

Training managers to conduct effective performance appraisals

If managers had their way, most would not want to bother going through the formal performance appraisal process with each of their employees. They'll do it, because they have to. To get them to do it because they want to, show them how to get positive results from their performance appraisal sessions by giving them formal training on conducting and documenting appraisals, creating the right atmosphere for the review, dispensing criticism, and avoiding common appraisal traps.

Setting up performance appraisal training

When training managers on conducting successful performance reviews, keep it short and sweet. Managers are busy enough as it is, so a time-intensive training session will only add to anti-appraisal sentiments.

You can incorporate performance evaluation training into your regular performance evaluation procedures. Start with these essential points.

- Explain the importance and purpose of evaluations. While it may seem obvious to you, and should be obvious to managers, reiterating these ideas will help you to drive home the need for managers to conduct fair and legal appraisals.
- Relate your points directly to the managers' own interests. For example, managers may have only a peripheral interest in avoiding lawsuits because they generally won't get sued personally. Explain how legitimate complaints of discrimination or unfairness lodged against them can count against their own performance ratings, raises, and bonuses.
- Emphasize how proper reviews can improve employee performance, which can make the managers' jobs easier. Improved employee performance means improved departmental performance; helping the company perform better can also be reflected in managers' own evaluations, raises, and bonuses.
- Reiterate anti-discrimination policies. You can never send an anti-discrimination message too often.

Diligent documentation

Performance reviews should go through some type of checks and balances system to ensure that managers don't inadvertently write, say, or do anything that could be perceived as discriminatory. For example, managers should review appraisal records with HR before presenting them to employees to give HR the opportunity to flag any potential problem areas in specific evaluations.

However, you cannot emphasize enough the importance of creating proper performance appraisal records. They are a part of employees' histories, the barometer of employee progress (or lack thereof), and potential lawsuit-defense makers or breakers.

Create a paper trail. This begins long before the formal performance appraisal session. Throughout the year,

managers should be documenting everything from reprimands to sales figures to attendance. These records should not go into employees' personnel files until the manager has reviewed the issue with the employee. Nothing in the formal performance appraisal session should come as a surprise to employees. Strike while the problem is hot, so employees can begin to improve immediately.

At appraisal time, managers should explain to employees how the documented issues have affected their performance ratings. With a clear and complete explanation, employees will have a difficult time imagining a biased motive for unsatisfactory ratings.

It's also important that managers note that these issues were discussed. Have employees sign a statement to that effect for each record, or at least sign/initial each record. This way, employees cannot claim that they were not properly warned about any performance problems.

If managers feel the need to add or modify documentation after the fact, they should:

1. clearly note the reason for the change;
2. sign and date it;
3. review the modification with the employee; and
4. have him/her sign and date the record also.

Allow for employee rebuttals. To be fair, employees should also be given the opportunity to add a rebuttal to their performance appraisals and any pre-evaluation records. Make it a policy that managers allow employees the right to do this.

Managers may fear that employee rebuttals will undermine their own documentation. But that's not the case. Just because an employee disagrees does not render managers' words untrue. Courts have ruled that, barring a discriminatory or retaliatory motive, an employer's perception of an employee's poor performance does not have to take a backseat to the employee's claims to the contrary, or even to the differing opinions of co-workers.

But it is HR's job to review the rebuttals. While mere disagreements need only be noted, legitimate issues should be investigated. So, too, should an influx of disciplinary actions taken after an employee files a rebuttal.

Employees should be advised at least one to two weeks in advance of their performance appraisal so that they'll have ample time to prepare their own thoughts and any written comments they may wish to add to the appraisal report.

Take the good with the bad. It's equally important to document the good along with the bad. While it's highly unlikely that an employee will call your company on the legal carpet for failing to have documentation to back up his/her positive performance rating, one of his/her co-workers might. The lack of documentation here may be used to support the co-worker's discrimination charge. *Example:* A reduction-in-force decision comes down to these two employees' performance ratings.

Apply performance standards correctly. Effective performance evaluations relate criticism and kudos to the company's performance standards. Otherwise, reviews that seem arbitrary may be perceived as biased.

Don't let positives turn negative. Many managers are uncomfortable giving negative comments for fear that the criticism will be construed as discriminatory. The first problem with that thinking is that employees will get little or no chance to improve — a disservice to both the employee and the company. The second problem that can occur is when the positive performance reviews contradict negative employment actions. If an employee isn't performing up to par, sugarcoating the issue or giving a higher score than deserved can get the company into trouble if the manager ends up terminating the employee for poor performance. Courts will look

for records that support the contention.

Creating the right tone

Preparation for a review session involves more than filling out the appraisal form; it also involves creating the right atmosphere. Coach your managers on following these steps to achieve the most effective performance appraisals.

Step 1: Time it right. The ideal time to conduct a review is generally mid-morning, after the work routine has begun but before anyone is too tired or stressed out. Fridays are usually bad days, particularly for a poor evaluation; immediately afterward is a weekend for the employee to brood instead of a workday to start making improvements.

Step 2: Set the scene. The optimal environment in which to conduct a review is:

- *Private.* There's nothing wrong with conducting a review in a conference room, as long as it offers privacy.
- *Quiet and undisturbed.* Cell phones should be turned off, calendars should be cleared, and only emergencies should be allowed to interrupt the evaluation meeting.
- *Comfortable.* Managers should make the employee feel welcome and should sit next to the employee in comfortable chairs rather than face the employee across their own desk.

Step 3: Demonstrate respect. Managers should treat both the appraisal process and the employee seriously by:

- Conducting the review on its scheduled day and at its scheduled time.
- Acknowledging that the employee's time is just as valuable as the manager's time.
- Engaging the employee in a conversation, rather than giving him/her a lecture.

Step 4: Know where to steer the conversation. Managers should always keep the overall purpose of the meeting firmly in mind in order to control the direction of the conversation. Where they steer the conversation will be based on whether the employee's performance is *outstanding*, *satisfactory* or *unsatisfactory*.

- When performance is *outstanding*, the discussion needs to center on a possible promotion and the opportunities that are currently available, growth in the current position and the responsibilities that will increase, or no changes in duties and how to maintain current performance.
- A discussion about *satisfactory* performance must examine how to either exceed or maintain current performance standards.
- The focus of an *unsatisfactory* performance conversation depends on whether correction is possible. If it is, discuss an action plan (sometimes called a performance improvement plan or business development plan). If it's not, then not much discussion is needed. Follow through with plans to transfer, demote, or terminate.

Keeping criticism constructive

Knowing where you want the conversation to go is one thing. Getting it there is quite another, especially if the employee's performance isn't up to standards. Here's how managers can offer criticism constructively.

- Provide specific examples to illustrate problem behaviors. Employees will get a better understanding of what they've done wrong (and, thus, avoid it in the future). Again, such specifics can help prevent an employee from blaming criticism on bias — and a court from agreeing.

- Set performance improvement expectations. Managers should not keep their dissatisfaction a secret from employees. It's not enough to criticize an employee's attendance record and leave it at that, assuming that the employee understands that he/she must improve his/her attendance record. Employees should have specific improvements that need to be made, as well as potential consequences for failing to do so.
- Create new goals. Even good performers should leave the discussion with something to strive for, whether it's a personal goal or the manager's goal. *Examples:* learn a new skill; take on more responsibilities; step up production. *Tip:* Get employee input. Working with employees to come up with goals and strategies emphasizes collaboration and teamwork. Merely telling employees what they can and cannot do can feel like a parent talking to a child. When employees have a say, they will be more likely to succeed in reaching the agreed-upon goal.
- Come up with strategies to get the employee back on track. Helping an employee to improve performance doesn't stop at pointing out the problem and setting goals. Managers need to provide employees with the tools for improving. Does the employee need more training? Weekly feedback meetings? Deadline changes?
- Schedule follow-up meetings to make sure the employee is on the right track to improvement. Managers should theoretically be conducting informal performance appraisals on a regular basis. Waiting until formal performance evaluation sessions to contemplate and criticize performance may be too little too late to save a subpar worker.
- Keep cool. Some employees may get angry and defensive when criticized. The two best ways for managers to defuse upset employees' emotions are to control their own emotions and stick to the facts.

Controlling their own emotions is a must, to prevent the situation from escalating into an argument. Managers who react with anger or insensitivity to employees' emotions will find the meeting to be completely unproductive. Managers should remain calm and let employees know that the review will end and discipline will be handed out if they cannot control their anger and proceed in a professional manner. If managers find they cannot remain calm themselves, the review should be postponed until both sides have had a chance to cool off. If necessary, managers should request that an HR representative be present during any meeting that they think will be contentious.

"Just the facts" should be every manager's performance appraisal mantra. They must never allow personal feelings to enter the review. It is much harder for employees to argue with objective facts. Throwing in criticism of the person, rather than the problem, may be tempting, but wholly unnecessary and unproductive.

12 performance evaluation traps

During training, instruct managers to avoid the following common traps that have the potential to taint their performance evaluations.

1. Using stereotypes rather than first-hand observations (e.g., rating male employees higher than female employees in leadership skills based on gender alone).
2. Letting personal feelings influence the assessment (e.g., rating employees favorably because they are friendly with the manager outside of work; rating employees poorly because they've previously butted heads with the manager).
3. Rating all employees as average. Taking the easy way out will ultimately drive top performers away and encourage poor performers to stay at their same low performance level.
4. Inflating the ratings of poor performers. Some managers assume an inflated rating will motivate

employees to improve their behavior. But most do so to avoid having a confrontation or because they don't know how to correct their employee's problem behavior. Remind managers that ignoring employee problems only allows the problems to grow.

5. Relying only on recent performance. The review should cover the entire review period (usually 12 months) and should address the employee's growth (or lack thereof) over that period.
6. Equating long tenure with positive performance. An assumption that an employee has been with the company for a long time because he/she is a good worker can be erroneous. Managers should be on the lookout for veteran employees who are actually stuck in a rut and may be content to simply "get by" instead of consciously trying to excel.
7. Basing employee ratings on the manager's own ratings. Some managers assume that their status alone makes them the hands-down top performer in their department. So if they receive an average overall rating, they will not let their employees' ratings exceed average.
8. Putting too much emphasis on how employees stack up against other employees rather than on how they fare against objective performance standards and expectations. Using forced rankings or ranking on a bell curve can result in good performers being unfairly rated as poor.
9. Failing to explain reasons for the ratings. An appraisal form with no comment fields completed is unacceptable. So, too, are comments that aren't specific. Managers should always provide concrete examples that back up their ratings.
10. Making backhanded compliments, e.g., "You did a great job on the Tucker account, Jill, especially for your age."
11. Focusing on personal characteristics and not on behaviors. Remind managers that they are not supposed to be judging employees as human beings; they are to evaluate employees' job performance and workplace behaviors. Areas to focus on: time management skills, teamwork, professionalism, organizational skills, communication, judgment, job knowledge, initiative, and dependability.
12. Interpreting motives behind behavior, instead of just stating the behavior, e.g., "Shane isn't committed to the job. That's why he was late to work 21 times." Stick with objective facts.

Reviewing the review

Training is most effective when it's ongoing, so appraisal training does not end once managers are ready to give a review. After managers conduct their appraisals, have them discuss the following with you. Provide more guidance where necessary.

- Do employees understand what their goals are, when these goals must be met, and consequences for failing to reach these goals?
- Did the manager have evidence to back up the performance review?
- Was the feedback all job-related?
- Did the review cover both positive and negative issues?
- Was the review a two-way discussion?
- Were employees given the opportunity to add a rebuttal?
- Were any employees surprised by their evaluation?
- Did emotions run high during any evaluation?
- Was the manager able to answer employees' questions satisfactorily?
- What is the manager's next step?