Employee Performance Evaluations

Introduction

Employers use performance evaluations to assess work performance. The evaluations also assist employees in providing information about deficiencies in work performance and the organization's expectations for the future. Written performance evaluations are best because a written evaluation creates a tangible record, which may be reviewed and referenced in the future.

The evaluation process generally involves a series of steps as follows:

- Developing guidelines and standards against which an employee's performance may be compared.
- Gathering appraisal information, which when analyzed against the established standards reflects the employee's performance.
- Discussing the appraisal information with the employee.
- Documenting the evaluation process in the employee's personnel file.

Employers use performance evaluations for all of the following:

- As positive communication tools to help employees improve job performance.
- In salary administration for determining merit increases.
- As regular workforce monitoring tools.
- In the disciplinary process where an employee's job performance is unacceptable and could lead to discipline or termination.

Employer Objectives

An effective performance evaluation system helps an employer meet the following objectives:

- **Assess Employee Potential.** An effective performance management system facilitates an employer's decision-making process regarding employee promotions and transfers. The system also allows for employers to identify employees with special abilities and skills.
- **Identify Training Needs.** Performance ratings evaluate the effectiveness of an established training effort. Employers may design and target training programs to better address the performance problems caused by a lack of training. For example:
  - Widespread common problems may indicate a work group needs general or specialized training.
  - Isolated performance problems might identify an individual's need for training in a specific area.
- **Assist in Compensation Planning.** Employers may choose to link employee compensation to employee performance and in doing so may use performance evaluations to validate compensation practices among different operating units. A reliable and consistent performance evaluation process enables an employer to predict future payroll costs more accurately and reward employees who perform well.
- **Identify and Correct Poor Work Performance.** Performance evaluations generate discussions between employees and supervisors that identify poor work habits. Such discussions may yield mutually agreeable ways to correct deficiencies. Additionally, the evaluation may identify personal problems that have the potential of hampering an employee's performance.
- **Validate Employment Tests.** A sound evaluation system exposes weaknesses in the criteria that an employer applies in making hiring, placement, and other personnel decisions. For instance, the evaluation may reveal that testing a particular employee for a given skill is inappropriate because that skill is irrelevant to satisfactory job performance and thereby exposes the employer to a discrimination violation.

- **Defend Against Lawsuits.** The performance evaluation process allows employers to document poor job performance. Employers depend on such documentation to defend themselves successfully against employee claims of unfair termination or disciplinary action.
- **Motivate Employees.** Performance evaluations may serve to motivate employees in their efforts to meet the employer's performance standards. A positive evaluation assures the employee that the employer recognizes the employee's work performance and that the employer will reward the employee for excellence.

Supervisor Training

Supervisors and managers must be thoroughly trained in the performance of employee evaluations to create accurate and beneficial evaluations.

Such training should take several hours and include a number of practice exercises, which result in the following:

- Increase the overall reliability of the evaluation.
- Establish the typical types of errors made in performance evaluations.

Well-trained supervisors tend to conduct performance evaluations that enhance employee efficiency and provide documentation, which may prove useful for a defense in case of litigation. However, supervisors often make the following errors when evaluating employees:

- Excessive leniency.
- Avoiding the ends of a rating scale (such as categories of "superior" or "poor").
- Application of an overall impression to specific areas of evaluation, rather than applying the required narrowed focus to each element of the employee's performance.

Supervisor Review

Supervisors should review employee performance regularly. Supervisors and or managers should discuss any problems with the employee as soon as possible and offer suggestions to rectify the problem. All discussions should be documented and placed in the employee's personnel file for recordkeeping purposes.

Supervisors and human resource professionals who are responsible for performance evaluations must be appropriately trained and made aware that evaluations must meet the following criteria:

- Apply honesty, accuracy, and candor in evaluating both the strengths and weaknesses of employees.
- Thorough reviews must be completed by additional management personnel who do not have direct personal interest or bias regarding the evaluated employee.
- Be discussed with the evaluated employee. After such discussion, employees must be provided the opportunity to respond or comment on the evaluation.

Implementing Performance Evaluations

An employer who wants to implement an effective employee performance evaluation process should consider providing the following:

- Clear written instructions to all supervisors and managers involved in the evaluation process.

- Relevant training for supervisors and human resource professionals involved in the evaluation process to ensure complete understanding of all employee job duties.
- A job-related performance appraisal system.
- Reasonable precautions to guard against improper bias by the evaluating supervisor or manager.
- A procedure that includes multiple levels of review and approval of the evaluation.
- Central monitoring by human resources to ensure uniform performance rating standards among all supervisors and managers conducting the evaluations.
- A procedure that allows the employee to comment or respond to the evaluation.
- A procedure providing the employee with an appeal process of a poor evaluation, within a reasonable time after the evaluation.
- A procedure requiring the supervisor to identify specific performance goals as part of the evaluation process.

Performance Dimensions — What Should Be Evaluated

All written performance reviews must be based on the employee's overall performance in relation to job responsibilities and should also take the following into account:

- **Achievements.** Employees with high levels of achievement tend to be interested in improving their skills and abilities. High achieving employees tend to take advantage of opportunities to learn new capabilities and show interest in advancing to positions with greater levels of responsibility.
- **Attendance.** Employees with good attendance demonstrate a strong concern for adhering to work schedules. Employees who demonstrate a tendency for punctuality may be more likely to arrive to the workplace on time or notify the employer of any potential tardiness or absence.
- **Courtesy.** Courteous employees assist in creating a more amicable and potentially more productive workplace environment.
- **Work Ethics.** An employee who demonstrates a high level of ethical workplace behavior may be more apt to offer a likewise level of productivity and contribution to the employment position.

Job-Related Appraisals

In performing employee evaluations, a standard job-related evaluation form should be utilized. Any rating choices on the form should be as both specific and directly related to the area of performance being evaluated. Ratings of "unsatisfactory," "satisfactory," "good," and "excellent" are too general and do not properly evaluate particular jobs. However, the choice of "not observed" or "not applicable" should be available, where applicable and helpful. Employers that create the performance evaluation form should ensure that each category requires the evaluation of specific job behavior, rather than an employee's personality traits. Similarly, supervisors should be trained to evaluate and comment upon job performance, not personality. With a focus on specific job behavior, evaluations are successful in focusing on the employee's job performance, rather than evaluations that may give the impression of being a personal attack upon the employee.

Criteria

In performing employee evaluations, the applicable criteria must be objective. Performance evaluations are not beneficial where supervisors and managers rely on subjective statements, opinions, impressions, or assumptions that are unsupported by facts, concrete explanations, specific examples, or first-hand observation. Occasionally, subjective indicators of performance must be used; in these cases, evaluators should illustrate the subjective criteria with specific examples.

Employers must take steps to ensure that the specific performance criteria to evaluate the employee

include all relevant aspects of job performance. For example, a comparison of the job tasks for which to evaluate an employee with the job description would disclose whether the evaluation included all relevant aspects of job performance. Importantly, if key job aspects are not included in the evaluation system, then an accurate evaluation becomes unattainable, which may create tremendous workplace problems.

Document Fully

Written employee evaluations create a documented record of employee performance in light of the employment position requirements and employer expectations. A thorough evaluation may expose employees to potential termination due to their failure to meet job performance requirements or applicable expectations. However, employers may face major litigation obstacles where an employee was terminated based on poor job performance, yet such performance was not covered by a written evaluation. Although most states provide for **at-will** employment (either employer or employee may terminate the employment relationship without liability, so long as there was no express contract for a definite term governing the employment relationship), employers that terminate employees for job performance problems may be required to justify such determination in court. Without the applicable evaluation, the employer justification may be hampered.

Types of Performance Evaluations

Employee performance reviews are based on a list of factors, including employees' ability to respect and work effectively with diverse people. To ensure the accuracy and usefulness of performance reviews, companies may adjust timing, rating scales, weights, and formats. Employers should choose the performance evaluation system that best fits their need based on the number of employees.

Rating Scales

The rating scale method provides a high degree of structure for evaluations. The scale rates employee traits or characteristics on a bipolar scale where there is a neutral point and the two ends of the scale are at opposite positions of the opinion, ranging from "poor" to "excellent."

The characteristics evaluated on these scales include employee attributes such as the following:

- Cooperation.
- Communication ability.
- Initiative.
- Punctuality.
- Work skills competence.

An employer can select which traits to rate based on factors that are relevant to performance of the employment position. Proper selection of traits may protect against legal action based on a claim of discrimination.

Advantages

Rating scales are structured and standardized, which allows for easy comparison and contrast of the entire workforce. The scale subjects all employees to the same evaluation process and rating criteria, with the same range of responses. This fosters equality in treatment for all employees and imposes standard measures of performance throughout the organization. In addition, rating scale methods are easy to use and understand. Both employers and employees understand and appreciate the simple

and efficient logic of the bipolar system. Thus, rating scales have gained widespread acceptance and popularity.

Disadvantages

Although rating scales are convenient and easy to use, the scales are prone to the following weaknesses:

- **Trait Significance.** Unfortunately, with a standardized and fixed system of evaluation, certain traits will have a greater relevance in some jobs than others. For example, the trait "initiative" might not be very important in a job that is tightly defined and rigidly structured. In this case, a low evaluation for initiative may not mean that an employee lacks initiative. It may reflect that fact that an employee has limited opportunities to use and display that particular trait. These obvious discrepancies of rating scales make this system context-sensitive. An employer must consider job and workplace circumstances.
- **Inherent Inequalities.** Many employers assume that rating scales measure all the relevant indicators of employee performance and that all irrelevant indicators are excluded. However, employees may receive ratings that do not accurately or fairly reflect their effort or value to the employer because certain traits are missing. Employees in this situation are systemically disadvantaged by the inherent inequalities in rating scale method.
- **Errors in Perception.** Supervisors often employ selective perception — whether intentionally or unintentionally. This occurs when individuals make private and highly subjective assessments of how the individual interprets the person and then gather evidence to support that view. At the same time, such individuals may elect to downplay or even ignore evidence that might contradict their assumptions.

    The supervisor who believes that an employee is inherently good and ignores evidence that might suggest otherwise commits an error in perception in evaluating the employee. Instead of correcting the employee, the supervisor covers for the employee and may even offer excuses for declining performance. Conversely, the supervisor may have formed a negative opinion of an employee, which then leads the supervisor to give unreasonably harsh evaluations. The supervisor may always be ready to criticize and undermine the employee even though the employee may actually be performing the job duties at or above the employer's expectations. Unfortunately, this type of conduct can damage the significance, effectiveness, and credibility of performance evaluations.

- **Differing Interpretations.** Problems arise when supervisors and managers interpret the meaning of the selected traits and the language of the rating scales differently. For example, an employee may choose to either reports work problems to a supervisor or handles the problem personally. One supervisor may regard the employee's decision to report the problem as initiative act, while another may interpret the employee's actions as excessive dependence on supervisory assistance and thus a lack of initiative.

    Similarly, the language and terms used for evaluation in a scale — such as "Performs above expectations" or "Skills below average" — may mean different things to different supervisors or managers.

- **Rating Errors.** Unlike errors in perception, rating errors can be deliberate. The most common

rating error is the tendency to evaluate all employees the same. Busy supervisors or managers — or those concerned about confrontations and repercussions — may make too many middle-of-the-road ratings, regardless of an employee's actual performance. Therefore, the ratings range tends to cluster excessively around the middle of the rating scale.

The rating error problem worsens in organizations where the performance evaluation system does not enjoy strong management or human resources support or where the supervisors and managers do not feel confident with the responsibility of evaluation.

Example/Explanation of Rating Scale Questions

Technical Competence: How well does the employee know the job?

Technical competence is the amount of relevant knowledge and skill that an employee possesses in regard to job performance. Technical competence may include familiarity with and possession of special facts, techniques, procedures, manual skills, decision strategies, interpretative skills, and supervisory skills that allow an employee to perform vocational duties. Employees with high levels of technical knowledge are capable of independently performing the normal job tasks, while employees with low levels of technical knowledge may require regular guidance and support to complete standard work tasks.

Work Quality: At what level of quality (high versus low) is the employee's work?

High quality work is both effective and productive because the end result of high quality work meets the employer's requirements for the position and expectations of the employee. Additionally, high quality work is efficient because the work is completed with a minimum of avoidable errors and problems. Conversely, ineffective work fails to accomplish desired or expected outcomes and is comprised of avoidable errors and problems.

Work Speed: At what rate of speed (fast, slow, or at a normal rate) does the employee complete work tasks?

Every job has a target work speed where the assigned tasks of the job must be completed within an acceptable time period. Where an employee maintains an acceptable work speed, assigned tasks are completed in a timely fashion while demonstrating the employee's ability to monitor and self-regulate work speed in order to fully complete job tasks on time. Where an employee fails to maintain an acceptable work speed, the assigned job tasks are late in completion. Such failure may also demonstrate that the employee may be unable to monitor and self-regulate the work rate necessary to fully complete job tasks on time.

Note: The evaluation of work speed may be modified if the employment position requires a fixed rate of speed for acceptable job performance.

Communication Competence: How well does the employee communicate with peers, supervisors, customers, and others?

Communication competence means the ability to communicate effectively with clarity in person and in writing, as well as the ability to understand clearly and quickly when instructions, orders, and complaints are received. Furthermore, it means that the employee knows what information to communicate, to whom, and when. Employees with low levels of competence will be slow to

communicate and/or understand information or may fail to fully communicate and/or understand information.

Interpersonal Competence: How compatible is the employee with peers, supervisors, customers, and others?

Interpersonal competence means the ability to work well with others, establish and maintain good working relationships, and be a member of the team. Often, employees involved in conflicts and misunderstandings with other employees, customers, and supervisors possess low levels of interpersonal competence. Many avoidable problems are caused by their "personal style," where employees may be described as rude, indifferent, insensitive, overbearing, impatient, and untrustworthy. Employees inspiring trust and cooperation among co-workers, customers, and others possess high levels of interpersonal skills.

Policy Compliance: How well does the employee understand and comply with policies and practices?

Every company develops its own policies and practices that relate to issues such as record-keeping, private use of company property, sexual harassment, and safety. Employees with high compliance know and understand the accepted policies and practices. These employees also willingly comply with all reasonable requirements. Employees with low compliance tend to show that they either do not know or do not understand accepted policies. Low policy compliance employees often tend to bend or break the company-established rules at every opportunity.

Attendance: What is the employee's attendance record?

Attendance is the consistency that an employee demonstrates in arriving for work and completing expected work hours. Employees have attendance problems when there are any of the following:

• Unexplained and/or unjustified lateness in starting work.
• Unexplained and/or unjustified absences for part or whole workdays.
• Unexplained and/or unjustified early departures.

Example/Explanation of Rating Scale Answers

Each area reviewed should be given one of the following ratings and comments should be provided in the appropriate section.

[A] Exceptional

Employees at this level regularly exceed the given qualifications for their job duties. Their work and related duties nearly always reach the intended outcome and often exceed such outcomes. Their work attitude with respect to the given category is consistently high and reliable.

[B] Good

Employees at this level almost always meet the expectations for their job. Although they often exceed required expectations, higher levels are not consistent. Nevertheless, work is generally above average. Employees in this classification show that they can individually correct their errors and problems.

[C] Acceptable

Employees at this level regularly meet the expectations for their job. They usually provide a prompt notification and reasonable explanation for any problems with performance. They usually do not exceed their normal expectations and may even fall below expectations.

[D] Some Improvement Needed

Employees at this level may be showing inconsistency in ability to meet the requirements of their job. Their errors and problems, and failure to achieve expected outcomes, is cause for concern. Employees at this level do not often demonstrate the ability to individually correct their errors and problems.

[E] Major Improvement Needed

Employees at this level regularly fail to meet expectations for their job requirements. Their work does not reach the level of acceptability for the desired or expected outcomes. Others must regularly correct their work, and they show no ability to individually correct their errors and problems.

Supporting Comments by Supervisor

This area allows the supervisor or manager conducting the performance evaluation to give specific examples of the employee conduct that led to the given evaluation.

Performance Blocks

This area should be filled in after the supervisor and employee discuss the possibility of any blocks contributing to the employee's deficient performance. These blocks may be organizational inefficiencies, skill limitations, or any other kind of problems — internal and external — that appear to be blocking or undermining the ability of the employee to perform better.

Action

After the supervisor and employee discuss the employee's evaluation, this area should describe what will be done to remove or lessen the block or problem.

Employee Comments and Appropriate Signatures

Often, a first evaluation is followed up by a progress report (normally every six months). Both the main evaluation and progress review should provide space for comments by the employee. The employee may wish to disagree with the evaluation or suggest how the employee may improve performance. The employee, the evaluating supervisor, and the supervisor's manager should sign and date the evaluation.

Essay Method

In the essay method approach, the supervisor or manager prepares a written statement about the employee being evaluated. The essay describes specific strengths and weaknesses of the evaluated employee in job performance. It also includes suggestions for courses of action to correct any problem(s) identified in the evaluation. The statement may be written and edited by the supervisor or manager alone. It may also be composed in collaboration with the employee who is evaluated.

Advantages

The essay method is not as structured and confined as the rating scale method. It allows the person conducting the evaluation to examine almost any relevant issue or condition of performance by the employee. This differs greatly from methods where the evaluation criteria are rigidly defined, and the supervisor must make a selection based on the available choices.

Supervisors can place emphasis on appropriate issues or attributes that apply to individual employees. This permits great flexibility in the evaluation process. The supervisor is not confined by an evaluation system that limits expression or assumes that employee traits can be uniformly applied and scaled.

Disadvantages

Essay methods are time-consuming and usually difficult to administer. Supervisors often find the essay technique more demanding than methods such as rating scales. The greatest advantage of the essay technique — freedom of expression — is also its greatest disadvantage. In addition, the difference in writing skills of supervisors and managers may upset the results and lead to distortion of the entire process. Because the process is subjective, it is also difficult to compare and contrast or to draw any broad conclusions about company needs.

Results Method

Management by objectives (MBO) performance evaluation is results-oriented. It attempts to measure employee performance by examining the extent to which employees meet predetermined work objectives. The objectives are usually established jointly by the supervisors and employees. An example of an objective for a customer service manager might be the following: "Increase the gross monthly volume of contacts to 100,000 by September 30, 2006."

Once an objective is established, the **employee** is usually expected to identify the skills needed to achieve the objective. Employees do not rely on others, such as supervisors or managers, to locate and specify their strengths and weaknesses. They are expected to monitor their own development and progress toward achieving the objective.

Advantages

The MBO approach helps overcome some of the problems that arise when employers assume that they can reliably identify and measure the traits needed for job success. Instead of assuming traits, the MBO method concentrates on the actual outcome of the employee objectives.

When the employee meets or exceeds the set objectives, then the employee has demonstrated an acceptable level of job performance. Employees are judged according to actual outcomes — not on their potential for success or on someone's subjective opinion of their abilities.

The guiding principle of the MBO approach is that supervisors can observe direct results. In other performance evaluations, the traits and attributes of employees — which do not always contribute to performance — must be based on speculation or inferred.

The MBO method recognizes that it is difficult to evaluate all the complex and varied elements that make up employee performance. It operates on the principle that employee performance cannot be broken up into parts and then evaluated on the basis of these parts as one might take apart a machine. However, when all the parts are working together, the performance may be directly

observed and measured.

Disadvantages

MBO methods of performance evaluations may give employees a satisfying sense of self-worth and achievement. Unfortunately, they may also lead to unrealistic expectations about what can and cannot be reasonably accomplished by the employees. Supervisors and employees must be extremely careful not to be irrational, when using MBO evaluation methods especially when implementing the method and for the purposes of self-auditing and self-monitoring.

The strength of the MBO method is the clarity of purpose that follows from a set of well-described and understood objectives; however, this can be a source of weakness also. Objectives may have a tendency to impose a certain rigidity. On the other hand, variable objectives can result in employee confusion. Furthermore, fluid objectives may become distorted and disguise or even justify failures in performance by the employee.

Common Mistakes

Most often, performance evaluations fail to be efficient because top-level management fails to support the process. For instance, management may subvert or ignore performance evaluations due to the following:

- Political motives.
- Ignorance.
- Lack of confidence in the concept of evaluations.

Top management must embrace the value of evaluations and express their support of them. Top managers are powerful role models for other managers and employees, and their approval of performance evaluations will lead to support from these managers and employees. Those attempting to introduce performance evaluations — or even to revise an existing system — must be aware of the importance of top managerial support and the problems that occur without such support it.

Fear of Failure

Supervisors may believe that an employee's poor evaluation is a direct reflection of the supervisor's poor leadership or supervisory skills. Many supervisors have a vested interest in making their subordinates bode well in evaluations. When this problem exists, it may point to a problem in the company's attitude regarding employees.

The cause may be an organization that is intolerant of failure. Supervisors may fear the possibility of repercussions — for both themselves and the employee — if the evaluation is not positive. In this situation, supervisors may choose to protect their own interests first, which may lead to inaccurate performance evaluations. Supervisors will not unwilling to use the performance evaluations properly if the results adversely affect their employment stability. Such adverse ramifications of evaluations may result in a deliberate distortion in the performance evaluations of employees.

Surveys have shown that not only do many managers admit to a minor level of elusion, however they actually defend such methods as a tactic necessary for effective management. The elusion motives of supervisors have, at times, certain plausibility. For example, a supervisor who has given an overly generous evaluation to a mediocre performer might claim that the legitimate motive was encouragement for better performance. Unfortunately, this is not always the case.

For example, the supervisor who eludes the performance issues for the following reasons may regret such actions in the future:

- To avoid an unpleasant confrontation.
- To protect and hide employee or managerial difficulties from senior managers.
- To punish or reward employees.

Avoiding Judgment

Many people are reluctant to judge other people and create a permanent record that may affect an employee's future career opportunities, especially where negative performance evaluations are necessary. When this occurs, training in the techniques of constructive evaluation may help.

Supervisors need to recognize that problems left unchecked could potentially cause more harm to an employee's career than early detection and correction. Companies might also consider the confidential archiving of performance evaluations more than three years old.

Seeking Positive Feedback

Seeking positive feedback occurs where a poor performing employee regularly seeks informal praise from a supervisor at inappropriate times. Often the employee will receive the praise they desire because the employee is controlling the time and place to ask for such praise. Employees seeking positive feedback may effectively surprise the supervisor by seeking the feedback at moments when the supervisor is unable or unprepared to give the employee a full and proper answer, or in settings that are inappropriate for an honest assessment. The supervisor may feel pressured by the employee and will often provide a few encouraging words of support. The employee's behavior appears harmless until a supervisor's positive feedback is not mirrored in the employee's performance evaluation. At this time, the supervisor may find that the employee recalls, without hesitation, every casual word of praise ever offered by the supervisor.

This places the supervisor in a difficult position for making an accurate evaluation. If the evaluation is negative, employees may remind the supervisor of past praise. Employees may say that the supervisor lied when giving past praise or misled them into thinking that their performance was acceptable. In fact, this may be an attempt to deflect responsibility for poor performance. Employees may be trying to improve their performance evaluation by bringing in all the evidence of the supervisor's casual praise. The employees are usually successful in making the supervisor feel partly responsible. As a result, the flustered supervisor may upgrade their performance evaluation, rendering the evaluation inaccurate.

Companies need to make supervisors aware of this feedback tactic so it may be prevented. Supervisors need to explain to the employee when asked for casual praise that the time is inappropriate and offer to speak to the employee later. Thereby placing the supervisor back in control of the performance evaluation process and allows for an honest assessment of the employee's performance.

Supervisor Preparation

Supervisors need to be conscious of the importance of the performance evaluation and should be discouraged from performing impromptu and unprepared evaluations.

Top levels of management should stress the importance and technical challenge of a good performance evaluation system. Supervisors should receive regular training to help them identify the

critical issues that must be considered.

Employee Participation

It is vital that employees participate with their supervisors in the creation of their own performance goals and development plans. Mutual agreement is a key to the success of performance evaluations. A plan that involves the employee — providing some degree of ownership — is more likely to be accepted than one that is imposed.

Note: This does not mean that employees do not require guidance from their supervisors, and the supervisors should not neglect this responsibility.

Performance Management

Supervisors should consider performance evaluations as an ongoing process rather than an isolated event. Employees require more frequent feedback than can be provided by an annual performance evaluation. It may not be necessary to conduct full performance evaluations more than once or twice a year; however, performance management should be regarded as an ongoing process.

Bimonthly shortened performance evaluations and feedback sessions will help ensure that employees receive the ongoing guidance, support, and encouragement they need. Although supervisors may complain that time restrictions do not allow this type of ongoing feedback, this is not likely the case, and the company should do its best to enforce these policies.

Stress Priorities

A supervisor may feel that employee evaluations are low priority due to a high level of mandatory or other workplace responsibilities. However, organizations must emphasize the importance and necessity of employee development and supervision. Organizations must stress to supervisors that the highest priority of their position is monitoring and facilitating the performance of their employees.

Special Performance Evaluation

Often, supervisors use special performance evaluations to address specific problems or even to dispense praise. The special performance evaluation can be used in both positive and negative employee conduct or behavior situations. A sample of special performance evaluation is provided at the end of this chapter.

Conflict and Confrontation

During a performance evaluation, the need may arise to provide an employee with less than flattering or outright negative feedback. The skill and sensitivity used to handle these difficult situations are critical.

An employee's reaction to negative feedback poses no problems when the employee accepts the negative feedback and agrees to improve performance. However, the process of correction fails when an employee reacts to negative feedback in an angry or hurt manner. It is in these situations that the performance of an employee is unlikely to improve and may even deteriorate further.

Employee Self-Auditing

In discussing a negative employee evaluation with an employee, supervisors should not immediately

offer criticism. Instead, a supervisor should allow the evidence of the employee's poor performance evolve naturally during the course of the performance evaluation discussion. This natural flow of discussion may be accomplished by the supervisor's use of questioning techniques that encourage the employees to identify their own performance weaknesses or problems. Supervisors should encourage employees to speak freely and openly about their own impressions of their performance.

Example: An Employee Absent From Work Too Frequently

Accusatory Mode:

"Your attendance record is not acceptable to the organization. You will have to improve your attendance."

Better Approach:

"Your attendance record indicates that you had five days off work in four months. What can you tell me about this?"

Using this technique, the employer calmly and accurately presents the evidence without labeling it as good or bad and then asks the employee to comment. In many situations, with just a gentle nudge from the supervisor an employee with problems often admits that weaknesses do exist. When employees do not feel attacked or forced to make admissions that they are unwilling to make, the result is usually favorable.

If an employer gets an employee to the stage of voluntary admission, the employer has accomplished the goal of self-auditing. This technique is considered self-auditing because it encourages employees to address their own work and performance issues.

The self-auditing technique is useful because it is more likely to promote discussion and agreement on the need for change or improvement. Conversely, techniques that are primarily accusatory tend to promote conflict leading to denial and resentment by the employee.

Responsibility for Problems

If an employer uses the self-auditing process, employees are generally more willing to accept personal responsibility for problems that have been self-identified. This responsibility provides an excellent starting point for implementing change and development.

Denial

Invariably, some employees will not admit to anything that appears to reflect poorly or negatively on their work performance. Such employees may strongly resist the process of self-auditing and supervisors will be forced to confront the employee directly and firmly with concrete evidence of the employee's poor performance. In some cases, direct confrontation will lead employees to admit the need to make improvements. However, in other cases the confrontation will only increase the employee's denial.

Provide Evidence

When an employer provides feedback, especially negative, the employer should support opinions with specific and clear examples. The employer should try to follow these guidelines:

- Avoid any vague generalizations about employee conduct.
- Focus exclusively on job-related behaviors and attitudes.
- Exclude observations that cannot be supported by clear evidence or touch nonjob related issues.
- Carefully and accurately scrutinize perceptions, motives, and prejudices prior to performing any employee performance evaluations.

Meaningful Performance Evaluations

Honesty

Performance reviews must be honest and candid. Although supervisors may be unduly harsh on employees during an evaluation, excessive leniency is ordinarily the rule rather than the exception. It is certainly appropriate to note and praise good work done by an employee in the past. However, the evaluation must also identify any deficiencies in employee performance. Defending a wrongful termination suit is extremely difficult if the reason for termination was a problem that existed for an extended period of time and was not noted on the employee's performance evaluations. The employer's case is further damaged when the employee received favorable performance evaluations, including favorable remarks on the categories of performance that are later involved in the reasons for termination.

Quota Approaches Breed Inaccuracies

Some employers require supervisors to place a specified number of employees in each evaluation category. This is not advisable because some supervisors may have an imbalance of strong or weak performing employees within a particular department. However, supervisors should be given general guidelines regarding the expected distribution of rankings, and the employer should require supervisors to justify deviations from that expected distribution.

Uniformity Among Supervisors

An employer should always monitor supervisors as they conduct performance evaluations, making sure the process is uniform throughout the organization. Without the application of uniformity, supervisors in one department may give more favorable (or harsh) evaluations than those in another department. When these imbalances occur, it is difficult for an employer to defend against wrongful termination because it the employer would be required to attack the credibility of its own evaluation system.

Strengths and Weaknesses

Each evaluation must include a discussion of the employee's strengths and weaknesses. Evaluations should include deserved compliments (rather than only criticism) so as to be fair, balanced, and objective.

Constructive Criticism

The proffering of constructive criticism in the performance evaluations also has advantages. Some constructive criticism of good employees may help lay the groundwork for negative evaluations of those employees in the future if their overall performance deteriorates. This is particularly true when an employee brings a wrongful termination suit after an unfavorable performance evaluation. When defending against a wrongful termination suit, it may be helpful for the employer to demonstrate that the employee was previously criticized for some of those same faults (which triggered the

termination) on prior evaluations, even though the problem perhaps was in its infancy at that time and did not warrant an overall negative evaluation.

Communicating Results to an Employee

An employer loses the value of a performance evaluation program if the employer does not effectively communicate the results to employees. The employer should communicate in a way that will encourage employees to take positive steps to improve their effectiveness and job performance. As a result, before the meeting supervisors may want to provide employees with a method for self-evaluation. For example, before the discussion employees are given their prior evaluations so as to allow the employees to review the prior year before meeting with the supervisor.

Meeting with an Employee

The meeting where the supervisor and employee discuss the evaluation is perhaps the most crucial part of the entire evaluation process. When handled well, the discussion may lead to better understanding between the employee and supervisor. Ideally, any problem(s) will be identified and the employee will become aware of any requirements for performance improvement. When the meeting is not conducted properly, the employee will feel resentment rather than a desire to improve.

Employee Acknowledgment and Input

Employees should have the right to both review the evaluation and provide comments. Employees must be given the opportunity to agree or disagree with the ratings of the job duties. This part of the process alerts an employer to actual or potential problems with an employee, while also providing proof of employer fairness.

The employee should sign an acknowledgment on the evaluation form to the effect that the employee has read the evaluation. This acknowledgement prevents the employee from later claiming to have been unaware of how the employee was being evaluated. The employee should also be permitted to write on the evaluation form that the employee disagrees with the evaluation if this is the case. The performance evaluation can also give an employee the opportunity to set goals to accomplish before the next review. These goals can help eliminate problems that an employee had in the past or can set forth additional accomplishments that the employer would like the employee to meet. The evaluation should include a note stating that the employer and employee agree on the new goals.

Note: All performance evaluations should be carefully documented and consistently applied to all employees. An undocumented evaluation is virtually useless in litigation.

When Not to Evaluate

Although performance reviews, when used properly, are beneficial to employers, sometimes evaluations should not be performed. All of the following are reasons **not** to use performance evaluations:

- Inconsistency of performance reviews for all employees.
- Evaluations are not documented.
- Employee deficiencies are not clearly set forth by supervisors and managers.
- Employee improvement is required in the evaluation but not enforced.
- Employers do not prioritize or appreciate the value of the general evaluation.

Warning: Employers should remember that periodic and continued salary increases, even though the employee may not be performing well, may allow the employee a basis for a future discrimination claim.

Avoiding Legal Problems

Federal civil rights and state fair employment practice laws are in place to prohibit employers from implementing performance evaluation systems that discriminate against employees based on race, color, religion, gender, national origin, or disability. To avoid liability, an employer must ensure that its supervisors and managers base their performance evaluation judgments solely on job-related factors.

Validity and Reliability

In determining whether performance evaluation systems are discriminatory, courts generally apply the same standards used to determine whether employee selection procedures and tests are discriminatory. Under such standards, a performance evaluation system is nondiscriminatory if it is both valid and reliable. When the system does not satisfy both requirements, the discriminatory impact of the improper factors might cause the system to violate one or more federal or state laws.

Valid and reliable performance evaluation programs normally share the following characteristics:

- The performance evaluation program is formal and in writing.
- Ratings are reviewed to ensure that high and low ratings are documented with information demonstrating what the employee did or did not do to earn the rating. Reviews also look for statistical patterns of adverse ratings and evidence that a supervisor needs more training rating employees.
- The evaluation relates to the particular job in question. This means that employees are not rated on items that are irrelevant to job performance. An evaluator who must use a preprinted form that is not specific to the job should have the option of checking "not applicable."
- The evaluator is familiar with the employee's job duties and actual performance. Evaluators should be allowed to state or check "not observed" when necessary.
- Employees must read their evaluations, sign the evaluation to acknowledge their reading of the evaluation, and have the opportunity to provide written commentary on the evaluation.
- Evaluations are not final until employees have the opportunity to comment.
- Higher-level management reviews all evaluations.
- Supervisors receive training in evaluating employees.
- Evaluators receive clear written instructions as to the implementation of the evaluation.
- Evaluation forms are as clear and simple as possible.
- Definitions and examples are included to clarify the scope and meaning of various rating categories.
- Standards or expectations are identified clearly for each aspect of performance and are communicated to the employee.
- Employees have input in setting performance expectations.
- The relative importance of each aspect of performance is communicated.
- The primary goal of the evaluation is to enable employees to improve. Evaluators help an employee recognize strengths and weaknesses and help employees develop plans for improvement.

Note: Employees should have the opportunity to appeal ratings to higher-level management.