

# Performance Management: Best Practices in 2014



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# Is this how you handle Performance Management?

- Be Nice to Penny!



- [http://www.youtube.com/watch?v=\\_7CEmBZyGF8](http://www.youtube.com/watch?v=_7CEmBZyGF8)



## A Matter of Perspectives

### Appraisal

*One time event*

*Retrospective*

*Short Term*

*Correction oriented*

*Completing form*

### Management

*Ongoing*

*Prospective*

*Long Term*

*Progress steps*

*Planning/goal setting*





- Advance planning – self appraisals should be completed 2 weeks prior to managerial review.
- Plan for open dialogue – opportunity to review performance, consider lessons learned, progress for period, and establish goals and objectives for next period.
- Lay out plan for performance discussions – collect and review notes, statistics, citations and performance based examples.
- Schedule sufficient time to focus on the review.

# Planning the Review & the Environment

- Prepare to discuss the full range of issues which may arise in the performance management discussion.
- Don't exhibit defensiveness – if employee criticism is justified due to management failure or lack of resources, accept, and move on to next area of review.
- Respect confidentiality of the review discussion when possible. If unlimited confidentiality cannot be promised, advise employee accordingly.
- No cell phones, no emails, no text messaging, no electronic devices, no interruptions.

# Planning the Review & the Environment

- Job description/addendums should tie together with performance management.
- Handle dissent professionally – disagreements should be noted as a matter of record.





## Difficult Evaluations

- Describe unsatisfactory performance/behavior
- Cite specific observed examples – past incidents or lack of meeting goals and impact on employee, team, customer, department, et al.
- Solicit constructive employee action plan to resolve or ameliorate the performance failures or behavioral issue.
- Review action plan and establish milestone date(s) to review progress.

# Developing “Ongoing” Performance Communications

- Recognize performance management is a continuing process to assist everyone in enhancing performance and development.
- Establish milestone dates for periodic monitoring of performance objectives and progress reports in objective terms.
- Be aware of the potential and, when necessary, take corrective action, if goals/objectives need to be changed or re-targeted during the review period.

# Developing “Ongoing” Performance Communications

- Maintain open communication channels to ensure that issues are elevated quickly and resolved expeditiously.
- Coach, assist, and/or re-direct employees who request assistance and those who are failing to meet standards.



# Goal Setting/ Setting Standards

- Define and establish specific goals/objectives for the review period.
- Create mutually agreed time lines of break out data for progress reports on goals and objectives.
- Communicate changes or redirection of goals and objectives in a timely manner.

Use SMART goal criteria

✓ **S** pecific

✓ **M** easurable

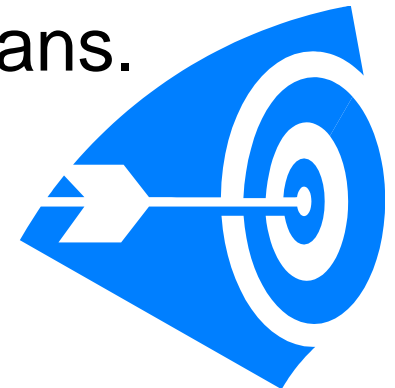
✓ **A** chievable

✓ **R** elevant

✓ **T** ime-bound

# Goal Setting/ Setting Standards

- Align goals with the organization's business plan.
- Establish mutually agreed to goals which add value.
- Recommend and recognize behaviors that are aligned with organizational business plans.
- Establish milestone review dates.



- **Excellent**
- **Good**
- **Acceptable**
- **Unsatisfactory**



## Excellent

- Consistently exceeds performance standards.
- Continuously contributes to the organization's success by adding significant value.
- Demonstrates a comprehensive understanding of work; takes action to identify needs and solve problems.



## Good

- Meets performance standards.
- Competently performs all aspects of job functions and meets goals.
- Capably adjusts to changing workplace needs and work requirements.

## Acceptable

- Generally meets expectations of the position.
- Competently performs aspects of the job function or goal.
- May require Performance Improvement Plan to concentrate on areas of weakness.
- May require additional resources or training to move above rating.

## Unsatisfactory

- Fails to perform most aspects of the position.
- Performance levels are below expectations.
- Requires close guidance in performing routine job duties.
- Requires Performance Improvement Plan to address areas of weakness with progress review dates.

- Halo/Horn Effect – rate employees the same on every trait due to one trait.
- Central Tendency – lack of rating differentiation between employees.
- Leniency/Strictness – avoids honest ratings to avoid conflict.
- Primacy/Recency – narrow focus on beginning of period or recent events.
- Similarity/Like me – favorable rating to employees who have similar values or interests to the rater.
- Contrast – rate employees against each other vs. the job description.

# Avoiding Other Rating Perils

- Make objective statements
- Consider the totality of the employees performance
- Avoid inadequate record keeping – lack of specific examples
- Establish milestones for progress reviews
- Discuss specific performance issues and behaviors objectively
- Consider legal impact of inflated performance ratings
- Maintain clear and open communication channels
- Specific comments should avoid any connotations which are connected to: age, race, sex, religion, national origin, veteran, or a specific disability

# Why Performance Reviews are Crucial

- Effective feedback is necessary for employees to grow.
- Giving good performance reviews is the key to retaining the best employees.
- When an employee is not evaluated, the message he or she gets is that they are unimportant to the company.



# Traits of Successful Reviews

- **Successful reviews involve leaders who:**
  - Understand the value of listening to others.
  - Make sure obligations are kept.
  - Set concise, quantifiable objectives.
  - Publicly acknowledge good performance and confidentially remedy poor performance.
  - Are willing to set reciprocal goals.



# Traits of Unsuccessful Reviews

- **Unsuccessful reviews involve leaders who:**
  - Don't follow through on obligations
  - Don't value others' opinions, comments, and questions
  - Focus too much on the negative
  - Set subjective or illogical objectives that are difficult to measure
  - Produce an intimidating work environment





# Why Reviews Should Be Well Thought-out

- Helpful awareness of work accomplished.
- Important experience for career growth.
- Less stress for employees.
- Reinforcement of good work practices.
- Clearer objectives due to good communication.
- More efficient productivity due to punctual feedback.
- Chance to try new or better initiatives.



# When to Evaluate Performance

- Formal performance appraisals should take place on a recurring basis.
- Casual dialogues should take place whenever a project or situation justifies them.
- Supervisors should recognize good performance and point out performance problems.
- Post-review conversations allow for extensive review.



# Performance Management: Best Practice



- Involve the employee in the conversation
- Address both effective and poor job performance
- Encourage continual improvement
- Set goals and follow up on progress
- Have the employee evaluate the supervisor too
- Know what type of leader conducts successful reviews
- Evaluate performance continually, not just with formal appraisals
- Set the right example as a leader
- Adopt a healthy attitude toward reviews
- Prepare for the review thoroughly
- Have the employee prepare for the review beforehand



# Questions?



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