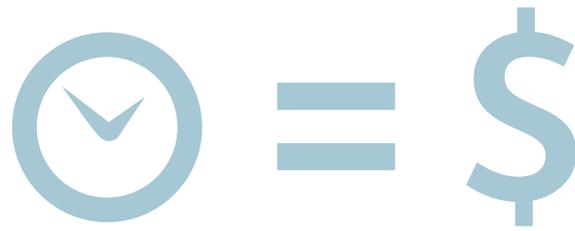


**FIVE  
KEY WAYS TO  
TRANSFORM  
PERFORMANCE  
REVIEWS INTO  
YOUR MOST  
VALUABLE  
HR TOOL**





**Your time, and the time of your employees, is valuable. When your company conducts performance reviews, you can take the right steps to produce a document that can help your employees focus and work harder, or continue to produce reports that are hurried and provide little value.**

Employee performance reviews are often awkward situations in which neither managers nor employees get much value. That's why most review processes are rushed and poorly conducted, further perpetuating the belief that reviews are formalities rather than valuable tools for developing your employees.

“Companies haven't given the review process a chance,” says Keri Ford, professional services supervisor for Performance and Organizational Management at Insperity. “Companies that are currently doing reviews know the effectiveness they have within their organizations.”

“Many small business owners have experienced inefficient or ineffective review processes at large companies and have attached a negative stigma to reviews,” adds Scott Fitch, division president of Insperity Performance and Organizational Management. “But reviews are the best way to align individual goals with company objectives to achieve overall business success.”

## STUDIES AGREE:

Companies that participate in regular performance evaluation processes show improved employee retention, higher employee morale and are more profitable than companies that do not regularly review employees. But how can you restructure employee appraisals to maximize their value for employees and managers?



Here are five steps your company needs to take to transform performance reviews into one of the most valuable tools in your HR arsenal:



# 1

## Prepare for appraisals in advance:

One of the major factors for a successful review process is the amount of preparation you invest in it.

To start, you need the proper employee appraisal tools for your organization. Whether it be online or desktop-based software, a Word document or Excel spreadsheet, you should select the proper tools in advance and research best practices for how they work. For software packages, you may need to take training, complete implementation or set up user groups. For Word documents or Excel spreadsheets, you should prepare templates for your employees and create how-to guides.

Once you have selected the best evaluation tool for your organization, you should hold training sessions for managers and employees to help them understand the process, expectations and deadlines. Many software packages are developed to be quite intuitive and can help users through the process with minimal direction. For document-and spreadsheet-based appraisal systems, training may be required to help users understand how to rate competencies or document goals.



# 2

## Establish meaningful goals.

Ask reviewers and employees to develop goals in advance of reviews. Use a variety of goal types and tie goal completion to rewards and recognition for best results.

“Set company, departmental and individual goals for the best results,” suggests Ford.



**Create goals that are Specific, Measurable, Attainable, Relevant and Time-bound, or SMART.** Imprecise goals can be difficult to achieve and evaluate if components of the goal might be open to interpretation. Be specific about each of the SMART criteria to create goals that are clear, direct and actionable.

**Use a variety of goal objectives.** Most goals are performance or project based. Consider other goal types to provide for the best overall development of your employee. Include metrics based on development, communications and leadership to help more fully develop your workforce.

**Tie goals to rewards.** Rewards and recognition are powerful tools for employee motivation and performance improvement. Monetary rewards such as bonuses and raises can help motivate results directly, but employees also value non-monetary rewards. These include promotions, increased or preferred job duties, training opportunities and increased leadership within the organization.

# 3

## Document everything.

Keep thorough employee records. Be consistent and objective. Document significant employee events, both positive and negative. Positive information can help make the case for promotions or other rewards while negative records can help to support termination.

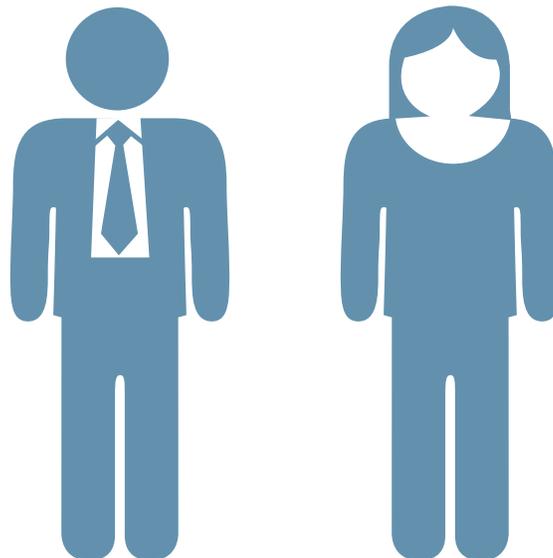
“Documentation is the key to terminations and employee behavioral corrections,” says Ford. “If the employee files complaints, proper documentation can help support an employer rebuttal.”

# 4

## Be Objective and Stay on Topic:

During reviews, managers should discuss only work-related competencies, goals and achievements. Managers should leave out personal criticism that does not affect work performance.

To maximize objectivity, reviewers should gather information from a number of sources rather than relying upon only their personal sentiment. Generate reports through your customer relationship management software, review call volume or sales reports and speak with other colleagues. The more in-depth the information is, the more valuable the report will be.



5



## Ensure an ongoing process.

Encourage participation throughout the year and increase review frequency. Rather than a single annual review, consider biannual, quarterly or perhaps even monthly reviews to maintain increased employee productivity and help create a more detailed employee record.

“Log events throughout the year so managers can recall key events with more detail,” says Ford. “Furthermore, more frequent reviews help maintain employee focus on goals and offer the opportunity to set new goals in case of a change in company strategy or direction.”

As one of your largest investments, doesn't your workforce deserve as much maintenance as any other asset within your organization? By preparing a structured employee review process, your organization will see returns in your employee review process. Reviews function as a sounding board for soliciting employee feedback on company issues and help employees feel more involved and valued. **By refocusing your workforce on goals that directly impact your business, employee appraisals become a highly effective tool rather than an awkward annual rite of passage.**



## About Insperity

Insperity™, a trusted advisor to America's best businesses for more than 25 years, provides an array of human resource and business solutions designed to help improve business performance. Insperity Business Performance Advisors offer the most comprehensive Workforce Optimization™ solution in the marketplace that delivers administrative relief, better benefits, reduced liabilities and a systematic way to improve productivity. Additional offerings include MidMarket Solutions™, Performance Management, Expense Management, Time and Attendance, Organizational Planning, Recruiting Services, Employment Screening, Retirement Services and Insurance Services.

To find out more or learn how  
Insperity can help your company,  
call us at 800-465-3800.



Visit us at [insperity.com](https://insperity.com).

*The information contained in this document is for general, informational purposes only and is not intended to be legal advice. This information is not a substitute for the guidance of a professional and should not be relied upon in reference to any specific situation without first seeking the advice of a qualified HR professional and/or legal counsel regarding applicable federal, state or local laws. Insperity and their respective employees make no warranties, express or implied, and make no judgments regarding the accuracy of this content and/or its applicability to a specific situation. A reference or link to another website is not an endorsement of that site or service.*