# Category:
# Performance Management

## What exactly is performance management?

To manage your employee's performance, you'll need to connect with your HR partner to learn about your organization's formal performance management system. Then, you'll need to understand the strategic direction and goals of your organization. Once you have that down, you'll be able to align your employee's goals with those of the organization. Then, the People Manager's job is to continuously grow the employees and manage their performance to ensure they reach their goals.

## There are several parts of a performance management program:

**Performance Evaluation/Appraisal**

A performance evaluation is the actual process of appraising the employee's work, performance and results.
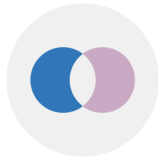
**Performance Review**

A performance review is a meeting where a supervisor and an employee discuss the employee's work performance. It can be:

– **Informal:** These are held whenever you feel it's necessary to assess employee performance in a timely way to set them up for success. Informal discussions happen throughout the year and include continuous feedback and coaching.

– **Formal:** These are managed at an organizational level. They are typically held at specified times during the year and address the employee's performance for a designated period of time.

– **Some organizations have formal performance management systems, and some do not.** Regardless, People Managers are responsible for continuously managing their employees' performance and for providing and documenting feedback.
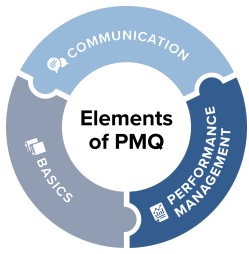
# What's the difference between formal vs. informal performance reviews?

You'll encounter both formal and informal performance reviews.
Check out the similarities and differences.

## Formal performance reviews

Are scheduled and performed at designated times of the year, such as when you deliver annual reviews.

Provide written documentation to the employee.

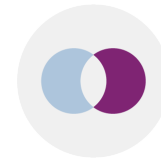Focus on up to three performance goals.

## Similarities

Include engaging in two-way discussions between supervisor and employee.

Focus on specific behaviors and performance.

Align employee goals with the business goals.

Document the review and conversations about it.

Ask for alignment and confirm commitment at the end of the review.

## Informal performance reviews

Are performed whenever you want to address employee behavior or performance.

May be done verbally, with no documentation provided to the employee.

Focus on one performance goal.

## Employee Development

Employee development provides opportunities, activities, and training to aid the employee in enhancing and expanding their strengths.
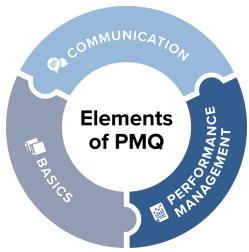
# Is there really that big of a difference between effective and ineffective performance management?

*Absolutely! Effective performance management is built on consistent and honest feedback, while ineffective performance management is based on a foundation of unclear expectations, faulty assumptions and poor implementation, which lead to mistrust. Take a look at the side-by-side comparison to see how teams experience effective versus ineffective performance management:*

## Effective performance management

- Have a clear understanding of their job responsibilities, and what is expected of them and their teammates by the People Manager and the organization.
- Are more productive as individuals and groups.
- Have opportunities to develop and grow.
- Experience strong, successful communication.
- Have enhanced relationships and trust.
- Are aligned with the company's values, goals, and strategy.
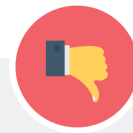
## Ineffective performance management

- Employees say it doesn't motivate them to improve.
- Managers say it's too time-consuming.
- Executives don't believe performance ratings are accurate reflections of performance.
- Employees don't have a clear understanding of what is expected of them.

# What is my company's policy?

Good question! Contact your HR partner to find out what performance management programs and tools your company subscribes to. Some questions to ask may include:

*Do we have an annual performance review for all employees?* Many companies now are trending to quarterly or monthly check-ins instead of a formal annual review cycle.

*When is the review cycle?* If your company does have an annual performance review, you'll need to know if they're all due at the end of your fiscal year, or if they're due at each employee's unique start date.

*Do we use paper forms or a software program?* It's likely that you have a software program with your HRIS (Human Resources Information System) that houses all performance records. Make sure you are trained on the system so you can manage it going forward.
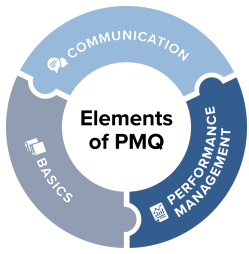
# What methods, descriptions, and number scales does the organization use when conducting annual reviews?

## Different methods

There are many different ways that organizations rate employees. It's really all about not focusing too much on the rating method itself but focusing on keeping things fair.

## Numeric scales

Other organizations use numbers as a rating scale, where 1 means "needs improvement" and 5 means "consistently exceeds expectations." With this method, it's hard to know if managers are rating the same way.

– Does a 3 always mean the employee is middle-of-the-road with performance?
– Does a 5 mean consistent rock star performance all year, or maybe just during a specific time?

## Qualitative descriptions

Some organizations use qualitative descriptions for ratings. This helps tie behaviors to each rating, such as "Consistently completes deadlines in advance" and "Work product is 95-100% accurate."

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### Bottom line

Regardless of the method, in order to build trust, it's important to consistently and often provide fair and honest feedback. Then, during your formal review, evaluate and discuss employees' actions and behaviors throughout the review period that relate to business goals, and give specific examples. To do this, be sure to keep lots of notes on everyone and refer to documentation from your informal reviews!
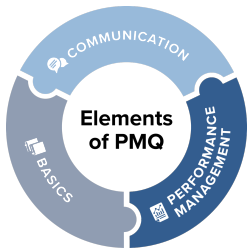
# Other performance management considerations

*Be sure to understand what you're responsible for and the associated timelines.*
*Other things to consider include finding out:*

- Will HR start the performance management process for you by sending a reminder email?
- Does the employee complete a self-assessment that you need to consider?
- Are there behavioral indicators that will guide you as you rate employees?
- Is there a budget for how many of each rating you can award, or an average you must maintain?
- What is the employee's past performance history?

# On the remaining performance management job aids you will explore additional critical topics including:

### Topic 1:
## Coaching your Team

### Topic 2:
## Giving Constructive Feedback

### Topic 3:
## Setting Business Goals with your Team

### Topic 4:
## Developing your Team

### Topic 5:
## Recognition and Reward