

Performance Reviews 101



Employee evaluations. Annual appraisals. Performance reviews. These yearly rites have many names, but one common reaction: dread. Managers often consider it a chore to assess a year's worth of work and are uncomfortable discussing an employee's contribution to the company. Employees often feel the reviews are perfunctory and marginally helpful. No wonder few people look forward to them.

But everyone needs feedback, and performance reviews provide an excellent opportunity to provide guidance and career input for what most companies consider to be their most important asset — their people.

Why? Performance evaluations can be extremely effective in increasing employee engagement, facilitating communication, improving work habits and encouraging professional and personal growth. When handled properly, they offer a no-pressure forum for discussing both the employee's professional goals and the company's goals for the employee. Ultimately, they can provide a plan for the future of the employer-employee relationship.

When? Performance reviews don't have to happen just once a year. Some companies set up quarterly or even monthly mini-reviews, just to be sure that employees and managers are on the

same page. Regular check-ins are especially important to younger workers, who are accustomed to a fair amount of quick and constant feedback.

Note that it is the responsibility of the manager to schedule reviews. Putting them off is disrespectful to the employee, and can create unnecessary tension.

What? It may take some of the pressure off both parties to separate performance reviews from salary discussions. (Consider scheduling salary reviews for the employee's anniversary or at a certain time of year company-wide.) With money off the table, it's easier to focus on the performance matters at hand.

Job performance is multifaceted, so the review should cover all aspects

of the job. Managers must do their homework and consider what it takes to do the employee's job well — not only getting the work done, but getting it done on time and on budget. It might also include working well with other employees or customers or both.

The employee may be performing terrifically in some areas and not so well in others. Reviews should include positive feedback as well as input about how the employee might do better. Training and mentoring should be discussed.

How? Performance appraisals should be consistent across the company. Every employee should be assessed with the same standards, measurements and tools. This requires training and buy-in from all managers.

Reviews should include time for both employer and employee to express their thoughts and react to the other's

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input. Using an appraisal form is a good way to guide the conversation.

The overall content of a performance appraisal should never be a surprise to an employee. In other words, if things aren't going well, don't wait until a scheduled review to correct or comment on poor performance. Conversely, don't hold back on the high-fives, either. People deserve prompt praise for a job well done.

Remember, open, ongoing dialogue is crucial to better performance. And better performance means a better bottom line. ❖

Interested in fine-tuning your performance appraisal process? Our firm can recommend an HR consultant to help.