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
Learning Objectives

- Performance management vs. performance appraisal
- Creating the “right” environment
- Learning to develop “on going” performance oriented discussions
- Manager’s role in developing, mentoring, goal setting, and maintaining high performance standards
- Review rating criteria and rating perils
A Matter of Perspectives

Appraisal vs. Management

One time event
Retrospective
Short Term
Correction oriented
Completing form

Ongoing
Prospective
Long Term
Progress steps
Planning/goal setting
Performance Management Continuum

- Performance Review
- Performance Management
- Goal Setting & Planning
- Performance Planning
• 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.
• 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.
• 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.
• 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.
• 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** chieviable

✓ **R** elevant

✓ **T** ime-bound
• 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.
Rating Standards

• 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

Best Practice

Managers can use skills captured during process to help staff projects

Employees

Strategically Aligned Organization

HR team can look at skill strengths and gaps; and use this information to plan workforce training and recruiting

Manager

Employee goals are linked to manager goals and corporate goals

Executives

Executives get timely feedback from HR on alignment of workforce with corporate priorities

HR
In Summary…

- 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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