

Holy Grail: More Objective Performance Appraisals

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I took a hiatus from posting during the summer but am now ready to resume sharing invaluable tidbits of knowledge! What you won't see are many posts related to DEI, employee mental health, anxiety, life/work balance, etc. There are two reasons for that: (1) Other sites may do a better job of covering these subjects, and, (2) my focus is on making HR relevant by actions that improve financial performance and the satisfaction of employees and customers.

With that said, let's talk about performance appraisals! Almost every healthcare organization, regardless of size, has a formalized performance appraisal program.

If you are a US hospital, JCAHO accreditation requires it.

Required or not, we all see the benefit of providing feedback to all levels of employees on whether or not the job is being accomplished.

Usually, the appraisal is conducted on a set schedule- the most common would be after completing the initial 90-day employment period and then annually.

The performance appraisal usually includes a system of evaluating or rating the assigned job duties of the employee and may include other behaviors related to customer service, the mission, or achievement of the organization's annual business plan. They also usually include development plans for the employee.

I could address all of these sections of the appraisal, but in this post I won't! Instead, I want to focus on the rating system that is used to evaluate job performance (and other responsibilities).

This rating system is critical because it is often the basis for merit increases. As an HR professional, you know this is also what is most challenged by employees. "I was rated as "meets standards" for this task when I think it should have been "exceeds standards". Who hasn't heard that a few hundred times?

The search for objectivity

How can we make our appraisals truly objective? When performance is evaluated on the perceptions of the appraiser, then the same performance will be rated differently by different individuals. When we tie wages/benefits to the rating, it becomes critical that we minimize these subjective variations.

The only real objective performance indicators are those that are measurable. Think of quantity and quality! Perhaps a totally objective appraisal system could be applied to an assembly line where the number of units produced (quantity) and the number of units rejected by quality control (quality) were the sole factors being evaluated.

When we try for more objective performance ratings, these should be the critical factors. It can be determined whether or not every task/responsibility is completed according to defined standards. How many times there were variations from the standards (quality) can also be determined.

So, you are saying, “all right, Mr. Banana, that is nothing new. The problem is that we cannot observe and measure every single task of every employee to determine whether or not it was done right.”

You would be correct—you can’t. That is the difficulty. Most of us have tried to link the performance rating to a performance standard in some way. We still get arguments with employees and managers on the difference between “meets standards” and “exceeds standards”.

Current performance rating

Historically, performance appraisals used words like “substandard, unsatisfactory, superior or exceptional” to describe performance. We all saw this as totally subjective so we linked the rating to our performance standards or “expectations”.

A common rating system today generally will have 5 levels: fails to meet, partially meets, meets, somewhat exceeds, and greatly exceeds the performance standards.

A step in the right direction. After all, we are trying to link them to objective standards. So what is the problem with this type of rating scale?

The verbiage is directed at how well the standard is met. In other words, we are trying to address quality in the rating system. This is where the arguments arise as employee and manager both bring subjectivity into the “how well” determination.

Can this be done better?

An improved rating scale

I like the 5 different levels of ratings as this provides a good differentiation of performance. By tweaking the rating system, we achieved increased employee satisfaction. It also resulted in less disagreement between the employee being appraised and the appraiser.

It is not rocket science and you may be already doing it. If not, here is a simple change that will improve your performance rating.

Don't try to use the rating scale to rank quality-how well the task or responsibility was performed. Use the rating system to evaluate quantity only-how often the task or responsibility was done according to the standard.

In this approach, a five-level scale would look like this:

5 - Consistently exceeds performance standard

4- Meets and occasionally exceeds performance standard

3- Consistently meets performance standard

2- Inconsistently meets performance standard

1- Consistently does not meet performance standard

As you can see, there is no argument as to how well the task was done. We are rating how often the level of performance was achieved.

We could use as an example the simple responsibility of an MA: *obtain patient*

vitals prior to exam by doctor. The standard is defined in the protocols that define what vitals are to be obtained, and how/where the results are to be recorded.

The rating would indicate not how well, but how often it was done correctly. Of course, “done correctly” would include the correct info in the correct form for the doctor.

Really, the quality of job performance should be addressed at the time it happens. When there is any variation from the expected performance, it should be addressed at the time of occurrence. This is true whether it is negative or positive.

Needed flexibility

You may have noticed that we do not use phrases like “always meets standards”, “always exceeds standards”, or “never meets standards”. These hard and fast descriptions are not realistic. To provide options like “always” and “never” means managers will shy away from these descriptions.

It also invites challenges from the employee.

By using words like “consistently” or “inconsistently” we have the flexibility to more accurately describe performance. Your best employee who consistently meets the performance standards may have occasions where s/he falls short. But, we are interested in the normal pattern of behavior,

It is not the answer to every rating issue. It is definitely not the holy grail of total objectivity. It does get one step closer by measuring how consistent the employee is his/her performance rather than trying to rate quality.