

Conduct Effective Performance Reviews

White Paper



review**snap**

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There is an age old process conducted in most organizations, large and small, known as performance review or performance appraisal (the term performance review will be used primarily in this article). The importance of providing feedback to employees cannot be overstated. But doing so in the proper setting, context, and manner is critical to carrying out successful performance reviews.

Having a performance review system in place is important for a number of reasons. An effective performance review process:

- Enhances coaching and mentoring opportunities for managers and supervisors.
- Clarifies the performance criteria that are important for employees to understand as important in doing their respective jobs.
- Defines a clear basis for wage increases, promotions, disciplinary action, and other important job related issues.
- Reinforces that performance and pay are rationally tied together.
- Serves as motivation to continue to focus on improving performance.
- Brings consistency to the organization in terms of how employees' job performance is measured.
- Creates a means for clear and complete documentation of job performance.
- Helps identify training and development needs.
- Assists in associating company goals and objectives with employee goals/objectives.
- Communicates important information to the employee about how they are perceived relative to the work they do on a daily basis.

All organizations should have some sort of employee evaluation system in place. Many "systems" in place are not well defined and/or they do not address critical performance variables (competencies) commonly associated with work.

Employers should understand that personal biases enter into the overall perceptions about employees. What many managers believe is factual about an employee is often nothing more than their own biased perception of the employee's performance.

Assessing an employee is sometimes an unfair process. In most organizations, there are often misperceptions about various employees. And unfortunately there are a lot of managers and supervisors who are just not good mentors and coaches and, therefore, the employee does not have the benefit of correcting performance issues prior to their annual performance reviews.

Adding to the problems associated with personal bias, misperceptions, and poor coaching is the fact that many performance review sessions (the actual meetings to review performance) are poorly conducted by the manager.

It is important that reviewing performance be taken seriously because it is a critical feedback mechanism for employees and a chance for managers and employees to share valuable information. But keep in mind that formal performance reviews are not the only time that feedback to employees should be given.

Appropriate and timely feedback to employees is important in order to reinforce positive “behaviors” or address negative “behaviors.” In short, well managed organizations do not use the performance review as the sole feedback mechanism. There should be regular interaction between manager and employee prior to formal review sessions.

Some organizations choose to use a formal review process more often than annually and that is acceptable and may even be preferable depending on the culture of the particular organization. However, conducting formal reviews too often can dilute the effectiveness of the process so it is important to consider the impact of doing formal reviews more often than once per year.

Typically a more effective approach is to create a culture where regular feedback is provided outside of the formal performance review process. In this scenario managers conduct more informal discussions about training needs, goal achievement, a job particularly well done, performance concerns, etc. as they are needed.

Having periodic discussions about goal achievement is central to a high performance, high accountability culture. These are all important to helping employees achieve their own goals and dreams and to the overall success of the organization.

An effective performance review/appraisal system includes at a minimum:

- A well defined process for documenting performance throughout each review period. This is an important reference tool when it comes time to complete the actual review form.
- Well informed/trained managers/supervisors relative to how to complete review/appraisal forms and how to conduct performance review meetings with the employees.
- A properly prepared review form that includes appropriate and valid competencies for measuring employee performance.
- A valid and appropriate rating mechanism (scale).
- Clearly defined goals for each employee that relate back to organizational goals.
- A clearly defined review period and review process that all employees understand.
- Fairness and equity in the review process.
- Consistency in how employees are evaluated. In other words, minimal or no bias from one employee to another.

Many organizations, large and small, are using what are known as on-demand performance review systems. These are secure Internet-based systems that allow you to more effectively manage all of your employee evaluations and document performance over time.

This growing trend away from in-house software or manual systems and toward online solutions is outlined in a recent blog article on entrepreneur.com:

“Is traditional desktop software a thing of the past? According to a recent survey conducted by online payroll service SurePayroll, it is — at least for small business. Instead, many small businesses

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are choosing to use web-based software that better allows them to compete with big businesses. In fact, three out of four entrepreneurs surveyed said they rely on online software, which enables them to work in an online environment in place of purchasing or licensing software.

SurePayroll’s survey cited benefits to online software such as convenient access, the fact that they don’t need internal support for the software, and fast and easy implementation.

“When looking to the future, 75 percent of survey respondents predicted that in 10 years, desktop software will be eliminated, and all applications will exist on servers that can be accessed remotely.” This means that web-based performance management systems will be the norm in the very near future.

Reasons to Automate Your Performance Review Process

Reason One – Enhanced ongoing communication. Because an automated performance management system provides the requisite tools that allow managers (and others) to more efficiently and effectively document performance and conduct regular performance reviews. When managers are given tools that “encourage” them to communicate and tools that make their jobs easier, they will be more inclined to document performance as it occurs, do a better job of writing about performance, complete reviews and 360 degree surveys in a more timely manner and feel better about what they are communicating to employees. The framework that an automated system offers gives managers more confidence in their feedback and communication.

Reason Two – Automated systems follow performance management best practices. Best practices in performance feedback and performance reviews range from alignment of individual goals with organizational goals to using validated competencies. There are a number of best practices incorporated into web-based systems such as Reviewsnap. By subscribing to such a system your organization benefits by having the assurance that best practices are being followed.

Reason Three – Employees are encouraged to share in overall accountability for success. Having an automated system in place brings each level of the organization into alignment with one another and places emphasis on everyone moving in a common direction.

Reason Four – Automated performance management systems capture data over time and provide invaluable information about performance related to goals and competencies in a manner that is difficult and nearly impossible to achieve with manual or quasi-manual systems. Understanding trends and cumulative results is an excellent way for organizations to achieve incremental improvement.

Reason Five – Allows the organization to reduce or eliminate paperwork and go paperless. The inherent “hassle factor” associated with handling, passing and storing paper makes the entire performance management process less appealing to deal with. Automation of the process virtually eliminates the need for dealing with paper. And the level of security associated with online systems is extremely high and will likely elevate the overall security of the process.

Reason Six – Automation of performance management helps make managers more effective in managing their employees. Performance reviews need to be relevant and appropriate to the job being performed and to the goals of the employee and the organization. Because automated systems such as Reviewsnap contain tools that help managers/reviewers comment on performance and because these systems simply make the process flow better and easier, managers do a better job of reviewing performance. Feedback is enriched and is done in a timelier manner.

Reason Seven – Save time and frustration. As expected automation of the performance management process will save significant amounts of time and will reduce frustration because access is gained easily by logging into the online system and all forms and information are centrally located within the system. Employee feedback and documentation are handled by selecting the employee to be reviewed and all functionality related to the performance management process is located in one area. Notifications of managers and reviewers (or raters) are automated and the frustration of chasing down managers and raters to complete feedback forms or reviews is virtually eliminated.

[Reviewsnap](#) is one such product that provides an excellent and affordable online solution. You can simply subscribe and login to the system from any computer with Internet access. Your organization can literally be up and running within minutes. They offer a free trial and will provide a "live" online demo using conferencing technology to illustrate the use of the software. And the system even offers e-signature which allows for a completely paperless review process for those who choose to use that feature. There is also a complete 360 degree feedback module included. The system is impressive in many ways and their customer service is outstanding.

Also, if you would like to learn more about building an effective employee evaluation process, the [Performance Review Manual](#) provides a complete guide, including forms and templates, to developing your performance management system. To learn more about this widely used manual, [Click Here](#).

About Reviewsnap

In times like these, growth is *earned* by companies that align their people behind shared goals. If you are working to get everyone on the same page, Reviewsnap is with you. More than performance management software, we offer true partnership through genuine customer service and support. And unlike those other guys who care more about shareholders than customers, we can't sleep at night unless you can. We are all together now. We are your performance management partner. We are Reviewsnap.



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