

Performance Management



Paso Wine Luncheon

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INTRODUCTION

Continuous Supervision Training
Measurable Priorities Communication Grow
PERFORMANCE
MANAGEMENT Commitment
Feedback Development HR
Improvement Employees
Objectives Goals Corrective
Direction Job Descriptions Review
Coaching Promote Monitor Reward

- Performance management is the management of employees, departments and organizations for the purpose of ensuring that goals and objectives are being reached efficiently and effectively. It involves defining what effective performance looks like and includes the development and use of tools and procedures necessary to measure performance.
- A successful performance management program helps an employer retain talented employees, keep them engaged, enhance employee learning, build a winning corporate culture and be a successful company.
- This presentation provides you with information on performance management programs. It will help you improve your management skills and your employees' performance

PERFORMANCE APPRAISAL VERSUS PERFORMANCE MANAGEMENT

Performance Appraisal

- One-time event
- Retrospective
- Short term
- Correction-oriented
- Completing form

Performance Management

- Ongoing
- Prospective
- Long term
- Progress steps
- Planning/goal-setting



COMMON TYPES OF PERFORMANCE EVALUATION SYSTEMS

- Ranking
- Forced Distribution
- 360-degree Feedback
- Competency-based
- Management by Objectives
- Graphic Rating Scales
- Behaviorally Anchored Rating Scales

PLANNING FOR APPRAISALS

- Plan in advance: self appraisals should be completed two weeks prior to managerial review.
- Plan for open dialogue: opportunity to review performance, consider lessons learned, evaluate progress, and establish goals and objectives and/or professional development for next period.
- Lay out a plan for performance discussions: collect and review notes, citations and performance-based examples.
- Schedule sufficient time to focus on the review.

PLANNING FOR APPRAISALS (CONT.)

- Prepare to discuss the full range of issues that 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 it and move on the next area of the review.
- No cell phones, no emails, no electronic devices, no interruptions.
- Job descriptions should be reviewed for needed changes.
- Handle dissent professionally; disagreements should be noted as a matter of record.

PLANNING FOR APPRAISALS (CONT.)

Difficult Appraisals:

- Describe unsatisfactory performance/behavior
- Cite specific observed examples: past incidents, inability to meet goals, impact on team, customers, department.
- Solicit a constructive employee action plan to resolve the performance failures or behavioral issues.
- Review action plan and establish milestone date(s) to review progress.

SETTING GOALS AND OBJECTIVES

Define and establish goals and objectives for the review period

Create mutually agreed timelines 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/Agreed Upon
 - **R**elevant/Realistic
 - **T**ime Bound

GOALS, CONTINUED

Performance goals should ideally align with organizational goals. Setting clear and specific performance criteria is critical to achieving effective performance results.

Type of goals can be: job description goals; project goals; behavioral goals; and stretch goals.

Effective goals should be participative. Both manager and employee should be involved in the development of goals to ensure understanding and commitment.

RATINGS

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 (PIP) 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 PIP, with progress review dates, to address areas of weakness



RATING PERILS

- Halo effect: the individual's performance is completely appraised on the basis of a perceived positive quality, feature or trait
- Horn effect: the individual's performance is completely appraised on the basis of a perceived negative quality or feature
- Leniency: avoidance of honest rating to avoid conflict
- Similarity/"like me": favorable rating to employees who have similar values or interests to the rater.

RATING PERILS (CONT.)

Ways to avoid rating perils:

- Consider the totality of the employee's performance
- Make and keep adequate records with specific examples
- Establish milestones for progress reviews
- Discuss specific performance issues and behaviors objectively.
- Consider possible legal impact of inflated performance ratings.
- Avoid specific comments or connotations that are connected to age, race, sex, religion, national origin, veteran status or a specific disability.

COMMON PROBLEMS

Lack of top management support – If senior management does not send a message to managers and supervisors that the process of rating employee performance is a valuable use of their time, they are likely either to fail to commit the time or simply to fill out the forms but not engage in the important discussions with their employees.

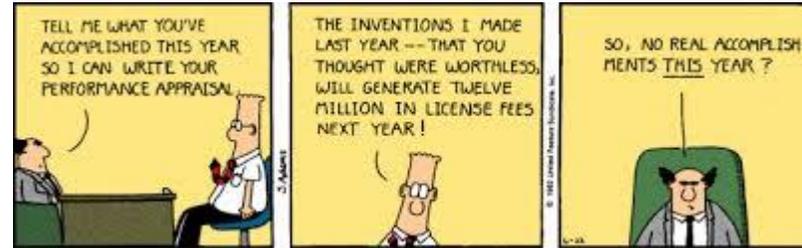
Perception of the process as time-consuming “busywork” – Without an organizational commitment to the process and a clear understanding of how it contributes to the organization’s successful performance, managers will view it as “busywork” of little value and a waste of time.

Failure to communicate clear and specific goals and expectations – A manager’s specific expectations must be clear for an employee to be able to implement an agreed-on goal.

Failure to communicate changed goals – Managers must communicate with all affected employees notifying them about changes in goals or expectations.

Lack of consistency – In most organizations, some managers are perceived as “tough” and other as “easy.” This inconsistency may result in varied interpretations of an organization’s performance rating scale as applied to employees in different groups.

SUMMARY



Consider the role that feedback plays in employee performance and motivation. Although some companies still rely heavily on annual performance reviews as a primary evaluation tool, it is rarely popular with managers or direct reports, and as a stand-alone practice it is often ineffectual. People being evaluated can feel unfairly judged on things that happened months earlier and don't seem relevant. And simplistic rating systems overgeneralize performance, fail to place information in context and set up a defensive, adversarial dynamic.

If you really want to improve an employee's performance, feedback is usually more effective when it is delivered in real time, along with guidance and recommendations about how to improve performance.

QUESTIONS?

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Thank you!