

Best Practices for Managing Employee Performance

Setting Goals, Providing Feedback and Conducting Performance Reviews



Keyturn

Introduction

Performance management is a complex process that requires careful planning, execution, and evaluation. The process involves various activities that aim to improve the performance of employees, teams, and the organisation as a whole. Effective performance management ensures that employees are working towards the goals of the organisation, and their contributions are aligned with the overall strategic objectives.

In this white paper, we will explore the best practices for managing employee performance, including setting goals, providing feedback, and conducting performance reviews. We will discuss each of these practices in detail and provide practical tips on how to implement them effectively.



Setting Goals

Goal setting is an essential part of performance management. It involves defining the expectations and objectives for each employee or team, which are aligned with the organisation's overall strategic objectives. The process of setting goals should be collaborative, involving the employee and the manager. This ensures that the employee's contributions are aligned with the overall strategic objectives of the organisation.

When setting goals, it is essential to ensure that they are SMART - specific, measurable, achievable, relevant, and time-bound. Specific goals define what needs to be accomplished and how it will be accomplished. Measurable goals quantify the expected outcomes, which can be used to track progress and evaluate success. Achievable goals are realistic and feasible, given the available resources and time. Relevant goals align with the employee's job responsibilities and the organisation's overall strategic objectives. Time-bound goals have a specific deadline for completion, which creates a sense of urgency and focus.

Setting SMART goals requires a deep understanding of the employee's job responsibilities, skills, and abilities. Managers should work closely with their employees to identify areas where they need to improve and develop specific goals that will help them achieve their objectives. Managers should also ensure that employees have the resources and support they need to achieve their goals, such as training, coaching, and mentoring.





Providing Feedback

Providing feedback is another critical component of performance management. It involves communicating with employees on their performance, progress towards goals, strengths, and areas for improvement. Feedback can be formal or informal, and it should be ongoing throughout the year, rather than just during annual performance reviews.

Effective feedback should be timely, specific, and actionable. It should focus on behaviours and actions rather than personality traits. Timely feedback ensures that employees receive feedback when it is most relevant and can act upon it. Specific feedback focuses on particular behaviours or actions, which allows employees to understand exactly what they need to do to improve. Actionable feedback provides employees with specific steps they can take to improve their performance.

It is also important to provide positive feedback and recognise good performance to reinforce desired behaviours and actions. Positive feedback can increase employee motivation, engagement, and job satisfaction. Recognition can come in various forms, such as verbal praise, bonuses, promotions, or awards. Managers should ensure that recognition is fair and consistent and aligns with the organisation's overall strategic objectives.

Conducting Performance Reviews

Performance reviews are formal evaluations of employee performance that occur periodically, usually annually. The primary purpose of performance reviews is to assess an employee's performance and provide feedback on their progress towards goals, strengths, and areas for improvement. Performance reviews also serve as a basis for making decisions on promotions, bonuses, and terminations.

Effective performance reviews should be objective, fair, and consistent. Objective performance reviews are based on specific, measurable criteria, such as the achievement of goals or the completion of specific projects. Fair performance reviews ensure that all employees are evaluated using the same criteria and standards. Consistent performance reviews ensure that employees are evaluated using the same criteria and standards each year.

Performance reviews should also be based on regular feedback provided throughout the year to ensure that employees are not surprised by the feedback they receive during the performance review. Managers should provide employees with the opportunity to provide self-assessments, peer assessments, and customer feedback as part of the performance review process. This helps to ensure that the performance review is comprehensive and provides a balanced view of the employee's performance.

When conducting a performance review, it is important to focus on the employee's behaviours and actions, rather than their personality traits or personal characteristics. This ensures that the evaluation is objective and fair. The review should also focus on the employee's achievements, strengths, and areas for improvement.

To make the performance review process effective, managers should prepare thoroughly, set clear expectations, and provide constructive feedback. This includes reviewing the employee's goals, job responsibilities, and performance throughout the year, gathering feedback from multiple sources, and preparing specific examples of the employee's achievements and areas for improvement.

During the performance review, managers should provide specific feedback on the employee's progress towards goals, strengths, and areas for improvement. They should also discuss career development opportunities and identify specific actions that the employee can take to improve their performance.

Once the performance review is complete, managers should work with the employee to develop an action plan to address areas for improvement and to set new goals for the upcoming year. This ensures that the employee has a clear understanding of what they need to do to improve their performance and achieve their career goals.



Making Performance Management a Continuous Process

Performance management should be a continuous process that occurs throughout the year, rather than just during annual performance reviews. This ensures that employees receive regular feedback and have the opportunity to improve their performance continuously.

To make performance management a continuous process, managers should provide ongoing feedback and coaching to employees, set regular check-ins to discuss progress towards goals, and adjust goals and expectations as needed based on changing business needs.

Regular check-ins provide an opportunity for managers and employees to discuss progress towards goals, provide feedback, and identify areas for improvement. These meetings should be scheduled regularly throughout the year and should be focused on the employee's performance and development.

Using Multiple Sources of Feedback

Using multiple sources of feedback is another best practice for managing employee performance. This involves gathering feedback from multiple sources, such as peers, customers, and other stakeholders, to gain a more comprehensive view of the employee's performance.

Using multiple sources of feedback ensures that the performance evaluation is comprehensive and provides a balanced view of the employee's performance. It also helps to ensure that the performance evaluation is objective and fair, as it is based on feedback from multiple sources.

To gather feedback from multiple sources, managers can use a variety of methods, such as 360-degree feedback, surveys, and focus groups. These methods can provide valuable insights into the employee's performance, strengths, and areas for improvement.

Ensuring Objectivity and Fairness

Ensuring objectivity and fairness is critical to the success of the performance management process. Objectivity and fairness ensure that all employees are evaluated using the same criteria and standards and that the performance evaluation is based on specific, measurable criteria, rather than personal biases or opinions.

To ensure objectivity and fairness, managers should use specific, measurable criteria to evaluate employee performance, such as the achievement of goals, completion of projects, and feedback from multiple sources. They should also ensure that performance evaluations are consistent across all employees and that all employees are evaluated using the same criteria and standards.

Aligning Performance with Organisational Goals

Aligning performance with organisational goals is another critical best practice for managing employee performance. This ensures that employees are working towards the goals of the organisation and that their contributions are aligned with the overall strategic objectives.

To align performance with organisational goals, managers should ensure that employee goals are aligned with the organisation's overall strategic objectives. They should also communicate the organisation's goals and strategic objectives to all employees and ensure that employees understand how their contributions support these objectives.



Producing Development Opportunities

Providing development opportunities is another best practice for managing employee performance. Development opportunities can help employees improve their skills and abilities, which can lead to improved job performance and career advancement.

Development opportunities can take many forms, such as on-the-job training, mentoring, coaching, job shadowing, and attending workshops or conferences. Managers should work with employees to identify their development needs and provide them with opportunities to learn and grow.

Providing development opportunities can also help to increase employee engagement and job satisfaction. Employees who feel that their employer is investing in their development are more likely to be committed to their job and the organisation.

Recognising and Rewarding Performance

Recognising and rewarding performance is another important best practice for managing employee performance. Recognition and rewards can be used to motivate and incentivise employees, which can lead to improved performance and increased job satisfaction.

Recognition can take many forms, such as verbal praise, certificates, and public recognition. Rewards can also take many forms, such as bonuses, promotions, and additional vacation time. It is important to note that rewards should be tied to specific performance criteria and should be fair and consistent across all employees.

Recognising and rewarding performance can also help to create a culture of high performance and excellence. When employees see that their efforts are recognised and rewarded, they are more likely to strive for excellence in their work.



Conclusion

Effective performance management is critical to the success of any organisation. By setting clear goals, providing ongoing feedback and coaching, conducting regular performance reviews, and providing development opportunities and recognition and rewards, managers can help employees to improve their performance and contribute to the success of the organisation.

To ensure that the performance management process is effective, it is important to use multiple sources of feedback, ensure objectivity and fairness, align performance with organisational goals, and make performance management a continuous process. By following these best practices, managers can create a culture of high performance and excellence that benefits both employees and the organisation as a whole.

In conclusion, effective performance management is an ongoing process that requires commitment and effort from both managers and employees. By following these best practices, organisations can create a culture of high performance and excellence that helps them to achieve their strategic objectives and stay competitive in today's ever-changing business environment.



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