

Performance Evaluations: Best Practices

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Employee evaluation is an important part of a company's quality assurance. Many companies formally evaluate an employee's performance and progress after an initial trial period and then again on an annual or semi-annual basis. Although performance evaluations can improve productivity and employee morale, many employers do not make them a high priority because they are time-consuming and are sometimes viewed by managers as having little practical value.

Why Conduct a Performance Evaluation?

1. To promote growth and competence and to increase employee productivity.
2. To facilitate employer-employee communication and develop relationships.
3. To let employees know how they are doing.
4. To document incidents of poor performance for future reference or provide valid defenses to employment litigation and legitimate reasons for termination.
5. To determine the level of salary increases.

The increasing number of discrimination and wrongful discharge lawsuits illustrate the importance of performance documentation as a means of justifying the legitimate business reasons underlying an employer's personnel decisions. A series of well-documented evaluations that clearly describe an employee's poor performance provides the employer with objective evidence of legitimate and nondiscriminatory reasons to support a job transfer, demotion, layoff or termination. Failure to conduct formal evaluations may leave an employer vulnerable in a discrimination or wrongful discharge lawsuit.

Best Practices When Implementing a Performance Evaluation Process

1. Perform formal evaluations on a calendar basis. This requires all evaluations be done at the same time. While it increases the workload of managers and supervisors, it forces comparisons of employees which will produce better results.
2. Have regular meetings with supervisory staff. Supervisors will learn from each other's experiences. Provide adequate training and insist on candid observations.
3. Clearly communicate to employees what their duties are and what is satisfactory performance. Accomplish this through periodic reviews of job descriptions, training, and both formal and informal appraisal.
4. Tell employees the criteria upon which their performance will be reviewed. Develop standards and establish reasonable goals for employees. Make sure that employees understand the consequences of their failure to improve.
5. Provide ongoing feedback to employees. Don't wait until the annual evaluation to provide feedback. Give both positive and negative feedback.

6. Document poor performance in writing. This can be done in the form of coaching, training, discipline or assessment.
7. Give employees the opportunity to review, challenge, and comment on the evaluation. Employees are more likely to be accepting of constructive criticism. A self-evaluation can be an important part of an effective appraisal process.
8. Meet with employees to discuss all evaluations and expectations. Keep a record of the meeting.
9. Have employees sign the evaluation. While the employee does may not agree with it, it provides evidence that the employee has seen it and has been given a copy. If the employee refuses to sign, the individual giving the evaluation should sign it along with a witness noting that the employee was given a copy.
10. Establish a review process for evaluations. This will keep the supervisor honest and assure that supervisory staff is performing reviews consistently.
11. Give employees time to improve and offer resources and assistance if appropriate.
12. Follow established procedures strictly. Apply all procedures and standards equally to all employees.
13. Use other supervisory personnel, if possible, to mitigate claims of personality conflict. This will enhance credibility if all evaluations point to the same conclusion.
14. Make sure employees understand the consequences for failure to perform at an acceptable level. There should be no surprises in employee supervision and evaluation.
15. Managers should be held responsible for helping subordinates develop and improve.
16. Maintain confidentiality in employee performance evaluations. This is where a trusting relationship begins.

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