

Employee Performance Review

Best Practices

Introduction

Effective employee performance reviews are crucial for organizational growth, employee development, and ensuring alignment between individual roles and the company's strategic objectives. This factsheet outlines best practices for conducting these reviews, focusing on goal setting, metrics, and regular check-ins.

Collaborative Goal Setting

To ensure the effectiveness of the performance review process, it is imperative that both the employer and the employee actively participate in the development of the 90-day and annual goals. This collaborative approach not only fosters a shared understanding of expectations but also enhances the employee's engagement and commitment to achieving their objectives. To formalize this partnership:

1. **Joint Development:** Goals should be jointly developed in a meeting dedicated to this purpose, allowing both parties to contribute their perspectives, knowledge, and aspirations.
2. **Mutual Agreement:** After the discussion, both the employer and the employee should reach a mutual agreement on the goals set, ensuring they are aligned with both the company's strategic objectives and the employee's career development plans.
3. **Signature of Commitment:** Once the goals have been finalized, both the employer and the employee should sign the document. This act serves as a formal acknowledgment of the expectations set and the commitment from both sides to work towards achieving these goals.

This signed document then becomes a reference point for future check-ins, providing a clear, agreed-upon baseline against which to measure progress. It also serves as a motivational tool, reminding both parties of their shared commitment to growth and success.

By incorporating these steps into the goal-setting process, organizations can enhance the clarity, accountability, and effectiveness of their employee performance reviews.

Setting 90-Day Goals

1. **Specificity:** Goals should be specific, clearly defining what success looks like.
2. **Measurability:** Ensure each goal has at least one metric for assessment.
3. **Achievability:** Set realistic goals that challenge the employee but are attainable.
4. **Relevance:** Goals must align with the larger objectives of the team and company.
5. **Time-Bound:** The 90-day timeframe should be strictly adhered to, with progress checkpoints set at regular intervals.

Annual Goals

1. **Vision Alignment:** Annual goals should reflect the company's strategic vision and the employee's long-term career path.
2. **Comprehensive Development:** Include goals that promote skill development, innovation, and personal growth.
3. **Flexibility:** Allow room for adjusting goals as business needs and roles evolve.
4. **Collaboration:** Encourage goals that require cross-departmental collaboration to foster a sense of community and teamwork.

Metrics

1. **Quantitative and Qualitative Measures:** Use a balanced scorecard approach that includes both hard numbers (e.g., sales targets, project completion rates) and soft skills (e.g., leadership qualities, communication).
2. **Benchmarking:** Establish industry or internal benchmarks to provide context for the employee's performance.
3. **Continuous Feedback:** Incorporate tools and systems for continuous feedback, allowing for real-time performance tracking.

Check-ins

1. **Regular Schedule:** Conduct formal check-ins quarterly for 90-day goals and quarterly for annual goals, with informal weekly or bi-weekly one-on-ones.
2. **Preparation:** Both the reviewer and the employee should come prepared with updates, achievements, and areas for improvement.
3. **Two-Way Dialogue:** Encourage open communication, allowing employees to express concerns, ideas, and feedback.

4. Actionable Takeaways: Conclude each check-in with clear, actionable steps for both parties to address before the next meeting.

Tips for a Good Check-in

1. Focus on more than metrics by including the following,
 - a. Attitude (Subjective)
 - b. Performance (Objective and tied to metrics)
 - c. Effort (Subjective)
2. Say this: “We aim to have a team of top performers. As such, our evaluation process focuses on three key areas: Attitude, Performance, and Effort. While we recognize that Attitude and Effort are more subjective in nature, they remain within an individual's control, making them critical aspects for our assessment. Conversely, Performance, which can often be enhanced through further training and skill development, allows for a more objective evaluation based on set goals and metrics. In assessing these areas, we use a grading scale from A to F to comprehensively evaluate our staff's contributions in each category.”
3. Send the Goals and Metrics that you created to your employee three to four weeks before the review, along with any relevant tracking data you've accumulated. Click [here](#) for a sample email.

Documentation

1. Written Records: Keep detailed notes and records of all reviews and check-ins to track progress over time.
2. Performance Improvement Plans: If necessary, develop a formal plan with clear objectives, timelines, and support structures to address underperformance.

Conclusion

Implementing these best practices in your performance review process will help create a transparent, motivating, and development-focused environment. By setting clear expectations, providing regular feedback, and aligning individual goals with the company's vision, you can enhance employee engagement, productivity, and retention.