

# Schemes to Review Performance

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## Introduction

In good times or in bad times, managing the performance of your employees is one of the most important things that you do to achieve success in your business. In an economic downturn, when redundancies may become necessary, clear selection criteria are essential in ensuring a redundancy process is fair. It is important to be able to justify why certain employees are selected ahead of their colleagues and to have reliable objective evidence in support of the choices that are made.

An effective appraisal process can provide records of employee achievements and progress within an organisation; and these records can then be used as part of a robust redundancy selection process. The age discrimination regulations have brought this into sharper focus as employers are now far more restricted in their ability to reward or select based on length of service alone; use of 'last in first out' as selection criteria could be considered discriminative.

Developing an effective performance review or appraisal process that suits the needs of your business is an important tool both in helping to develop and improve performance, and in providing evidence to support decisions that may need to make in your organisation.

## Great Performance Review Schemes

### Setting Scheme Objectives

It is eminently clear that 'one size' does not fit all when it comes to designing performance review scheme. The first step in developing a scheme is to be clear about its objectives, what you want it to produce, and how you will evaluate whether it is working. You may also need to vary the actual structure of the scheme for some departments, but the key principles behind the scheme should normally be consistent right across your business.

### Dealing with the Paperwork

By their nature, most schemes generate paperwork. However, once you have agreed the objectives of your scheme, the next step is to produce a system that minimises paperwork and focuses on what your managers can achieve with the employee in the review meeting. Anyone can tick boxes on a form; what counts is the quality of the discussions held in that meeting and the actions or improvements that result from the process!

Create success measures for your scheme that don't focus on completing the paperwork, but rather on a positive outcome for both your business and your employees. Collect and keep the review meeting records as these will be essential in making decisions about high flyers or poor performers going forward.

### Training Reviewers

To get the most out of any review scheme, particularly a new scheme, managers will need to be trained in the operation of the scheme and, most importantly, in the techniques that ensure a review meeting is a positive, forward-looking forum.

Managers often struggle with employees who just don't seem to 'get it' but they often fail to change *how* they communicate with employees to get the result that they need. This is a key skill that all successful reviewers must have.

### Training Employees

Many employees are wary of review schemes and may have had bad experiences in the past. This can happen when a review meeting turns into a disciplinary session or becomes a negotiation over salary. We strongly recommend that you run short training sessions for your employees as well as your managers, both to introduce the scheme and to help them prepare for the review meeting.

### Managing Training and Development

It is said that actions speak louder than words and certainly many review schemes lose credibility because, having put so much effort into the review meeting, little action results.

Every year a simple training and development plan should be set up for each employee. Training and development is not just about external courses and does not need to be expensive, but it does need planning and reviewing each year to ensure that your employees and your business continue to get the benefits.

### Need Advice Right Now?

**HR Insight has expertise in designing and implementing performance review and appraisal schemes to suit a wide range of businesses. If you would like help in either reviewing your existing scheme or developing a new performance review scheme, please call us on 01708 758958.**