

Appraisals and the SME

By John Vamos

If I said it was that time *again* I'd be lying. You see, it's never been that time *before*. Like most owners of Small businesses, chances are you have rarely conducted regular staff performance *appraisals*.

Why? In working with Small and Medium Enterprise owners just like you, I observed the three most common excuses. Then I gathered some compelling supporting evidence to confirm my conclusions. I simply recognised that the three excuses used by my clients were the same ones I was using!

By the way, a consultant told me *appraisal* was out of date and there is some fancy new HR term for this process that I should prefer. For me, this is the interview when I tell a staff member what I like and don't like about the way you do your job. Sort of like...well...an *appraisal*? I think we'll stick with the term.

Excuse Number One: I don't need to 'cause I'm with them all the time

This really is as stupid as it sounds. Most businesses are run on assumption. Most small businesses allow people to do that part of their job that they like and the bits left over the boss does. Many owners will say "so-and-so should do that but s/he's not very good at it so I cover for them..."

There is absolutely nothing in your day to day communication that resembles the appraisal process. In fact it can be shown that working together is actually the 'anti-appraisal' time. When you are on the job, you let things go. You bark, you ignore, you send a lot of messages that the appraisal process is designed to help you amend. Working together closely makes an appraisal more necessary than the reverse.

Excuse Number Two: My people don't really want them

This is another fallacy. Having worked with thousands of workgroups in the vast majority of cases the workgroup identified that they did not get adequate feedback on job performance and they wanted regular programmed appraisals.

Appraisals need to be conducted with plenty of notice, not be put off or treated like the least important thing the business owner has to do. They also need to allow staff to give feedback on where they think they are going. Get it into your head now! Your staff want them and if they say they don't they are giving you the answer they think you want to hear.

Excuse number three: I don't know how to do them

You win. I can't argue with this one. Besides, it's not surprising because as with Job Descriptions, nobody has shown you how. You're good at what you do for a living, not at doing appraisals. The problem for you is that without an effective system for appraisals, you are losing out on every measure of staff productivity.

Not Negotiable Rules of Business

"I cannot do the best job I am capable of unless you tell me clearly what you expect, allow me to help set those expectations and regularly inform me of your feelings about my performance."

The Tools

The most important tool is the Job Description. (See *How-to Guide - Prepare a Job Description*)

If you don't have them, keep going anyway. You can use this first round of appraisals to draft them. You also need an Agenda. The *Question Booster* below will help you with the rest.



The Steps

Disclaimer: These steps are designed to make it easy for you. They are not exhaustive. I am, after all, endeavouring to build a system you might actually use!

1. The announcement

Gather your staff together and let them dispel myth number two. Ask them if they would like an appraisal process. Remember, if they say no they are lying!

2. Set date

Decide how often you are going to conduct the appraisal and who will review them.

3. Guarantee the time

Do what is necessary to lock the time in. Never cancel an appraisal interview. Set aside a minimum of two hours for each one. It is best to make sure that appraisal days are for appraisals only so that you can devote your thinking to it. I have decided that I am going to do them on a weekend so that there are no interruptions. I'll give my staff a time off in lieu.

4. Circulate the Job Description

A week before the interview, give the staff member a copy of the Job Description in a format that allows them to add their comments. Ask them to make a note of how they feel they are going on each aspect. They must make a note in relation to everything so that you can see they have put the time in. Also attach a copy of the Agenda.

5. Prepare for the meeting

Use the Agenda and make notes against your copy of the Job Description. It is important for the staff member to know that you have made an effort too.

6. Conduct the meeting

Stick to the Agenda and make notes of all discussion points.

7. Draft Minutes and sign them

After the meeting, make note of all the agreed steps to improve (as well as any recognised strengths). Have the staff member sign them and file it in their personnel file.

Appraisal Meeting Agenda

1. Update Personnel File (addresses, contacts, etc)
2. Review Job Description
3. Amend Job Description
4. Identify performance issues
5. Identify additional resource requirements
6. Set and review performance targets
7. Determine any Professional Development initiatives
8. Confirm next Review

Question Booster

Some questions (in no particular order) that might help you conduct a better Appraisal Interview.

- Has anything changed in your life? Do we need to update your personnel file?
- How do you feel about the job you are doing?
- What one thing could I change in the workspace that would improve your productivity?
- How do you rate the communication within the business?
- How do you rate me as a communicator?
- Do you feel that you are given adequate feedback about the job you are doing?
- What's the best way to measure the job you are doing?
- Are we measuring that adequately?



- Finish these phrases:
 - a) "My job would be easier if I was the one who..."
 - b) "My job would be more efficient if somebody else was responsible for..."
 - c) "The one piece of equipment (within reason) I wish we had is..."
- What one skill would you most like to improve?
- How could you improve in the areas I have identified need attention?
- Do you agree with my assessment of your performance?
- If you had to argue that one of my assessments of your performance is wrong, which one would it be and why?
- Has your Job Description become out of date in any way?
- What course or training program would you like to do that would directly improve your on-the-job performance?
- What course would you like to do that would develop your personal skills (unrelated to the job)?

Now get started! Involve your team at every step and see the positive impact an effective appraisal process can have on your bottom line.

