Performance Appraisal Process Improvement

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

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Our Goal

Deliver a meaningful performance feedback process that minimizes the tasks and focuses on what matters to our employees and managers.

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What is Performance Management?

By definition, performance management is an **ongoing process** of **communication between** a supervisor and an employee that occurs throughout the year, in **support of** accomplishing the **strategic objectives of** the organization.

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How Performance Management Makes an Business Impact?

- Ensures that employee's work is continuously focused on the right areas to drive our success
- Reinforces a performance-based model where performance is rewarded and best performers are identified
- Fosters employee engagement
- Maximizes work efficiency
- Develops relationships with staff

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By definition, a performance appraisal is a **formal record** of a manager's **assessment of** the **quality of** an employee's work **performance**.

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When done well, a Performance Appraisal....

- Emphasizes the value of an employee's contributions
- Is balanced, objective, and informative
- Supports performance expectations by providing specific and meaningful feedback
- Engages the manager and employee in developing goals and a career plan
- Creates an environment for collaboration and open communication
- Contributes to employee satisfaction and inevitably the future success of the organization

The Performance Appraisal is the last step in the employee Performance Management Cycle

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Improvements

Improvements

- We are improving our performance management process by focusing on the conversation and separating the discussion about compensation

- Managers will be provided with more time to complete performance appraisals

- We are eliminating numeric ratings replacing with narrative performance levels

- Providing an improved Pay for Performance Summary Sheet which will include allocated dollars vs. averaging percentages

- Assigning merit increases based on a performance level matrix, pay-for-performance philosophy

- Providing managers with the ability to make changes – authority without administrative burden

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Why Performance Levels?

- Performance levels are used in performance management to indicate an employee's level of performance.

- Performance levels provide quantitative assessments.

- Performance levels are most effective if they accurately distinguish between various levels of performance.

- Performance ratings based on observable and measurable results are useful in helping maintain consistency across employee evaluations.

What are the Performance Levels?

Role Model

Performance far exceeds job requirements. Performance results are so outstanding that contributions are widely recognized. Consistently demonstrates excellence, innovation, and ownership. Leads by example. Demonstrates independent critical thinking skills.

High Contributor

Consistently achieves results well beyond those expected. Often goes "above and beyond the call of duty". Maintains this level of performance with less supervision than is typically required. Strives for excellence by taking the initiative to bring innovative ideas forward.

Meets Standards

Consistently produces quality work and completes assignments by applying skills/abilities to a wide variety of situations. Performance style is always dependable and meets the requirements of the position.

Needs Improvement

Employee works below expectations in several key performance areas. Inconsistently meets required results.

Unsatisfactory

Performance fails to meet the minimum requirement of the job. Needs significantly more direction than typically required in the job to complete tasks.

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Communicating Performance Expectations

Performance expectations should be discussed during the New Hire Introductory Period and/or the Position Review Period.

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Pitfalls of Performance

1. **Halo Effect**: Letting one positive work factor you like affect your overall assessment of performance.

2. **Horn Effect**: The opposite of the halo effect—letting one negative work factor or behavior you dislike color your opinion of other factors.

3. **Bias:** Allowing your bias to influence the rating. Bias can come from attitudes and opinions about race, national origin, sex, religion, age, veterans' status, disability, hair color, weight, height, intelligence, etc. Ask yourself am I being objective this this rating?

4. **Leniency Error:** Occurs when employees are given ratings that are higher than their actual performance justifies. This often happens when performance standards are vaguely defined.

5. **Central Tendency Error** : Clustering everyone in the middle performance categories to avoid extremes of good or bad performance; it's easy, but it's wrong. This isn't fair to employees who are really making an effort, and it can be demoralizing.

6. **Recency Error:** Rating only recent performance, good or bad. The evaluations should be representative of the entire review period. If you're not keeping good notes, you may not remember the whole period.

7. **Similar-to-Me Effect:** Occurs when managers favor employees who are similar to themselves.

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Avoiding Rating Pitfalls

- Make only objective statements

- Consider employee's performance overall

- Maintain 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

- Maintain clear and open communication channels

- Avoid specific comments or connotations that are connected to age, race, sex, religion, national origin, veteran status or a specific disability.

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Feedback & Comments

- It's important that employees receive clear feedback about how they are performing and know what/how to improve during the year.
- Most ratings should be accompanied by written comments to explain why it was selected.
- Comments need to be specific so that employees will have a clear idea of how he or she is performing when measured against the expectations of the job.

- Helps employees understand what they are doing well and what areas there may be opportunities for improvement.
- Allows our employees to learn and to further develop their skills.
- Important to have ongoing feedback through out the year

Having The Right Conversation

Objectives: **Leveraging the performance appraisal conversation to build stronger relationships with your team and drive even more productivity through engagement.**

- Opening with the objective: *" As your manager, my goal is to help you be as successful as possible by enabling you to do your best work every day."*

- Let's talk about the past year. What were the achievements you were most proud of? *Managers can then comment on what they heard.*

- Let's talk about your strengths – those things you love to do and are good at. *Managers can then comment on what they heard.*

- How often were you able to use your strengths at work? *This gives managers a sense of the engagement level.*

- Let me give you additional feedback on the year.

- Let's talk about what's next for you? What would you like to accomplish?

- What do you need from me to do your best work? How can I help you?

- Thank you for all that you did in the past year. You helped to make SJH a great place to work.

An important aspect of being a manager is to make sure your employees feel heard and engaged in the work they do!
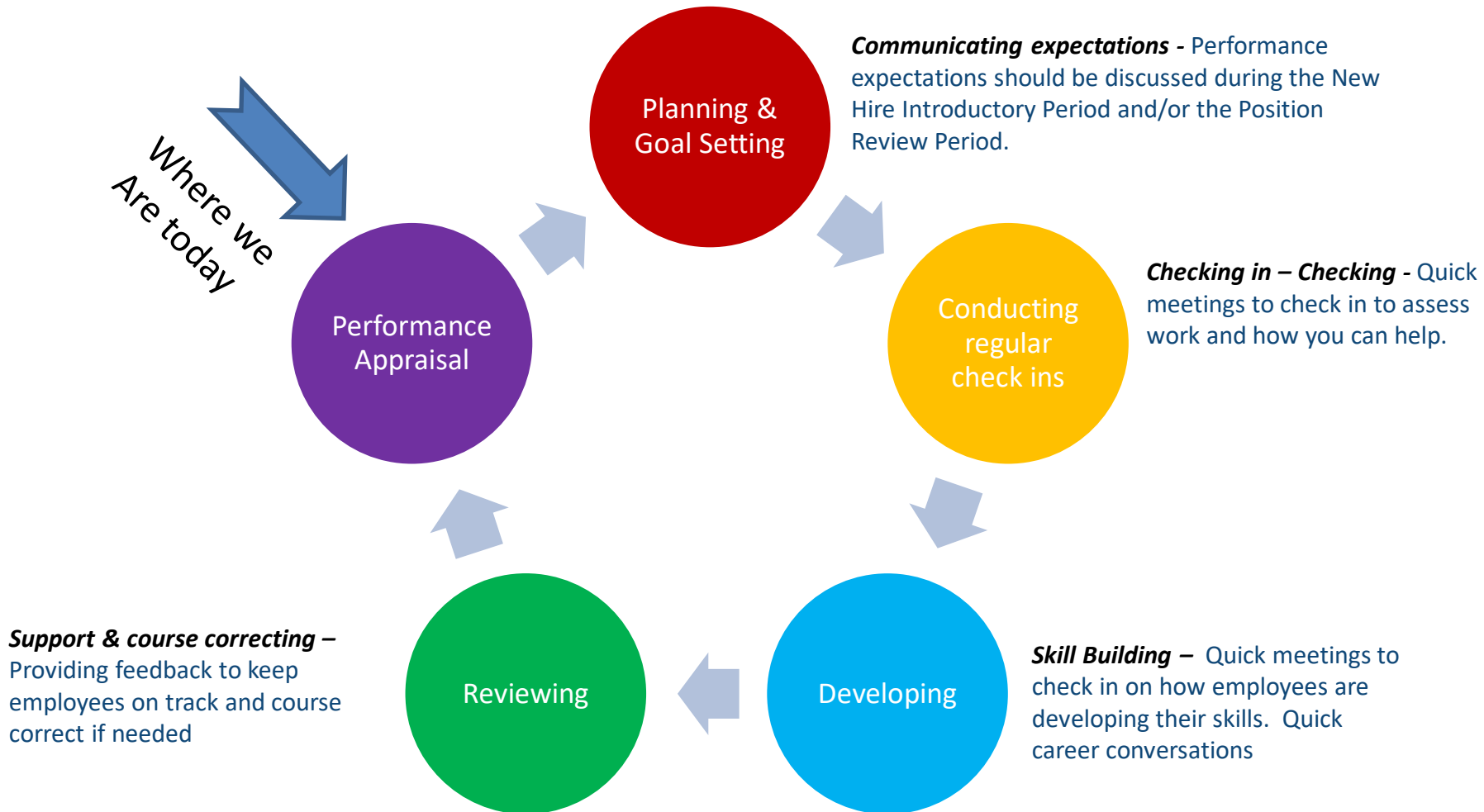
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FOCUSING ON STRENGTHS REDUCES DISENGAGEMENT

If your manager primarily... ➤	Ignores you	Focuses on your weaknesses	Focuses on your strengths
Your chances of being actively disengaged are... ➤	40%	22%	1%

While the time investment may seem great, there is no leadership activity that has more of an impact on employee performance than 1:1 performance check-in meetings

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The Performance Management Cycle

Where we Are today

Planning & Goal Setting

Communicating expectations - Performance expectations should be discussed during the New Hire Introductory Period and/or the Position Review Period.

Performance Appraisal

Conducting regular check ins

Checking in – Checking - Quick meetings to check in to assess work and how you can help.

Reviewing

Developing

Skill Building – Quick meetings to check in on how employees are developing their skills. Quick career conversations

Support & course correcting – Providing feedback to keep employees on track and course correct if needed

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SJH Performance Appraisal System

PERFORMANCE MANAGER

Questions????

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