

Module 008

Effective staff appraisals

From this module you will learn:

- The importance of appraisals in your pharmacy
- Different types of appraisal to suit your needs
- Good practice for setting future goals for after the appraisal
- How to avoid pitfalls during an appraisal

October

Clinical: Endocrinology

● Thyroid disorders	October 3*
● Cushing's syndrome	October 10
● Low testosterone	October 17
● Growth disorders	October 31*

Practice:

● Effective staff appraisals	October 24
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*Online only for Update Plus subscribers

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This article will discuss staff appraisals and why they are important. It will look at the benefits for both the employer and employee and address some of the issues commonly encountered when conducting appraisals.

An organisation's most valuable asset is its people, and pharmacy is no exception. As such, it is important that all pharmacy businesses have regular reviews with every staff member to increase employee performance and efficiency, and appraisals are a key part of this.

An invaluable tool for implementing two-way communication between managers and employees, appraisals provide one-to-one time when the focus is on the employee, their performance and contribution to the business.

Benefits to the business from carrying out appraisals include:

- increased staff motivation
- ensuring that people are kept up to date with the latest developments
- giving staff the opportunity to discuss and positively address change
- motivating employees and helping raise standards for the business.

From an employee's point of view, a well-conducted appraisal will help ensure they understand what is important in their role, what they are doing well and areas where improvement is required. It will also help them identify any training and development needs they may have.

Different types of appraisal

There are various ways of conducting appraisals, but most of them include some aspect of measurement or feedback in order to pitch current work patterns and achievements against previous goals and future progress requirements.

For example, ratings-based appraisals involve grading the employee on a series of different skill sets such as teamwork, initiative, communication abilities and so on.

Objectives-based appraisals work in a similar way, rating the staff member on how well they have met certain targets - financial

5 top tips for an effective appraisal

1. Both parties should set time aside to prepare for the appraisal
2. Ensure the appraisal is conducted in an conducive environment, with no distractions
3. Stick to facts and keep emotions in check
4. Agree SMART (specific, measurable, achievable, realistic and time-bound) objectives and an action plan that includes development
5. Conduct regular reviews after appraisal to keep on track

or otherwise - that have been set in previous performance reviews or exist as part of their job specification.

A recent popular format for appraisals involves what is called '360-degree feedback', in which the employee's peers, line manager and any direct reports are canvassed on their opinions of how the person is performing in relation to various skills and behaviours. However, in this case, the person carrying out the appraisal cannot be one of those whose feedback has been sought, and this often works better in larger organisations where appraisals are carried out by a member of the human resources team.

How often should they be held?

It is recommended that a formal review is performed at least once a year, with regular meetings and catch-ups and a more structured interim review at least half-yearly.

"Most appraisals seem to look at performance over the past 12 months, but they should also be looking at what you should be doing for future performance," says talent management consultant Shona Kelso.

"However, business changes so quickly now that links to the business strategy and what people are and aren't doing to meet it need to be addressed more often than annually, which is why they are more effective as an ongoing conversation rather than once a year," adds Ms Kelso.

Who conducts the appraisal?

Finding time to conduct appraisals can prove challenging, especially in small community pharmacies, but without this structured process it can become difficult to tackle management issues.

"Time management is an ongoing issue in community pharmacy, and for independents it is worse because all of the work around running a business needs to be scheduled too," says Yvonne Tuckley, Numark's learning and development manager. "However, effective management involves delegating tasks to the appropriate person so that the owner [or] manager is free to undertake the work only he or she can do."

Larger pharmacies should consider whether there is a retail manager or supervisor who could be trained to conduct reviews. It does not necessarily have to be the pharmacist who undertakes this task and another person may be more skilled at this aspect of the job. It may also be possible to undertake appraisals out of hours or by using a second or locum pharmacist.

What makes an effective appraisal?

According to Ms Kelso, appraisals "shouldn't contain any surprises or be used for disciplining, because managers should be having regular one-to-one meetings with their staff, knowing if things are going wrong and addressing any issues there and then - not saving it up for the annual appraisal".

She also recommends that, ideally, they should not be linked with pay reviews: "If you're trying to talk to somebody about their performance and development they are going to leave on a negative if they don't get a pay rise, so it's better to keep this conversation separate."

For Ms Kelso, the best appraisals are when everything in the conversation matches: "Everything you say they agree with, and vice versa." One way of measuring the success of an appraisal is that staff should ideally look forward to the next one.

The appraisal process

NHS Employers (nhsemployers.org) has ►

lots of useful information about how to plan and run the appraisals process. It recommends that, while there are no hard and fast rules for conducting an appraisal, a number of key guidelines contribute to a successful outcome.

● **Time and place**

The date, time and venue for the appraisal should be booked far enough in advance to ensure both parties can prepare. It is also important to consider where the meeting will take place.

Ideally, a quiet room should be used away from the pharmacy, such as an office or consultation room, so that the meeting cannot be interrupted (unless clinically unavoidable) and that discussions cannot be overheard by other staff or customers.

Ms Tuckley suggests arranging chairs "side by side rather than across a desk, making the meeting less confrontational and more about exchanging of views and sharing of ideas".

● **Preparation**

Once a date has been set, both parties need to prepare for the appraisal to ensure that the meeting is a success. Preparation would usually involve looking at information about the job and required skills and knowledge against individual performance, behaviours, development and achievements over the past year, and considering objectives for the following 12 months.

Employees should also be given an opportunity to ask questions or raise any concerns beforehand, so that they feel they are going into the meeting with all the information and resources they need to put them on an equal footing with the appraiser.

If templates are used to record the appraisal, ensure that staff have access to the documents and know how to complete them. It will be useful to provide them with the result of their last appraisal to refer to.

● **The appraisal itself**

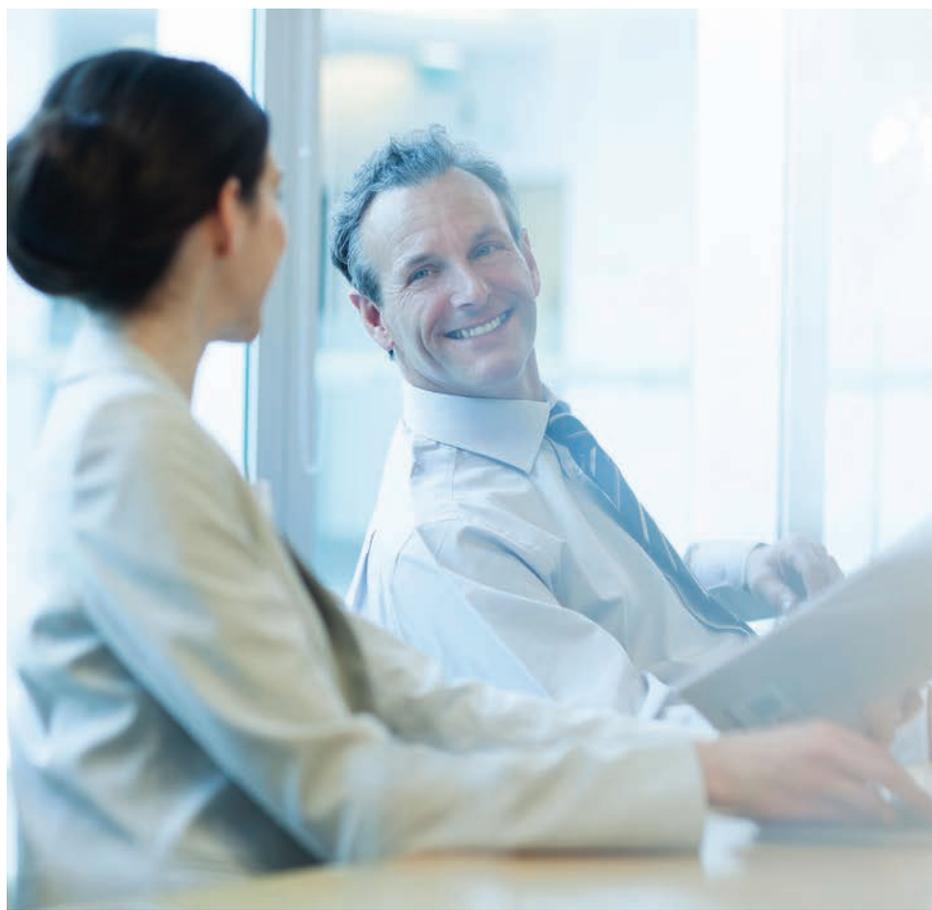
The purpose of the appraisal is to look at the experiences during the review period and to look ahead, so a well-run appraisal is not a monologue, but a conversation.

Dialogue has to take place between the two parties with both having equal opportunity and freedom to input and express their views. Ms Tuckley says a good approach is to have "a fairly general discussion before getting into any detail, allowing the employee to do most of the talking, prompted by you".

Relaxed body language and maintaining eye contact is important and shows the employee that you are attentive and interested in what they have to say. Ask open questions and encourage them to talk, rather than simply telling them what you think about their performance.

● **Feedback**

Keep to the facts and focus on the results achieved. Be specific about situations that



Successful appraisals inspire employees and help them understand what is important in their role

have gone well or badly and what can be done to maintain a high standard in the future. When giving feedback, it needs to be supported with a why, whether it is positive or negative. Emphasise the positive things they have achieved and give recognition where it is due.

If you have kept a regular dialogue with the employee then there should be no surprises in the meeting. Any performance issues should have been addressed as soon as they occurred and not have waited until the review. It is fine to mention the issues in the meeting, but the employee should have knowledge of them previously.

● **Paperwork**

Any paperwork or documentation that will be required during the meeting – such as details of a course or training programme, the previous period's appraisal documents, and so on – should be taken into the meeting by either the appraiser or appraisee to ensure the meeting is not held up by having to go and get them.

However, according to Ms Kelso, the meeting itself is not the place to be completing appraisal paperwork: "Managers get really stuck on the forms but the best appraisal shouldn't focus on the paperwork – it should be about the quality of a conversation, with good questions and, ideally, managers only noting down the action points and completing forms afterwards."

When the meeting has taken place, NHS Employers recommends the outcomes should be transferred onto the relevant appraisal document, signed by both parties and, if appropriate to your organisation, recorded electronically. A copy of the signed paperwork should be filed on the appraisee's personnel file, with a copy given to them for their own records.

How to set future goals

At the end of each appraisal, both parties will agree on objectives and actions for the coming year, which should contribute either directly or indirectly to strategic and operational objectives of your business.

NHS Employers suggest objectives should be set for both performance and for personal development, and they should be reviewed every few months, ideally at one-to-one meetings to monitor progress.

As a rule of thumb, the lower the grade of the job, the more closely linked to the job description the performance objectives will be, and they should be set using the SMART mnemonic: specific, measurable, achievable, realistic and time-constrained.

Personal development objectives should be set to consolidate or broaden performance in the current role or to help prepare an employee to move to another role.

They should also be linked to personal

NHS Employers appraisal resource

NHS Employers has developed a practical guide outlining the key steps in the appraisal process.

It offers a range of supporting tools, tips, templates and examples that employers can download and tailor to their needs.

The resources can be found on the NHS Employers website at tinyurl.com/nhsemployers-appraisals.

development to ensure learning is embedded. For example, if it is agreed that the employee will attend a particular course to develop a new skill, the use of that skill should subsequently feature in future performance objectives.

Avoiding potential pitfalls

The appraisal must be done fairly and objectively and all staff treated in the same way. This ensures you can avoid any accusations of discrimination or bullying that could result in a costly claim for compensation.

Problems with the appraisal system can be either with the way the process has been set up or the way it is conducted.

“A poorly thought-out appraisal system could be one where the wrong things are measured, insufficient time is given to the process, standards are inconsistent or there is a general lack of clarity regarding its purpose,” says Jane Hallas, employment law principle at Ellis Whittam, the National Pharmacy Association’s employment service.

Alternatively, problems can arise due to the way the manager conducts the appraisal meeting. “If the manager takes an overbearing attitude he or she may find themselves facing allegations of bullying,” says Ms Hallas.

“If there is inconsistency of approach or favouritism, allegations of discrimination may arise. Conversely, if the manager shies away from discussing performance concerns, employees can continue with a false sense that is all well, only later to find that the manager wants to discipline them.”

In order to avoid this, appraisals should be conducted with professionalism and feedback must be constructive:

- Listen to your employee’s explanations of why they are struggling
- Give clear guidance on expectations
- Identify appropriate support and development.

With the pharmacy environment in a state of continual flux, managers need to plan how they will adapt, and support their staff to develop the skills that will be required in the future. Successful appraisals will give employees the motivation and inspiration to make this happen.

5-Minute Test

1. Regular appraisals can increase staff motivation and give them the opportunity to discuss and positively address change.

True or false?

2. Objectives-based appraisals rate the employee on how well they have met certain targets.

True or false?

3. The 360-degree feedback approach works best in small businesses with few employees.

True or false?

4. Formal reviews should be carried out every two years.

True or false?

5. Appraisals should look at future as well as past performance.

True or false?

6. In a pharmacy setting, only the pharmacist should conduct appraisals.

True or false?

7. It is recommended that appraisals are linked to pay reviews for maximum use of time.

True or false?

8. Both employer and employee should prepare for the appraisal, with opportunities for questions to be asked beforehand.

True or false?

9. Feedback should be given during the appraisal, along with reasons for it being positive or negative.

True or false?

10. Employees do not need to be given a copy of their appraisal form once it has been completed.

True or false?

Tips for your CPD entry on effective staff appraisals

Reflect What are the benefits of carrying out regular employee appraisals? What makes an appraisal effective? How should feedback be given?

Plan This article discusses appraisals and how to make them effective. It includes information about the importance of appraisals, the benefits to employers and employees, the actual appraisal process and some issues that may be encountered.

Act Read the Update article and the suggested reading (below). Update and Update Plus subscribers can then access a 5-Minute Test and a pre-filled CPD logsheet at chemistanddruggist.co.uk/mycpd.

Read more about preparing for appraisals and appraisal tools and tips on the NHS Employers website
tinyurl.com/appraisal1
tinyurl.com/appraisal11

Think about how you could improve the appraisal process for staff in your pharmacy. Formulate a plan to follow and make sure your staff are aware of the plan and also know what to expect from their appraisal.

Carry out a peer review; find out how other pharmacists and managers carry out their appraisals and any advice that they can share.

Evaluate Do you now know what makes an effective appraisal? Could you use this information to improve the appraisal process in your pharmacy business?

Expert Q&A

Want to know more? Our staff appraisals expert is on hand to answer any further questions you may have on this month’s topic. Email your queries to: asktheexpert@updateplus.co.uk