Top 5 Performance Management Tips

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Every week, RUN Powered by ADP® clients receive our HR Tip of the Week. With practical, “how-to” information, these articles help them to navigate day-to-day HR and employee challenges. Here, we compiled our top tips on performance management.

1. **Six Performance Management Mistakes**
   An effective performance management program can help create a more efficient and productive workforce, especially when employers avoid these common pitfalls.

2. **“You Did What?” 5 Supervisor Mistakes and How to Prevent Them**
   Supervisors are often on the front line when dealing with employee issues. With proper training and effective policies, supervisors can avoid common mistakes.

3. **Cost-Effective Perks: Motivating Employees Doesn’t Have to Break the Bank**
   Money is not the only factor that motivates employees. Autonomy, challenge, and recognition are other incentives that can motivate and engage your workforce.

4. **How to Get Poor Performers Back on Track**
   When employees stumble, promptly recognizing and correcting poor performance can help improve employee morale and the company’s bottom line.

5. **Succession Planning: What Do Your Future Leaders Look Like?**
   To fill a vacancy, employers who look to their own internal talent can save valuable time, energy, and money by not having to recruit and train an outside hire. Find out how to prepare your workforce to take on leadership roles.
Six Performance Management Mistakes

Effective performance management can help a company maintain a productive and motivated workforce, meet goals, and make informed decisions regarding promotions, training needs, pay increases, and disciplinary actions. The following are six common performance management mistakes along with tips for avoiding them:

1. **Failure to set clear goals.** Clear goals can help employees focus on specific tasks and better prioritize their work. When setting goals, remember the acronym SMART -- specific, measurable, attainable, relevant, and timely. SMART goals are detailed and can be realistically accomplished with the resources and time available, are relevant to the employee’s role and the company’s overall objectives, and have a target date for completion.

2. **Infrequent feedback.** Don’t wait until a formal performance review to provide feedback to employees. Offering recognition when goals are met can motivate employees to continue to perform well. If an employee’s performance needs improvement, provide constructive feedback and the resources needed to improve.

3. **Failure to provide adequate supervisor training.** Provide all supervisors, whether new or tenured, with training that addresses the company’s performance review process. Explain expectations and guidelines for giving objective and constructive feedback, avoiding bias, setting appropriate goals, and coaching employees.

4. **Overlooking training and development.** Training can improve an employee’s current performance and develop skills for growth into a future role. Talk with employees about ideas and opportunities for career development and create a plan that meets employee and company objectives.

5. **Failure to document performance.** Maintain records of trainings, promotions, transfers, recognition forms, disciplinary notices, and other performance-related records in the employee’s personnel file. Additionally, conduct formal written performance appraisals at least annually, which are signed by a supervisor and the employee, and retained in the employee’s personnel file.

6. **Failure to provide timely performance reviews.** To encourage supervisors to complete performance reviews on time, schedule reviews for a time of year that makes sense for your company, start the review process early, and check in regularly with supervisors about their progress.

To help ensure the performance management process is effective, conduct regular performance reviews, provide constructive and ongoing feedback and training, and monitor your performance management program closely.
“You Did What?” 5 Supervisor Mistakes and How to Prevent Them

Supervisors are often on the front line for shaping performance and overseeing compliance with workplace policies. However, without the proper training, direction and oversight, supervisors may make mistakes in these areas:

1. **Ineffective goal setting.** Goal setting is important for setting performance expectations and informing employees of how their achievements will be measured. Without set goals, employees may be left guessing what is expected of them.

   **Practice Tip:** When setting goals, provide enough detail so that employees understand the desired outcome and the steps needed to achieve results. Goals should be attainable within a set timeframe, relevant to the task at hand and measurable to determine success.

2. **Insufficient feedback.** Effective feedback helps employees understand the areas in which they excel or need to improve. If feedback is given infrequently (or not at all), it can leave employees unsure of where they stand and lead to decreased engagement and performance.

   **Practice Tip:** Supervisors should provide frequent, timely, and constructive feedback throughout the year. When possible, deliver feedback in person.

3. **Too little recognition.** Sometimes supervisors forget the importance of recognizing and rewarding positive performance. When employees know their efforts are appreciated, it can encourage them to continue to work hard to meet company goals.

   **Practice Tip:** Consider public praise (e.g. in a staff meeting), a handwritten note recognizing the employee’s accomplishment, or assigning a unique project or development opportunity. Recognition can be formal or informal and does not need to involve a monetary reward.

4. **Failing to address issues promptly.** Handling performance problems, conduct issues, and conflicts between employees are some of the most difficult supervisory responsibilities. To avoid difficult conversations, supervisors are sometimes slow to address these issues, which can worsen the problem.

   **Practice Tip:** Employers should provide supervisors with training and guidelines for promptly responding to and documenting difficult situations.

5. **Neglecting training and development.** Training provides employees with skills to succeed in their current job, and development opportunities provide skills for future growth. Both are important components of employee satisfaction and success.

   **Practice Tip:** Supervisors should work to continually develop their staff by identifying training needs and coaching and mentoring their employees.

Effective training and established guidelines can help supervisors perform their jobs better and avoid common mistakes.
Employees who are motivated are generally more committed and engaged and typically perform better than employees who are not. While money is often a motivating factor, many employees are motivated by non-monetary factors, such as autonomy, challenge, and recognition.

Below are 10 cost-effective ways to engage and motivate your workforce:

1. **Challenging work.** Employees seek challenging and varied work that allows them to grow and develop their skills. Work challenges foster a sense of achievement, and help prepare employees for future roles in the company.
   
   **Low cost motivator:** Where possible, design jobs with a variety of tasks and give employees “stretch” assignments.

2. **Recognition.** Recognizing contributions and accomplishments shows that you value your employees’ work and provides motivation for meeting and/or exceeding expectations.
   
   **Low cost motivator:** Send “thank you” notes or emails to express your appreciation and make announcements in newsletters or group meetings to highlight employee achievements.

3. **Autonomy.** Many employees are motivated by having greater control over the way they perform their work. Employees feel more personal responsibility for work outcomes and providing autonomy establishes a foundation of trust and respect.
   
   **Low cost motivator:** Set clear goals and expectations, but be open and flexible on how the results are achieved.

4. **Teamwork.** Some employees are motivated by strong working relationships with co-workers. Fostering teamwork may result in a more congenial workplace, which can lead to a happier and more productive workforce.
   
   **Low cost motivator:** Assign group projects and facilitate group activities and company events to foster collaboration.

5. **Align goals.** Employees want to know that their work is valued and that it contributes to the success of the overall business. Communicate the company’s mission and goals to all employees, and explain how the employee’s job aligns with the company’s mission.
   
   **Low cost motivator:** Tie employee goals and outcomes to overall business objectives.
6. **Career development.** Giving employees the opportunity to learn new skills and face new challenges can be an effective motivational tool. Career development should also be viewed as an investment, since these initiatives can prepare employees for future roles within the company.

   **Low cost motivator:** Develop your employees through mentoring, coaching, job shadowing, and cross-training programs.

7. **Open communication.** Communicate openly with employees about the company’s goals and business results and give employees the opportunity to provide you with feedback.

   **Low cost motivator:** Hold regular staff meetings, implement an employee suggestion program, and conduct employee satisfaction surveys.

8. **Flexibility.** Flexible work arrangements can help motivate employees by allowing them to balance their work and life responsibilities.

   **Low cost motivator:** When possible, consider flexible work schedules to promote work-life balance.

9. **Time off.** Paid time off provides another way for employees to meet their work-life demands and gives employees time to relax and avoid burn out.

   **Low cost motivator:** Develop a paid time off program that gives your employees a chance to meet personal obligations and recharge.

10. **Fair workplace.** Apply policies consistently, establish pay practices to reflect individual contributions, and value and respect employees.

    **Low cost motivator:** Review your policies and procedures to ensure employees are treated fairly and equitably. Additionally, ensure that all supervisors are trained to enforce company policies on a consistent basis.

Motivated employees generally perform at a higher level and are more committed. Determine what motivates your employees and develop strategies accordingly.
How to Get Poor Performers Back on Track

The following tips can help to tactfully address and correct poor performance before it negatively affects your business:

1. **Conduct a performance meeting promptly.** Try to make the employee feel comfortable by starting the meeting on a positive note. This can help promote a willingness to listen when you discuss the areas that are in need of improvement.

2. **Begin the meeting with a positive remark.** Try to make the employee feel comfortable by starting the meeting on a positive note. This can help promote a willingness to listen when you discuss the areas that are in need of improvement.

3. **Be specific.** The purpose of a discipline meeting is to pinpoint and improve poor performance. When providing examples of the employee’s deficiencies, refer to specific situations to ensure the employee is aware of exactly what behavior needs to be corrected and what steps he or she must take to improve.

4. **Never personally attack.** When providing feedback, only state the facts and never share how you feel about the employee as a person. Feedback should always be work-related, constructive and free from bias.

5. **Don’t make comparisons.** To be effective, feedback should be tailored to the individual employee, and his or her strengths and weaknesses, rather than a comparison to co-workers.

6. **Focus on the future.** While it’s important to inform employees of past performance issues, it’s equally important to look to the future. Let the employee know you have confidence in their ability to succeed.

7. **Explain what you’re looking for.** Tell employees how they can improve their performance. Provide specific examples, tools, and resources so that the employee is equipped to turn their performance around.

8. **Finish the meeting on a positive note.** When appropriate, end the meeting by commending the employee for being open-minded during the meeting. Positivity can give employees the confidence needed to improve.

9. **Confirm understanding.** At the conclusion of the meeting, confirm that the employee has fully understood what was discussed, as well as the agreed upon plan for improvement. Schedule a follow-up meeting to discuss progress.

10. **Document.** Any time performance is addressed, document what was discussed, including the date and time of the meeting. After the employee and supervisor sign off on the performance record, give a copy to the employee and store a copy in their personnel file. Thorough and accurate documentation can help support future disciplinary action if necessary.

By informing employees of areas that are in need of improvement and working with the employee to help them succeed, you will likely see a turnaround in performance.
Succession Planning: What Do Your Future Leaders Look Like?

When there is a job opening, employers that look to their own internal talent can save valuable time, energy, and money. Since vacancies can present themselves at any time, employers should consider having a development plan in place that prepares their employees for future leadership roles.

Below are key action items to help your company prepare:

1. **Define:** Start by defining the skills needed to be a successful manager or leader. Keep in mind that leadership roles typically require important decisions related to hiring, promotion, discipline, termination, goal-setting, and budgets.

2. **Identify:** Use performance evaluations, self-assessments, and feedback from peers and supervisors to identify high potential employees that have the skills you believe are important in a leader. Once you’ve identified these employees, assess their strengths, weaknesses, and readiness for added responsibilities.

3. **Mentor:** Establish a mentoring program that pairs an experienced employee with a less experienced employee. Typically, a mentor is someone other than the employee’s direct supervisor who can transfer knowledge and skills and prepare employees for leadership roles.

4. **Stretch:** Employees learn most of their skills through job assignments. Assigning new responsibilities to help stretch an employee’s skills or capabilities (also known as “stretch assignments”) is an effective way to develop an employee’s talents. Additionally, consider cross-training high potential employees to give them a better understanding of the business as a whole and familiarize them with other departments and teams.
5. **Provide feedback:** Give employees regular feedback so that they gain insight into how their professional development is progressing. Consistent feedback will help motivate employees who want to learn and grow with the company as well as identify training needs to keep your development plan on track.

6. **Train:** Training plays an important role in developing and engaging employees who are being groomed for management positions. These employees should be encouraged to attend seminars or workshops, take courses that they may not ordinarily take in their current role and, in some cases, obtain industry specific certification.

Identify high potential employees and provide opportunities to those employees who are interested in pursuing senior level roles. With adequate training and development, qualified internal talent will be ready to fill managerial openings when the opportunity arises.

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