

# Performance Management

Performance Management helps employees to meet organizational goals. It defines how you communicate work instructions, monitor progress, provide feedback and guide employee career development.

There are **three key phases** of performance management:

## Set Performance Expectations

Break down organizational goals into individual activities. Example – to meet monthly or annual production expectations, set targets for the number of units each worker must produce weekly.

## Coach Day-to-Day Performance

Use coaching to help employees meet performance expectations. The *Coaching Workers to Peak Performance* Module explains this process in detail.

## Conduct the Performance Appraisal

Review and evaluate the employee's overall performance. Use this formal process to recognize strong employee performance, to identify areas for improvement and to discuss job and career development.



## The Performance Management Model

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## The Performance Management Process

### **Set Performance Expectations**

First, look at the company's overall goals, then break them down into objectives for teams, business units or departments. From those objectives, identify tasks for individual employees, then assign and communicate performance expectations – see the *Communicating Clear Work Instructions* Module.

When employees understand how their performance contributes to higher-level company objectives, they are more likely to meet goals.

### **Coach Day-to-Day Performance**

Your daily interaction with employees lies at the heart of performance management. Every conversation is a coaching opportunity – a chance for you to reinforce expectations, to analyze performance results, or to provide feedback.

Because it is so essential to success, you should understand and use performance coaching effectively. The *Coaching Workers to Peak Performance* Module outlines a detailed explanation of the process and techniques to effective performance coaching.

### **Conduct Performance Appraisals**

Effective performance appraisals:

- Help employees understand what you expect of them.
- Keep the lines of communication open between you and your employees.
- Build employee commitment to achieving goals.
- Increase job satisfaction and productivity.
- Identify future training needs.

## The Importance of Ongoing Feedback

Monthly or annual performance appraisals do not replace performance coaching. Instead, they provide a chance for you to review and summarize previous discussions you've had with employees. By delivering frequent, balanced feedback, you ensure that employees don't suffer from performance anxiety – the concern that results from not knowing where they stand.

Watch for employee reactions during performance appraisals – if they are confused, surprised, angry or defensive, it is likely that you have not given enough ongoing feedback.

## Prepare for the Performance Appraisal

You and your employee should both prepare for the appraisal to make the process more meaningful and objective. Preparation also helps to manage emotions and makes it easier to develop action plans for improvement.

Preparation Responsibilities	
Leader	Employee
<ul style="list-style-type: none"><li>▪ Review performance expectations for the employee's job.</li><li>▪ Review ongoing feedback during the evaluation period.</li><li>▪ Develop progress comments for areas of strong performance.</li><li>▪ Identify areas of employee performance that need to improve.</li><li>▪ Identify training opportunities to address performance gaps.</li><li>▪ Identify realistic career development opportunities for the employee.</li><li>▪ Complete the required documentation (appraisal form).</li></ul>	<ul style="list-style-type: none"><li>▪ Review performance expectations for your job.</li><li>▪ Assess your performance in relation to competencies or standards.</li><li>▪ Identify your accomplishments for the review period (areas where you have met or exceeded expectations).</li><li>▪ Identify areas where you need to improve (with coaching or training).</li><li>▪ Think about your career objectives and how your leader can help you to achieve these goals.</li><li>▪ Identify any concerns or issues you would like to discuss with your leader.</li><li>▪ Complete any required documentation.</li></ul>

## Keep the Appraisal Objective

To avoid distorting an appraisal and causing misunderstandings and defensiveness:

**Don't use absolutes** – Words like *always* or *never*. Use words like *consistently*, *regularly*, or *occasionally*.

**Assess each performance area individually** – Ensure that an employee's strength or weakness in one area doesn't overshadow performance in other areas.

**Assess performance only** – By focusing on objective standards of performance and not just results, you can recognize employee efforts and needs.

**Assess each employee individually** – Ensure that all employees receive appraisals based on their own performance, not on a comparison to other employees.

**Keep the initial evaluation open** – The appraisal is only a draft until you discuss it with the employee. Issues and examples may come to light that should be included in the final appraisal.

## Appraisal Checklist

- ✓ Did you and the employee review existing performance expectations?
- ✓ Did you discuss examples of how the employee met or exceeded performance expectations?
- ✓ Did you discuss areas for growth? Did you decide what actions the employee will take to improve performance?
- ✓ Did you encourage the employee and express your confidence in his or her ability to meet goals and expectations?
- ✓ Did you offer training and development opportunities?
- ✓ Did you and the employee set goals for job and career development?
- ✓ Did you plan for follow-up to ensure target dates are met?
- ✓ Did you thank the employee for his or her efforts?

### Sample Appraisal Forms

Performance appraisal documents vary according to company needs. Samples of performance appraisals are included to help you develop a form that works for your company:

- **Open Appraisal** – allows you to identify performance examples, develop training plans and discuss future employee development.
- **Rated Appraisal** – this more traditional approach lets you rate employee performance in key areas, set goals and discuss employee progress.

## Conducting the Appraisal

Take the necessary steps to ensure a meaningful, positive discussion.

### Before:

- Conduct the appraisal close to the scheduled review date.
- Tell the employee how to prepare for the discussion.
- Set aside adequate time.
- Find a private place to conduct the appraisal, away from interruptions.
- Complete the initial draft of the form.

### During:

- Discuss specific examples of employee achievement and provide meaningful recognition.
- Engage the employee in discussing gaps and developing performance improvement plans.
- Ask for input on training and career development goals.
- Encourage the employee to share his or her concerns and suggestions.
- Don't allow yourself to be interrupted.
- Thank the employee for his or her contribution and being willing to improve performance.

### After:

- Record revised expectations and any improvement or training plans.
- Summarize your comments and sign the form.
- Ask the employee to provide comments and sign the form.
- Follow-up on improvement plans.