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**Performance Management**

## Dedicated to the Human Resource Challenges Organizations Face

Human Resource Management • Professional Recruiting • HR Training & Development • Facilitation Services • Outplacement Programs

### Performance Management Fundamentals

BY GREG RICHARDSON, SPHR, MA-HRD

**N**o news is good news. Or is it? No news is too often exactly what employees get from their supervisor. The benefits of providing employees with regular acknowledgement and constructive criticism is vital to the success of any performance management system and a key component of building and maintaining employee morale.

Most employees strive to do their job well. Few people set out to fail. The vast majority aim to meet or exceed expectations. In return, when they do succeed, they wish to receive acknowledgement for their efforts. One of management's responsibilities is to ensure that the organization's employees are each performing as expected in order to achieve the organization's mission. A performance management *system* is the total of process(es), schedule(s) and instrument(s) employed by management to monitor, acknowledge and correct employees' performance to ensure that desired organizational and individual objectives are met. Performance management systems vary, but all should promote dialogue and interaction between managers and employees. An organization's performance management system should recognize employees for their desirable performance and encourage them to keep up the good work. It should also identify and document performance shortcomings and offer steps for correcting these. An effective performance management system can also prompt goal setting, professional development, and coaching opportunities.

Following are some factors to keep in mind as the employee assessment is constructed or re-evaluated.

#### Managerial Support

Front-line managers and supervisors are key players in implementing and executing the performance management system. Involve them in its development and assessment. Encourage their input and tailor the program to meet their needs. They will monitor performance, deliver positive and negative feedback to employees, and be held responsible for ensuring that



each employee's performance evaluation is conducted as scheduled and designed. Once a system is developed, train managers and supervisors in its proper use and application. Provide ongoing refresher sessions and educate newly hired or promoted managers in the use of the program.

#### Objectivity

A certain degree of subjectivity will be present in any performance evaluation. Personality, style and values play a part in the process; however, most jobs do lend themselves to some form of measurement: widgets produced, units sold, billable hours worked, revenue created, expenses reduced, and so on. A performance management system should include some objective criteria in its standards for evaluating employees. The more objective and/or quantifiable the standards are, the less likely allegations of favoritism, unfairness or bias may emerge.

#### Consistency

Standards and criteria for evaluation should be realistic and consistent. The standards applied to employees of a particular job class or occupation should be carefully formulated. Consistently apply standards to all employees within the job class throughout the evaluation period. Frequent changes in standards diminish the usefulness of the performance evaluation by affecting the ability to draw comparisons between or among employees. This

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## Reviewing the Review

BY LORIANN PENMAN, MBA, SPHR

Say the words “Annual Review” or “Annual Appraisal” and many managers cringe. This is probably one of the most procrastinated events during the year and according to recent surveys, is second only to firing an employee on the list of “most dreaded tasks” for a large number of managers. How is this possible? As human resources becomes more heavily involved in strategic management and employee development, many organizations are starting to implement coaching and counseling techniques and 360-degree feedback. Traditional management styles have evolved to now focus more on nurturing and developing and managers are finding that strategic goals are being met with more enthusiasm by an engaged team of employees. As the new approach to management is adopted, many start to ask if the annual review or appraisal is necessary. The simple answer is “yes,” but with some modifications to the process which might help ease the pain of everyone involved.

The annual review is the one official time that a supervisor sits down with a direct report and can speak openly to the past year and address the future. The importance of this is that the manager can encapsulate (a) what is expected and (b) how those expectations are being met. After a year of ongoing coaching and counseling, the employee’s performance is itemized and quantified and many times this rating is factored into compensation changes. Oftentimes, employers feel obligated to reward work even if it’s mediocre simply because it is the “annual review.” Meeting and exceeding company expectations and goals support compensation increases. Falling into the trap of rewarding less than desirable work can lead to failure on many levels. Employees fail to develop professionally and companies fail to reach their goals.

Some managers think that once the annual review is conducted, their job is finished until the following year when they go through the process again. This misconception loses sight of the purpose behind the annual review. It is not just a one time deal. In order for the review to be effective and the best way to alleviate anxiety from the process is to continually follow up with the employee, at least on a quarterly basis, to ensure the established goals discussed during the annual review are in progress. For employers, regular follow up to the annual appraisal is a great way to boost



morale, if employees are in fact meeting or exceeding expectations and working to achieve their goals. If the employee is not meeting company expectations, routine follow up will remind them that their performance and behavior needs to improve so that there are no “surprises” when their next annual review is due. For supervisors, this process of conducting periodic evaluations helps with overall management. They are able to stay abreast of and monitor progress. By staying informed and familiar with their employers’ goals, their ability to provide constructive criticism and modify poor performance without apprehension will improve. This extra effort throughout the year will reduce a lot of stress in the long run. □

### Welcome... Jennifer Elsasser

Please help us welcome the newest member of our team, Jennifer Elsasser, Recruiter and HR Advisor.



Jennifer has an extensive background in human resources including recruiting, training & development, general liability and compliance. She is a graduate of Christopher Newport University and holds a Bachelor’s degree in Industrial/Organizational Psychology and a minor in Sociology. We are pleased to have her rounding out our group and know that you will benefit from her knowledge and experience.

**Mind the Gap...**

BY GREG RICHARDSON, SPHR, MA-HRD



In the workplace today, strong competition exists for human resources, not just the actual people but more specifically the skills they possess. As businesses set about strategic planning, they must assess what competencies (i.e., skills, knowledge, abilities) are required to meet current needs and / or future growth. In some cases, it may be a requirement for more of the same. In others, completely new competencies have to be acquired.

An organizational “skill gap” may exist when the current competencies do not meet the current or projected organizational requirements. The next consideration for management is “how do we fill the gap?” This may be achieved through one of two methods: 1) acquisition or 2) development. In an “acquisition” approach, organizations seek out and hire those who already possess the skill, knowledge or ability through new employees, employees from another functional area or external consultants on a temporary basis.

When an organization plans to “develop” the talent, it works with current employees to learn new skills. This may take form in learning from others doing the job, which may meet “more of the same” needs. Alternately, external training or education may be required.

Learning as a whole takes time. However, assuming the organization is able to retain the employee, it adds significant value to have the required competencies in-house.

Much of this decision is based on the amount of time available to fill the gap. Less time is likely to result in acquisition and more time in development. Other elements that affect which solution may be decided upon are cost (can we afford to hire a consultant?); ability (can our team learn the new skills?); and, availability (do we have people to take on the new responsibilities?). The following is a simplified table to help assess organizational competencies based on objectives:

Objective: add Primo Payroll to the services offered			
Competency	Status	Assessment	Method to Fill
Expert in Primo Payroll software	Does not exist	Must have by 12/1/08	Retain Primo Payroll to train current team
Knowledge of businesses that can use Primo Payroll	Requires more knowledge	No staff to sell new service	Short Term: hire new sales staff  Long Term: cross train all sales staff

HR professionals and managers can greatly assist the organization in meeting its strategic objectives by using such a model to ensure the right skills are identified, assess where skill gaps in the organization may exist, and plan to close the gap on deficient competency areas that involve one or more individuals destined to demonstrate the competency. □

**10 Tips on Performance Feedback**

1. Choose the time and setting carefully
2. Pre-plan major discussion points
3. Begin with positive performance elements
4. Solicit the employee’s opinion of his or her performance
5. Be prepared with substantive examples and rationale
6. Stay focused on meeting organizational requirements
7. Offer suggestions and methods to improve performance where needed
8. Integrate professional development and coaching during the session
9. End on a positive note that indicates your support for the employee
10. Don’t wait for the performance evaluation to provide informal feedback

## Get SMART

BY VICTORIA MCCOY, MBA, GPHR

Many years ago Peter Drucker coined the phrase “Management by Objectives.” As businesses and organizations developed, the particular elements of what those objectives should include evolved. Today, business managers can follow these steps to create *SMART* goals:

### Specific

By defining the goal(s) in a very specific manner, both employee and manager are more likely to understand what results are expected and therefore, they have a greater chance of being accomplished. “Specificity” is based on identifying the requirements and constraints of the goal as well as purpose or anticipated value.

### Measurable

Effective goals are those which are measurable, otherwise, it is not really a goal so much as a suggestion. Set criteria for how progress towards the goal is identified. Multiple milestones may be incorporated over time leading to the ultimate goal. This enables those involved to assess challenges to achieving the goal before it is too late to implement corrective actions and recognize achievements throughout the goal time line.

To determine if your goal is measurable, ask questions such as.....How much? How many? How will I know when it is accomplished?



### Attainable

Unrealistic goals diminish motivation of the effort to achieve them. When an objective is viewed as attainable, most people are likely to develop the attitudes, abilities, skills, and financial capacity to reach them. Some goals may need to be accomplished before the next one is attainable. For instance, you may have a goal to learn a new skill before you are able to take on a new project.

The goal must be perceived as attainable by both the manager and the employee. Some modifications may be necessary if an employee is resistant, otherwise they may feel any effort is futile. This is an opportunity to break a large goal into multiple steps in order to reinforce the employee’s confidence in their own ability to achieve the larger goal.

### Realistic

A goal may stretch one’s efforts and be realistic through additional efforts, efficiencies or development of capabilities. A goal may be attainable for some and not others, which is why this element combines the employee’s willingness and ability. If neither is there, the goal cannot realistically be achieved. This requires strong collaboration between the manager and employee.

Another interpretation of “R” is *Relevant*. A goal must be related to the responsibilities of the employee and related to the business results the employee is required to impact.

### Timely

A timeline associated with the goal helps to clarify expectations and often establishes a sense of urgency. Timelines impact planning and setting priorities, skills that are necessary in the business environment. Timeframes may be a specific due date, within a quarter or based on an amount of time associated with another goal or project date.

Goals that seem too far away and out of reach do not inspire the sense of urgency that is needed to set it as a priority. Therefore “timely” is not just defining the time it must be achieved in, but also that it should be within a relevant time horizon appropriate for the employee and goal.

Another interpretation of “T” is *Tangible*. A goal is tangible when it results in something actual versus perceived or implied. Tangible goals are more likely to be specific and measurable, thus attainable.

When businesses consider performance management “goals” as part of setting employee expectations and results, what often does not get enough time and attention is the construction of the goal. Goals must be set and reviewed with consequences or rewards for results to be an essential tool in a performance management system. □

## Performance Management Fundamentals

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could reduce the system's effectiveness for deciding pay adjustments, promotions, training opportunities, etc.

### Relevancy

A performance management instrument not measuring essential duties and responsibilities of employees in a particular job class may lack validity and credibility. A worthwhile evaluation tool will focus on competencies and job functions that matter most. One-size-fits-all performance measurement tools tend to produce lackluster results. They are not as meaningful as a performance assessment tool that is tailored to a particular job class or occupation. A tool that is used to measure workers on an assembly line will likely not have much meaning for staff members in the accounting department. Without customization to a particular job/occupation, analysis and commentary, such generic forms and processes tend to be looked upon by employees as management's "going through the motions" of performance evaluation.

### Employee Participation

Promote and facilitate dialogue between managers and employees. Asking an employee to complete a self-evaluation is an excellent means of promoting this dialogue. Employees tend to be more critical of their performance than will their supervisor. This can be a relief to a supervisor fearing the delivery of constructive criticism. Using an employee's self-evaluation to structure the performance evaluation conference will establish common ground by focusing on areas of agreement before having to discuss points where their respective views of the employee's performance may not be the same.

### Frequency

Typically, evaluations are conducted at least annually. Because of the "what have you done for me lately" bias impacting annual evaluations, a more frequent cycle may be advisable. Once every six months or once per quarter are two alternative cycles used by many organizations.

### Timing

Evaluating all employees at a common time facilitates employee-to-employee comparisons. This can be helpful if evaluation results and rankings are used to determine pay increase levels. If a supervisor has more than 7-10 employees to evaluate, a

common-time system can be burdensome during the evaluation period. Where pay increases are pre-determined by a grade and step plan based largely on length of service and the numbers of employees to be evaluated by any one supervisor are prohibitive, a system of evaluating individuals on their anniversary dates may be preferable.

### Face-to-Face

In some workplaces, evaluation forms are completed, distributed to employees and filed with HR without discussion. This system serves to distance employees from their managers. Ensure evaluators are conducting a pre-planned, privately held and thoughtfully prepared conference with their employees. Achieving organizational goals rests not only on the competency and effectiveness of employees but equally on the building of successful workplace relationships and teams.

### Follow-up

Opportunities are missed for further individual and organizational development by not following up with employees after their evaluation is concluded. Most evaluation tools will include an opportunity for goal setting which is worthwhile only if there is follow-up to check progress on the achievement of those goals. Where an evaluation results in constructive criticism and recommended modifications to performance and/or conduct, there must be follow-up from management. When modifications are made, follow-up should acknowledge and reinforce an employee's efforts to meet his supervisor's expectations. Where modifications are not made, follow-up (with documentation) can set the stage for removing an unproductive or ill-suited employee from the organization with a well-built case and limited liability.

In conclusion, recognize that a system need not be overly sophisticated or complex in order to be meaningful. If it focuses on aspects of employee performance that are specific and meaningful, promotes regular and recurring dialogue, and has the support of managers as well as the active involvement of employees, it is likely to be a success. □

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## Our Team Human Resource Services Division

**Our team is made up of seasoned professionals who are** uniquely qualified with years of applicable, hands-on business skills and experience in developing, implementing and managing all facets of the human resource function. You can depend on us to partner with you to align human resource capabilities with your organization's goals and objectives in an efficient and timely manner. We turn assessments and recommendations into actionable items and measurable improvements for your organization and employees. Allow Goodman & Company's Human Resource Consultants to provide you with systems and processes designed to maximize the effectiveness of your employees and limit your potential liabilities. You can outsource all or part of your HR needs through our wide range of services.



**LoriAnn Penman, MBA, SPHR**  
Recruitment Manager and HR Consultant

LoriAnn manages the recruitment and executive search functions for the HR Services Division. Having started her career in sales and personnel recruiting, LoriAnn spent ten years as a corporate accountant and Controller. Her industry specializations include financial services, real estate and public accounting. This expertise, combined with her knowledge of human resources and business process engineering, has been instrumental in assisting clients meet their employment goals. LoriAnn's credentials include a BA from State University of New York at Geneseo, a MBA from Averett University, the SPHR designation and she is currently pursuing her Certified Compensation Professional (CCP) designation.



**Jennifer S. Dow, PHR**  
Recruiter and HR Coordinator

Jennifer has assisted clients with all aspects of recruiting, including database management, candidate pool development and the final interview/selection process. Previous to joining Goodman & Company, Jennifer was the Human Resources/Payroll Administrator for a five-star resort. Her areas of expertise include benefits administration, payroll processing, recruiting, workers' compensation and unemployment proceedings. She graduated from Christopher Newport University with a Bachelor's degree in Business Administration and she has earned her PHR certification.



**Linda K. Sexton**  
Executive Assistant

Linda's role as the Executive Assistant supporting the entire Human Resource Services Division is multi-faceted and combines all aspects of administration, customer service and marketing. As manager of the division's administrative functions, Linda is involved in the processing and creation of materials used in marketing, training seminars, workshops and strategic planning activities. She also serves as point-of-contact for client relations and is heavily involved in the division's marketing and RFP activities. She is simply invaluable.



**Gregory M. Richardson, SPHR, MA-HRD**  
Senior Partner

Greg directs the Human Resource Services Division and spearheads client support capabilities designed to optimize human performance in the workplace. He routinely conducts training and development sessions that focus on team-driven collaboration and integrating diverse workstyles. Most recently, he was a contributing author to the books, *Leadership Strategies that Work* and *Mission Possible*.

Greg is known for the advancement of leadership development for managers and supervisors, facilitation of executive retreats and coaching programs. In addition, Greg is a trained career coach and has provided individual and group outplacement (transition) support to over 1,000 people from staff to senior executives. He is certified as a Senior Professional in Human Resources (SPHR), has a second Masters Degree in Human Resource Development from The George Washington University, and has been a professional member of the National Speakers Association (NSA) since 1995.



**Victoria S. McCoy, MBA, GPHR**  
Manager, Human Resource Consulting

The newest member of the HR Services Division, Victoria, brings with her an extensive background in Human Resources and Organizational Development. Included in her areas of expertise are policy development, process improvement and human capital management. She has honed these skills by holding leadership positions in diverse industries including property management, government contracting and international non-profit organizations. Victoria holds a Bachelor of Arts from the University of Southern California, a Master of Business Administration from Pepperdine University and she has earned her Global Professional in Human Resources Certification (GPHR).



**Jennifer Elsass**  
Recruiter and Human Resources Advisor

Jennifer has been involved in many facets of Human Resources including full cycle recruitment, new hire orientation, unemployment hearings, worker's compensation, general liability, training and development, talent management, EEO-1 reporting, and OSHA compliance. Prior to joining Goodman & Company, Jennifer was a Human Resources Generalist for the largest hardwood flooring distributor / retailer in the country. She earned her Bachelor's degree in Psychology from Christopher Newport University and is pursuing the PHR certification.

### We have tailored services to fit your business needs:

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