

# What Every Supervisor Should Know About Performance Evaluations

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## Fact Sheet on Performance Evaluation

This fact sheet is designed as an introduction to the legal and practical basics that supervisors should know about managing and evaluating employees' performance and, when necessary, how to give constructive criticism and document problems.

Since people are any organization's greatest asset, one of the most important things a supervisor can do is to keep productivity up by managing performance. Many decisions in employees' careers are based, at least in part, on how a supervisor evaluates employees' performance. Because any decision that affects someone's career is open to criticism that the decision was based on some unfair — or illegal — criterion, making expectations clear and documenting shortfalls are very important.

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## Why Is Managing Performance Important?

There are three main reasons why managing performance and documenting deficiencies are important:

**1. Lawsuits.** Many lawsuits claim that decisions on hiring, promotions, raises, or firing were unlawfully based on race, color, sex, religion, national origin, age, citizenship, or disability. Litigation can also concern whether a decision was made in retaliation for filing any kind of claim against the employer (e.g., workers' comp, wage-hour, safe workplace) or breaching any promises the employer made through employee handbooks or supervisors' words. Whenever a supervisor criticizes performance without first making expectations clear, there is a good chance an employee will attribute the supervisor's actions to some illegal motivation.

**2. Productivity.** The supervisor is the channel that directs the efforts of staff members. Following a good system for making sure people are performing up to the company's reasonable expectations is good business. Managing performance fairly is not only the safest legal course, but also the method for obtaining the greatest accomplishments from the supervisor's department. Helping employees improve their performance is generally much more efficient than firing mediocre performers and retraining new employees.

**3. Fairness and morale.** Making sure that all employees are "pulling their weight" is good for the work group's morale. If a supervisor has a performance problem of any sort, treating employees fairly and giving them a chance to improve their performance will pay off in improved morale and on-the-job attitudes.

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## Basics of Performance Management

Unfortunately, many supervisors and employees think of performance evaluation as a stressful exercise that happens once a year. But if expectations are clarified and feedback is given throughout the year, the annual performance evaluations should become less stressful. The following steps will help a supervisor to more effectively implement the company's performance appraisal policies within the supervisor's department.

### 1. Decide on clear, objective expectations for the job.

Setting expectations for a job affects every decision the supervisor makes about an employee's career, from work assignments and recommendations for training opportunities to raises, promotions, transfers, and termination of employment. It also shows the employee what behaviors or outcomes the company values, thus affecting employees' decisions on where to expend their greatest efforts.

The place to start when setting out objectives is the employee's job description, which will give the supervisor and his or her employees a general idea of what the company expects from people in any given position. Job descriptions should indicate what functions are "essential" and which are "marginal," based on the meaning given to those terms under the Americans With Disabilities Act and other disability discrimination laws. (Supervisors should contact HR if they think the job description does not accurately portray the job.) Once a supervisor has examined the job description, he or she can start to break down the principal duties and accountabilities it lists into more concrete objectives and performance standards.

EXAMPLE: If claims processing is a principal duty, the supervisor needs to figure out a range of what is an acceptable number of claims processed in a given time period. Incorporate any measures of quality, such as the number of errors reported.

To make sure that everyone concerned can tell whether expectations have been met, performance standards should:

- be precise yet brief;
- be in writing;
- be realistic;
- help meet company objectives;
- be mutually agreed on; and
- be re-evaluated regularly.

## **2. Communicate expectations to the employees involved.**

Making expectations clear to employees is part of helping them do their jobs. Employees who know how their performance will be measured are much more likely to succeed in their jobs or to accept criticism if they fail. Making sure that everyone knows the expectations for their jobs is one way to show everyone that the supervisor is treating all employees equally and not making up reasons to discipline employees the supervisor does not like.

## **3. Give constant feedback on whether employees are meeting the expectations.**

Nothing said in an employee's annual review should be a surprise to the employee. Feedback — both positive and negative — should be ongoing throughout the year. This approach helps employees focus their efforts on tasks and behaviors that the supervisor finds to be worthwhile for the company and improve in other areas.

## **4. Stick to a fair procedure for implementing criticism.**

The company uses a progressive system of counselling. This means that for most performance problems, the supervisor should first counsel the employee verbally, but ultimately should make written documentation of any shortcomings. When a performance problem exists, written warnings, memos, and performance improvement plans carry more weight with an employee than do oral reprimands and threats. Suspensions and terminations should be undertaken only after the HR department is consulted.

## **5. Implement evaluations and counseling consistently.**

Because personalities and "chemistries" between people differ, supervisor's interactions with each of their employees are bound to be different.

But if supervisors do not implement the evaluation process consistently, they leave themselves open to charges that the supervisor treated someone differently because of race, sex, age, disability, or other protected status. Getting into the habit of documenting performance problems and providing constant feedback will help improve a supervisor's consistency.

## **6. Document employees' performance throughout the year.**

Many a lawsuit has been lost because the only written records of an employee's performance show that the employee was performing wonderfully. But the need for documentation begins long before any lawsuit is filed. Annual performance reviews are especially hard to undertake if a supervisor has not maintained regular records on an employee's performance.

Spoken compliments or suggestions for improvements may come naturally to a supervisor and many times is the most appropriate way to work with an individual. But when it comes time to put an assessment of that employee's performance on paper, does the supervisor have any record of the ratio of compliments to criticism? Or of how many times the supervisor has pointed out a particular type of shortfall? Creating some written documentation along the way helps to make sure that the supervisor's appraisal of the employee's performance is based on incidents that happened throughout the year and not just on the most recent or memorable events of the year.

Written documentation can also decrease the chances that a supervisor's communications will be misunderstood. It is hard for an employee to claim that a supervisor never told him or her that certain behaviors mattered if there is a memo in the file explaining why the behavior is important.

### **Checklist on How To Appraise Employees**

- o Supervisors should base the overall appraisal on the typical performance of the employee during the entire period.
- o Supervisors should base appraisals on accurate data obtained from records whenever possible or from careful observation when this is not possible.
- o Supervisors should not let their appraisal of one factor influence their appraisal of other factors.
- o Supervisors should not permit grade of job or length of service to affect the appraisal.
- o Supervisors should not let their personal feeling bias their appraisal, nor should they rate sympathetically.
- o Supervisors should not be swayed by a previous appraisal.
- o Supervisors should guard against letting their appraisal of factors fall into a routine pattern.
- o Supervisors should not make an appraisal on vague impressions.
- o Supervisors should not appraise too quickly.
- o Supervisors should not hesitate to go on record with their true opinion.