – it should be given as close as possible to the occurrence of the behaviour in question to have maximum impact[34]

- Clarify the purpose of the feedback session (i.e., it should be designed to assist the worker to improve their performance, not to punish or belittle).[34]

2. Use constructive and positive language

- Avoid sweeping statements – words such as "always" or "never" can make people angry and defensive (e.g., "You always avoid difficult cases" or "You never deliver on time")[31, 32]

- Avoid destructive criticism – it can breed resentment, intensify conflict, and may have a negative impact on workers' confidence and motivation.[6, 30]

3. Focus on behaviours and strategies

- Be specific. Give feedback that includes specific examples of behaviours or actions[6, 29, 30]

- Discuss observed behaviour or results, not personality – feedback that focuses on traits can be seen as a personal attack (e.g., "You are too passive")[6, 30, 31]

- Coach rather than judge – suggest strategies for how to do the job better rather than focusing only on what went wrong[31, 32]

- Focus on aspects of work performance and outcomes over which workers have control (i.e., things they can change).[33]

4. Tailor feedback to the needs of the individual worker

- Adjust the frequency and depth of feedback to the individual – some people may need more feedback than others, depending on their experience and self-awareness[31]

- Provide individual feedback privately (i.e., one-to-one), and group or team feedback publicly (i.e., with all team members present).[33]

5. Make feedback a two-way communication process

- Feedback needs to be understood by the receiver – ask the worker to rephrase your feedback to ensure that he / she has understood you clearly[34]

- Feedback should be followed up with an action plan that is formulated together with the worker. Ensure that there is mutual agreement about deadlines and deliverables, and schedule a meeting to review progress.[34]

Conducting team appraisals

Teamwork is increasingly emphasised in many workplaces within the AOD and broader health sector. Therefore, it is worthwhile considering conducting appraisals of team performance (including the team's relationship with the organisation as a whole), and individual workers' contributions to team effectiveness.[35]

As with individual performance appraisals, the key to conducting successful team appraisals is to ensure performance criteria are relevant to work practice and accepted by team members.[11, 35]

Team members should be encouraged to participate in the appraisal process. For example, the team can be invited to:[35]

- Assist with the identification of key teamwork behaviours, and their relative importance
- Provide information on fellow team members' contribution to team effectiveness
- Conduct self assessments of their own contribution to team effectiveness.

Assessing individuals' contribution to team effectiveness

Appraisal of individual team members' contributions to the team should include assessment of four general competencies:[36]

1. Self-management (e.g., goal setting, defining roles and responsibilities, facilitating team performance)

2. Communication (e.g., offering and accepting feedback, expressing ideas clearly, resolving conflict)

3. Decision-making (e.g., facilitating systematic decision-making, encouraging team involvement in decision-making)

4. Collaboration (e.g., problem-solving with group members' input).

When managed carefully, team appraisals have the potential to enhance team pride, sense of ownership and cohesion.[13] However, receiving performance feedback from team members can be a sensitive issue for some workers. It is recommended that appraisals of individuals' contribution to the team is provided:[33]

- By the team leader or manager
- In private one-to-one feedback sessions
- With an emphasis on constructive, positive feedback
- Anonymously (i.e., team members' comments are provided anonymously).

LINK

The *Developing Effective Teams* chapter provides strategies for managers and supervisors to support effective teamwork.

What does best practice in performance appraisal look like?

In this chapter we have made a number of suggestions for setting up and conducting performance appraisals. Not all strategies discussed will be viable or appropriate for all AOD organisations. In essence, best practice in performance appraisals involves:

- Basing appraisals on accurate and current job descriptions[5, 37]
- Ensuring that appraisers have adequate knowledge and direct experience of the worker's performance[13]
- Providing ratings via aggregated anonymous feedback when multiple sources of information are used[13, 24]
- Incorporating performance appraisals into a formal goal setting system[13]
- Offering adequate support and assistance to workers such as professional development opportunities in order to improve their performance[5, 37]
- Conducting appraisals on a regular basis (at least two times a year) rather than annually.[13] If resource constraints do not permit frequent formal appraisals, consider conducting one formal appraisal annually, with a review of progress in the mid-year and ongoing review in regular supervision meetings.

Using performance appraisal to address workforce development challenges

Regular performance appraisals provide a useful opportunity to conduct a "check-up" on various workforce development issues that may impact on workers' effectiveness and wellbeing. Performance appraisals can be used to:

- Recognise, reward and support effective performance
- Develop and reward effective teamwork
- Identify and manage issues likely to impact on retention
- Monitor and support workers' wellbeing.

Recognise, reward and support effective performance

Ensuring workers receive adequate rewards and recognition is a key workforce development issue for the AOD field. Performance appraisals provide a good opportunity to formally recognise workers' achievements and contributions to the organisation, and to ensure a clear link is maintained between performance and rewards. The appraisal interview can also be used as a vehicle to demonstrate supervisory and organisational support for workers by discussing barriers and supports to effective performance, and strategies to address problems or difficulties.

Develop and reward effective teamwork

The appraisal interview is also a useful vehicle for recognising and rewarding workers' contributions to various teams in the organisation, especially if appraisal information is gained from team members. An appraisal of the team as a whole can also be a useful strategy to recognise and reward team performance, and to identify strategies to improve team functioning.

Identify and manage issues likely to impact on retention

Open and constructive performance appraisals can be useful to identify issues that are likely to impact on workers' willingness to stay with the organisation in the longer-term. Key factors associated with retention include salary and remuneration, professional development opportunities, and work-related demands and stress.[38-40] The appraisal interview provides a good opportunity for a "check-up" regarding workers' satisfaction with their working conditions and environment, and a discussion of strategies to address any problems or issues.

Monitor and support workers' wellbeing

Performance appraisal interviews are a good opportunity to discuss workers' health and wellbeing in the workplace, particularly in regard to factors that contribute to feelings of stress and experiences that promote satisfaction with their work.

Summary

There are many benefits to implementing a regular and systematic performance appraisal system within an AOD organisation. In order to gain the most benefit from performance appraisals it is recommended that a system is developed in consultation with workers and managers, and clear links are established between appraisals and valued rewards and outcomes. If resources permit, information on work performance should be obtained from multiple sources. Performance appraisals can be a powerful tool for increasing motivation and improving work practice if conducted in a constructive, open and supportive manner.

Resources for performance appraisal

This chapter includes the following resources and tools to support performance appraisal:

- Checklist for an effective performance appraisal
- Case study detailing a systematic approach to performance appraisal and feedback
- Forms and templates: Performance Appraisal Meeting Form
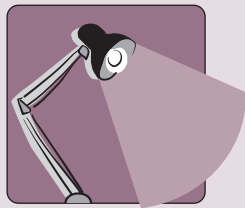- Recommended readings.

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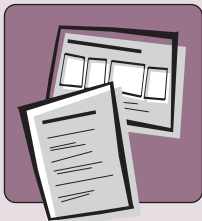
Checklist
for an effective performance appraisal

Case Study
A systematic approach to performance appraisal and feedback

Forms and Templates
• Performance Appraisal Meeting Form

Recommended Readings

Checklist for an Effective Performance Appraisal

The following points provide a guide to the basics of developing and implementing a good performance appraisal system.

Introducing the performance appraisal process into the organisation

1. Are the purposes of the performance appraisal clearly outlined, understood and accepted? ❏
   - Is the appraisal program consistent with the organisation's objectives and goals?
   - Is there understanding and support from key stakeholders (e.g., management, workers, supervisors)?
   - Are all parties (i.e., supervisors and workers) involved in the performance appraisal process?

2. Are the necessary resources available to implement an effective performance appraisal system? ❏
   - Has time been set aside for supervisors and workers to participate in performance appraisals?
   - Have regular feedback and progress meetings been scheduled?

Developing the performance appraisal program

3. Have key performance criteria been clearly identified (i.e., competencies, behaviours, results / outcomes, organisational citizenship behaviours)? ❏

4. Have the criteria been extracted from an up-to-date job description? ❏

5. Have the criteria been developed in consultation with workers and appraisers? ❏

6. Are the appraisal measures individually tailored for each job or "families" of jobs? ❏

7. Are objective and subjective measures of performance included where they are relevant and appropriate? ❏

8. Are the assessment tools structured, with clear explanations about the criteria to be assessed, and performance standards? ❏

9. Does the appraisal process include an assessment of factors in the work environment that may impact on performance? ❏

10. Are supervisory and self appraisals included as the main sources of information? ❑
   - Are other sources of information included in the appraisal (e.g., coworkers, subordinates, clients)?

11. Is the assessment of performance limited to aspects that are observable by the appraiser? ❑

12. Can practical training in rating techniques be provided, including opportunities to practice appraising performance and providing feedback? ❑

Conducting a performance appraisal interview

13. Has sufficient preparation been undertaken by the manager / supervisor and worker before the interview? ❑
   - Have workers reviewed their own performance?
   - Has the manager / supervisor drafted a plan for the interview?

14. Is the appraisal interview designed to be a constructive, two-way discussion of performance and goal setting? ❑
   - Is the worker encouraged to participate in discussions?
   - Is the feedback provided constructive?
   - Are the goals set by negotiation?
   - Is there a clear agreement on performance objectives?

15. Is there a written record of the appraisal interview? ❑

16. After the interview, is progress reviewed periodically? ❑
   - Are workers provided with regular feedback to help improve their performance?
   - Is progress towards goals reviewed at regular intervals?

Evaluating the performance appraisal process

17. Has an evaluation strategy been developed to assess the impact of performance appraisals? ❑

18. Does the evaluation use appropriate methods to collect information? For example: ❑
   - Surveys
   - Focus groups.

19. Does the evaluation include an assessment of: ❑
   - Improvements in workers' performance?
   - Changes in the work environment that support effective performance?

A Systematic Approach to Performance Appraisal and Feedback

Overview

Individual performance feedback aims to improve workers' performance of particular behaviours by providing each worker with clear information about their past performance of target behaviours. In this study, individual performance feedback was given to 34 nurses from a hospital orthopaedic unit. The feedback focused on nurses' practice of several clearly specified assessment and treatment guidelines for acute pain. This intervention was chosen after it was observed that education and training initiatives were not successful in producing the required work practice change.

Intervention strategy

This study took place over 34 weeks and involved three stages: pre-intervention, intervention, and post-intervention.

Pre-intervention

In the 17-week period before the feedback intervention, pain management data from 122 total knee arthroplasty (TKA) patients were examined. Each nurse was assigned an identification code to enable patients' pain outcome data to be linked to the pain management practices of the particular nurse treating the patient. Hospital data on nurses' individual performance of three target pain management practices over the previous 17 weeks were used to construct bar graphs of each nurses' performance.

Intervention

Each nurse involved in the intervention took part in a single individual performance feedback session with the researcher over a two-week period. The researcher provided nurses with individual performance data for three targeted pain management practices:

1. Assessment of pain every four hours
2. Reassessment of pain at the recommended intervals
3. Appropriate follow-up action when post-analgesia pain ratings reach unacceptable levels.

In the feedback session nurses were provided with:

- An overview of objectives of the sessions
- Assurance of confidentiality of individual data
- Individual performance bar graphs (provided in a sealed envelope) of the percentage of occasions each of the three targeted practices were performed in the previous 17 weeks (with 100% being the recommended performance level)
- A brief flow chart of recommended pain management practices.

Post-intervention

After the intervention, follow-up performance data was collected over a 15-week period. Pain outcomes data was collected from 119 TKA patients after the intervention. At the end of the study, participating nurses were given a sealed envelope with information (presented as bar graphs) on their performance of the three targeted practices before and after the individual feedback intervention.

Outcomes

Thirty nurses remained in the study for a follow-up assessment of nurses' pain management outcomes. Individual performance feedback was associated with improvements on all three targeted pain management practices. Specifically, the intervention achieved the following:

1. A decline in the number of missed four-hour pain assessments
2. An increase in post-analgesia reassessments
3. An increase in follow-ups for unacceptable pain increases.

Conclusion

This study demonstrates clear practice improvements when workers receive specific and regular feedback that targets specific work practices. In addition, the study highlighted some best practice strategies for providing performance feedback. These included providing feedback in a constructive, non-threatening manner (i.e., in private), and targeting behaviours that are under the control of the individual worker and that can be changed with relative ease.

CASE STUDY

Source: Duncan, K., & Pozehl, B. (2001). Effects of individual performance feedback on nurses' adherence to pain management clinical guidelines. *Outcomes Management for Nursing Practice, 5,* 57-62.

Performance Appraisal Meeting Form

Name: _____

Job title: _____

Supervisor: _____

Length of service in this position: _____

Review period from _____ **to** _____

Appraiser: Supervisor / Self / Coworker / Subordinate *(circle applicable)*

SECTION 1: REVIEWING THE PAST

Performance Ratings: 1 - Needs Improvement   2 - Acceptable   3 - Good   4 - Very Good   5 - Outstanding

Key Competencies
(knowledge, skills & abilities relevant to performance)

Competency	Performance rating					Additional comments
1.	1	2	3	4	5	
2.	1	2	3	4	5	
3.	1	2	3	4	5	
4.	1	2	3	4	5	
5.	1	2	3	4	5	

Key Tasks / Behaviours
(specific actions conducted and / or tasks performed)

Task / behaviour	Performance rating	Additional comments
1.	1 2 3 4 5	
2.	1 2 3 4 5	
3.	1 2 3 4 5	
4.	1 2 3 4 5	
5.	1 2 3 4 5	

Results / Outcomes
(outputs, quantifiable results, measurable outcomes & achievements, objectives obtained)

Results / outcomes	Performance rating	Additional comments
1.	1 2 3 4 5	
2.	1 2 3 4 5	
3.	1 2 3 4 5	
4.	1 2 3 4 5	
5.	1 2 3 4 5	

Organisational Citizenship

(actions that are over and above usual job responsibilities)

Organisational Citizenship Behaviours	Performance rating					Additional comments
1. Helping behaviours Assisting others with work-related problems	1	2	3	4	5	
2. Organisational loyalty Promoting the organisation, protecting it against external threats, remaining loyal under difficult circumstances	1	2	3	4	5	
3. Organisational compliance Acceptance and adherence to organisational rules, policies and procedures	1	2	3	4	5	
4. Individual initiative Contributing to the organisation with creativity, innovation, effort and enthusiasm	1	2	3	4	5	
5. Civic virtue Interest in, and commitment to, the organisation as a whole, including taking part in internal governance	1	2	3	4	5	
6. Self development Taking the initiative to improve knowledge, skills and abilities	1	2	3	4	5	

1. Please describe any aspects of the job performed particularly well (e.g., specific examples of particularly good performances).

2. Please describe any aspects of the job that needed improvement (e.g., specific examples of performance that could have been better).

SECTION 2: THE WORKPLACE ENVIRONMENT

Quality Ratings: 1 - Needs Improvement 2 - Acceptable 3 - Good 4 - Very Good 5 - Outstanding

Impact Ratings: 1 - No Impact 2 - Little Impact 3 - Moderate Impact 4 - Significant Impact

Resources necessary to maintain or improve performance

Resources	Quality of resources					Impact on work practice				Additional comments
1.	1	2	3	4	5	1	2	3	4	
2.	1	2	3	4	5	1	2	3	4	
3.	1	2	3	4	5	1	2	3	4	
4.	1	2	3	4	5	1	2	3	4	

Barriers that hinder effective performance

Barriers	Impact on work practice				Potential strategies to address barrier	Additional comments
1.	1	2	3	4		
2.	1	2	3	4		
3.	1	2	3	4		
4.	1	2	3	4		

SECTION 3: LOOKING TOWARDS THE FUTURE

Changes

1. What aspects of the job are working well?

_____

_____

2. What aspects of the job could be improved?

_____

_____

3. What can be changed to improve effectiveness?

_____

_____

4. What needs to stop in order for effectiveness to be improved?

_____

_____

_____

Performance Development

Describe any training or professional development that could be taken to develop job-related knowledge and skills?

_____

_____

Note: For further information on training & professional development needs, please refer to the Professional Development chapter Guideline: Conducting Needs Assessments for Individuals, Teams and the Organisation.

Goal Setting for the next [X] months

What are the key objectives to be achieved in the next [X] months?

_____

_____

_____

Note: For further detail on goal setting, please refer to the Goal Setting chapter Forms and Templates: Individual Goal Setting Tool.

Additional Comments

_____

_____

_____

_____

_____

SECTION 4: SUMMARY

Evaluation of overall performance (Circle the classification that best describes the overall performance of the worker)

Needs Improvement | Acceptable | Good | Very Good | Outstanding

Supervisor's Summary

_____

_____

_____

_____

Worker's Comments – *This is an opportunity to read the review and make any comments*

_____

_____

_____

_____

Supervisor's Signature: _____ Date: _____

Employee's Signature: _____ Date: _____

HR Manager's Signature: _____ Date: _____

Losyk, B. (2002). How to conduct a performance appraisal. *Public Management, 84,* **8-11.**

This article provides a useful overview of performance appraisal strategies. Key stages of the appraisal process, common pitfalls / errors, and practical strategies are described.

Roberts, G.E. (2002). Employee performance appraisal system participation: A technique that works. *Public Personnel Management, 31,* **333-342.**
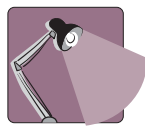
This paper describes a performance appraisal system that is based on employee participation and input. The article outlines key features of the system and the rationale and strategies of the participatory technique.

Scott, S.G., & Einstein, W.O. (2001). Strategic performance appraisal in team-based organizations: One size does not fit all. *Academy of Management Executive, 15,* **107-116.**

This article considers the applicability of performance appraisal systems to different team environments. Various approaches to appraisal are discussed in relation to service teams, network teams and project teams. This paper discusses various approaches to appraisal programs and offers useful tips for tailoring appraisals to meet organisational needs. This article is suitable for readers interested in workforce development theory and research.

Chandra, A., & Frank, Z.D. (2004). Utilization of performance appraisal systems in health care organizations and improvement strategies for supervisors. *The Health Care Manager, 23,* **25-30.**

This paper discusses the suitability of performance appraisal strategies in health care organisations. Various approaches to appraisal are discussed, with a focus on objective and performance-based systems. This paper offers managers and supervisors useful recommendations on performance appraisal systems in health care organisations.