

Appraisal - Understanding the Job Purpose and Key Result Areas

As part of creating an effective appraisal process, you need to understand and accurately record the job purpose and key result areas.

It is vital to spend some thinking time really appreciating what the individual has to do in their job.

Make no assumptions at this stage; bear in mind that:

- i) You may know the appraisee's job, you may have held the job yourself, but with the rate of change impacting on us all, you cannot make assumptions about what they find easy/hard and the systems and constraints placed upon them.
- ii) Remember - they are not you and when you did their job you did not have you as a manager. You need to obtain feedback on your performance.

Job Purpose

Start by defining the purpose of the job. This is a concise definition of why the job exists at all. An example for a Management Trainer is:

To Develop all Middle Managers to Competency Level 3

Remember to focus on why the job exists and not on what the person does. We often tell people what we do ("I fix machinery") or what our job title is ("I'm an Engineer") but we do not state why our job exists, which is the vital one ("I keep the plant operating").

Key Result Areas

Once the job purpose is clear, you can then identify five or six areas in which results must be achieved if the job purpose is to be fulfilled. These are the broad areas within a job that change little from year to year.

Everyone's job can be broken into key result areas (KRA). For the management trainer, key result areas could be:

Design of solutions
Delivery of solutions
Evaluation of solutions
Budgets
Client satisfaction
Innovation

The KRA approach has three main advantages:

1. Areas such as innovation, client response time and staff development are included rather than being overlooked.
2. It is the first stage of objective setting.
3. It makes it easier to assess current performance.

The key result areas of a Human Resource Specialist may be:

Staffing
Employee relations
Employee development
Compensation planning and administration
Policy development
Benefits administration
Career development
Statutory compliance
Human Resource information systems

Here is a list of key result areas which may appear in various jobs from one organisation to another:

General Management/Senior Executive

Internal operations
Market development
Profitability
Organisational structure
Organisational vision and mission
Asset and liability management
Productivity
Financial strategy
Business development
Technology
Customer satisfaction
Community relations
Regulatory compliance

Finance and Accounting

- Credit referencing
- Management information
- Capital expenditure
- Security
- Financial analysis
- Cost control
- Internal audit
- Regulatory reporting
- Credit control
- Financial records
- Payroll
- Cashflow forecasting
- Budgeting
- Costing

Sales

- New business acquisition
- Territory management
- Customer care
- Lead generation
- Lead follow up (internal and external)
- Account management
- Customer retention
- Interpersonal skills
- Negotiating skills
- Product knowledge
- Sales forecasting

Manufacturing

- Stock control
- Maintenance
- Labour relations
- Waste
- Reworks
- Productivity
- Health and Safety
- Quality control
- Record keeping

Marketing

- Advertising
- Promotional strategy
- Pricing
- Market research
- Field support
- Marketing materials
- Media relations
- Sales support
- Agency relations

Secretarial, Clerical and Administrative

- Correspondence
- Filing
- Records management
- Administrative support
- Internal customer relations
- Equipment maintenance
- Forms administration
- Scheduling
- Supply maintenance and purchasing
- Telephone coverage
- Project support

Finally, key result areas for everyone in an organisation are:

- Personal development
- Professional development
- Internal and external customer satisfaction
- Public relations
- Communication – oral and written
- Interdepartmental relations
- Project management

Once the key result areas have been established, you can then set specific objectives for an individual within each accountability area.

How Should Goals and Targets be Agreed?

A major part of an appraisal is the agreeing of goals and targets for the following period. The time spent before and during the appraisal review getting these right will ensure a better quality and more objective assessment process at the next and subsequent reviews.

Ineffective or badly worded goals and targets are a common problem in appraisal reviews and can lead to ambiguous expectations, unexpected results and quite costly inefficiencies within the organisation. The secret is to identify what it is that needs measuring and to state the measurement in "output" terms rather than in "input" terms. That means goals and targets should be about results not the processes and the procedures that need to be followed in order to achieve those results.

For instance, requiring someone to attend six meetings during the year or visit twelve potential new customers per month are both specific targets but where is the benefit to the business in those targets being met? Anyone can attend meetings or visit people but what about the outcome of those meetings and visits?

The value of objectives lies in making it clear what the staff member is to achieve during the reporting period. To ensure the objectives are clear, they should be:

- Within the staff member's control
- Realistic in terms of skills and experience
- Important and not simply easy to measure

A method to ensure that goals and targets are of good quality is to use the SMART model:



SMART Objectives in Appraisal

Specific

Goals and targets should have a clear link to the organisational plan

Measurable

All goals and targets should contain something to measure them by

The measurements should be quantitative and qualitative

Agreed

Both parties need to agree the objective. It should not be imposed

Realistic

The realism should be in terms of the abilities and potentials of the individual

coupled with the needs of the organisation. The measures should be attainable

within the required time period and with the resources available

Timebound

The objectives should be achievable within an agreed timescale.

Objectives should be measured in output

If you cannot measure an objective for an individual, you must ask the question: Why does the role exist at all?

Here are some ideas about measurables:

Quantity

Number of units produced/published/sent/received/processed/deadlines

Calls per hour/day/week

New products introduced

Grievances per 100 employees

Staff turnover

Customer complaints and compliments

Error rate or reworks

Returned goods

Sales increased

Profit increased

Increase in market share

Cost

Variance against budget
£'s spent
Profit
Waste
Overtime incurred
Speed

Time

Reduction in number of minutes/hours/days etc.
Deadlines and schedules met
Average call response time
Projects completed per week/month etc.
Number of minutes between customers

Qualitative

Accuracy
Customer satisfaction
Repeat business
Mistakes
Reworks/repairs

Therefore:

Key Result Area = Sales

Objective = Sell x new product to customers

Measure = Number of units sold per new customer whilst maintaining gross profit level of 25