

How to Conduct Effective Employee Performance Reviews

Unfortunately, even the most constructive performance reviews have received a lot of criticism in recent years. Many employees themselves believe they don't push them to work harder than they should. How can companies fix this? Giving employee performance reviews is one of the many tasks in an HR management team's to-do list. This is how a business or an organization creates value for its members or employees. Before we get to fixing them, let's first define what performance reviews are.

Defining Performance Reviews

The name itself is pretty self-explanatory. Employee performance reviews tell whether an employee has been performing to expectations or not during a given or fixed period in time. This [survey](#) and evaluation process is a common sighting in most (if not, all) organizations' or businesses' [employee management](#) tactics. Performance reviews are also known as performance appraisals in some organizations. While assessing an employee's performance, a manager picks up his or her strengths and weaknesses. After the evaluation stage, the manager provides feedback that gives the reviewed employee a lot of room to improve. Goals are set to aid this improvement.

How to Conduct Effective Performance Reviews

Let's go back to the problem at hand. How can organizations and businesses make their performance reviews more effective? You have to remember that employee performance reviews should have fair and balanced assessments. They're not an opportunity for you to rant and ramble about your biases. Apart from being a morale booster, they should also be done to keep employees on their toes and do their jobs well. Employee performance reviews not only indicate individual success, but they reflect company success too. Breakaway from the current trend of inefficiency and revamp your review process by taking these 8 steps.

Establish Clear Expectations and Set Clear Goals

Regardless of your review's content, goal setting should be at the top of your review checklist. Employees should know how they're expected to perform from the jump; after all, they're working for nothing. These expectations should be aligned with what their businesses/companies are aiming for. Managers/reviewers and employees should see eye to eye on what good performances are supposed to be. To make things clear for the latter, the former should define each employee's role clearly. Managers should also

describe their organizations'/businesses' perceptions of their contribution. By doing this, employees won't be surprised once reviews start.

Reviews Should Be Two-Way Conversations

One person doesn't have to do all the talking here. In performance reviews, both managers and employees should equally engage in discussions. If the employee has a question, he or she can freely ask the manager during their session and vice versa. Managers can do the same as well. It won't do if one party feels uncomfortable talking to the other. There isn't a uniform strategy for starting conversations about performance reviews. However, each one should shed anxiousness, establish clarity, and build trust. No one else has to know about what you're talking about other than the two parties involved.

Performance Reviews Should Be Objective

Data access is no longer a huge concern in the 21st century. If you're the one conducting an employee performance review, you don't have an excuse not to be objective about it. Traditional employee performance reviews were usually rooted in managers' subjective views. No wonder employees deemed them as ineffective—what were comments and ratings based on if they didn't have facts and figures to back them up? Fortunately, the age of data and [digital transformation](#) has given employee performance reviews a much-needed facelift. Managers now show multiple sources for data (360-degree feedback, for example), which make their reviews more constructive and logical.

Recognize and Reward

While employees won't say it outright, they do appreciate receiving [rewards and recognition](#) for their work. Why not give credit when it's due? Good pay and benefits aren't the only things employees look for. They want to be valued for their contributions too. Handing out recognition, incentives, and other rewards is a good look for your business or organization. This tells employees that their hard work doesn't go unnoticed and that they appreciate it. A lot of organizations include sections on recognizing and rewarding top performers in their performance reviews for supervisors and managers. You may want to include it in yours too.

Increase Employee Engagement

Analytics giant Gallup estimates annual disengagement costs somewhere between \$960 billion and \$1.2 trillion. Imagine if you had a business chock full of disengaged employees. Scary, right? Don't lose your hard-earned money by checking in on your employees' performances. Performance reviews make them feel they matter, which increases their will to work—thus [boosting employee engagement](#). According to the review platform Clutch, 68% of employees feel fulfilled at work when they get constructive and regular feedback. Employers shouldn't ignore this statistic—the last thing they want is employees who'd rather be somewhere else. Whether their performances are bad or good, the least employers can do is tell them how they're doing. Reviews may be the spark they need to raise their game at work.

Keep it Formal

Informal feedback is good. However, that alone isn't enough to keep employees on their toes. Formal reviews benefit employees a lot; they let them know what's working and what isn't. Formal and informal reviews should be paired together. Aside from documentation purposes, formal reviews should be kept because you'll have documents to refer to when you're having discussions. Whether you're planning to promote an employee, give one a raise, or transfer them to another team, you should always go back to that document. That way, you'll have something to base your decisions on instead of making a move on a whim.

Offer Feedback

Reviews won't be effective if they don't have feedback to accompany them. You're not going to have a good [training and development](#) program if you don't give them out. Some managers find giving feedback challenging; some fear they can be too blunt, while others don't know how to deliver them in the first place. The best way they can do it is to be as honest and constructive as possible. Regardless of what the feedback is, employees won't be in for the shock of their lives if they get called to discuss their performances. Not only does feedback provide short-term benefits, but they can also make a long-term impact too. They'll become a lot smarter and efficient as a result of your insights.

Review Performances Regularly

Employee performance reviews shouldn't be limited to annual affairs. The good thing is HR leaders are starting to realize this. a 2012 Globeforce and Society for Human Resource Management (SHRM) survey revealed that 45% of HR leaders believe that annual employee performance reviews aren't accurate appraisals for their work. While you shouldn't ditch them completely, it would be better if you gave more frequent reviews to get the most of your employees. Consistent reviews allow employees to see the bigger picture and improve. You can give them on a weekly, monthly, or quarterly basis to track their actual growth. By doing this, you're showing them that you care; and for employees, having managers and supervisors looking out for them is always a plus in their books.

Although businesses have different [performance management](#) strategies, they all need one thing to make them effective: a coherent employee performance review process. If you want your company to grow, you have to let employees take leaps too. [Improve your employee retention rate](#) and push your people in the right direction through performance reviews. You'll be thanking yourself for taking the time to help them succeed.