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# Benefits of a Performance Appraisal

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Performance appraisals can provide valuable information to the employee.

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Companies use performance reviews to evaluate and assess the performance of individual employees on the job. Performance appraisals are typically used to explore each employee's job growth and to set goals and benchmarks to strive for during the next appraisal period. Understanding the benefits of performance appraisals can help managers and supervisors make the best use of them.

## Targeting Needs

Performance appraisals can target a specific area of weakness that needs evaluation and remediation. It can also serve as a valuable

tool for establishing goals that will lead to promotions and career advancement. Using a performance appraisal to uncover training needs allows the company to focus efforts on narrowly defined areas.

## **Charting Progress**

Performance appraisals can be used to chart progress. Comparing performance appraisals from one benchmark period to another will provide both the company and the employee with measurable marks of improvement, lack of improvement or regression in job performance areas. These data are valuable for human resources. Salary increases, demotions, promotions and terminations are all elements that can be tied to the progress reflected in performance appraisal data.

## **Building Relationships**

Performance appraisals give the employer and employee the opportunity to sit down and discuss performance. In busy companies, where everyone is taking care of business, periodic meetings between supervisor and employee allow them to form or strengthen a relationship. Developing this rapport opens a line of communication for the employee to use in making future suggestions for the company or applying for promotions.

## **Motivating Employees**

Performance appraisals often serve as motivational tools for employees. The company may offer a bonus or other perk to employees who are able to improve their performance appraisals

from one period to the next. It is important to offer improvement opportunities, such as training seminars, mentorships or classes to employees desiring to improve their performance appraisals.

## About the Author

Candace Webb has been writing professionally since 1989. She has worked as a full-time journalist as well as contributed to metropolitan newspapers including the "Tennessean." She has also worked on staff as an associate editor at the "Nashville Parent" magazine. Webb holds a Bachelor of Arts in journalism with a minor in business from San Jose State University.

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