Best Practices
for successful performance evaluations

Rave Review™
white paper

INTRODUCTION

Too often managers cannot bear conducting their staff's annual performance evaluations. **Why is there so much dread around performance evaluations?** If not conducted well it can be a significant time constraint to an already busy schedule. If actions are taken consistently throughout the year, with simple tools, it should not be a time issue and the assessment conversation should flow easily. Unfortunately, usually over their weekends or holidays, managers are leafing through pages of notebooks, calendar meetings, and files searching for reminders of what work was completed and how it was performed over the past 12 months.

Too often in organizations, plans are not drafted and reviews are not conducted. Many managers rush to draft up an evaluation with HR's badgering in order to meet compensation planning calendars.

If conducted correctly, a performance evaluation can be an invaluable management tool. It can motivate an employee, increase their productivity, and help to better align an employee's work with the organization's core values. Ultimately, the employee's work should be aligned with the organization's strategic goals. When processes are put in place to facilitate successful performance evaluations across the organization, there is the potential to make great improvement in an organization's overall performance.

By following a few best practices for performance evaluation, the process will be streamlined keeping the team motivated, and helping to achieve business goals. **Successful performance evaluations usually follow a cycle that includes planning, tracking, and assessing.** When this cycle is followed, the performance review process can be a positive and successful initiative for the entire organization.

KEYS TO SUCCESSFUL PERFORMANCE EVALUATIONS |

- Plan and agree on what will be evaluated
- Monitor performance throughout the year using tools to ease the process
- Gather sufficient feedback and assess the facts

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PLANNING >> TRACKING >> ASSESSMENT

PERFORMANCE EVALUATIONS START WITH WELL LAID OUT PLANS |

- Build agreements by planning jointly
- Avoid late debates by understanding subjective & objective measurements
- Get the planning done – don't delay

1 PLAN TOGETHER

All organizations have goals for the year, whether financial targets, manufacturing capacity numbers, or deadlines to meet. The members of your team are employed to help meet those goals whether directly as in a sales position or indirectly in a support function, such as IT or Finance.

If you have multiple people on your team, one approach is to review the corporate goals as a team. It may sound simple, but you would be surprised at how many organizations fail to communicate their corporate goals to all employees. Everyone should be aware of the corporate goals, so why repeat it multiple times in one on one meetings?

Give everyone time to digest the information and the opportunity to set their personal performance goals against the corporate strategy. Allowing the employee to document his/her own goals establishes ownership and can increase motivation.

After the employee has created initial goals and a plan, come together to review, agree on the measurements, and establish the performance year's accountability.

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2 THE WHAT & THE HOW

Should we reward an employee if they did not meet their project deadline,
but worked many extra hours with a positive attitude trying to meet it?

Should one reward an employee if they met their goals on time,
but alienated everyone on the team doing so?

Managers are challenged to evaluate not just what they accomplished but how it got done. **In order to set accountability and expectations between an employee and manager, this should be documented in the plan**. For example, the goal might be to implement a project in Q2.

The "**what**" is the project and its completion.

The "**how**" includes aspects such as on time delivery and the project falling within the designated budget.

These days in a work place, working respectfully with others is a corporate requirement and such behavioral guidelines are typically expected. These values are also considered the "how" one conducts work. **All performance goals should be met while living the corporation's core values.**

3 PLANNING IN A TIMELY MANNER

Frequently, organizations do not get their planning process completed until after the performance cycle has already started. As a result, performance plans are not properly aligned with the organizations goals. **Ultimately, the plan should be drafted by the beginning of the performance year**. Too often managers and employees conduct great work that gets overlooked in the performance evaluation because it was conducted before the plan was agreed upon.

Truly, unless the employee has switched positions entirely, their responsibilities (the what) most likely did not change drastically. Typically there will be a few adjustments to performance targets (the how). Last year's performance evaluation should help with this segue.

"If you don't act now while it's fresh in your mind, it will probably join the list of things you were always going to do but never quite got around to."

Paul Clitheroe
Financial Commentator

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PLANNING >> **TRACKING** >> ASSESSMENT

TRACKING |

- Do not wait to the end of the performance cycle to meet or assess
- Refer to the plan and adjust if needed throughout the process
- Give employees opportunity to change behavior before final evaluation
- Use tools to make it easier to track performance and keep notes to simplify the process for assessing
- Tools do not replace management and interaction

1   **MEET & REVIEW WITH FREQUENCY**

After jointly drafting performance goals and understanding how they will be evaluated, employees know what is expected of them. When performance goals are reviewed and discussed regularly, there are no surprises at the end of the evaluation period. **A common flaw in the performance evaluation process is to draft a terrific plan that motivates both the manager and employee and to never look at it again.** As a result, at the end of the performance period an appraisal occurs which requires "scrambling for material" to support it. Or worse, goals and tasks changed drastically midyear and the plan was never adjusted.

If possible, conduct formal conversations reviewing performance goals and status once a month. If goals change, update the plan appropriately. By meeting regularly, employees and managers are both aware of expectations and have a chance to change course based on feedback.

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In addition to preventing a surprise, when formal tracking occurs it allows employees to correct their course if there is an issue. Management should make it a priority to provide frequent feedback so that employees are given ample opportunity to make any necessary adjustments. When managers meet with their employee only for the final evaluation, often the employee's recent behavior is all that is fresh in the manager's mind. This is often reflected in the review and dictates the fate of the evaluation. An employee could have had an exceptional first three quarters of performance, but had some issues in the last quarter. If meetings occurred periodically and were well documented, a more non-biased appraisal will result.

② KEEPING THE NOTES

If you have ever encountered a poor performer on your team, then you are aware of the need of detailed documentation. Lacking diligence in this area causes a time strain when having to conduct the discovery and recover documentation later. The same is true with excellent performers who might be due for a promotion. These must also be supported and it would be ideal if performance was documented throughout the year.

Get in the routine of taking notes in your meetings with your employee and keep these in one place throughout the evaluation period. **If you have a talent management application, schedule 15 minutes in your calendar after each employee meeting and enter these notes into the system during that time.** It is best to do this while the information is fresh. At the end of the year, all of these notes will be in the same central location which will greatly simplify the evaluation process.

"It's not the hours you put in your work that count, it's the work you put in the hours."

Sam Ewing
Baseball Player

3 SIMPLE GETS IT DONE

We are all busy. So busy in fact, we usually let activities such as performance planning and appraisals fall to the wayside. On the surface, performance evaluations do not appear to directly impact the day to day progress of one's work. However, we know that is not true. Too often it is found as a corporate requirement. Large organizations and companies seem to have more personnel administrative templates and paperwork than smaller organizations. Why make this crucial process more difficult with complex templates, timelines, and tools? The easier the process and tools, the more likely it is to be used.

Lengthy word documents are losing their attraction – version controls, emailing, multiple copies, and drafts all cause headaches. Managers and employees need an easy and fast way to record notes, collect feedback, and to evaluate performance. Software packages are abundant in the world of human resources and talent management. Many of these are feature rich, but often in software applications these features go unused. Think about all the bells and whistles in Microsoft Excel that you have never tapped. One uses just what is needed. That should be the same with a talent management software package. **Successful performance evaluations require documented goals, ongoing performance notes, feedback, and a form to document the appraisal.** If an application supports these activities, then a simple process can be followed. It is best to gain momentum following the basics of a performance evaluation process before complicating the process with automatic compensation calculations and rankings. This should be considered before choosing an entire HR or Talent Management suite.

It is important to note that regardless of software or tools, the process still requires diligence. Many companies purchase software or applications thinking it will solve the problem of getting work done. Ideally, software helps ease a process, but it does not eliminate the work. Regardless of tools and automation, if managers and employees do not take action to track and document performance, the organization's performance evaluation objectives will not be met.

PLANNING >> TRACKING >> ASSESSMENT

TIPS FOR SUCCESSFUL ASSESSMENTS |

- Employees provide input on their own performance
- Use tools to gather 360 feedback from others in employee's circle
- Get a good sized sample of 360 feedback
- Save time by referencing material collected throughout the year
- Discussions are easier when it is fact based – use the plan

1 EMPLOYEE SELF EVALUATIONS

Just as the employee has ownership in the planning process, it is just as enabling to allow him or her to provide a self evaluation. **Employee self evaluations are also a great way to ensure you are on the same page for performance.** Another benefit of the self evaluation is that it helps share the workload of the evaluation with the employee.

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2 360 FEEDBACK

360 feedback is information from those that surround the employee including peers, other managers, vendors, or his/her subordinates. **Gathering comments from others raises awareness to areas that may not otherwise be exposed.** In the end, it helps gather information about behaviors that need to change or continue, to perform better at work.

Casual feedback from others will occur throughout the performance cycle, but people typically offer unsolicited feedback only when there is something to complain about. By seeking out feedback, people are flattered to know that their opinions are important and usually glad to provide it. When gathering 360 feedback it is critical to use a tool that is consistent between raters and employees and to make the process simple so that evaluators do not have hesitation to reply.

A good number of raters are necessary to get a well rounded sample of feedback.

- Five ratings is a good start.

- Less than 5, the employee might be able to read into the feedback and this can cause personal conflict amongst peers.

- To avoid potential conflicts, 360 Feedback should remain confidential and care should be taken to ensure the feedback is not shared in a format that might allow the employee to know who provided it.

- In addition, larger samples of feedback can be very useful for managers that might be struggling themselves to be objective.

- Lastly, as a manager it is still important to use their own common sense to screen out some feedback being aware of friends that might overly praise or those that might have reason to be overly critical.

3 **FINAL APPRAISAL - JUST THE FACTS**

It is that time of the year to put it all together.

First step: get organized.
This stage is usually the most daunting task for managers. If performance documentation was not gathered in a central repository, then one finds himself/herself weeding through notebooks, folders, and calendars to find hints and reminders tracking performance. If notes were taken periodically and put in the same place after each encounter, then the first step of preparation is done.

**Second step: review the results of the 360 evaluations and the employee's self evaluation.**
Read over the material and gain a general idea on how to appraise overall performance. You have already agreed on how goals would be measured. Are the facts there? Having the facts takes emotion out of the process which should make it very easy and comfortable. Before writing anything, identify examples of behavior (good or bad) that have been mentioned in the supporting material. These are the supporting facts. If there is a performance goal or competency that you do not have an example for, ask the employee or those who conducted the 360s.

CONCLUSION

Ultimately, plans lead to change and results. Gathering supportive information throughout the performance year in a centralized and easy-to-use repository leads to successful performance evaluations. Having all this performance data in one place makes the appraisal process less daunting. Providing an appraisal that assesses mutually agreed upon performance goals and includes regular feedback throughout the year will lead to a more open and candid environment. The employee has had ownership in the process and is therefore more likely to be motivated to improve their performance. In short, making changes that improve your organization's performance appraisal processes can be a great step towards improving your organization's culture, relationships with employees and overall performance.

If you have any further questions about performance appraisals or would like to learn more about Rave Review, our proprietary performance appraisal software, please contact Doug Fletcher at: dfletcher@northstarconsulting.net or 1-406-585-2299.
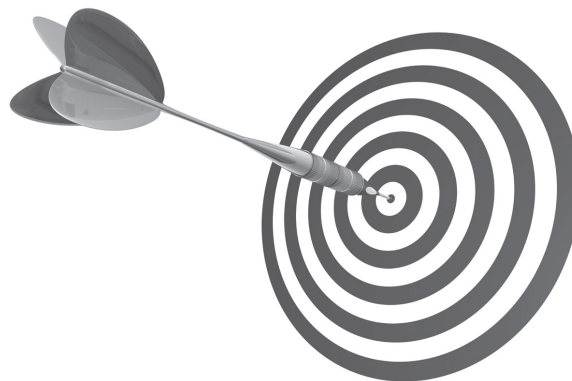
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Rave Review connects HR into the center of the evaluation process **streamlining the workflow and providing greater visibility and control**. However, efficiency is just the beginning; the true power of Rave Review comes from greater organizational performance.

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