

## PERFORMANCE REVIEW PROCESS

Effective leaders succeed in maintaining good, productive working relationships with their employees by establishing a motivating climate which encourages and supports strong employee performance and development.

Conducting effective performance appraisals involves understanding, practicing and using the following important processes and techniques:

- Setting Expectations
- Providing Ongoing Constructive Feedback
- Writing Performance Reviews
- Discussing the Results

Almost every job requires individuals to take some risk, experience change, and make operating decisions in unknown situations. The more information about job responsibilities, performance standards, expectations and goals increases the likelihood that decisions and results will benefit both the organization and the employee.

One of the most important management or supervisory responsibilities is the improvement of employee job performance and skill development through two-way communication with employees. We establish and maintain ongoing communication with employees primarily through our Performance Appraisal Process. We consider the process an ongoing, everyday activity and not just an annual meeting with an employee. The process involves setting expectations and giving feedback to employees about their job performance in a timely and effective manner. By doing so, employees should be motivated to improve job performance and develop their skills.

The key objectives of performance appraisals are to:

1. Accurately assess employee job performance, demonstrated skills and results of past year objectives
2. Clarify job responsibilities, performance standards and expectations
3. Identify performance strengths and development needs
4. Establish objectives for the next appraisal period

## PERFORMANCE REVIEWS

### WHY BOTHER?

#### You as the employee

- *What about the process is of most value to you as an employee?*
  
- *What is of no value?*

#### You as the supervisor

- *What about the process is of most value to you as the supervisor?*
  
- *What is of no value?*

## SETTING EXPECTATIONS

Effective leaders help employees understand what is expected of them as early as possible in the relationship... and remind them as needed for support and success. Expectations can be set in many ways:

- Written job description
- Organizational expectations (*often behavioral in nature*)
- Written goals
- Ongoing conversations and feedback
- Action plans

It's motivational for employees to have a clear understanding of what is expected of them... and receive timely feedback when they do well and supportive feedback when they need to course-correct.

Performance expectations can be described as the sum of the following three elements:

- 1. What – the written job description**
- 2. How – behavioral expectations that support the culture of the workplace**
- 3. Goals – written statements describing a future state and a plan of action**

*How effectively are you setting expectations?*

## SETTING GOALS

Goals should be stated in clear and measurable terms. Never assume that everyone already understands what is expected.

Broaden your perspective on setting objectives and consider setting goals in one or all of the following four areas:

1. **Innovative** - something new to attempt to do
2. **Problem Solving** - solve an existing problem
3. **Routine** - improve basic job responsibilities
4. **Professional Growth** - learn new skills, increase knowledge, enhance and expand one's ability to take on greater responsibilities

When developing performance standards and realistic objectives use the following **SMART** criteria:

<b>Specific:</b>	Describe actions needed to accomplish the objective
<b>Measurable:</b>	Define quality and quantity; focus on observed, measurable behavior and results
<b>Attainable:</b>	Encourage growth within realistic and reasonable limits
<b>Realistic:</b>	Relate to the current job and required skills; feasible in terms of available resources such as personnel, costs and time
<b>Time Frame:</b>	Establish time frames for completion.

### **Step 1: *State the objective to be accomplished***

Use the following guidelines for writing effective and meaningful objectives

- Effective objectives use the SMART criteria = specific, measurable, attainable, and realistic, with a time frame.
- They must have input from the employee.
- They must have a commitment from both you and the employee.

### **Step 2: *Develop step-by-step action plans***

The plans should identify what the employee is to do and, as appropriate, what the manager is to do. Include target dates, which provide a timetable as to when efforts are to be accomplished.

**Step 3: *Be clear about consequences - positive and, as needed, negative***

Possible positive consequences for achieving objectives may include incentives, a chance to take on greater responsibilities, the opportunity to work on a special assignment, or greater autonomy.

**Step 4: *Follow-up periodically***

Set dates when you and the employee will sit down and review progress. Allow flexibility so you can intervene sooner if performance declines.

## **Sample Goal A**

Both of the following statements describe the same objective (or desired result). Why is #2 a more meaningful goal?

1. Improve the quality of finished documents and correspondence.
2. Improve the quality of finished documents and correspondence within the next six months by:
  - Asking questions prior to preparing documents to ensure that I understand the directions, timing and quality desired of the finished product.
  - Thoroughly proofreading the document prior to submitting it to the author.
  - Comparing the finished document to the one submitted to ensure that all changes have been made correctly.
  - Taking an advanced Microsoft Word class to learn additional features that are needed to improve the professional appearance of my reports and proposals.
  - Taking the initiative to recommend format changes that will improve the presentation of my documents.
  - Meeting once a month with my manager to discuss progress and improvements

## Sample Goal B

**Goal:** To lead an assigned project team toward the successful completion of the project within budget and on schedule.

**Action Plan:**

Action Steps	Timeline
Accurately and clearly scope out the overall project with the team. Gain agreement on expectations of quality, end product, timelines, and cost.	
Break down the work into process steps, components, and task/people assignments.	
Develop a schedule for completion of major milestones.	
Conduct a project kick-off meeting to discuss overall project, task assignments, schedule, and milestones. Discuss and identify with the team anticipated problems and potential roadblocks.	
Meet with each team member individually to review and discuss individual assignments, expectations, and accountability. Identify skills and/or training needed for each team member to successfully complete assigned tasks.	
Schedule and lead team meetings to discuss status, progress, schedule, problems, and potential roadblocks. Measure performance against overall project scope.	
At the conclusion of the project, measure team and individual performance against established project scope and expectations.	
Conduct a project completion meeting with the project team and each individual to discuss what worked, what didn't, and what will be done differently for the next project.	

## Exercise: Creating a Goal Statement

*Instructions: Prepare one goal for yourself or one of your staff members, then develop three to four action steps with target completion dates. Be specific and include key results and measurements.*

Goal Statement	
Action Steps	Timeline

## RECEIVING FEEDBACK

One of the most important skills we all can learn is how to provide honest, effective feedback. Whether we recognize it or not, we are constantly providing feedback. How we provide that feedback will often spell the difference between our success and our failure and the success or failure we instill in others as we interact with them.

We all receive negative and positive feedback. If we are fortunate, the feedback helps us learn something about ourselves. But sometimes feedback creates negative feelings and does little to improve our performance. We often hear feedback negatively and focus on the wrong things. When receiving feedback it is helpful to:

- ***Be aware of your own defensiveness***

It is natural to feel defensive. Try to allow yourself to listen to what the information says, rather than react to it. If you find yourself disagreeing, ask yourself what you could have done that would cause others to perceive you that way. Behaviors that hinder you from effectively receiving feedback are “justifying,” “building a case,” “apologizing,” and “rejecting”.

- ***Understand your need to identify the source***

Two things happen when you try to guess “who said what.” First, you may be quite wrong. In many cases, when people check out the source, they are mistaken. Secondly, even if you guess right, it is a convenient way to discount the information. The mental process looks like: “Well, if Joe/Jane said that, I’m not surprised. You can’t please him/her anyway.”

- ***Look at development needs and acknowledge your strengths***

Often people only look to see where they can “improve” or “correct” their behavior. Allow yourself to build on your strengths as well. Do not overreact to the information, but, where desired, modify your behavior in suggested directions. Then evaluate the outcomes.



# GIVING EFFECTIVE FEEDBACK

## 1. Make your feedback specific as related to behavior.

Good: "Henry is often 15 minutes late for meetings. Because he is an important part of the team meetings, it would save time and ensure we utilize everyone's time effectively if he arrived on time."

*Bad: "Henry is lazy and appears to have a poor attitude towards his job."*

## 2. Avoid labels and judgments by describing rather than evaluating behavior.

Good: "Steve has had five chances to attend key computer training programs in the last year and he hasn't shown up for one yet. It would be helpful to know why."

*Bad: "Steve doesn't care about improving his skills and doesn't seem to care about his career at our company."*

## 3. Focus on behavior the receiver can do something about.

Good: "We would appreciate Sam keeping the team informed about the status of the project on a more frequent basis. When team members are not informed of issues and concerns we are not able to evaluate and correct potential ongoing problems."

*Bad: "Sam is so introverted and appears to not want to talk to other people!"*

## 4. Define the impact on you and the organization.

Good: "There are times when Sarah doesn't meet her deadlines, which impacts our ability to meet other milestones for the project within our agreed upon time frame. This results in not meeting our commitments for critical Board requests."

*Bad: "Sarah never meets her deadlines!"*

## 5. Give the feedback in a calm, unemotional language, tone and body language.

Good: "I'm sure that Joe's progress will be much faster now that he knows how to use the new software program. If he has problems or needs help, it will be important for him to ask for assistance right away. This will cut down on unproductive time."

*Bad: "Joe really needs to improve his efficiency with this software program. He's consistently wasting time trying to do the most basic data entry."*

**6. Use “I” statements as opposed to “you” statements to reduce defensiveness.**

Good: “When Tim is on the phone, his voice is often very loud and it is difficult to have a conversation in a normal tone. It would be helpful if he would lower his voice when talking on the phone.”

*Bad: “Tim is so inconsiderate of other people when he talks loudly on the phone.”*

**7. Consider the needs of the person receiving the feedback as well as your own. Ask yourself what he or she will get out of the information. Are you “dumping” or genuinely attempting to improve performance or the relationship?**

Good: “I know how important it is for Sue to meet her deadlines, and I recognize she’s under a lot of pressure right now. While we can help with the paperwork, it would be helpful if she would use the format and template we agreed to so she can handle it solo in the future.”

*Bad: “Sue always needs help writing up her analysis. It’s not everyone else’s responsibility. I think it’s about time she learned how to use the format and template we’ve all agreed to.”*

**8. Solicit feedback rather than impose it.**

Good: “Terry has expressed a desire to learn how to handle difficult situations more effectively. Here are some suggestions that have worked for me...”

*Bad: “The way Terry responds to others isn’t good. It really sucks. He always appears to have a chip-on-his-shoulders.”*

**9. Consider your timing, either before an event in the form of advice, or immediately after it as positive feedback.**

Good: (advice) “It would be helpful if Sally’s data entry input was double checked before she completes the report so she can consistently do a “good” job and we can ensure the analysis is accurate.”

*Bad: (Criticism) “Because Sally has done such a poor job in the past, someone needs to review her data entry input before she submits the complete report.”*

**10. Check to be sure that clear communication has occurred.**

Good: “I know that Mary knows the importance of writing down what needs to be done with a complex assignment. If we go over the key steps after an assignment has been discussed it will ensure we both understand what is important and we will be clearer about what needs to be accomplished.”

*Bad: “Mary never writes down the key steps of an assignment.”*

## BIASES THAT CAN INFLUENCE THE PROCESS

### HALOS

**Good Past Record:** Good work in a previous appraisal period tends to carry over to the current review period.

**Compatibility:** People who please us and are more like us are sometimes rated higher than they deserve.

**Recent "Good Job" Syndrome:** A person who does outstanding work immediately prior to the evaluation may be able to offset an entire year of poor performance.

**The One-Asset Person:** A person with certain characteristics - an advanced degree, a glib talker, or an impressive appearance - may be ranked higher than an excellent worker without these attributes.

**The Blind Spot:** The supervisor is blind to certain deficiencies because he/she possesses the same deficiencies.

**The No-Complaints Bias:** "No news is good news" may account for too much.

### HORNS

**Boss is a Perfectionist:** The supervisor's standards for excellent can never be met - "no one could do a good enough job."

**The Oddball Effect:** The oddball, maverick, or non-conformist may get low ratings just because he/she is different.

**Guilt by Association:** An individual who is a friend of someone who is perceived as a "problem employee" may also be perceived as a "problem employee."

**Recent "Bad Job" Syndrome:** This is the opposite of the recent "good job" syndrome where one recent mistake offsets an entire year of good work.

**Personality Traits:** Individuals with personality traits that are irritating or remind us of someone we dislike or with whom we had a problem can negatively influence our perception of their performance.

## OTHER PITFALLS

**Stereotypes:** This involves basing appraisals on fixed perceptions of a type of person rather than actual performance.

**"Everyone Is the Same":** This tendency ignores individual performance differences and rates all employees the same.

**The "Easy Rater":** Supervisors who give employees the benefit of the doubt, exaggerate positives and eliminate negatives. They always want to be liked by their employees.

**Right Place at the Right Time:** This exists when all employees or a group of employees are rated higher or lower than warranted due to special circumstances, such as the successful completion of a project or meeting sales quotas. Individual contributions or performance differences are ignored.

## DOCUMENTATION - SIGNIFICANT EVENTS LIST

The Significant Events List is a helpful tool for tracking employee performance efforts. The idea is to make a small notation when something occurs – if you write more than two sentences, you are writing too much. The list serves as tracking mechanism as well as a memory jogger. Follow this one simple rule:

***Record nothing that you have not already communicated directly to the employee.***

EMPLOYEE \_\_\_\_\_

DATE	EVENT

## DOCUMENTATION - COMPLETING THE FORM

Following are a few important things to remember:

- Assess the entire review period, not just the recent past.
- Be specific by using examples whenever possible.
- The performance review should be written as if a third individual with no knowledge of the employee's performance or job responsibilities could read the review and understand the job content and know how the employee is performing his/her job responsibilities.
- Language and rating should match. If an employee is rated as "meeting expectations," then the comments should not indicate that the employee "exceeds expectations."
- Performance statements need to directly reference on-the-job performance issues. References to family obligations, medical conditions or personal situations are inappropriate.
- Describe observable behaviors, not personality traits, physical characteristics or opinions. "Sam is lazy and doesn't care about the quality of his work," versus "Sam's reports consistently contained three to five errors."
- Identify what an employee must do to obtain a higher rating. Be specific and give examples of higher performance standards. Do not use statements like "try to work harder" or "continue to improve."
- Be careful when mentioning the same incident multiple times in the same review.
- Be careful about sending mixed messages. Often, supervisors have a tendency to try and soften "not so good" news with a positive statement. "Overall, Johnny's performance is an asset to the company, but he needs to improve....."

## DISCUSSING RESULTS WITH THE EMPLOYEE

### Step 1: Structure the meeting.

- ❑ Put the employee at ease.
- ❑ Outline the discussion.

*"First, I'd like to get some input from you on what you see as your overall strengths and areas needing improvement.*

*"Then I will share with you my overall perception of your performance."*

*"Then we will look at each area of performance, so we each can understand where our perceptions come from."*

*"Finally, we'll develop an action plan to enhance your growth and development."*

### Step 2: Listen

- ❑ Have the employee give his/her summary of the self-evaluation
- ❑ Solicit employee's self-perceptions.
- ❑ Give the employee your reaction to his/her overall evaluation.
- ❑ Use active listening skills and open-ended questions.

### Step 3: Overall evaluation and more listening

- ❑ Present a brief summary of your overall rating or evaluation of the employee.
- ❑ Encourage employee's reactions to your overall rating/evaluation.
- ❑ Discuss what the terms mean to both of you.

**Step 4: Inform employee about how you see his/her specific performance.**

- ❑ Initial feedback should be positive (optional).
- ❑ Back up general evaluation with specific behaviors.
- ❑ Let the employee respond and elaborate.
- ❑ Create a dialogue; do not just read from the Performance Review form.
- ❑ After you talk about the specifics, review the overall rating again; ask employee to summarize the major points, both strengths and weaknesses.
- ❑ Discuss areas where your evaluations of performance differ.

**Step 5: Develop an action plan based upon the appraisal.**

- ❑ Develop the plan with the employee. Ask the employee for his/her ideas of useful courses of action.
- ❑ Arrange follow-up meetings to monitor and coach.
- ❑ End the interview on a positive note.

*A few pointers to keep in mind when discussing the performance review with an employee:*

- ❑ Listen and be supportive, but do not make unrealistic commitments.
- ❑ Allow ample time, give it your full attention and do not allow interruptions.
- ❑ Guide the discussion with open-ended questions, which promote the employee's self-discovery of accomplishments, areas for improvement and career or personal growth.
- ❑ Listen to your employee and restate or reflect his/her statements to be sure you fully understand.
- ❑ Listen openly, not defensively.
- ❑ Keep the discussion on track by focusing only on elements of performance.
- ❑ Be aware of non-verbal communication.
- ❑ Don't give insincere or excessive praise.
- ❑ Don't dominate the conversation.
- ❑ Don't allow your personal relationship with the employee to affect the performance assessment.



## HANDLING CHALLENGING DISCUSSIONS

Following are some tips for dealing with four common types of responses from employees during the Performance Review discussion. Following each type of response is a list of suggestions on how to effectively respond to each situation.

### **THE OVERLY AGREEABLE EMPLOYEE:**

These employees generally want to please and do a good job. They are eager, enthusiastic, and prefer that things run smoothly. Because they do not like conflict and do not want to disappoint others, they agree to just about everything. They may become overly committed as a result, and end up disappointing others. When receiving feedback, they tend to accept whatever the supervisor says without question.

During the performance review discussion, these employees:

- ❑ Smile indiscriminately.
- ❑ Agree with everything that is said--whether or not they really do.
- ❑ Do not take time to think critically about feedback.
- ❑ Do not show negative reactions to negative feedback.
- ❑ Are difficult to "read."

Because this person is so pleasant and honestly wants to please, you may get trapped into being overly nice and accepting of substandard performance. Do not let this person off the hook simply because he or she is very pleasant.

To deal effectively with this type of response:

- ❑ Ask open-ended questions to draw them out.
- ❑ Invite them to disagree and let them know that it is OK.
- ❑ Reinforce acceptance.
- ❑ Confront the inconsistency between negative feedback and their positive reactions.
- ❑ Give them time to "digest" feedback and ask directly for their response.

## **THE INTELLECTUAL EMPLOYEE:**

These employees have a reason for everything. When criticized, they come up with many good reasons for their actions and failures, none of which are usually the real cause and, not surprisingly, none of which they own as their fault. They generally consider themselves the experts and rarely ask for help or advice. When given advice or suggestions, they are very skilled in outlining reasons why the suggestions will not work.

During the performance review, these employees:

- ❑ Have an unlimited resource of logical reasons to explain their actions.
- ❑ Rarely say that negative feedback is valid.
- ❑ Are difficult to pin down.
- ❑ Tactfully try to persuade you to accept their excuses.

Rationalizing is a defense mechanism for these employees. Their persistence in presenting excuses may make you, the supervisor, frustrated and angry. You may fall into the trap of trying to disprove the excuses. These people are experts in developing excuses, and you are not apt to win if you argue with them. Instead, confront the rationalizing behavior.

To deal effectively with this type of employee:

- ❑ Listen to their excuses and show that you understand by paraphrasing what they said.
- ❑ Ask questions, but do not get hooked into disagreeing.
- ❑ Paraphrase to convey understanding.
- ❑ Restate your position until you know they understand.
- ❑ Do not accept the person's helplessness.
- ❑ Turn their excuses into actions toward a solution. "What can we do?"
- ❑ Establish action plans with measurable milestones and follow-up.

## **THE ANGRY OR EMOTIONAL EMPLOYEE:**

These employees have a highly emotional response to negative feedback. They may yell, cry, or get into a heated argument with you. These responses make it very difficult for you to continue with a productive performance review discussion. These people may not directly state, or even know, the reasons for their feelings, making it even more difficult for you to deal with them.

During the performance review discussion, these employees:

- ❑ Yell, cry, etc.
- ❑ Make personal, negative comments about you or others.
- ❑ Argue with you.
- ❑ Seem irrational.
- ❑ Will not focus on the issues.
- ❑ Tell you only what is wrong with your ideas.

To deal effectively with this response:

- ❑ Listen and let them vent emotions.
- ❑ Show that you understand (but not necessarily agree with) their point of view.
- ❑ Refrain from arguing, retaliating, debating, etc.
- ❑ Do not attempt to convince, explain, or persuade until the person has calmed down.
- ❑ Bring the discussion back to the issue and let the person know that it is behavior, not his/her worth as a person, that you are discussing.
- ❑ Work together to set realistic goals.
- ❑ Reschedule the meeting if necessary.

## **THE RETICENT EMPLOYEE:**

For a variety of reasons, these employees answer direct questions with very few words. They offer little free information, and conversations with them often seem stilted. They can appear without emotions, making it difficult for you as the supervisor to figure out what they are thinking and feeling.

During the performance review discussion, these employees:

- ❑ Say very little.
- ❑ Remain expressionless.
- ❑ Speak only when spoken to.
- ❑ Do not ask questions.

You may become very uncomfortable with this type of person during the performance review discussion. Your tendency may be to do all the talking to try and fill the silence and save the employee. In a sense, their silence is a power play to keep them from doing or saying anything they do not want to do. To the extent that you allow them to be silent and unresponsive, your session will be very unproductive.

To deal effectively with this type of response:

- ❑ Ask open-ended questions to draw the employee out and surface issues.
- ❑ Comment on the silence and encourage him/her to participate.
- ❑ Use silence to allow the person to collect his/her thoughts.
- ❑ Reinforce acceptance.
- ❑ Listen when they respond and repeat what you heard them say.
- ❑ Move to action steps.

## POST-REVIEW DOCUMENTATION AND ASSESSMENT

Following each review, document any commitments made to the employee to ensure follow-through on your part. Also, reflect on the overall success of the ongoing performance review process for the employee, based on your discussion. Ask yourself the following questions:

1. *Did the employee understand his/her job responsibilities and our standards?*
2. *Did the employee understand my assessment of his/her job performance?*
3. *Based on the discussion, did I provide sufficient ongoing feedback to the employee throughout the review period?*
4. *Were the goals created together and were they SMART?*
5. *Were there enough follow-up meetings with the employee to discuss and determine goal success?*
6. *Is the documentation, prepared as a result of the review, appropriate? Are clear examples given and does the overall rating match the language used in the review document?*
7. *What can I do differently this next review period to facilitate the employee's performance and his/her growth and development?*