PERFORMANCE MANAGEMENT PROCESS

I. INTRODUCTION

The performance review process links coaching for performance and careers, and performance evaluation as integrated elements in a continuous process. The main purpose of the performance management process is to develop people and improve performance by clarifying goals and coaching regularly. A secondary purpose is to provide honest and accurate formal evaluations to support rewards for performance practices. Managers, supervisors, and subordinates have a mutual responsibility for making the process work. Each has a role in setting goals, coaching, and evaluation.

II. OBJECTIVES

Upon completion of the performance management program, participants will be able to:

- Identify the importance of the performance management process from the viewpoint of the supervisor and employee.
- Establish performance requirements for those positions that report to them.
- Define coaching and explain the steps for effective coaching.
- Specify the steps for completing a performance review.
- Create the appropriate atmosphere and rapport for conducting the performance review discussion.
- Conduct the performance review discussion.

III. PRINCIPLES OF THE PERFORMANCE MANAGEMENT PROCESS

Improving appraisal effectiveness will require the following ongoing changes in our "University Culture":

- Increase management's time commitment to personnel matters on an ongoing (versus once-a-year) basis.
- Shift performance emphasis from short-term, component specific individual goals to include long-term, team-oriented goals that are consistent with continuous improvement of the University as a whole.
- Communicate with each employee in honest, timely dialogue aimed at performance improvement; increase mutual involvement in goal-setting and definition of performance standards.
- Improve management skills in communicating and taking responsibility for making the performance improvement process operate effectively.
- Increase employee responsibility for planning their own careers.
IV. ESTABLISHING PERFORMANCE REQUIREMENTS

The first element of the performance management process that must be effectively executed is specifying the required levels of performance and identifying goals to be achieved. It is imperative that the supervisor and the employee agree upon and understand each other's expectations of the job. This is the foundation upon which the entire performance management process will be built. For this reason, it is important that goal setting is done and done well. If it is not done, what will the employee be measured against? Quite often, when a goal setting session is not completed, employees and supervisors have completely different ideas about job priorities and responsibilities.

To the extent possible, the supervisor should strive to clarify their expectations of subordinates. The supervisor also should endeavor to describe what differentiates one level of performance from another. The supervisor's expectations will certainly vary from employee to employee and from job to job but must always be job related.

Studies show that there are sizeable differences between the employee's and supervisor's concept of the responsibilities of the same position. Therefore, before any attempt can be made to review an individual's performance, the supervisor and the employee must have a common understanding of what constitutes good performance. Every supervisor needs to establish a set of "Performance Requirements" for each subordinate's position. These requirements become the basis of the performance review.

Performance Requirements include:

- Areas of Responsibility. An area of responsibility is a major category or segment of work.

- Results Statement. A results statement describes the work results that must be achieved in each area.

- Standards. Standards are indicators that the desired result is being achieved.

- Behaviors. Behavior patterns that are appropriate to the University and the supervisor.

Supervisors need to identify the areas of responsibility, define the desired results, and develop the standards upon which the employee will be measured. Reaching a mutual understanding of what is expected means agreeing upon what the "Areas of Responsibility" are and the importance of each. Also, standards must be agreed upon (preferably with input from the employee as well as the supervisor).

When Should a Supervisor Review Performance Requirements?

The supervisor should review the performance requirements of a position with each new employee as he or she starts the job. A review of performance requirements with employees already in a position can often be helpful to ensure that employees understand "what's expected" of them. Once performance requirements are mutually
agreed upon, a comparison of actual employee performance becomes the basis for doing the written performance review.

Also, when the employee knows what is expected, improvements can often be made in day-to-day performance without prompting from the supervisor. The performance review discussion session will go much smoother if the employee knows in advance the basis on which his or her performance will be reviewed.

Performance Review

Evaluation is inherent in the goal setting and coaching processes. Therefore, a formal performance review should be a routine, no surprise culmination and review of past discussions. However, it often is not. Many people approach formal evaluation with trepidation and consider it a waste of time because of the common problems in the process: subjectivity, rating inflation, arbitrary judgments, etc. Lack of agreement and lack of understanding goals and expectations, combined with failure to provide coaching along the way, are a large part of these problems.

If people know what is expected of them, know how their performance will be measured, and receive periodic feedback, the formal evaluation session itself is less threatening. It can be a productive event because it is another opportunity to coach.

A formal evaluation session will be seen as productive by the participants if:

- It is a two-way, future-oriented discussion about behavior and what can be done to improve, and
- The criteria are seen as appropriate by both the person being evaluated and the evaluator.

All components of the performance management process must be used together in order to maximize an individual’s performance and contribution to the University. Each component should complement the next and they should all send the same message to the employee. It is important that performance counseling and the performance evaluation identify and discuss the same areas.

V. SETTING AND CLARIFYING PERFORMANCE GOALS

One of the underlying principles includes mutual involvement in setting and clarifying performance goals and expectations. In the discussion of goals, considering the following issues will increase the mutual understanding of what results are expected and how the results are expected to be achieved:

1. Who are our customers? (students, faculty, other staff members)

2. What do our customers want? What will success look like in the short run? In the long run?

3. How will we move toward success? What specific actions will we take?

4. What do we need from each other? What will I contribute? What do I expect others to contribute?
5. How will we evaluate progress? What criteria will be used? Who should have a say in the evaluation?

6. Do the goals and actions support the overall mission and vision of Vanguard University of Southern California?

VI. UNIVERSAL EMPLOYEE OBLIGATIONS

In addition to meeting specific position performance requirements, all employees are expected to conduct themselves in a manner that exemplifies dedicated, industrious, and loyal employees. The following categories and their items are just some of the more common observable actions (standards) which all employees are expected to abide by:

Attendance

The University expects the following in terms of attendance:

- Regular, on-time attendance (being on time from home, lunch, breaks, etc.).
- Notifies supervisor prior to work period in case of illness.
- Sick leave is used only for reasons of illness and a prudent course of treatment is pursued.
- Personal business during working hours, with prior supervisory approval, is held to a minimum.
- Use of alternate time (if appropriate for your activity) to minimize work missed for appointments.

Conduct

Appropriate conduct means that an employee:

- Observes University rules and regulations.
- Responds to and follows directions; asks questions to gain information in unfamiliar or uncertain areas.
- Safeguards University equipment and property.
- Reports any irregularities pertaining to University facilities to the supervisor.
- Is able to get along with other employees.
- Keeps University interests in mind at all times.

Safety

In terms of safety, an employee:

- Observes all University safety rules.
- Is mentally and physically alert while at work.
VII. **QUALITY COACHING**

**Goals and Ground Rules for Quality Coaching**

The first step to quality coaching is knowing what coaching is, when and how it should be initiated, and what the goals and ground rules of good coaching are. The next step to quality coaching is practicing how to prepare for it. We will look at a process for doing this.

**Goals:**

- Improve performance and personal job satisfaction.
- Provide positive feedback.
- Listen to others’ concerns.
- Provide corrective feedback (indicate your concerns).
- Clear the air (sometimes concerns are unfounded).
- Build trust.

Effectively coaching for positive results requires that a supervisor acknowledges positive and negative behavior. In either case, the supervisor needs to follow a few steps to ensure that the experience is a positive one:

- Identify the behavior that you will be discussing; be specific.
- Be timely; do not wait too long after the behavior has occurred to discuss it.
- Explain to the employee what they did right/wrong. Be certain to tell them how you feel about it (i.e., how it impacts the team, students, faculty, staff and the overall mission and vision of Vanguard University).
- Encourage the person to continue the behavior or discontinue the behavior and correct their actions.
- Leave on a positive note. Reaffirm your confidence in the employee’s ability and his/her value to Vanguard University.

**Performance Coaching**

The objective of performance coaching is to build skills and relationships in order to achieve continuous performance improvement. Therefore, performance coaching is appropriate for all employees regardless of their performance rating. This coaching must be a two-way process and must emphasize and describe behavior. Coaching is most effective when it occurs within a trusting relationship and occurs frequently.

**Career Coaching**

Career coaching focuses on future goals of the individual and whether these goals are seen as realistic by management. The role of the coach in this discussion is to listen, amplify, explore, and generally assist the employee in thinking through his/her short and
long term goals. The role differs from performance coaching in that this discussion is a voluntary one on the part of the interested employee, whereas performance discussions are a requirement of the position. Good career coaching, like good performance coaching, is built on a relationship of trust and open communication.

Using the following scale, place a number in the space provided before each ground rule.

As a coach, I believe I use this ground rule:

1. Much too infrequently.
2. Not as often as I should.
3. Almost always.
4. Always.

Please be candid. This assessment is only for your own use.

Ground Rules:

Focus on behavior, not the person (e.g. "There are seven misspelled words on this page." versus "You are a lousy speller.").

Do it soon. The longer you wait the harder it will be.

Be specific and clear. Tell the person what you like/don't like.

Tell the person how you feel about it.

Encourage the person (e.g., "I know you can do better." or "Congratulations!" "I knew you could do it.").

Be descriptive rather than evaluative (e.g. "There are seven misspelled words on this page." versus "The spelling in this paper is terrible.").

Encourage self-assessment/self-evaluation (e.g., ask the person "How do you think you did?"). Most people have a clear idea of their strengths and weaknesses and are willing to take on part of the responsibility.

Never pass up the chance to coach when someone asks for feedback. Feedback is most useful when it is requested.

Be as concrete as possible, but go with impressions if that is all you have. If giving impressions or opinions, let the person know it (e.g., "This is how I see it." or "This is just my opinion.").

Deal with one or two main issues or concerns at a time; do not overload the person.
Emphasize mutual responsibility: “I may have a concern, but it's not just your problem.” Think about what you might do to help solve the problem, or whether you could possibly be contributing to the problem.

Emphasize building strengths, as well as, improving weaknesses.

Periodically ask three coaching questions: 1) What do I need to know more about to help you do your job better? 2) What do I need to do more of to help you do your job? 3) What do I need to do less of to help you do your job?

End on a positive note.

Hopefully, this has made you think about what is needed to do to be a good coach. It may have identified your strengths and weaknesses. Realize that you may tend to rely on your strengths and overuse them, because they are comfortable. As a result, it is important that you develop your weak areas so you will become comfortable using them.

VIII. THREE FACTORS FOR CONSISTENT HIGH-CALIBER PERFORMANCE

There are three factors which must be present to achieve and maintain optimum levels of individual performance.

Ability

Ability is skills and personal characteristics that an employee possesses which gives him/her the potential to perform at a high level. When assessing marginal performance, a supervisor must first determine if the employee has the skills to perform the job. The appropriate skills for the position should have been specified during the selection process. Questions a supervisor can ask to evaluate ability:

- Has the individual performed at a higher level in the past?
- Is the performance an overall deficiency, or is it confined to particular tasks?
- How well do the individual's capabilities match the job's selection criteria?
- Has the individual been properly trained for his/her current task requirements?

Depending upon the answers to the above questions, a supervisor must take the appropriate action to build a high potential workforce.

- If the employee merely requires development of a skill, research available training and development programs.
- If any employee does not have the required skills, you may want to consider replacing or reassigning personnel to achieve a better match of ability and job requirements.

A supervisor can motivate the employee by increasing self confidence. An employee must believe in his/her skills and abilities, and that these will achieve the desired results. If an employee lacks self-confidence, the supervisor should coach the employee by
pointing out the employee's ability and how it will affect positive results. If performance problems are not due to a lack of ability, the first step in turning around a marginal performer is to clarify this.

Support

This factor is primarily management's responsibility. As a result, a manager or supervisor must be certain that they have provided, and are willing to provide, the appropriate support. To evaluate support, managers and supervisors must question:

1. If they have provided the employee with a physical work opportunity that provides the employee with an opportunity to use their abilities. This includes:
   - Appropriate technology, tools, facilities and equipment.
   - Adequate budget and minimal performance obstacles.
   - Clearly defined task goals.

2. If the social aspects of the work environment are sufficient. This includes:
   - Team environment.
   - Emotional support from supervisor and co-workers.

In order to assess support, a supervisor can question the following:

- Have clear and challenging goals been set with the employee?
- Are other employees having difficulty with the same task(s)?
- Is the job properly designed to achieve a “best fit” with the individual’s capability?
- Do any policies/procedures inhibit task performance?
- Is management providing appropriate feedback?
- Is the individual being fairly compensated?
- Is the work environment comfortable?
- Are management and co-workers providing sufficient emotional support?
- Has the manager or supervisor actually encouraged high performance?

Management must provide the appropriate level of support and leadership that will maximize an employee’s performance. This may require supervision to change the way that they perceive their responsibilities. The truly effective manager or supervisor creates a supportive work environment by:

- Clarifying performance requirements and expectations.
• Changing job designs, when needed.

• Providing immediate feedback and fostering better interpersonal relationships by effectively coaching.

• Eliminating unnecessary rules, procedures and other job constraints.

**Effort**

The amount of energy a person applies to complete a task or their willingness to work is the final factor in assessing marginal performance. Effort is the sole responsibility of the employee. He/she determines how much, or how little, effort is put forth to accomplish a task. Why would an employee make the decision not to work as hard as possible? Motivation or lack thereof. Motivation can be broken down into three areas:

• **Expectancy:** The individual’s assessment of the likelihood that his/her effort will lead to task completion.

• **Instrumentality:** The individual’s belief that a given level of performance will lead to certain work outcomes.

• **Valence:** The value a person attaches to these outcomes.

If the level of any one of these three areas is low, motivation will likely suffer.

Effort can be evaluated by asking the following questions:

• Does the individual lack enthusiasm for work in general? For the assigned tasks in particular?

• Are individuals with similar abilities performing at higher levels?

• Has the individual been properly recognized for past accomplishments?

• Are rewards and incentives provided on a performance-contingent basis?

• Is the individual aware of possible rewards and incentives?

• Does the individual have an appropriate role model (mentor)?

Whenever an employee’s performance falls below an acceptable level, he/she should be notified immediately. The adverse impact of the poor performance should be specified. When performance improves, it is critical that the supervisor provides immediate positive reinforcement through coaching. Additionally, a supervisor should serve as an enthusiastic role model, which will further assist employees in achieving high levels of performance.

Whenever an employee’s performance approaches an unacceptable level, contact the Human Resource Director or the V. P. for Business and Finance for assistance. All “Does not Meet Expectation” ratings should be discussed with the Human Resource Director and V. P. for Business and Finance prior to discussing with the employee.
A corrective action plan should include the following:

- Documented evidence of a progressive decline in performance.
- Specific examples of unacceptable performance.
- A draft of a development plan that indicates areas for improvement.
- An indication that performance will be reviewed in 30 to 90 days.

**Summary**

An employee who possesses just one, or even two, of the previously stated factors will not consistently be a high-caliber performer. An employee and a supervisor must work together to achieve all three elements: ability, support, and effort. When any one element slips, the supervisor must recognize that and work with the employee to correct the problem before the employee digresses to marginal performance. When people feel competent, they will work harder and smarter at attaining superior performance. Competence comes from ability and the confidence that one’s skills are equal to the task(s) at hand. In addition, management support and the feeling that one’s work environment helps, as oppose to hinder, task accomplishment contributes to competence. As a result, management must emphasize both the external work effort and the internal motivation of an employee to achieve consistent high-caliber performance.

**IX. MANAGING MARGINAL PERFORMANCE**

Sometimes an employee who initially is capable and highly motivated can become a marginal performer. A marginal performer will perform just enough work to get by. When this happens, the supervisor can become frustrated and can feel that this individual should never have been hired. As a result, the supervisor often chalks the person up as a hiring mistake and subsequently concentrates his/her efforts on tolerating the employee or finding an opportunity to get the employee out of his/her department. The fact is that marginal performance can be managed, and coaching is a critical element in doing just that.

**Marginal Performance**

Marginal performance can cover a broad range of employee behaviors. It may be only one area that is suffering, or it may be a deficiency in every area. Some of the situations that may occur with a marginal performer are listed below:

**Job Performance**

- The employee digresses from a top performer to an unsatisfactory performer.
- The employee performs specific job responsibilities at an unacceptable level.
- The employee’s skill level does not meet the supervisor’s expectation.
Insubordination

- The employee refuses to follow the instruction of the supervisor.
- The employee intentionally acts disrespectful toward a supervisor or manager.

Attendance and Punctuality

- The employee is consistently tardy.
- The employee fails to notify the supervisor or manager when the employee is ill.
- The employee misuses sick, personal, or jury-duty time.
- The employee has high lost-work time.

X. THE PERFORMANCE EVALUATION DISCUSSION

Give some thought to the objectives of the evaluation session and how you will approach it. Consider any topics that are likely to arise (e.g., compensation, potential or career issues), and ensure that you have the information you may need to deal with questions or difficulties most likely to occur.

Review your input on the performance evaluation form with your boss to prevent any embarrassing differences in perceptions of the employee.

Schedule a time (and comfortable location) with the employee: if possible, let them choose the time. Ask the employee to review your input on the performance evaluation form before the actual interview (depending on what you have agreed to with the employee). In any case, you should schedule with the employee sufficiently in advance to provide them with an opportunity to come prepared to discuss their progress toward objectives and areas where they feel improvement is possible.

Preparing for the Performance Evaluation Discussion

1. What actions can you take to prepare for the evaluation session? How much time should be allotted for the evaluation?

2. What items would you include on your agenda and in what order would you introduce them?

3. What techniques can you use to establish the proper atmosphere and rapport in the evaluation session to maintain a positive two-way flow of information?
4. What are the characteristics of an effective action plan that results from the evaluation process?

5. What can you do to end the evaluation session on a positive note?

In general, try to approach the evaluation of each individual as if you were in their place: how would you want to hear what needs to be said? This should place you in a collaborative or developmental frame of mind, rather than a judgmental one. Try to adopt a future-oriented, problem-solving approach to performance improvement, rather than a past-oriented, blame-placing approach. The past is discussed only as a starting point for understanding how to proceed from here.

Be prepared to do more listening than talking, and to deal with emotion as well as fact. Try to remain open to incorporating information you had not considered, even modifying your conclusion, if appropriate. Recognize that the employee is likely to remember a different set of events than you will. This is one reason to have the employee review your input on the evaluation form before finalizing your rating, to minimize the possibility of overlooking important factors.

Be prepared to give sufficient attention to the employee's agenda, as well as your own. If you feel that compensation and/or career discussions need to be held separately, be sure to set aside time to address them adequately. If you prefer to handle them when they arise, be sure to return to a discussion of performance afterwards (of course, this usually fits very naturally into the discussion).

Accept the fact that you cannot change or motivate an employee. The employee has the final choice regarding their behavior. Your role is to serve as a catalyst for this by:

1. Clearly indicating to the employee what you expect and why, and the consequences for yourself and him/her when your expectations are met and are not met; and

2. Building the employee's confidence in himself/herself so that he/she can improve.

Remember that the likelihood of improvement by the employee is directly related to how actively he/she participates in the performance process, including recognition of areas for improvement and contribution to what can be done to remedy the situation. Also, your willingness to encourage two-way dialogue about what you can do differently is critical.

Consider conducting the appraisal session in a neutral location, if the employee prefers this. In any event, try to sit side-by-side, rather than on opposite sides of a desk. Try to put the employee at ease.
During the Session

- Assure privacy by holding all calls and interruptions. Be sensitive and responsive to the employee's comfort (e.g., desire for coffee, seeming to be distracted, etc.).

- Explore conclusions made by the employee to understand the reasoning behind them ("Why do you feel that way?").

- Use appropriate techniques to build rapport and understanding. Probe and lead into areas of specific interest, keep information flowing and encourage elaboration, and ensure complete understanding.

- Avoid:
  - Comparisons to other employees.
  - Over-reliance on recent incidents.
  - Discussing personalities.
  - Becoming drawn into an emotional argument.
  - Trying to win or place blame or cornering the employee into a confession.
  - Allowing the session to ramble aimlessly or deteriorate into a discussion of others' faults, "system" deficiencies, etc.
  - Telling the employee what he/she "should" do.
  - Set opinions, unexplored assumptions, jumping to conclusions, and over generalizing from past experiences.

- When giving feedback:
  - Be frank, open and honest.
  - Be specific and behavioral.
  - Use descriptive not evaluative language.
  - Tie to performance standards.
  - Look for common ground.
  - Deal with differences in opinion.
  - Check feedback for clarity.
  - Respond appropriately to varying reactions of the employee.
Conducting the Actual Appraisal Session

Explain the purpose of the interview (e.g., to provide employees with systematic feedback on how they are perceived, and discuss areas and plans for improvement in how things are done, including the supervisor's role). Explain the "ground rules," or how you will proceed (e.g., two-way communication, problem-solving, future-oriented approach, encourage questions) and format of the session (points listed in this section). Describe the process used to collect multiple input (if you did). Talk about the insights provided. If you did not use multiple input, state so.

Ask the employee to comment on how he/she feels about the results achieved over the last appraisal cycle. Reinforce areas in which you agree that the employee has done well or demonstrated strengths. Do not skimp on what you felt was successful and why (soliciting the employee's opinions on this as well).

Watch for opportunities during the discussion to lead into: a) areas of strength the employee has overlooked, so that they may be reinforced; and b) areas for improvement both on the employee's part and yours. Try to focus on no more than two major areas for development; otherwise, the session may lose focus.

Reinforce earlier problem-solving sessions and the employee's progress to date. Explore any factors that may have hindered pursuing development plans on areas for improvement. Ask what you can do to contribute to improvement.

Spend enough time on major areas to facilitate adequate discussion, understanding, and commitment on your part and the employee's part (usually this means agreeing to maintain an ongoing dialogue on the subject).

Develop action plans with specific performance standards, interim objectives, and checkpoints, as opposed to vague intentions to "do better" or "try harder," which will accomplish nothing except to reinforce feelings of incompetence when no change has occurred. Look for specific on-the-job training opportunities to acquire or improve skills.

When ample opportunity has occurred for clarification and understanding, conclude the interview. Ask the employee to summarize the main points of your discussion. Supplement this with anything that was omitted and your statement of how all these things contributed to the overall rating. Be prepared to explain as specifically as possible why you chose the particular rating category and what it would take to achieve even better performance. Generally, the employee is asked to sign the form, indicating administration of the appraisal rather than concurrence. The employee should be given an opportunity to write comments. This need not be done at the session, but should occur shortly thereafter.

If the appraisal session concluded with the two parties still far apart in their perceptions of the situation, consider scheduling another session to allow time to reconsider and evaluate the points raised at the original session. Set a follow-up date for discussion of goals for the next appraisal cycle, and (if desired) further discussion of any related issues (e.g., compensation, management development, future use of multiple input).

Be certain to end the session on a positive, constructive note. For example, you could reiterate your confidence in strengths, ask for feedback on the discussion, or ask how you can be more helpful.
Following-up After the Session

It is important that you periodically review elements of the development plan you have agreed to implement and track your progress.

Continue coaching sessions with the employee as needed and also on a regular basis to check on how both of you are doing on the commitments that were made. Reinforce any improvement. Under no circumstances should you wait until the next appraisal to evaluate progress on areas for improvement.