

RISK COMMUNIQUÉ

Performance Management / Evaluations – Employment Practices Risk Management

Many organizations complete evaluations but report a lack of confidence in their depth, accuracy or effectiveness. This communiqué offers guidelines to help develop and administer effective performance evaluations.

Why are Performance Evaluations Important?

Communication through performance evaluations helps strengthen personnel relations. Periodic evaluations allow for goals and objectives to be established, improves supervisor – subordinate communications and helps keep an accurate record of job performance. Failing to complete performance evaluations communicates to organization employees that their professional development is not important.

The performance evaluation is an important part of the employee file. Personnel-related litigation (i.e. wrongful termination, discipline and failure to promote) often involves analysis of written performance evaluations. For example, many wrongful termination or discharge lawsuits hinge on whether an organization can sufficiently defend its decision to terminate an employee. Claims often involve a former employee alleging the organization's decision to terminate was based on unlawful reasons, such as discrimination. In turn, organizations must be able to point to documentation regarding the former employee's work performance that helps support the termination. Documentation of performance evaluations may help or hurt an organization in the event of litigation.

Tips for Maintaining an Effective Performance Evaluation Process

“Buy-in” from Employees – Those utilizing the performance management system must understand it is a valuable process that benefits employees and the organizations alike. Supervisors and non-supervisors should be given the opportunity to provide input regarding the evaluation process, so it will fit the organization's needs and job descriptions.

For implementing or revising performance evaluation procedures, consider establishing a Performance Management Committee which analyzes evaluation forms and processes from other like organizations. Customization allows personnel to better understand the purpose and benefits of the performance management system. Consider utilizing a human resources consultant and / or legal counsel for assisting in the development or revision of the organization's evaluation process.

Comprehensive and Timely – Perform evaluations on or near the date as set forth in written procedures. More than one level of supervision should review each evaluation to help determine the depth and accuracy of the performance record. Additionally, upper level management review allows for more consistency in the evaluation process as a whole. An organization's human resources director or manager typically is the person primarily responsible for oversight of the performance management processes.

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Training for Supervisors – All too often supervisors receive little or no formal instruction concerning how to conduct comprehensive, accurate and uniform evaluations. Periodic training for supervisors helps emphasize the importance of this communication process.

Facilitating the Evaluation Meeting – Organization leaders often fail to dedicate much time to evaluate performance, outline individual expectations and set goals. It can be difficult for some supervisors to confront problems with employees not wishing to damage relationships, as they would rather avoid conflict. It may seem easier to avoid discussing minor problems or incidents, with the expectation they will resolve themselves. However, it is far more difficult to rectify a problem after escalating into a more serious issue. Not addressing personnel matters can lead to frustrated employees perceiving their needs and concerns are not valued. Open and honest communication is a key to strengthening productivity, morale and retention for your organization.

Counseling and constructive criticism can be sensitive, especially when dealing with a “difficult” or employee performing below expectations. Similar to discipline or termination sessions, emotions can run high during evaluation meetings. With only two people in a room, conversation can sometimes turn into a matter of “he said, she said.” Organizations should consider including a third person in evaluation meetings, preferably another supervisor trusted by the employee being evaluated.

Before the evaluation session, review all documentation pertaining to the employee’s performance, such as prior evaluations, commendations, counseling records, warnings / reprimands, and performance improvement plans. The face-to-face meeting is especially important to the subject of the evaluation. Being prepared as a supervisor communicates a level of commitment and caring.

Self-Evaluations – Completing self-evaluations prior to meeting with their supervisors allows employees to take ownership of the process. This opportunity for self-reflection allows employees to identify their accomplishments, areas for improvement and goals for the next evaluation period. Without self-evaluations, the evaluation process is viewed as one-way communication, flowing only from the higher ranking employee. Some employees more harshly scrutinize their own performance than their supervisors. Self-evaluations promote two-way communication, a much friendlier method of communication. The ultimate goal is to open avenues of communication and clarify expectations from all parties.

Accuracy of Job Descriptions – Periodic performance evaluations allow for organization employees to review their job description. Is the written job description an accurate depiction of what the employee is actually doing on the job? When assessing job performance, it is essential to review the essential and non-essential job functions found in a job description.

Protect Against Workplace Wrongdoing – Are employees given the opportunity to answer the question, “Since your last evaluation, have you been witness to or personally subjected to any workplace risk or wrongdoing, such as harassment, discrimination or threats of violence?” This provides employees an opportunity to step forward to make an allegation and allows the organization the ability to investigate, stop any wrongdoing and prevent future occurrences.

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Performance Improvement Plan (PIP) – Many organizations are unfamiliar with the PIP concept, an important aspect of an effective performance management process. A PIP may be necessary when an employee’s performance and / or behavior is not satisfactory. A PIP is a joint effort between a supervisor and subordinate to develop a plan of increased communication, accountability and guidance. Supervisors ask questions like, “*How can the organization and I enable you to better meet the responsibilities of your position?*” In turn, a plan is documented holding the employee accountable for meeting time specific goals.

Evaluating Supervisors – Are supervisors evaluated, in part, on whether they complete evaluations in a timely and thorough manner? Performance management is a substantial responsibility and should be quantified in evaluating a supervisor’s performance.

Consider Renaming the Process – Some employees may feel threatened by possible subjectivity of evaluations. Referring to the process as “performance development” rather than “evaluations” may help employees focus on the true purpose of the process, which is personal and institutional growth.