# Signs That Your Performance Appraisal System isn't Working

Most organizations use some form of employee performance evaluation tool in their workplaces. They are critical communication devices, important pieces of documentation, and may be integral to compensation systems.  However, many times appraisals or related processes are poorly designed or implemented.  A few signs that an evaluation program isn't working are discussed below.  If you recognize any of these signs it may be time to consider a new solution. State-of-the-art, Internet-based automated programs, such as HRN's *Performance Pro,* solve many of the problems that have haunted company employee performance management programs in the past.

## Some Signs of Problems Include:

1. **All employees are evaluated on the same factors or competencies**.  Should a receptionist and a CFO really be appraised on the same criteria?

2. **The differences between poor, average, and outstanding performance aren't defined.**  Shouldn't an employee and his appraiser be able to objectively determine what constitutes great vs. mediocre performance?

3. **Evaluations are very inconsistent among appraisers.**  A good program should promote consistent evaluations across appraisers and departments.

4. **Terminated employees have received good or even great ratings.**  Your appraisals should support not undercut your corrective action decisions.

5. **Your best employees' ratings aren't much better than everyone else's.**  Most organizations have a few incredible employees whose contributions far exceed their numbers.  For your appraisals to be meaningful there should be "daylight" between their scores and the others.

6. **Everybody is above average.**  Appraisal "inflation" is a common problem. If everybody is above average then some employees may wonder why they should work hard and try to distinguish themselves. Or why should a mediocre performer try to improve?

7. **Appraisals are not completed on time.**   Failing to complete evaluations on time may mean that they aren't considered important or are just too time consuming.

8. **Appraisers consistently evaluate employees the same (e.g., all very high or low).**  Such a manager either:  needs training, doesn't take the time to individualize appraisals, or isn't taking the process seriously.

9. **"Like situated" employees are treated differently.**  Consistent treatment is a key to avoiding discrimination claims and creating a climate of fairness and credibility.

10. **Appraisals are historical only.**  A good performance management system should not only be able to effectively evaluate past performance but be used to develop employees.

info@hrnonline.com
www.hrnonline.com
(800)940-7522

11. **Employees have no input.** How can an employee be expected to "buy into" the appraisal system if he or she has no input? Using self appraisals can be especially useful to promote communication.

12. **Not customized to the individual.** Cookie cutter comments and generic goals that aren't tailored to an individual employee's position, strengths, weaknesses, or career path aren't particularly useful.

13. **High performers receive about the same pay increases as above average performers.** If your appraisal system doesn't effectively distinguish your employees' performances then pay may be viewed more as an entitlement than as a reward to distinguish top performance. Some employees will be paid more than they deserve and truly outstanding employees will be paid less than they should.

14. **Promotions are viewed as unfair or arbitrary.** Unless promotion decisions are seen as based on objective criteria and documented they may not be viewed as being given to the most deserving staff members.

15. **Morale is low.** Most people compare themselves to what others do and receive. A less than meaningful appraisal system, or one that is perceived as unfair, can leave people unmotivated and resentful.

info@hrnonline.com
www.hrnonline.com
(800)940-7522