

IMPROVING THE FORMAL PERFORMANCE REVIEW PROCESS

Improvement Guide for:

- Explaining Performance Evaluation Standards
- Feedback on Performance Weaknesses
- Feedback on Performance Strengths
- Feedback on Personality Strengths

Introduction

Most organizations require that managers provide their direct reports with formal performance reviews on either a semi-annual or annual basis. For many managers, these reviews are viewed with a certain amount of anxiety, particularly if they include feedback on performance weaknesses.

It is important to view reviews not as mandatory hour-long exercises, but as unique opportunities to improve the performance of your direct reports, and thus your team. In short, your employees should leave their reviews with a clear idea of their strengths, a plan for mitigating or improving their weaknesses, and above all, a desire to implement the changes you both discussed. In order to reach this goal, you need to think of formal reviews as a process that begins well before “review season” begins. Remember, the message that you impart is only as effective as the messenger; to improve performance, you must invest time in building healthy employee relationships well before the formal review process begins.

This guide is intended to provide you with tips to plan for and conduct formal performance reviews that will improve employee performance.

Before the Review

• **Point 1: Establish Healthy Employee Relationships¹**

To Remember:

- *The messenger matters as much as the message.*

The aspect of the review process that has the greatest impact on employee performance is the employee’s perception of your relationship. If you are viewed as inconsistent, unfair, or if an employee is dissatisfied with you in general, your feedback, **regardless of quality or intent**, will likely have little impact. It is therefore imperative that you establish healthy relationships with your direct reports. For more tips on how to accomplish this, please see the guide entitled, [*Establishing Healthy Employee Relationships*](#).

• **Point 2: Clearly Explain Performance Standards**

To Remember:

- *Clearly and explicitly state performance criteria to your employees before you begin assessing performance.*

One of the themes repeated throughout this document starts here: nothing in the formal review should truly be surprising to your employees.² At the very least, they should know exactly the criteria you will be using to gauge their performance. Clearly communicating

employee performance goals, either during the previous formal review or during an informal pull-up meeting, reduces the “surprise” factor and increases the likelihood that the review will be perceived as fair. Employees won’t feel the hard work they’re doing is wasted and will have a better idea of the topics you’ll be addressing.

• **Point 3: Provide Immediate Informal Feedback Along the Way**

To Remember:

- *Informal feedback provided over the course of your employee’s tenure decreases the chances that aspects of the formal review are surprising to the employee.*

The very nature of the review process timeline—once or twice a year—makes providing informal feedback a necessity. No manager can afford to wait five to ten months to reinforce performance strengths or to correct performance lapses. In fact, immediate feedback on its own also has a positive impact on employee performance.³

Furthermore, providing informal feedback along the way means that your employees won’t be surprised during their formal reviews. That goes a long way to solidifying the impression that your assessments are consistent and fair.

The Actual Review

• **Point 1: Planning**

To Remember:

- If not already required, ask employees to complete a self-review and read it before you deliver their reviews.
- Rehearse conversations and key messages before the review takes place.

Good reviews are rarely thrown together at the last minute. Ideally, they include not only manager input on employee performance but employee self-ratings as well. Having these completed ahead of time and reviewing them gives you a good idea of which parts of the conversation will be “easy” (e.g., where you agree) and where there may be some difficulty.⁴

Rehearsing the conversation is also important, particularly for the section where you are providing feedback on performance weaknesses. Preparation time is time well-spent: how an employee reacts to feedback will be dependent upon the relationship you share and also on **how well** you deliver the feedback.^{5,6}

• **Point 2: Providing Feedback on Personality Strengths**

To Remember:

- Commenting purely on personality strengths is simple flattery; to make this feedback more meaningful, tie it to performance strengths.

While it's nice to be able to provide your direct reports with feedback on their personality strengths, they should be referred to in terms of performance. For example, instead of telling someone he/she is friendly, tell him/her that friendliness is an asset because it helps him/her excel at customer service or work well within the team.

Important Note: Although it can positively affect employee performance to discuss personality strengths either alone or in conjunction with performance strengths, it is very difficult to discuss personality weaknesses, and managers should proceed with caution. Discussing personality weaknesses by themselves can be viewed as insulting and hamper your chances of the employee taking corrective action. If you must discuss personality weaknesses, it is imperative that you provide specific, concrete examples of how those weaknesses negatively affect performance.^{7,8}

• **Point 3: Providing Feedback on Performance Strengths**

To Remember:

- Provide specific examples of strengths “in action.”

For many managers, this is the easiest part of any formal review. People like to hear they are doing well. Still, it is important to be specific; in other words, “good job” isn't particularly good feedback. By providing tangible evidence of how their strengths have positively affected performance, you can reinforce these important employee behaviors. By making this activity the centerpiece of the review process, you can help pre-empt negative reactions that may emerge when the time comes to discuss performance weaknesses.

• **Point 4: Providing Feedback on Performance Weaknesses**

To Remember:

- All managers walk a fine line when delivering feedback on performance weaknesses. Done effectively, it can improve performance; overemphasized, it can damage it.^{9,10}
- When providing this type of feedback, avoid judgmental words like “poor performance” or “weakness”; instead, present it in the context of a developmental opportunity.¹¹
- Do not assume you understand the reason for a performance weakness; allow the employee to discuss why he/she is performing in a particular way.¹²
- Set realistic performance goals; by creating goals that are out of reach, you can negatively impact employee performance.¹³
- Offer a plan for correcting these weaknesses, and stick to it.¹⁴
- Prepare for negative reactions.¹⁵

For many, the most anxiety-provoking part of any performance review is delivering feedback on performance weaknesses. Yet **when done effectively**, providing feedback on performance weaknesses can have a very positive impact on employee performance. Except for extreme cases, weaknesses should not be the emphasis of the review. When presenting feedback on performance weaknesses, be selective and ensure that you're prepared to deliver your messages well.

Present this type of feedback as an opportunity for your employees to come closer to their career goals. To that end, frame these weaknesses as obstacles that you need to overcome together. This isn't just rhetoric—your employee's improvement in these areas will positively affect your team. Discuss and set with your employees realistic performance objectives in these areas. It is important to set realistic, attainable targets for improvement; setting unrealistic goals and expectations can negatively affect your employee when he/she doesn't meet them.

Obviously, each employee is going to react differently to feedback on performance weaknesses. You can greatly increase the chances that your employees will emerge from their reviews better performers than when they entered. By having established a healthy relationship with the employee in question, by preventing this type of feedback from serving as the centerpiece of the review, by framing these behaviors not as weaknesses but as obstacles to overcome, by setting realistic performance objectives, and by concluding your evaluation not on a negative note, but on a positive one, you can greatly increase the chances that your employees will emerge from their reviews better performers the when they entered.

Research Methodology

The information presented in this guide is based on a thorough review of professional and academic literature. Given the diversity of perspectives in these topics, this guide is designed to summarize for managers the existing research available on this topic, rather than to impart a particular point of view accepted by the Roundtable.

HR EXECUTIVE FORUM

- ¹ Learning and Development Roundtable, *Engaging Managers as Agents of Employee Development*, Corporate Executive Board (2003).
- ² Peter Kennedy and Sandy Dresser, "Appraising and Paying for Performance," *Employees Benefits Journal* (December 2001). (Obtained from Factiva)
- ³ Corporate Leadership Council, *Building the High Performance Workforce: A Quantitative Analysis of the Effectiveness of Performance Management Strategies*, Corporate Executive Board (2002).
- ⁴ Author Unknown, "Tips for Conducting Performance Appraisals," *All Business* <http://www.allbusiness.com/articles/content/15085.asp>
- ⁵ Learning and Development Roundtable, *Engaging Managers as Agents of Employee Development*.
- ⁶ Manzoni, Jean-Francois, "A Better Way to Deliver Bad News," *Harvard Business Review* (September 2002). (Obtained via EBSCO)
- ⁷ Learning and Development Roundtable, *Engaging Managers as Agents of Employee Development*.
- ⁸ Corporate Leadership Council, *Building the High Performance Workforce: A Quantitative Analysis of the Effectiveness of Performance Management Strategies*.
- ⁹ Learning and Development Roundtable, *Engaging Managers as Agents of Employee Development*.
- ¹⁰ Corporate Leadership Council, *Building the High Performance Workforce: A Quantitative Analysis of the Effectiveness of Performance Management Strategies*.
- ¹¹ Author Unknown, "Tips for Conducting Performance Appraisals," *All Business* <http://www.allbusiness.com/articles/content/15085.asp>
- ¹² Manzoni, Jean-Francois, "A Better Way to Deliver Bad News," *Harvard Business Review* (September 2002). (Obtained via EBSCO)
- ¹³ Author Unknown, "Tips for Conducting Performance Appraisals," *All Business* <http://www.allbusiness.com/articles/content/15085.asp>
- ¹⁴ *ibid.*
- ¹⁵ *ibid.*