



Performance Review and Merit Pay Guidelines

What Purpose do Performance Reviews Serve?

Performance reviews benefit both employee and employer. They provide a framework for professional development and recognition of the quality of work performed by employees. The annual review is a time to provide feedback, recognize quality performance and set expectations for future job performance. It is also a time to have candid conversations about performance that is lacking and how performance can be improved. Successful performance management is an ongoing and continuous process involving interactive and open communication between the supervisor and the employee whose performance is being evaluated. Ideally, the performance management process continues throughout the year with regular communication and feedback between the supervisor and employee. Ongoing performance discussions can assist in avoiding serious problems in the future.

Performance reviews, when done properly, benefit the employee and the employer in several ways:

- Written performance reviews serve as a resource for documenting communications and as a reference document to guide future performance as the year progresses.
- A tool to measure progress throughout the review cycle and to update developmental activities and goals.
- An opportunity to motivate achievement toward high performance.
- A framework for communication regarding performance expectations.
- An opportunity for employees to share their own performance and goals for the upcoming year and suggest how they can make improvements through their own work.
- Written recognition of work performance that may also be used as the basis for performance-based salary increases and/or advancement opportunities when these are available.

A well-written performance review clearly communicates performance standards and expectations to the employee. A well-written performance review also functions as a written framework for recognizing good performance and providing constructive guidance for future achievements. A well-written performance review documents what the employee has accomplished and provides tangible examples of how performance could be improved. Finally, a well-written performance review reflects how the employee has contributed to the accomplishment of personal and professional goals.

How Often Should a Performance Review be Completed?

Although reviews should address performance as it occurs, formal written reviews should be prepared and delivered at the following times:

Upon Completion of the Probationary Period

All full-time and part-time employees will receive a formal review upon completion of six (6) months of service from the date of hire. The supervisor is responsible for preparing and delivering the review.

Annually

All full-time and part-time employees will receive a formal review on an annual basis at the end of the calendar year. The supervisor is responsible for preparing and delivering the review.

Key Steps in the Planning Process

Throughout the year and prior to the review meeting, there are some steps the supervisor can take ensure a successful experience:

Review Job Description

Periodic review of the job description and revision, as necessary, eliminates misunderstandings between the supervisor and the employee regarding job responsibilities and expectations. Job functions should be clear to the employee, and they may change. It is important that these changes are documented on the job description. Before writing an employee's performance review, the supervisor should review the employee's job description and confirm that it is accurate. If the job description is not accurate, a revised job description should be submitted to Human Resources for review and approval.

Communicate

Regular communication, coaching, and feedback during the year will reduce or eliminate tension and anxiety about the performance review on the part of both the supervisor and the employee. Positive and negative feedback is much more effective when given in a timely manner. An employee should not be surprised by any of the information contained in the performance review since the supervisor should have previously discussed all performance-related issues throughout the year.

Document

During the review period, the supervisor should collect and record significant, job-related incidents that relate to job performance. These provide a factual basis for performance ratings and overall rating. Documentation gathered (can be typed or handwritten notes) should be accurate and specific, and include the context in which they occurred, as well as the date they occurred. It is important to distinguish between fact and opinion in documenting performance. Documentation should focus on facts. Facts are events, behaviors, or results. Facts are described through things that are known. (What was seen? What was heard?) Examples of documentation could include copies of an employee's work product, notes of discussions between the employee and supervisor, copies of communications between the employee and the supervisor, or recorded observations of the supervisor. And always include the positives! For example, if you see the employee going above and beyond, give them praise and make a note of the incident for your records. If you receive a note or letter from someone praising the employee's performance or conduct, be sure to include that in your records also.

Writing the Performance Review

- Invite the employee to write a self-review (not mandatory). Self-reviews allow employees to think critically about their own performance.

- Add comments to support the rating. Employees will appreciate the investment a supervisor makes into completing the review. Adding comments supports your rating and gives substance to the review.
- Set realistic goals. The more reasonable the goal, the more likely an employee is to reach it. When identifying objectives for an employee, the supervisor should adhere to reasonable time frames and keep the capabilities of their employees in mind. This can result in increased work proficiency and morale on behalf of the employee.
- Gather feedback from all parties. Most employees do not work in complete isolation. Checking in with other managers and co-workers about an employee's work performance before the review can prove beneficial when trying to understand the full picture of how that employee is performing. This ensures that more than one view point is considered and will serve to foster an environment of teamwork and trust.

Common Rating Problems for the Supervisor

Excessive Strictness or Leniency

The tendency to be optimistic or pessimistic may influence the incidents documented and the emphasis placed on them. Some supervisors say that “no one is perfect” and deliver very tough, strict reviews. Others fear offending employees or feel that high ratings will motivate the employee and are overly positive in the review. A variety of documented incidents across all the criteria should provide an excellent base for ratings that are specific for each area.

Halo Effect

It is easy to allow the stellar performance in one or more area to influence the ratings in the other areas. Supervisors should review each area on its own merit and have documentation to support each rating, to avoid this rating error.

Horns Effect

The opposite of Halo Effect, where a supervisor allows poor performance in one or more area to influence the ratings in the other areas.

Central Tendency

Playing it safe and giving everyone a middle of the road rating also does everyone a disservice. Rating each area on its own merit will help ensure objective ratings.

Similar to Me

Supervisors may tend to give employees who are perceived to be like them higher ratings than those who are not. Diversity factors come into play, such as age, sex, culture, and educational level. Supervisors should be aware of this possibility and focus on actual job performance and visible results.

Recent Effect

The performance review rating should reflect the entire review period. A recent positive or negative event should not influence the entire rating.

Tips for Conducting the Performance Review Meeting

Performance reviews are most productive when they are collaborative, both people are prepared ahead of time, and there have been discussions about performance throughout the year. The performance review meeting should be a two-way conversation.

The following tips may be helpful regardless of your role in the discussion. Utilizing the written review as a guide, the supervisor should discuss areas in which the employee has performed well along with areas in which improved performance may be possible. It is important to ensure the employee takes ownership of his/her performance and is committed to goals for the coming year. Similarly, the supervisor should commit to the support he/she will provide to ensure the employee's success. The focus of the discussion should be on the supervisor and employee working in partnership to achieve the common goal of enhanced employee performance.

Be Prepared — It is important to schedule the time and place of the discussion well in advance of the discussion to allow for sufficient preparation. It is especially important to schedule adequate meeting time, to allow ample time for discussion without interruption. It is also important to conduct the discussions in a private setting where you will be able to talk openly without concern of being overheard. You may want to make a few notes before your meeting.

Be Open and Receptive — One of the goals of performance review is to align goals and expectations with actual performance. For this to occur, it is important for the supervisor to communicate what is expected of the employee. This includes how accomplishments will be measured (i.e. quality, quantity, timeliness) and what factors may influence performance (i.e. unexpected staffing decreases, new regulatory requirements). The annual review is a discussion of overall performance during the year. Although there may have been specific areas of concern, generally conduct-related issues such as a failure to follow a workplace rule (whether written or unwritten) or tardiness and/or absenteeism would have been dealt with in the form of an individual communication that specifically addresses that particular issue.

Demonstrate Respect and Dignity — It is important to demonstrate respect and dignity by maintaining confidentiality, by not sharing what was discussed with people who do not have a need to know. Listening carefully, being careful to be perceptive beyond what is said, and seeking clarification will demonstrate interest in understanding what the employee is saying and how it can help the supervisor. Avoiding argument and recognizing individual perceptions and opinions will likely lead to a more productive discussion. It may be helpful to recognize the mutual goals of improving performance and focusing on opportunities for professional development. Be careful not to concentrate too closely on minor issues or to become too highly critical on any particular item unless that item is essential to the successful performance of the job. If an employee's overall performance is not satisfactory, focus on problem-solving rather than fault finding.

Giving Feedback

No matter how much preparation, documentation, and communication the supervisor has done, the performance review discussion can be stressful. The employee usually hears and remembers the

negative statements, even if the overall rating is satisfactory. Here are some guidelines to giving feedback that will help during the entire review period and especially during the review discussion:

- Be honest
- Demonstrate respect for the employee without glossing over negative feedback or being vague.
- Prepare, even practice, difficult statements ahead of time.
- Make comments descriptive, not evaluative. For example, “I’ve observed you several times working with students. You do not always take the time to understand and fully answer their questions,” rather than, “You don’t treat students very well.”
- Describe behaviors and actions, not total impressions.
- Be specific. Rather than, “I’m not very happy with the quality your work” say, “The number of errors in your data entry has been running at ten per week.”
- Make specific suggestions, not general ones. “One of the things you can do to increase customer satisfaction is to use the customer’s name while you work with him/her.”
- Include both positive and negative observations, giving positive ones first. Try to frame negative observations as areas for improvement rather than criticisms.
- Beware of personal biases, attitudes, and hidden agendas. For example, the employee’s personal appearance (hair style, casual dress) may not be consistent with the supervisor’s tastes, but may be perfectly fine for the position. It should not affect the supervisor’s feedback on the position criteria.
- Be considerate of the employee’s feelings, readiness, level of trust, tolerance limits, and self-esteem. Don’t press on if emotions are strong. In difficult review discussions or when ratings need improvement, it may be necessary to stop the discussion and reschedule to clear the air and allow time for emotions to subside.

Performance Review Process and Timeline *(subject to change)*

January-Review Period Begins

- Updated Employee Development Plans should be in place for employees.
- Starting in January, and continuing throughout the year, the supervisor should collect and record significant, job-related incidents that pertain to each performance criteria. This provides a factual basis for performance ratings and overall assessment.
- Documentation (handwritten, typed, etc.) should be kept in a file for the employee. Files should be kept in a secure location.

September-October

- HR will send an email communicating the review process and deadlines.
- Supervisors should begin writing performance reviews.
- Department heads should collect, review and approve all written reviews for their department.
- Department heads will submit all reviews to HR for audit and approval no later than October 31st. Once approved by HR, the reviews will be sent back to the department head.
- Note: Reviews are subject to further audit by Administration. Department Heads and/or Supervisors will be notified in these cases.

November

- **No merit increases should be communicated during the performance review meeting!**
- Supervisor schedules one-on-one meeting(s) with every employee to discuss final reviews and get signatures.
- All review meetings should be completed by the end of November. The review needs to be signed by both the employee and the supervisor.
- The Department Head will send all signed reviews for his/her department to HR. A copy of the signed review may be given to the employee.
- The Employee Development Plan should be completed, signed and returned with the performance review.

December

- Approved (pending budget approval) merit increases will be reflected in paychecks on December 15th.

Merit Pay Increases

- Merit increases will be determined on an annual basis in accordance with budget considerations.
- The merit budget will be divided accordingly to ensure that all employees who receive the same rating get the same percentage increase.
- Approved merit increases will be paid in the first paycheck in December.
- The supervisor should not communicate any information regarding merit pay during the review meeting with the employee.
- Merit increases will be determined by Administration in accordance with budget and communicated to Department Heads once finalized.