



**VP/2010/003/0769 - Information & Consultation For High Performance : Employee appraisal – Conflict to Cooperation**

**Report from  
Seminar 1 Budapest 10-12<sup>th</sup> March 2011**

**Mercure City Centre Hotel**



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### Introduction

This project is led by the GMB Scotland with partners in Poland, Solidarnosc and in Hungary, EDSZ and MSZOSZ. The purpose of the project is to give the opportunity to managers and TUs to jointly plan and implement best practice around the information and consultation Directive using the common issues of Restructuring and Employee Appraisal as practical vehicles for encouraging high performance.

The Employee Appraisal is a regular record or assessment of an employee's performance, potential and development needs. There are many types of Appraisal and different ways of setting it up and processing it - there is no ONE ideal Appraisal that will suit EVERY organisation. However, there is growing evidence that Best Practice can be extracted from the process of introducing and using the Appraisal, along with awareness of the impact of the type of assessment criteria used within the Appraisal document.

Appraisals can help to improve employees' job performance by identifying strengths and weaknesses and determining how their strengths can be best utilised within the organisation and weaknesses overcome with training and development. The Appraisal can help to reveal problems which may be restricting employees' progress and causing inefficient work practices. However, it can be used with a negative intent and can be badly implemented by managers with little skill or training.

This first seminar of the project aimed to bring together trade unions and managers within the food and drink industry to begin the initial exploration and discussion of some the challenges arising from an Appraisal process and examine together and critique some company Appraisals of partner companies within the project.

### Planned Outputs:

- Examine the key issues which block/hinder Employee Appraisal in the workplace
- Best practice examples of effective objectives of an Employee Appraisal
- Examination of the 'rating systems' which can be used in an Appraisal
- Critique of Appraisals used in partner companies
- Identification of typical problems and useful outputs of an Appraisal process for companies
- Agreement on the common way to proceed across each partner country with practical Action Plans

### Attending Delegates:

#### Scotland

1. Kathleen Bann **McVities Trade Union (unable to attend due to redundancy at workplace)**
2. Phyllis Riddell **McVities (Unable to attend due to above)**
3. Gary Bates **McVities (unable to attend due to redundancy as above)**
4. Jonathan Simpson **McVities Business Partner (unable to attend due to redundancy as above)**
5. Stephanie Pordage **GMB Facilitator**
6. Julie McMaster **Edrington Team Leader**
7. Brenda Carson **Edrington Trade Union**



### Poland

1. Mr. Stanislaw Lubas **Polish Sugar**
2. Mr. Grzegorz Szumer **Mars Poland**
3. Mirosław Nowicki **Chairman Food Worker's Secretariat NSZZ Solidarnosc**
4. Mrs. Alicja Panasewicz **Personal Manager Polmos Białystok (alcohol plant)**
5. Mr. Lech Bednarz **Polmos Białystok (alcohol plant)**
6. Ms. Renata Sliwinska **Cherian Philip Morris Manager**
7. Mr. Rudolf Grec **Philip Morris**
8. Mr. Franciszek Sojka **Philip Morris**
9. Mr. Jan Dybicz **Bunge Kruszwica**
10. Mr. Leszek Kaszak **Personal Manager Bunge Kruszwica**

### Hungary

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|--------------------------|---------------------------|
| 1. Kovács József         | <b>Hungrana</b>           |
| 2. Patakiné Varga Emilia | <b>Heineken</b>           |
| 3. Galyas Emma           | <b>Heineken</b>           |
| 4. Gubek József          | <b>Danone</b>             |
| 5. Agnieszka Pietruszka  | <b>Danone Manager</b>     |
| 6. Szájbély Ernő         | <b>Zwakunicum</b>         |
| 7. Segesváry Gábor       | <b>Zwakunicum Manager</b> |
| 8. Bicskei Béla          | <b>Frieslandcampina</b>   |
| 9. Sebestyén Gézáne      | <b>Pannontej</b>          |
| 10. Otterbein Jánosné    | <b>Tolnatej</b>           |
| 11. Ványa Magdolna       | <b>EDOSZ</b>              |
| 12. Dr. Borbély Szilvia  | <b>MSZOSZ</b>             |

The above planned outputs were to be through the following AGENDA:

**10<sup>th</sup> March Day 1 9.00-4.00pm**

TIME	ACTIVITY
9.00- 9.30	Coffee and Registration (please sign the registration form)
9.30-9.45	Welcome and introduction – Stephy Pordage & Magdi Vanya EDOSZ
9.45-10.00	Introductions from delegate tables – Scotland, Hungary and Poland
10.00-10.20	Exploration & Discussion in your country groups. <b>Scotland:</b> What should be the Objectives of an Employee Appraisal in a 'best practice' model? <b>Poland:</b> What are the benefits of an Employee Appraisal to the individual and the company? <b>Hungary:</b> What can be the problems arising from an Appraisal process for the individual and the company?
10.20-10.45	Feedback from each country, discussion and some conclusions about 'best practice'.
10.45-11.05	Coffee Break
11.05-11.40	Exploration & Discussion - The design & content of a 'best practice' Employee Appraisal <ul style="list-style-type: none"> <li>• When designing an Appraisal what should be the core components or elements within</li> </ul>



	<p>it and what benefits will these bring?</p> <ul style="list-style-type: none"> <li>• What type of rating or assessment system/s should be used in an Appraisal and why are these appropriate?</li> </ul>
11.40-12.15	Feedback from country groups, general discussion and conclusions
12.15-12.30	Introduction to the Examination of an Employee Appraisal –Stephy
12.30-1.30	Lunch
1.30-2.10	<p>Country groups examine the Appraisal and the instruction document Assess the Appraisal and prepare for feedback.</p> <ul style="list-style-type: none"> <li>• What do you find good or ‘best practice’ about this Appraisal and why?</li> <li>• What might be improved in the Appraisal and why?</li> <li>• Is the instruction document good and appropriate or is something missing?</li> <li>• Would your company and employees be happy to use this Appraisal – why?</li> </ul>
2.10-2.45	Feedback from each country, discussion and conclusions
2.45-3.05	Tea Break
3.05-3.45	<p>General discussion</p> <ul style="list-style-type: none"> <li>• How should we appraise workers when assessing performance?</li> <li>• What is the best process and tools to use for the assessment?</li> <li>• Do Appraisers need to be trained and experienced?</li> <li>• How can employees prepare for Appraisal?</li> </ul>
3.45-4.00	General conclusions and learning from today
<b>4.00</b>	<b>Finish</b>

**11<sup>th</sup> March Day 2 9.30-12.15pm**

<b>TIME</b>	<b>ACTIVITY</b>
9.00- 9.30	Coffee and Tea
9.30-9.45	Review of yesterday and any thoughts about the work
9.45-10.15	<p>In your country group, discuss the difficulties which can arise when an Appraisal has been introduced into a company (<i>please include poor performance</i>)</p> <ul style="list-style-type: none"> <li>• What is the problem or difficulty?</li> <li>• Why might this problem or difficulty appear?</li> <li>• What could be a solution?</li> </ul>
10.15-10.45	Feedback from each country, discussion and some conclusions about ‘best practice’ and Appraisals.
10.45-11.05	Coffee Break
11.05-11-35	<p>Discussion and agreement in country groups</p> <ul style="list-style-type: none"> <li>• Research &amp; Action Plans for March – May 2011</li> <li>• Seminar 2 June 2011?</li> <li>• What value has this seminar been to you?</li> </ul>
11.35-12.00	Feedback from country groups about their agreements and Action Plans
12.00-12.15	<b>Learning from the seminar</b>
<b>12.15</b>	<b>Thanks and Goodbye</b>



## OUTPUTS of the SEMINAR

### 1. Each country took a different topic to examine in this introductory activity

COUNTRY	TOPIC	OUTPUT
<b>Scotland</b>	What might be the Objectives of an Appraisal in a 'Best Practice' model?	<p>The development of the employee</p> <p>To learn more skills and knowledge</p> <p>To give the possibility of promotion</p> <p>Set goals around the objectives of the company</p> <p>To define expectations within the business</p> <p>Praise the employee and point out improvements that could be made</p> <p>Cooperation between the managers and trade unions in the design and implementation of the Appraisal</p>
<b>Poland</b>	What might the Benefits of an Appraisal employee for and company?	<p><b>Individual:</b></p> <p>To be more self-assured in the company</p> <p>Feedback can be useful to clarify weakness of the employee</p> <p>Can lead to more training when competence evaluated</p> <p>Employees can see what the supervisor thinks of them</p> <p><b>Company:</b></p> <p>A clear idea of the potential of the workforce is possible</p> <p>The development and learning curve of people is revealed</p> <p>Correct poor performance</p> <p>Communication between supervisor and employee in right conditions of no interruptions</p> <p>It helps company to target the training budget efficiently</p> <p>Corporate goals can be built into the appraisal</p> <p><b>Other comments:</b></p> <p>How can we appraisal a person when they don't fit the company model?</p> <p>Other people in the business could appraise the worker ie colleagues or trade unions to make ie fairer.</p>
<b>Hungary</b>	What problems can arise from the Employee Appraisal	<p>The reasons given for the appraisal and how useful it is to the company can be difficult for the employee</p> <p>Employees are not told in a comprehensive way the context of the</p>



	process?	<p>appraisal</p> <p>It can set up competition between employees and teams</p> <p>How can competencies and achievement of goals be assessed with reliable methods – indicators may not be acceptable to workers</p> <p>It is difficult to pinpoint the achievements of an employee</p> <p>Often it is only a one-way assessment by supervisor and this causes friction</p> <p>The process can be confusing to understand ie how does a person go from 'Good' to 'Excellent'?</p> <p>If objectives not set correctly they can be unachievable</p> <p>Global companies introduce their way of performance management and it can clash with the country culture</p>
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**2. Some research results and statistics on Appraisals were introduced to delegates for consideration.**



**3. Important Issues to consider when designing an Appraisal**

This is the collated from the feedback from 3 partner countries:

- Managers should always involve the trade union or employee representatives in the implementation of the Appraisal
- Appraisal should be transparent and clear in its objectives
- Realistic goals should be set
- Assessment should not just be a score but should offer a bonus too
- Feedback should be given to the manager from the employee as a fair two-way process
- Measurement of how the employee might attain the goals should be discussed
- Appraisal should be for performance and success and quality discussion of how the objectives can be achieved
- Job descriptions can be the bedrock of the Appraisal
- Need information sessions and training sessions for managers and employees for the Appraisal to be successful



- Appraisal should be a tool to examine the whole organisation, not just a way to apply a bonus
- We should pay attention to the time it takes to administer the appraisal and analyse whether the time and effort is worth the return on the investment. What value is the appraisal?
- Appeals procedure should be clear and understood
- The employee response within the document is critical
- Appraisal conducted poorly cause conflict and lack of motivation and trust, so this process should be monitored and evaluated by the company
- Appraisal should be developed in partnership with employees and trade union in line with corporate goals
- It should be broken down for each job and have core competencies identified
- Appraisals should be top down so managers translate corporate objectives into front line work
- Preparation is important for both manager and employee
- Satisfaction should feature in the process
- Measurement should include attitude and behaviours
- It must be remembered that the appraisal is a tool but has a human aspect and requires human cooperation to be successful

#### **4. Critique of Appraisals submitted by each partner country**

##### **Hungary on Scottish Appraisal:**

- The system developed has been done with equality involved
- In Hungary we need to move to this more serious position
- In Hungary the production system owns appraisal not HR
- It appears to be missing objectivity ie a scale or score
- It might be useful to have a checklist of jobs/tasks
- It encourages worker development and training is discussed
- It allows for the employee to comment on the manager which is healthy

##### **Poland on Scottish Appraisal:**

- It does not impact on the basic pay of worker which is good
- The subject is the worker and development which is helpful
- Good layout
- It has a positive approach
- There is no end result or score so does that mean there is no appeal?

##### **Scotland on Polish Appraisal:**

- 9 categories is good and manageable
- The competencies are relevant
- Some things only concern the manager so you can lose joint approach
- Introducing tools to help achieve the goals is a good idea
- Maybe there could be room to make comment on each other
- A scoring system with 5 categories often leads the person to settle at 3 – the middle and easy choice; this could be changed to 4 or 6 categories to overcome this
- The briefing booklet to accompany it is very good practice



## 5. Summing Up the Day and the Work

- We have covered some broad areas of good practice in the design and implementation of an Appraisal. It appears that a joint or partnership approach to the development of an appraisal will create the best results, atmosphere and value for the company.
- There have been ideas expressed that this process should be a good experience for the employee but be of benefit to the company too. In other words take it seriously.
- There have been different views on whether a financial reward should always be attached to the appraisal. This can work as a motivator for some people but for others being treated with respect or feeling valued in the workplace are more motivating and contribute to the 'reward' they get out of working.
- Appraisal should have their targets aligned with the business goals and be realistic
- There was agreement that the system should be clear and simple and transparent.
- There is difference of opinion as to the scoring and assessment system which are best practice. This is probably best left to the company culture to decide this. Some companies work well with scoring system, for others it does not fit their way of work.
- There has been very honest and open feedback and discussions from each country and the companies represented in this seminar.

## 6. Delegates heard from Mrs. Alicja Panasewicz Personal Manager Polmos Bialystok

Mrs. Panesewicz gave a presentation of the Appraisal used within her company and explained the process, the documents involved and the scoring system used. She said there was no direct link to a bonus and the evaluation is used for promotions, transfer to a new job or job training or can lead to firing. They use the 'Sandwich' feedback model and also **Z** feedback method. There are detailed notes on how to conduct the appraisal.

Some people commended on the Appraisal:

- It appears brutal and the employee has to succumb to the will of the supervisor
- It appears cold and inhuman
- It is important to define the words used in the Appraisal and concentrate on the ultimate goal of co-operation and agreement
- If we get rid of subjectivity (personal opinion) then we naturally move towards a more formal system which appears cold and inhuman
- The system should not concentrate on performance only but development too
- Attitudes should be included so personal development can be encouraged
- Often western systems do not suit the culture of the east
- All appraisal should be organic and evolving and so we should always review and monitor our appraisal and improve them
- All appraisals rely on the skill of the manager so this must be attended to
- Methodology can be inconsistent across the company
- A good system overall but managers and employees must be trained to use it
- Appraisal takes up much time, so when this happening on-one is working! It is a dilemma
- Appraisal at Edrington is good as people get the opportunity to develop and rotate jobs



- What happens to people on different contracts, temporary or agency workers can they be involved in the assessment and how?
- At Edrington whisky company in Scotland they have an assessment scoring system and temps need to meet the minimum score
- In Poland agency workers are used and it is a negative impact on general workers.

## 7. Plenary : Action Plans

### HUNGARY: Unicom

- At Unicom it is intended to discuss everything with the Workers Council.
- Feedback to managers on the seminar and discuss what might happen when the Appraisal becomes repetitive
- Ask managers what resources are available to review and evaluate the Appraisal so it always improves
- Seek agreement from managers that the current draft Appraisal can be adapted using best practice from the seminar
- Discuss with management group the time and way to introduce the appraisal and use best practice.

### At Danone

- Involve worker representatives in the design and review of the Appraisal for general workers
- Pay attention to clearly expressing why the appraisal is needed and devise a system which response to both employee and employer
- Make the appraisal clear and simple
- Focus on positive features Use positive feedback from appraisal to record what good things have come of it
- Very important that managers and employees are trained to use the appraisal and that there is good communication about it. Danone will investigate who supports or host the appraisal; it is not just an HR function but has wider company value.

### SCOTLAND: Edrington

- Return to company with questions and discussion
- Raise the issue of implementing and element of employee feedback to managers
- Ask whether there has been an evaluation on the process of the appraisal; what employee think about; is it used consistently; does it benefit salaries; should there be an appeal process
- Look into the area of having short monthly meetings with general level workers like management have, then there are no surprises in the appraisal

### POLAND:

- Open discussion of the Appraisal on the National level in Poland through the trade unions
- Raise awareness of the Appraisal at European level through European Works Councils and share best practice and learning
- Set up a working group ie a technical group that will provide training for workers and managers on the appraisal
- Make use of the support of partners and colleagues
- Raise discussion in the workplace of trade union involvement in the appraisal process and more regular feedback



## 8. Value of the Seminar

As a final activity the delegates gave feedback on the value of the seminar and use of their time.

- Valuable exchange of views and important to hear from people in other countries. As trade unions we can sit and do nothing and ignore appraisals or represent our members and get involved in trying to produce the best system possible
- Really excellent seminar as we sometimes think our own appraisal system is very good and never get the time to stand back and have it critiqued by colleagues. This has opened my mind to lots of ideas and valuable information for improvements.
- It is always good to join together for debate and new ideas form.
- We have learnt a great deal at cultural and national level about differences of approach in our countries and the companies we represent.
- Today we have turned a corner and started to reach agreement on a very difficult topic.
- We have all cooperated well across this seminar with open and honest debate and this has helped the learning.