

# Yearlong Performance Management

Managing your employees' performance isn't a once-a-year task. To provide the best you can for your company – and your employees – it's vital to provide feedback and opportunities for growth throughout the year, not just at annual review time.

**Ed Koch**, the former mayor of New York City, never suffered from feedback deprivation. “How am I doin’?” was his catchphrase. One of his famous tactics was to get feedback from his constituents, not just around election time but all the time. Regardless of whether you agreed or disagreed with his political style, he wanted to know what you thought. Wonder why? If he knew what was on New Yorkers’ minds, he would be able to address the issues, make improvements and show results in one form or another.

Koch wasn’t alone in his quest for feedback. People like to know how they are doing – all the time, not just once a year. And, when employees know how they are doing and have attainable goals for improvement and development, they become a vital part of a well-functioning team. As a manager, conducting performance management reviews may be the most emotional and difficult task you have, even with great employees. However, it’s also the most critical. If your top performers aren’t challenged, you risk losing them. And if other employees aren’t making contributions, the organization loses out.

Performance management is a blessing and a curse. If your employees are hardworking, productive and loyal, you may have an easy time writing and delivering an evaluation. However, if your employees aren’t performing their jobs effectively, you may procrastinate writing and delivering an evaluation and anguish over the event.

Different managers take different approaches to providing performance reviews. They range from “Oh, am I supposed to tell my people how they’re doing?” to giving employees feedback 10 times a day. Somewhere between the two extremes is a happy medium. Regular feedback ensures employees are productive and happy, and the organization shares in the overall success of everyone’s efforts. Saving up the feedback for once a year is a risky strategy. You could be missing out on the opportunity to correct poor or

ineffective behaviors that could be changed in a short amount of time rather than waiting a whole year to address them. More importantly, it’s not fair to the employee. Waiting to deliver feedback – either negative or positive – is dangerous.

Managers should always want to motivate their employees, and employees want to know how they are doing. Performance review time shouldn’t be the time to finally get rid of poor-performing employees who haven’t been productive all year. Likewise, it shouldn’t be the time to finally tell your shining stars how wonderful they are and give them some pats on the back and development goals for the future. You should share this information all year. Annual performance reviews are, however, the perfect time for reflection and development for both the manager and the employee.

### The Review Process

The actual performance evaluation process is broken down into three sections: how the employee is performing, the past year’s accomplishments and goals for individual development in the upcoming year. When delivering a performance review, you should emphasize all three of these sections equally. When an organization focuses on one section over another, it throws the company out of balance. Of course it matters what the employee has accomplished during the year, but how the employee performed is just as important. It’s not okay to have employees on your staff who are technically competent but leave a trail of dead bodies behind.

You also need to work within your company’s culture and its current performance review practices. If you disagree with current practices, take the initiative to enhance the process for your department. Remember, managers are only as



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good as the people they have working with them. Who knows, you may be influential in modifying the practices for the entire company.

Feeling a little overwhelmed? Don't worry. Performance management is a big job, but it's not impossible. Here are 10 tips for managing your employees' performance.

**Devote feedback time to your entire staff.** Managers sometimes have a hard time reviewing employees who are struggling or not performing. On the other hand, they seem to breeze through the evaluations for high performers. Unfortunately this is an injustice to top employees. They deserve time and attention too when it comes to feedback. Take equal time with all of your employees' performance feedback, and ensure that you talk about development opportunities as well as accomplishments.

**Check-in with employees frequently, not just once a year.** If your company has its performance review process on a yearly cycle, either at an employment anniversary date or on a companywide date connected with the fiscal year, you'll just have to fit the feedback in throughout the year. By providing more frequent check-ins with your employees, you can eliminate any surprises at formal review time.

**Concentrate on behaviors – both positive and negative.** With poor-performing employees, it can be easy to focus on the negative and forget to talk about the positives. Provide honest, observable and timely examples of the employee's work performance and behavior. Don't just say "Pat stinks as a supervisor." Describe what "stinks" means. For example, is Pat brash, quick-tempered, rude or disrespectful? Avoid words like "always" and "never," but instead give concrete examples of the behavior. Don't be afraid to be honest but tactful and provide suggestions for improvement. Find the balance.

**Assign a performance rating after you complete the review.** Rating scales often cause confusion. Don't get caught up in it. Complete the evaluation form first, leaving the performance rating levels blank until the end. There is no mathematical formula to determine which level to choose. The rating should reflect the summary evaluation and match the comments you have written. If your merit increase system is linked to performance feedback, the rating becomes the final step of the process.

**Ensure expectations are clear from the**

**beginning.** Setting expectations is just as important as evaluating performance. It's not okay to set expectations 60 days before the annual performance evaluation is due. Establish a goal-setting process to give you and your employees the opportunity to discuss and agree on goals and objectives that will really matter to both the department and the organization. This helps employees know exactly what is expected of them throughout the year.

**Deliver the feedback.** Managers often spend much time writing the evaluation but not much time actually delivering the review. The richness of the process is in the discussion and not solely the document. Scheduling the feedback meetings well in advance allows you to meet any company-imposed deadlines for completing the reviews and also gives employees plenty of time to prepare for the meeting. Make sure you have enough time for the review meeting and that the time is private and uninterrupted. You owe it to yourself, the employee and the organization to provide constructive feedback and have a dialogue that provides a development opportunity for success. Don't be a "hit and run" manager. Spend the time, have a good discussion and listen.

**Focus on opportunities.** Many stellar employees have had bosses say to them, "I really don't know what you should work on next year. Your work is excellent." That's a cop out. There are many kinds of development activities you can offer high-performing employees. Provide opportunities for top employees to teach other staff their skills or techniques. Not only will you save on outside training costs, but you'll also provide an opportunity for employees to showcase their outstanding skills. For example, if someone has excellent presentation skills, have her put together a one-hour brown bag workshop to talk about a particular topic and educate other staff members.

**Don't give good evaluations to mediocre employees.** It doesn't do any good to "push" employees through the organization or set up expectations that everything is going well throughout the year and then provide a negative evaluation. This is a lose-lose situation. The manager gets a reputation for giving inaccurate evaluations and scoring employees too high, and the employee doesn't have an opportunity to learn about her developmental opportunities until it's too late. Also, the other employees in

your department know which employees are pulling their weight and which aren't. Step up to the plate and provide feedback so employees have an opportunity to learn and grow. However, if at the end of the day a particular employee isn't working out, you need to implement other strategies.

**Coach your employees.** As a manager, one of your most critical roles is to provide coaching and mentoring to your employees. Mentoring doesn't have to take a lot of time or cost a lot of money. Listen to your staff's career aspirations, establish an open communication system and provide the necessary tools and opportunities to help staff achieve goals. It's your responsibility and obligation as a manager, and you really can't afford not to do it.

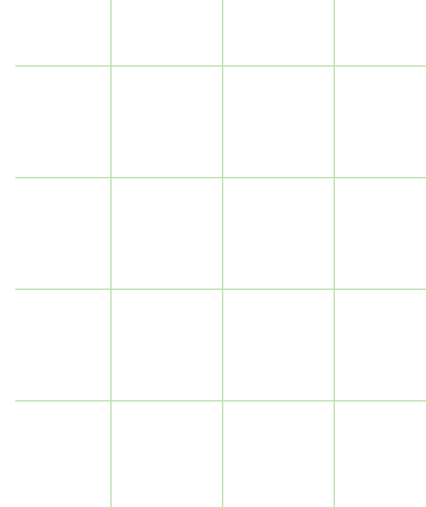
**Manage recent graduates fairly.** Often managers treat new graduates differently than other new employees. Perhaps it's because new graduates don't necessarily know "the rules of the road" of organizational life. Or maybe the company culture is new and challenging. These are issues that all managers face when they are

responsible for new hires. Take the challenge. Spend the time teaching and sharing information. Have patience; everyone was an inexperienced new grad once. There's a huge payoff for managers when they can say, "I mentored Pat when she was straight out of college, and now she's being promoted to vice president."

Financial and accounting professionals are responsible for balancing the fiscal records. When it comes to protecting human capital assets – your employees – it is just as critical to ensure you are in balance. There's no one magic pill to cure all that can go wrong with a performance management system. It's your job as a manager to provide an opportunity for your employees to grow, learn and experience all that work life has to offer.

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