 WHICH APPRAISAL STYLE SUITS YOUR COMPANY
Many appraisal types exist; from traditional to trendy, simple to complex, highly structured to open-ended.
Some of these types have been shown to work ‘better’ but the reality is that appraisal types and systems should be as unique to a company as possible.

If you are searching for an employee appraisal method that provides meaningful data, ensure that no matter what – *it suits the culture of your workplace* and we recommend that you keep it as simple as it can be.
Here is a great overview of the most popular and common appraisal methods for a variety of business models.
There are 3 sections of feedback:

**Employee Feedback**
- Self-evaluation method
- Journaling

**Outside (360º) Feedback**
- Structured 360º feedback
- Unstructured 360º feedback

**Manager feedback**
- Management by objectives
- Weighted checklist method
- Essay evaluation method
- Graphic rating scales
- Paired comparison analysis
- Critical incident method
To begin, we must first analyze the parties involved with the various appraisal methods. Overall, performance appraisals can be set up to incorporate feedback from 3 different sources:

- The employee being evaluated
- The manager/supervisor
- Other stakeholders (peers, customers etc.)

EMPLOYEE FEEDBACK
Self-Evaluation Method

A self-evaluation is when the employee is asked to judge their own performance against predetermined criteria.

The advantage of this kind of an appraisal is that the employee is allowed to give his input into his performance appraisal, and the company can use this self-appraisal along with the standard appraisal to give a more rounded employee review.

The disadvantage is that an employee may not be able to evaluate their own performance objectively, giving himself an artificially high performance grade and making the self-appraisal less valuable.

Employee self-evaluations help to demystify the appraisal process and can provide interesting insight into gaps between employee and manager ratings.

Self appraisals also help to ensure that employees have read and hopefully have analyzed every corner of their performance.

Read more: Self-Evaluations: Useful or Not?
Journaling

Technically, employees should be encouraged to keep ongoing journal notes to document performance milestones and use those to support their self-assessments; however, technology is causing this process to shift as employees can now use instant feedback tools within appraisal systems to send performance notes directly to their manager’s library of notes.
MANAGER FEEDBACK
Management By Objectives

This method, often called MBO, is designed to include employees in the goal-setting process and define “success” by measuring accomplishments against a clearly established set of objectives.

If managers and employees begin the year by working together to list these objectives, the end-of-year appraisal can simply compare each goal with its final outcome. This method is simple, clear, and empowers employees in the goal setting process but it disregards non-goal-related success metrics.
Graphic Rating Scales

This is probably the most common. Using this method, a supervisor rates an employee on a numerical scale for a defined set of behaviors, traits, competencies, or completed projects.

This method gains points for simplicity and functionality, but it only works well if both managers and employees share the same understanding of each point on the scale (for example, on a scale of one to ten, is an “average” performance given a mid-range rating or the lowest rating?) or if the rating categories focus on ‘traits’ rather than ‘behaviour’.

Read more: The Traditional Rating Scales: Needs Improvement
Weighted Checklist Method

A weighted checklist presents the evaluator with a set of yes or no questions that each carry a predetermined value. Questions may include, for example, “Does the employee follow directions carefully?” or “Does the employee make frequent mistakes?” The numerical value of each answer is then added and applied to an overall determination of his or her success.

These kinds of questions must be both worded and weighted carefully or the results can become confusing. But when properly executed, the method is clear and allows easy comparison between each employee and the next.

Read more: The Traditional Rating Scales: Needs Improvement
Paired Comparison Analysis

This option relies on a grid that presents numerical values for each employee based on an established set of criteria. After the values are collected, they can be reviewed against other values presented in the same format and affected by the same factors.

This method can be complex and labor intensive if done manually, but it allows the kinds of apple-and-orange comparisons that often present philosophical challenges to HR managers who need to standardize evaluation methods across groups of employees facing very different tasks.
**Essay Evaluation Method**

The Essay method is the grandfather of methods. This method provides managers with an open-ended opportunity to describe an employee's strengths and weaknesses in short essays. Essay evaluations give supervisors a chance to assess behaviors within a complex context, but it removes some of the easy comparability of the paired-comparison method above and leaves a lot of room for confusion.

Essay Evaluations are very unstructured and are often riddled with bias. If this was one of the first methods used to evaluate performance – it is no wonder why evaluations have been given a bad rep. There is still a place for essays, but in a different form. Today's essays are shorter, specific, and usually used to support a rating. Appraisal software like emPerform also gives manager writing assistant tools for tackling such compositions.
Critical Incident Method

Like the essay method above, the critical incident method allows supervisors to describe an employee’s excellent or poor response to situations arising during the year in question. This method keeps answers open-ended, flexible, multi-dimensional, and respectful of context. But it also resists standardization and comparison, and if the incidents aren't recorded and discussed as they occur, a subjective assessment made weeks or months later may have limited value.
OUTSIDE (360º) FEEDBACK:

Gathering feedback from multiple sources is a great way to ensure employees are rated fairly and accurately. 360º feedback incorporates data from peers, supervisors and even outside parties like customers and suppliers.

This broad feedback can provide a multi-dimensional picture of performance that can cancel the influence of bias or outlying data points. The goal is to paint an accurate picture of employees strengths and weaknesses. 360º feedback can be collected to gauge performance but can also be executed solely for development (often the case with leadership/executive 360º's).

There are two types of 360 feedback that can be incorporated into appraisals:
Structured 360° Feedback

This 360° method gathers appraisal information from an employee's peers and direct reports as well as his or her supervisor in a very structured manner. This method traditionally involves the formal collection of information from many people using a survey. This method can be expensive and time consuming to execute depending on a company's delivery.

If you are looking for an appraisal software system, ensure that the one you choose has an integrated survey tools for conducting 360° surveys and incorporating the results into the reviews. This cuts back on cost and gives companies the control over executing as many custom 360°'s as desired.
Unstructured 360° Feedback

The impact of using Unstructured feedback is relatively new in the appraisal world and is making a huge difference in performance management and business success. Unstructured feedback is typically being collected year-round via technology-enabled appraisals where comments, journal notes, and feedback are collected as it happens.

This type of feedback serves as a summary of performance throughout the cycle and is greatly increasing the accuracy of appraisals as managers have access to a library of notes to help support evaluation decisions.
A winning appraisal strategy is the one that best suits your organization...

but don't be scared to shake things up to get better results. Revisit your appraisal forms and the collection methods regularly to see if it is being used properly and to its best potential by managers and staff. Incorporating elements from all types in the simplest way possible will ensure that your organization is doing all that it can to develop employee performance year-round instead of treating performance management as an annual event.

Learn more about 360° evaluations in emPerform
If you are looking for performance appraisal software that is flexible enough to accommodate your unique appraisal methods, consider emPerform, a platform with multiple utilities that can help you create the appraisal models that best suit your needs. emPerform offers an unlimited number of custom appraisals and workflows so that you can tailor your model regardless of company structure and requirements.

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