THE PERFORMANCE REVIEW PROCESS

Managing employee performance involves many components. Following these four key steps will set up both the employee and their manager for success:

1. Determine what to measure
2. Communicate expectations frequently
3. Measure Performance
4. Follow up

1. Determine What to Measure

Typically, the first step in performance management is establishing annual goals that align with your Company's business plan, vision and mission. In developing these goals, it is often helpful to refer to a current job description to identify the primary job duties, personal characteristics, skills and abilities essential for success in the position. Critical areas should include work performance factors such as service levels and job knowledge and individual performance factors such as problem-solving, teamwork, or managing change. It is also important that the employee understands how the achievement of their goals and objectives aligns with yours as the manager and those of the business as a whole.

2. Communicate Expectations

While the performance appraisal process provides a formal method of communicating feedback on employee performance, effective performance management should also include frequent informal feedback and communication. An employee (or the employer) should not be surprised by anything that is said during the formal performance review, as an ongoing dialogue between management and staff ensures that employees feel valued and understand the status of their job performance in terms of areas in which they may be doing well and those that require improvement.

Foster open lines of communication and an opportunity for the employee to provide feedback:

- Schedule daily pre-shift meetings or weekly stand up meetings so you can provide employees with what to expect for the day, and the team have an opportunity to share details on what they are working on
- Schedule more formal weekly or monthly meetings with employees (individual one on one meetings or as a group) to provide a structured forum for input, feedback, discussion, and questions
- Encourage employees to raise any concerns regarding their workplace to their Manager through open dialogue, by email, or suggestion box.

Follow-up is instrumental in any successful communication, so it is important to review, investigate and address all issues brought up in any forum promptly and transparently.

3. Measure Performance

Once goals are determined, use Performance Review forms to support your annual performance discussions and regularly communicate expectations with your employee. Try to complete reviews either on the employee's anniversary date or at the end of the year to align with the fiscal business year. Set a mid-year check-in meeting with your employee to see if they are on track.

As much as possible, employees' goals should align with those of their manager and the organization's business plan, so employees can more easily recognize how their performance contributes to the organization's overall performance. Consider following **SMART** guidelines (an acronym used to guide and set parameters when goal setting):

- **S**pecific (What needs to be accomplished?)
- **M**easurable (How will you measure your goal? Are you able to track your progress?)
- **A**chievable (Can you reasonably accomplish the goal?)
- **R**elevant or **R**ealistic (Think big picture. Why are you setting this goal?)
- **T**ime-bound (How will you measure your success? Have you set a deadline?)

An example of a SMART goal could be: "Improve customer service ratings by 10% by the end of the first quarter."

4. Follow Up

By consistently and continually checking in with your employees, you demonstrate your commitment and dedication to their progress. Follow-up does not have to be lengthy to be effective and can take many forms. The most important thing is that it is done and done often to ensure employees remain engaged, motivated and committed to performing their job to the level expected and understood.

Resources: Performance Evaluation Form template