



# TPD Tips

## Performance Measurement & Management





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*Did you know that only 14% of organizations are happy with their performance management system?*

In the [TPD guides](#), we have discussed how employees are selected and trained. Now we will examine how to measure and manage performance through a performance management system as well as some of the pitfalls you can encounter during the process.

A performance appraisal measures an employee's performance on the job against the established standards of the job or pre-set goals. A standard refers to ongoing performance criteria that must be met time and time again (e.g., complete all invoices daily). A goal describes a particular objective that has been jointly established and agreed ahead of time (e.g., increase sales by 10% before an established date).



Generally, a performance appraisal form or online tool is used to record important facts from the discussion and to keep as a confirmation of commitments or goals agreed upon for the future. Some performance appraisals outline the criteria on which each employee is appraised and may even include a numerical rating system on which to rate each employee. Performance appraisals can be extremely simple or quite complex. Choose one that works for your organization - Remember, the template is only a guideline; it's the information you put into it that's important!

Many organizations conduct a new employee's first performance appraisal just prior to the expiration of their probation period and then annually thereafter. As a result of the evaluation, you create a plan to assist and manage your employee's ongoing performance.

There are many pitfalls you can encounter when appraising an employee's performance. Here are some to look for!

- **Monologue**  
Performance appraisals are meant to be a dialogue of two-way communication between the manager and the employee. This allows both parties the opportunity to offer feedback, ask questions, and state their opinions.
- **A Secret Report**  
In order for an employee to progress, they need to hear solid information about their performance, areas for correction, and a plan of action for development. Indeed, the annual performance review should really be a composite of all the feedback given and received throughout the entire year. Performance appraisals are not a substitute for daily management. If you have been managing daily, then the employee should have an excellent understanding of where they've succeeded or need to improve.
- **A Discipline Interview**  
Performance issues cannot wait and need to be addressed directly and immediately. The performance appraisal may include an update on progress through performance issues but it is not the venue for imposing discipline. Performance appraisals should support regular feedback, coaching, counselling, and should not be a substitute for disciplinary discussions.

## ➤ An Attack

Performance appraisals are not a popularity poll. The intent is to appraise performance objectively and professionally; and without threatening an employee's self-esteem. Appraisals can be frightening enough for new hires without having to "dodge bullets" at the same time.



Now that you know what not to do - How do you conduct an *effective* performance appraisal? Let's look at some simple guidelines:

- Formally review performance at least once a year, preferably twice.
- Give the employee prior notice of the appraisal session and information in terms of what they can expect.
- Reassure each employee that the purpose of the performance appraisal session is to improve performance and foster better communication, not to discipline.
- Conduct the performance appraisal session in private with a minimum of interruptions.
- Recognize positive aspects of the employee's performance.
- Make criticisms specific. Don't be vague.
- Focus criticism on performance, not personality characteristics. Use only factual information; criticism should not be based on hearsay.
- Refuse to argue with the person you are evaluating.
- Emphasize your willingness to assist the employee's efforts to improve performance.
- Identify specific actions the employee can take to improve performance. Set some mutually acceptable goals for completion.
- End the session by reiterating the positive aspects of the employee's performance.
- Remember to complete written documentation of the appraisal. This record should become a permanent part of your employee's file.

Performance appraisals are an excellent means to open a productive dialogue with an employee and establish meaningful goals and action plans for ongoing performance development. As always, communication is the key!



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