



Developing GREAT Performance Review Skills: Tips and Guidance for New Managers

Part 6 in a 12-Part Series on Helping First-Time Managers and Seasoned, But Untrained, Supervisors Transition to Effective Leaders

Studies have shown that 98% of people see themselves in the top half of all performers.

About the Supervisory Basics Article Series

The transition from an individual contributor to a supervisory or managerial role is one of the most critical and difficult career moves.

Representing the largest pool of management talent in most companies, supervisors prove critical to an organization's success. Companies that develop superior leaders in these supervisory positions can execute more effectively than their competition.

This article, *Developing GREAT Performance Review Skills: Tips and Guidance for New Managers*, is based on Module #6 from [The Supervisory Basics Series](#), a 12-Part Series on Helping Individual Contributors and Seasoned, But Untrained, Supervisors Transition to Effective Leaders.

The Supervisory Basics Series consists of 12 individual yet linked two-hour modules, delivered in leader-led or eLearning formats, helping managers understand the management behaviors and tactics required to ensure their own and their company's success. More information on The Supervisory Basics Series can be found at the conclusion of this article.



Listen to the Supervisory Basics Podcast Series: *Tips for Managers and HR Professionals on Helping Individual Contributors Transition to Effective Leaders*. [Available on iTunes](#).

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Introduction

Providing input into an organization's formal or informal performance review process is an important responsibility for new managers. Developing specific skills that provide fair and just performance review is one of the important undertakings for new managers.

There are three critical elements to a great performance review:

1. Clear expectations that focus on results
2. Well-defined performance standards
3. Clearly defined performance measures

Clear Expectations – Distinguishing Activities from Results

Asking “Why is this particular task or activity being done?” can help define performance expectations or end results.

Understanding the differences between activities (efforts, personal characteristics) and results (outcomes from activities) will help the new manager be an effective supervisor. New managers must want results and define those results for their employees. Sometimes asking “Why is this particular task or activity being done?” can help define performance expectations or end results.

For example, “supervises employees” is an activity. “Maintains 90 percent customer satisfaction” is a result. “Knows how to repair equipment” is a personal characteristic. Having the knowledge to repair equipment doesn't mean the employee actually does it, or does it accurately or in a timely manner. “Maintenance of machinery to specs” is a result. “Assists team members” is an activity. A new manager must ask himself what the purpose is for assisting.

Well-Defined Performance Standards – What Does Good Work Look Like?

Well-defined performance standards answer the question: “What does good performance look like?” They tell employees what to shoot for so they can win. They also allow for self-management and self-responsibility. Clear standards eliminate surprises when it comes time for performance reviews.

Generally, four factors can be used to create performance standards that affect the success of the business.

- **Quality** – Does the stakeholder or customer care how well the work is done?
- **Quantity** – Does the stakeholder or customer care how many are produced or how fast things get done?
- **Time** – Is it important to accomplish the activity by a certain time or date?
- **Budget** – Does the stakeholder or customer care about the cost, or is it important to accomplish the activity within certain cost limits?

The Gold Standard – The Importance of Setting Minimum Performance Goals

Performance goals should start with what the minimum acceptable performance for the specific job responsibility is.

No matter what type of form and rating scale an organization uses, all supervisors and managers must be able to articulate to direct reports the standards that represent the evaluation scale used by the organization.

For example, if a company uses a rating scale that categorizes employee performance into various levels: acceptable performance, routinely above acceptable level of performance, and sustained superior performance, the employee needs to know exactly what constitutes those levels.

Also, performance goals should start with what the minimum acceptable performance for the specific job responsibility is. Goals should not rest on what the employee has achieved in the past, what the new manager thinks the employee might achieve in the future, or how the employee fares against other employees.

It is a good rule to reward contribution and good work by rating performance relative to minimum acceptable job requirements, i.e., “what is expected of any individual who holds the job.”

Not following this rule often means a lower-performing employee gets higher marks because the standards are lowered to accommodate that particular employee. Talented employees then get angry and take their performance to another organization. When moderate performing employees share in organizational rewards at the same rate as higher performing employees, the performance review process loses its credibility and integrity.

Good performance measures enable employees to know how they are performing and also what changes or improvements they can make to improve their performance.

Accurately Measuring Performance – How Will We Know?

For each performance expectation, new managers need to ask “How could quality, quantity, speed, timeliness, and/or cost effectiveness be measured? The measurements need to actually measure and be relevant to the standard set for each performance expectation. If the element can’t be quantified and can only be qualified in subjective terms, the new manager needs to ask: “Who could judge that the element was done well and what factors do they look for?”

Also, managers must ensure that measurement and tracking is done routinely. The more frequently tracking is done, the more both the manager and direct report can stay on top of their performance efforts. Good performance measures enable employees to know how they are performing and also what changes or improvements they can make to improve their performance.

Conscientious use of these three critical elements can make the employee review process less prone to such surprises as “distortion” – the sometimes distorted views an employee has regarding their contribution or performance to the organization. To mitigate distortion, it is important to create a performance review process.

Making the Review Process Valid

With the three critical elements of performance review firmly in place, managers are now able to make the review process fair and productive for both the organization and the employee. To do so:

- Establish clear and results oriented performance goals and objectives.
- Limit key performance expectations to six or less. This keeps the performance review process focused and easier to manage.
- Set out standards that describe performance that truly makes a contribution.
- Use a valid method of measuring employee performance that relates to the clearly established performance expectations.
- Rate the employee’s performance against the set standards and avoid issues that are not relevant to those expectations or standards.

“There’s nothing more demoralizing than a leader who can’t clearly articulate why we’re doing what we’re doing.”

—James Kouzes and Barry Posner,
The Leadership Challenge

Conclusion

Great performance review skills are essential to becoming an effective and respected new manager. The importance of being able to articulate and accurately measure actions necessary for doing a good job cannot be overstated. As a performance management tool, performance review skills directly impact an employee’s self esteem, motivation, commitment, confidence, loyalty and personal success. Setting clear performance expectations, establishing well-defined acceptable performance standards and having clearly defined performance measures are critical to being an effective manager.

In the next article (article 7 of our 12-article series), Handling Difficult Situations, we’ll address effective ways to deal with workplace complaints; tactics for handling employee conflicts; appropriate and effective responses to employee requests; and handling promotions, raises, and time-off.

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If you enjoyed this article please [visit our website](#) to access other articles in this 12-part series on Supervisory Basics.

About the Supervisory Basics Series

The [Supervisory Basics Series](#) is based on extensive analysis of the competencies required of transitioning individual contributors and seasoned, but untrained, supervisors. This series provides the knowledge, tools and skills to immediately establish a leadership role and helps participants understand how to avoid the typical traps of new supervisors and managers.

The Supervisory Basics Series helps managers understand the management behaviors and tactics required to ensure their own and their company’s success. The result is managers establishing themselves in a legitimate position of power, inspiring superior performance and promoting open, effective communication.

Supervisory Basics also helps beginning managers avoid common new manager traps—lack of clarity in expectations, ineffective communications, not establishing personal power and failing to move from “doer” to leader. Such negative behaviors lead to absenteeism, low morale, lost productivity and customer loyalty, as well as increased attrition.

The series consists of 12 individual yet linked two-hour modules, delivered in leader-led or eLearning formats. Companies can choose flexible implementation, including an integrated 3-day series, stand-alone sessions, mix and match, and external facilitator or train-the-trainer options. Participants will learn to build credibility, establish legitimate position power, earn personal power, “manage up,” understand legal basics and conduct purposeful workplace discussions.

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