Taking the pain out of performance appraisals

Staff will usually groan about performance appraisals, but they can produce positive outcomes for firms and employees if they are managed carefully, writes Jo Cooper

Performance appraisals. The phrase alone can send shivers down the spine. If you have been in the workforce long enough, you will have seen all kinds: the good, the bad and the downright ugly. However, some law firms are demonstrating that there is no need for aggressive or pointless performance appraisals. They can be valuable, streamlined and beneficial to all involved parties.

Bronwyn Pott, CEO at Swaab Attorneys, says appraisals are essential for effectively managing and evaluating staff, helping to develop individuals, improving organisational performance and feeding into business planning. “A poorly performed appraisal can be a destructive thing, but if you do them properly then it’s a win for everybody,” she says.

Swaab uses an online performance appraisal tool, SkillsScorecard, as part of its appraisal process. It is a far cry from the firm’s pre-2000 days when Pott first tried to introduce appraisals, with partners claiming the business was too small. In properly managing appraisals, she admits there is “a bit of science to it as well as a bit of art”. “It’s definitely a skill you need to develop.”

Encouraging feedback

As a starting point, Pott warns against using end-of-year reviews as a one-off chance to inform employees about their strengths and weaknesses. It is important not to “save up all the times that someone has disappointed you throughout the year, and deliver it to them in a box with a bow at their performance appraisal”.

“People go in there believing they’ve done a good job because they haven’t had any negative feedback throughout the year and then they are shocked when they are told ‘you didn’t do this or you’ve upset me here’ ... It’s the ultimate downer.”

Managing performance appraisals has been a learning curve for Swaab. About a decade ago, Pott says the firm was relatively poor at the process, with one young lawyer describing it as the worst experience of their life. The system has gone through iterations over the years, including an early phase when the performance reviews were very complex and required many managers or partners to sit in on the discussions; moving to a lighter touch when no human resources person sat in on interviews at all; and
evolving to today with the SkillsScorecard and a HR representative being present in the appraisal room to ensure consistency and record any promises to employees.

Pott says the current system is working well, but she still frequently reminds her partners and lawyers about the importance of giving and receiving feedback. The distinction is vital: while reviews often revolve around the firm discussing the employee’s performance, it is equally important for the firm to hear about positives and negatives from staff.

“You have to treat feedback like a gift because that’s what it is,” Pott says.

“If someone’s taken the trouble to give you feedback, you should accept it with good grace at first instance at least. It’s a bit like that really horrible jumper your mother knitted you for Christmas. You don’t throw it back, effectively saying you don’t like it – you say thank you very much and make a decision later about what to do with it. But keep the lines of communication open all the time.”

Staying engaged

At Maddocks, one of Australia’s top 20 law firms, Director of People and Culture Liz Ryan says performance appraisals are not always enjoyable, and she agrees that managing performance should be an ongoing process, not something that is relegated to once or twice a year.

"We know with knowledge workers nowadays that it's really about the discretionary effort that they're going to give in relation to their performance," she says. "How the partners engage with these people is going to really make a difference to their performance." Ryan says people do not deliberately come to the workplace to underperform every day – in fact, quite the reverse. "And so getting the best out of people is really about our ability to engage a very intelligent workforce. To get the best out of people it's about the day to day and how people are engaged in the workplace."

In a sophisticated organisation, a culture where people are free to express views at any time will help them deliver their best. "Managing performance really stems back to the culture of the business and people having time to provide feedback on a day-to-day basis," Ryan says. All the same, performance reviews can still be helpful in allowing people to better manage their careers. "Therefore, apart from the day-to-day communication you still need to have a more structured meeting around people’s careers and letting them know where they're heading," Ryan suggests. "The big thing to avoid is giving people surprises if you're going to call them into a meeting in relation to their performance – and certainly if people haven't performed to the level they need to, then they should be getting that feedback immediately."
An ideal performance review entails a meeting in which employees receive feedback from the people with whom they are most likely to be working, according to Ryan. "We also find for the most part that the staff do like to have people and culture consultants involved in their meetings so we can make sure the development opportunities are being actioned."

Ryan urges firms to ensure performance appraisals are scheduled, made a priority and held in a non-threatening environment, with appropriate follow-up systems in place. At Maddocks, employees can start the appraisal dialogue through a form, "but it's really more about the conversation than the form".

"I hope that we have moved to a situation where people are getting that ongoing feedback and are given an opportunity to improve on any concerns so that when we do have these annual performance appraisals it gives them a much more positive situation," Ryan says. "Having said that, we certainly review our forms each year. You still have to have some sort of documentation and we do a debrief every year with practice team leaders and some of our lawyers to get feedback on whether they think the forms have really met the intent."

**Going online**
At Swaab, the online SkillsScorecard system has been in operation for three years. Pott says she is a fan of the system developed by lawyers for the legal profession because it is a consistent, paperless and secure system. Employees fill out their own section on key performance areas; then it goes to the HR manager or system supervisor; then to a supervisor and any invited contributors for comment; before returning to the HR manager to ensure there is nothing offensive and the ratings are consistent with the feedback recorded.

All responses are released to the employee about a week before their performance review meeting, “so there shouldn’t be any surprises in the meeting”. "There are lots of ways to conduct appraisals, and particularly lots of ways to diffuse apprehension and fear – for supervisors, managers and staff alike,” Pott says. “Well prepared and conducted performance appraisals provide unique opportunities to help appraisees and supervisors and managers improve and develop, which ultimately benefits the organisation. Just like any other process, if performance appraisals are not working, don’t blame the process; ask whether it is being properly trained, explained, agreed and conducted."

**Tips for successful performance reviews**
Swaab Attorneys recommends the following steps to ensure performance appraisals run smoothly:

- **Prepare** – all materials, notes, agreed tasks and records of performance achievements, incidents and reports – anything pertaining to performance and achievement – and also include the previous performance appraisal document and current job description. A good appraisal form will
provide a good natural order for proceedings. Part of the preparation should also consider 'whole-person' development, beyond the job skillset. Many people are not particularly interested in job skills training, but will be very interested, stimulated and motivated by other learning and development experiences.

- **Inform** – ensure the person being appraised is informed of a suitable time and place, and clarify the purpose of appraisal, giving them the chance to assemble data and relevant performance and achievement records and materials.
- **Venue** – ensure a suitable, private venue is planned and available.
- **Layout** – room layout and seating are important elements. The atmosphere and mood must be relaxed and informal so sit at an angle – 90 degrees is ideal – and avoid face-to-face seating; it is confrontational.
- **Introduction** – the supervisor/manager should relax the person being appraised to create a calm and non-threatening atmosphere.
- **Review and measure** – review the activities, tasks, objectives and achievements one by one – avoid going off on tangents or vague, unspecific views.
- **Agree on an action plan** – an overall plan should be agreed with the appraisee, which should take account of the job responsibilities, career aspirations, the group and organisation’s priorities and the reviewed strengths and weaknesses. It must be agreed and realistic.
- **Agree on specific objectives** – these are the specific actions and targets that together form the action plan. These must adhere to the SMARTER rules – specific, measurable, agreed, realistic, time-bound, enjoyable, recorded. If not, do not bother.
- **Agree on necessary support** – this is the support required for the appraisee to achieve the objectives, including training.
- **Invite any other points or questions** – make sure you capture any other concerns.
- **Close positively** – thank the appraisee for their contribution to the meeting and their effort through the year and commit to helping in any way possible.
- **Record main points, agreed actions and follow-up** – swiftly follow up the meeting with all necessary copies and confirmations and ensure relevant documents are filed and copied to HR.