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A PERFORMANCE APPRAISAL IS ONE OF THE BEST TOOL A MANAGER HAS



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Mr. Linder's long-standing interest in the healthcare field dates back to his studies at Harvard Business School, where he earned his MBA.

While there, he was awarded a grant from Harvard University to study the purchasing behaviors and preferences of the aging baby boomers.

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Medical Staff performance appraisal

By **RICHARD LINDER**

A PERFORMANCE appraisal is the most powerful tool a manager has in determining an employee's continued fit with the organization, potential for additional responsibility and opportunities for development. Proper performance appraisals include a self-assessment, the direct manager's evaluation and 360° feedback from peers, subordinates and other managers.

Through this process you are judging the individual on job competency and contribution to culture. Job competency measures someone's ability to perform the assigned role. Contribution to culture judges whether the employee makes the business a better place. Generally, in a service-oriented business, you will want to consider the person's knowledge about the job and her commitment to serving the customer, in addition to how well she models the culture you have established for your business.

The self-assessments and 360° feedback rate the frequency in which the person demonstrates the desired behavior. The manager's evaluation, on the other hand, compares the observed behavior with the expectations of the role. It is vital that everyone who participates in this process is specific in their examples. It is not enough to simply say, "She's great." You need to identify what makes her so great, such as being a key resource for specific product information or an excellent trainer or a fantastic motivator. That level of detail better allows you to evaluate her talents and skills and identify possible gaps in performance.

For all appraisals, include one final question that represents the hallmark of your culture. This hallmark is the most important thing for which you stand. It can be anything from customer service to business ethics. No matter what you choose, it is a "yes" or "no" proposition. Anyone judged as a "no" cannot remain as a part of the team. Hopefully, if

JOB COMPETENCY MEASURES SPA STAFF'S ABILITY TO PERFORM

you do have someone who fails to live up to this hallmark, you have dismissed them prior to the regular appraisal.

accomplished, still enjoy what they do, and have no aspirations for further advancement. While it is important that they continue to perform at a sufficient level, there is no need for further investments in their development.

At the conclusion of the actual appraisal you still have a few more things to do. First, you need to rank your employees in terms of their performance, from highest to lowest. Keep in mind, this is a relative ranking. Your lowest performer on a highly talented staff may still perform well. Regardless, you will want to coach your lower performers up.

Next, categorize each employee as either high performer, rising star, experienced professional or concern. These categories will not necessarily match with your ranking. High performers are at the very top. In fact, they may have reached their peak within the organization. Investments in their development must be at an advanced level, such as executive education or master's degree program. This type of commitment will propel your organization's growth. Keep in mind that people performing at this level will seek opportunities elsewhere if there is nothing else for them where they are.

Rising stars are capable of being promoted two to three levels over the next couple of years. They typically require additional coaching and skill development. They have demonstrated technical ability and leadership qualities. Often the most effective investment in them is through assigning additional responsibilities or having them manage larger projects. They gain key experience, and you get to test how they function at those higher levels.

Experienced professionals, like high performers, have reached a peak. This peak, however, may be self-imposed. They tend to be satisfied with what they have

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Concerns are just that—concerns. In general, they are not fulfilling their role as needed or expected or they are not contributing to the culture in a meaningful way. Anyone categorized as a concern must be placed on a performance improvement plan. The primary goal is to coach the employee out of this category either through actual improvement or dismissal from the organization.

The final step after conducting the appraisals, ranking the performances and categorizing employees is to establish a professional development plan for each member of your team, with the exception of your experienced professionals. These plans address the needed skill improvements as well as the goals for the business and the individual.

There are a couple of recommendations for increasing the overall effectiveness of performance appraisals. One, be fully transparent with your employees throughout this process. Make sure they understand what is happening, where they rank and how they are categorized. Two, consider spreading the activities out across the review period. For instance, if you are conducting appraisals every six months, do the 360° feedback at the three-month mark. This will help you avoid assessment fatigue among your team and allow them to focus more time attention to the activity.

Elevating your employees' performance improves your business performance exponentially. It starts with an effective appraisal process. ■