

Tips for an Effective Performance

Evaluation Process

"The problem with most of us is that we would rather be ruined by praise than saved by criticism." - Norman Vincent Peale.

The most common problem with reviews is that they don't get done at all. Other common problems include: 1) a lack of clear understanding of the goal of the process, 2) poor preparation by the evaluator, and 3) defensiveness by the associate being evaluated.

As you work through your performance evaluation process, remember that although formal feedback is good, a good evaluation process can't salvage a bad relationship between a manager and direct reports.

In this article, I hope to give some ideas that will help reduce these issues.

In the reviews of MY performance, I was usually frustrated by the generic nature of the feedback. I felt I knew my strengths and weaknesses at least as well as my manager did, so one year I tried something different.

As I sensed my review session coming to a close, I asked my manager the following: "Let's say that hypothetically I left this company and applied for a position at a company owned by one of your friends (or someone you knew well). If he called you and said "tell me about Jim, what he would add to my company and what liabilities would he bring", what would you say?"

My manager played along, and I got clearer feedback from his answer than I ever got in my formal reviews.

The Goal

Many companies don't have a clear vision of the goal of their evaluation process: is it to evaluate past performance or to continuously improve the associate's value to the company? Those two roles might not be mutually exclusive, but there are complications if you don't understand the difference between the two.

As an example, for an associate to truly reach her potential, very open and candid conversation should occur. Let's suppose you ask an associate to do a self-evaluation but the results of her review will influence her compensation in some way (either base adjustment or variable pay). Is it realistic for the associate to forget that as she prepares her self-evaluation?

When I had to do my own self-evaluations, I always listed enough positive things to show I had a good year, while including enough negatives so that I appeared objective and reasonably humble. By taking that approach, I am sure I got less out of the process than I could have in regards to my growth. I wish I had learned that lesson earlier in my career.

The Focus

When I conduct reviews, I focus on these things:

1. How well did the associate meet the goals and performance measures we set up at the beginning of the year?
2. What bottlenecks or obstacles did the associate have to face/overcome during the year?
3. How could both the associate and the supervisor (me) have been more effective during the past year?

Throughout whatever process you use, I suggest you stick to the principle that your role is to help each associate succeed. Write it on your wrist, put it on a screensaver, just make sure that is your goal and that your direct reports know it.

Why People Dread Reviews

From the manager's standpoint (the evaluator), there are several reasons the evaluation process is unpopular:

1. It takes a lot of time to do reviews well (as you can see, I'm using the terms evaluations, appraisals, and reviews interchangeably).
2. Most evaluation programs force the evaluator to go on the record as saying the associate either is or isn't meeting the standards of the job.
3. As an evaluator, you always risk making a situation worse than it was. How many have you ever thought, "If I'd known it was going to start World War III, I never would've mentioned it"? Most managers have!

The person being evaluated may also dread the process, but my experience is that this is caused mostly by the anxiety of not knowing what's coming: the fear that there is an unknown or big negative that's going to be raised in the appraisal.

Gathering Data

As the evaluator, you are responsible for the content and accuracy of the review. You can't abdicate this responsibility by just relying on information provided by others.

However, there are a lot of ways you can gather data to help insure the legitimacy of your appraisal. These sources of data include the self-evaluation, peer feedback, subordinate feedback (if the person being reviewed has direct reports), customer or vendor feedback,

etc. The value of each of these sources varies with the position: vendor feedback may be a great source of data for a control buyer but not applicable for most other positions.

Let's look at each one of these:

1. **Self-Evaluation** – I am a strong proponent of having my direct reports complete a self-evaluation. It allows me to compare my observations and facts with theirs, which gives me a sense of whether the appraisal may be contentious in some way.

If I receive a self-evaluation that is 100% positive (an over-the-top sell job), I will return it to the associate and suggest a little more balance. I'm comfortable telling an associate that this is not what I expect in a self-evaluation, and that in the company an approach like theirs may injure credibility long-term if it continues.

2. **Peer Surveys** – My experience has been that peer surveys can be very useful in some circumstances, but you are playing with dynamite.

I have used peer surveys where comments are edited and then passed along to the individual, surveys where the comments are **not** edited and passed along, and surveys where the manager got the results to use or not use as she saw fit.

Each method has advantages and disadvantages, but I must warn you that if you have not used peer surveys and try one, you **will** spend a lot of time with associates very upset with their survey results and comments if they are not handled deftly.

I have had more success using peer surveys focusing on the associate's growth and development rather than evaluating the past year's performance. For instance, asking peers, "If you could give Henry just one suggestion to raise his value to the department, what would it be?" You may still get unhelpful responses like, "He needs to grow a spine.", but it's not common. It is easy to see the associate's

shortcomings with the responses.

Individuals who get poor peer survey results rarely accept the results as legitimate, at least initially. I have heard a lot of “I’m just not in the clique” reactions that seemed to injure teamwork in the department after the surveys.

In theory, I totally support formal peer surveys and if they work in your environment, use them. I just found them too often be more trouble than they were worth. I prefer to informally gather feedback throughout the year.

3. **Customer/Vendor Feedback** – If an associate works a lot with vendors or customers, I found it very helpful to get their feedback. I do this informally, calling people I know but there are more formal systems out there.

For instance, I will call our benefits consultant to ask about the performance of our benefits professional. I want to know how they feel about her accessibility, benefits knowledge, and professionalism. I look for patterns rather than an individual comment.

Preparing the Evaluation

Once I have this information, I integrate it into my personal observations and knowledge of the associate’s performance, and prepare a draft written document. I start with a blank sheet of paper and list the points I want to make sure I cover when I don’t do this, I get locked into what the form asks and miss some potentially valuable insights.

Most evaluation programs include both a written review and an appraisal meeting. I prepare a draft document, triple-spaced and in rough form, to give to the associate prior to our meeting. It helps if you clearly mark (the bigger the better) the first page DRAFT across the top.

The biggest downside of giving the associate a final written review before the meeting is the associate thinking that the meeting is a waste of time since I had already made my judgments and written their review. I tried to minimize this by making some changes to the draft document to reflect the things we discussed in the meeting, and stressing throughout the process that the reason I did it this way was to make sure there were no surprises in the appraisal meeting. This is an extra step that requires extra time and may not be practical for everyone.

I know there are some disadvantages to this sequence, but I liked the fact that the associate didn't come into our meeting not knowing what I was going to say.

Scheduling the Appraisal Session

It's important to show the associate that this process is important both to you and the company.

I found the best ways to do this are:

1. **Formally schedule a meeting.** – Don't just casually mention a time for an appraisal session. Send the associate a meeting request few days in advance. If the associate doesn't use email, for instance production line associates, I suggest giving them a written memo, not only with the date and time of the session, but also reminding them of the importance of the evaluation process and their role in it.
2. **Give the associate some topics that will be discussed during the session.** This is one of the best things I ever encouraged managers to do. You want to make sure the associate comes in ready to have a dialogue with you. I found that if you tell the associate before the meeting that you expect them to be prepared to discuss the following topics, many normally quiet associates will come in with notes and ideas.

Here's a sample of what I'm suggesting:

To: Bob Moran

From: Jim Evans

I have tentatively scheduled your annual performance appraisal meeting for next Tuesday, May 9 at 10:00 a.m. Please let me know as soon as possible if this time is not possible for you.

I would like you to be prepared to discuss the following topics:

- If you had it to do over again, what would you have done differently over the past year?*

- What have you done during the past year to prepare yourself for more responsibility or advancement?*

- Does your current job make the best use of your abilities? If not, how could that be changed?*

I look forward to having a positive session with you on Tuesday!

Other questions I suggest for discussion are:

- What were your specific accomplishments during the past year (You may have already gotten that if you use self-evaluations)?

- What goals were you able to complete?
- What goals were you unable to complete and why?
- What could I have done as your manager to help you do a better job?
- What could your coworkers do to help you do a better job?
- Which parts of your job do you like best? Least?

The key to this preliminary work is to reduce any anxiety the associate may have about the review session.

Addressing Issues Prior to the Review Session

The actual performance appraisal discussion should be a summary of the discussions you've had during the year. If there is an issue you have not previously discussed that needs to be raised, I strongly suggest that you do **not** raise it in the annual review. I think you should have a separate discussion to deal with that specific issue.

Let's say you have noticed that one of your direct reports has been recently spending a lot of time on personal telephone calls. If you first raise that issue in the annual review meeting, you risk the possibility of that one issue dominating the

It's important to stress to your managers doing reviews to focus on a few key points in order to improve the associate's performance. I had an associate reporting to a very tough manager come to see me about his appraisal session. He told me his manager had given him a list of 53 (yep...fifty-three!) things he needed to work on.

Mike Losey, formerly of SHRM, once said, "If you hold the stick too high, the dog won't jump!" The associate who came to see me certainly wasn't motivated by his review; he was just convinced his manager wanted him to give up and resign.

If that's what the manager wanted, this was a lousy way to accomplish it.

discussion and ruining any chance of a balanced review.

If you have a separate discussion to deal with that issue, you can then include the issue as part of the annual appraisal without allowing it to taint the meeting.

I have made this mistake a number of times (I'm not always a quick study), so I have learned that you can't un-do a review session that goes poorly.

The Meeting

First of all, do not combine this appraisal meeting with any other business. If you rarely see the associate (e.g. the associate is remote) and you have other items you must discuss, deal with those issues first and then take a break before beginning the review.

The most common complaints I heard about reviews were that they got no real help or insights from the session and the manager was distracted by interruptions, phone calls, etc.

The interruption issue should be easy to fix: you have to give the review your undivided attention. If, for instance, a customer emergency occurs a few minutes before a review session, you have to determine if you will be able to conduct the session properly and without interruptions. If you can't, you owe it to the associate to reschedule.

The key here is that the reason for rescheduling is not that the customer problem is more important. The reason for rescheduling is that the review is so important that the associate deserves your full attention and you are unable to give that as you deal with the customer issue. You must tell the associate that as the assumption will be that, the review session is a low priority.

Common Pitfalls in Review Meetings

Many things can go wrong, almost all caused by lack of preparation. You can have bad facts, deal in non-specific issues, etc. Around review time, I meet with many associates unhappy or confused about their reviews. As the HR guy, I want to know which managers were not effective in completing the review process as well as where we had issues.

Here are the problems I see most often:

1. **Unclear Language** – I have seen many companies or departments that use a memo format for reviews without any form of scoring or rating system. This seems most common in professional positions. The problem with this method is that these review memos rarely state clearly whether the associate being evaluated is meeting the company's expectations or standards. The review may focus on identifying strengths and weaknesses and that is helpful. However, if you use this format, you must make sure you are clear about the associate's overall performance. You can do this in a closing summary by stating something like: "During this evaluation period, you have met the company's standards in all of the areas discussed in this memo, with the exception of arriving to work consistently on time. You need to correct that problem immediately."
2. **Losing Your Courage**- You deliver a tough review, the associate is not responding well, so you try to rebound by saying something like "Hey, don't worry too much about this – we can all improve." This just negates all the work you have just done.

I've seen cases where associates got 95% good feedback and 5% negative/constructive feedback and were distraught. I've also seen situations

where associates got 55% good news and 45% bad news and were elated. As the manager, you have to insure that what you are saying is what they are hearing. The best way to combat this problem is to ask the associate the following near the end of your meeting: “Bill, tell me what messages you will take away from this meeting.” That way you can identify and address any inconsistencies between what you meant to convey and what was received.

Having a written appraisal form or memo certainly helps eliminate misunderstandings.

3. **Recency Error** – If an associate’s performance has slipped or dramatically improved just before the review, it’s hard to keep that in perspective. I found that if I had managed the same associate for a number of years, I had trouble remembering what had happened when. That’s why it’s so important to keep notes throughout the year.
4. **Comparing Associates** – If you want to really stir things up in a review, try saying “You need to be more like Pat.” You will immediately hear all kinds of dirt about Pat and your constructive review meeting is over. This really seems to push people’s buttons and I promise you will be sorry you took this approach.

Ending the Meeting

I think it’s really important to end any review session with a statement of support to the associate. This is particularly crucial after delivering a tough review.

If you do this properly, the associate may leave your office thinking you are wrong about how you evaluate his performance, but he shouldn’t be thinking you are unfair.

I suggest something like this:

“Tom, this has been a tough review. There are several key things you need to work on and make significant improvement to be successful.

I want you to know that I am dedicated to doing anything I can to help you succeed. In my role as manager, that is my number one job. If there are things in your performance that are limiting your success in this company, I have a responsibility to tell you about them and then to work with you to turn them around.

I want you to succeed here. You are responsible for making the effort to do so, but I am here to help you.

I look forward to working with you so that next year’s review can be a lot more positive.”

Follow-Up

A day or so after your appraisal meeting, follow-up with the associate to make sure he doesn't have any questions or concerns about his review. It's worth this time and effort to avoid any ill feelings or resentment caused by misunderstanding in the review process.

The Test

Regardless of how sophisticated or well thought out a system may be, it is not working if it results in associates having any bad feelings or animosity toward the supervisor, the company, or the system.

The vast majority of associates want a meaningful discussion about their performance. Make sure you give them that!