

empo presents

HR *INSIDER SERIES*

The Secret to Effective, No-Hassle Performance Reviews

For Small & Mid-sized Businesses



SuccessFactors

People Performance

In today's competitive business environment, your employees are one of your organization's most valuable assets.

That's why a solid performance review process is critical to the success of your company. Without one, employees don't have a clear idea of what's expected of them, and may not be working toward the goals that contribute to the success of your business.

As many Small- and Mid-sized companies know, performance reviews can be time-consuming, difficult, and perceived as a hassle. Fortunately, though, there's a new category of HR technology that helps implement a simple, easy review process — based on proven industry best practices — that encourages a performance-based culture and drives amazing business results. And best of all: this new technology is very affordable, thanks to web-based solutions that eliminate costly hardware and IT requirements. With little installation requirements, these comprehensive, easy-to-use solutions can be implemented in a matter of hours.

What you'll learn in this eGuide

- ▶ BUSINESS BENEFITS OF A WELL-DESIGNED PERFORMANCE REVIEW PROCESS
- ▶ THE SECRET TO SUCCESS: PERFORMANCE REVIEW AUTOMATION
- ▶ TIPS FOR SELECTING THE BEST AUTOMATED PERFORMANCE REVIEW SOLUTION FOR YOUR COMPANY

What a good performance review process will do for your business

It's easy to underestimate how much a well-designed performance review process contributes to overall employee satisfaction, and therefore, the ongoing success of your company. In fact, studies show that most workers value clear, consistent feedback as much as they do monetary compensation. When properly administered, performance reviews help your company:

1. Motivate employees

- ▶ GIVE EMPLOYEES A CLEAR UNDERSTANDING OF THEIR INDIVIDUAL GOALS AND HOW THEY FIT INTO THE BIGGER CORPORATE PICTURE
- ▶ PROVIDE THE LINK BETWEEN YOUR BUSINESS OBJECTIVES AND EMPLOYEES' DAY-TO-DAY ACTIONS
- ▶ MAKE IT CLEAR TO EMPLOYEES WHAT'S EXPECTED OF THEM BY SETTING GOALS, ESTABLISHING TIMELINES, TRACKING PROGRESS, AND IDENTIFYING OBSTACLES

2. Recognize and compensate top performers

- ▶ TRACK EMPLOYEE PROGRESS AGAINST PERFORMANCE GOALS SO YOU CAN IDENTIFY WHO IS DELIVERING AGAINST EXPECTATIONS, AND CONTRIBUTING MOST TO THE SUCCESS OF YOUR BUSINESS
- ▶ CONTRIBUTE TO ONGOING JOB SATISFACTION AND PRODUCTIVITY BY RECOGNIZING AND REWARDING EMPLOYEES FOR EXCEPTIONAL EFFORT

3. Reduce employee turnover and attrition

- ▶ HELP EMPLOYEES BE MORE SUCCESSFUL BY PROVIDING THEM WITH CLEAR GOALS THAT SUPPORT YOUR COMPANY'S OBJECTIVES
- ▶ RETAIN YOUR BEST EMPLOYEES BY PROVIDING THE INFORMATION NEEDED TO REWARD YOUR TOP PERFORMERS APPROPRIATELY

4. Protect yourself legally

- ▶ DOCUMENT AND BUILD AN AIRTIGHT CASE SHOULD YOU NEED TO TERMINATE AN INDIVIDUAL DUE TO UNSATISFACTORY PERFORMANCE
- ▶ PROVIDE A DETAILED PAPER TRAIL FOR DEFENDING YOUR COMPANY AGAINST A LITIGIOUS EX-EMPLOYEE

The secret to success: performance review automation

There's no question that a strong employee review process improves company-wide performance, productivity and profitability. But to really expect these significant benefits requires a tremendous amount of time, discipline and organization.

Enter performance review automation.

Automation lets you take your performance reviews to the next level – by managing the entire process from start to finish. Not only can you expect an employee review process that is easier and more effective, but you'll also experience these significant improvements:

- 1 Deliver better overall reviews with more professional feedback
- 2 Speed the review-writing process up to 10x
- 3 Easily collect and analyze performance data to gain powerful insights
- 4 Facilitate a structured and effective goal planning process
- 5 End the hassle of chasing down review forms and feedback
- 6 Simplify the legal monitoring of performance reviews

1. Deliver better overall reviews with more professional feedback

If you want to improve worker performance, you must first provide employees with clear and consistent feedback. Leading automated performance review systems include writing and goal-setting tools to help managers communicate their thoughts more effectively so they can provide:

- ▶ **MORE EFFECTIVE REVIEW FEEDBACK.** By tracking performance against goals — and making this data readily available — employees get more meaningful reviews that provide them with clear direction.
- ▶ **ACTIONABLE DEVELOPMENT ADVICE.** By offering suggestions that tutor employees on office communications, interpersonal skills, and other competencies, coaching tools provide professional advice which helps managers give clear feedback that benefits both the employee and the company.
- ▶ **MORE RELEVANT REVIEWS.** A well designed automated performance review system enables managers to collect performance data throughout the review period, acting as a system of record for the manager. So when writing performance reviews, managers can rely on a more accurate picture of the employee's performance instead of what's available only in recent memory.

“WE’VE ALWAYS ADVANCED OUR COMPANY THROUGH TECHNOLOGY AND WE WANTED TO LEVERAGE AN AUTOMATED PERFORMANCE MANAGEMENT SOLUTION TO HELP US GROW.”

Brad Zobroski, Principal, Mojave Creative (25 Employees)

2. Speed the review-writing process up to 10x

The best automated solutions include tools that help both managers and employees complete the performance review process in considerably less time—up to 10 times faster. Typical time-saving features include:

- ▶ **BUILT-IN WRITING ASSISTANTS.** By offering suggestions and appropriate language to use when writing evaluations, these time-saving tools provide managers with a range of useful descriptions
- ▶ **FASTER 360 REVIEWS.** With just a few clicks, comprehensive feedback can be solicited, tracked, and reported
- ▶ **OPERATIONAL EFFICIENCY.** A web-based performance review system enables employees to route their self-review to their manager, who can in turn route the completed review to anyone in the organization for final approval and electronic signature. You no longer need to rely on a cumbersome, outdated process of emailing and printing documents.

“(AUTOMATION) SAVED OUR MANAGERS TWO HOURS PER REVIEW WHICH IMPROVED OUR ABILITY TO STAY FOCUSED ON CUSTOMERS. THE PRODUCTIVITY IMPROVEMENTS WERE ENORMOUS.”

Vincent Smythe, Director, Macrovision (600 Employees)

3. Easily collect and analyze performance data to gain powerful insights

With most paper-based systems, employee reviews usually get filed away somewhere, never to be seen again. But an automated solution collects feedback and stores it conveniently online where it can be utilized by authorized personnel. By making this important data readily available, managers can always find the information they need to make the best business decisions possible. Leading automated systems allow you to:

- ▶ TRACK YOUR COMPANY'S OVERALL PROGRESS AGAINST ITS GOALS
- ▶ IDENTIFY KEY STRENGTHS AND WEAKNESSES, ORGANIZATIONAL SKILLS, TOTAL-REWARDS DRIVERS, AND OTHER EMPLOYEE PERFORMANCE TRENDS
- ▶ DETERMINE COMPETENCY GAPS AND PINPOINT ANY MISSING ORGANIZATIONAL SKILLS
- ▶ CLOSELY MONITOR ANY RISE (OR FALL) IN EMPLOYEE RATINGS
- ▶ ASSESS EMPLOYEE RATING DISTRIBUTIONS ACROSS THE COMPANY, SO YOU CAN APPROPRIATELY REWARD YOUR BEST PERFORMERS.

4. Facilitate a structured and effective goal planning process

Like most companies, your organization expects its people to deliver bottom-line business results. Yet leading industry studies have shown that nearly 95% of workers are unaware of their employer's specific business objectives and what they can do to help achieve them.

Automated performance review solutions bridge this gap by automating the process of creating, cascading, monitoring, and measuring performance against goals. By helping to create relevant and achievable goals for employees, these systems help:

- ▶ EMPLOYEES AND MANAGERS ACHIEVE MORE — IN LESS TIME — BY PROVIDING GREATER VISIBILITY INTO BOTH INDIVIDUAL AND COMPANY-WIDE GOALS
- ▶ EMPLOYEES AND MANAGERS UNDERSTAND HOW THEIR INDIVIDUAL GOALS MATCH UP WITH THE COMPANY'S BUSINESS OBJECTIVES
- ▶ EMPLOYEES CASCADE HIS/HER GOALS TO OTHERS IN THE COMPANY, CREATING GREATER SHARED RESPONSIBILITY
- ▶ MANAGERS STAY UP-TO-DATE ON EMPLOYEES' PROGRESS, ALLOWING THEM TO PROVIDE IMMEDIATE REINFORCEMENT OR COACHING TO KEEP PERFORMANCE AND GOALS ON TRACK.

ACCORDING TO A RECENT HARVARD BUSINESS REVIEW ARTICLE, RESEARCH SHOWS THAT A FULL 37% OF EMPLOYEE ACTIVITY IS NOT ALIGNED WITH OVERALL BUSINESS STRATEGY.

5. End the hassle of chasing down review forms and feedback

Say goodbye to the endless nagging and time-consuming task of soliciting reviews and input from managers and employees. Switch over from your paper-based performance review process to an automated system and enjoy:

- ▶ **ELECTRONIC FORM ROUTING.** AUTOMATICALLY ROUTE FORMS TO MANAGERS AND HR FOR REVIEW/APPROVAL, SAVING YOUR COMPANY HUNDREDS OF HOURS IN ADMINISTRATIVE TIME
- ▶ **CENTRALIZED ONLINE ACCESS.** PROVIDE INSTANT WEB-BASED ACCESS TO REVIEWS AND ALL REQUIRED FORMS—ELIMINATING THE NEED TO MAKE COUNTLESS PAPER COPIES
- ▶ **AUTOMATED EMAIL REMINDERS.** REMIND PARTICIPANTS VIA EMAIL TO SUBMIT THEIR REVIEWS AND FEEDBACK, INSTEAD OF HAVING TO PHYSICALLY TRACK PEOPLE DOWN

6. Simplify the legal monitoring of performance reviews

As you know, review rating inconsistencies, as well as inappropriate word choices used by managers, can expose your company to legal action from disgruntled employees. Fortunately, some automated performance review solutions offer legal-scan functions that double-check each review from a legal perspective. Such built-in scans can identify and flag words that may be legally sensitive (such as remarks regarding age or ethnicity), explain the legal considerations, and offer alternative wording suggestions. This powerful functionality greatly simplifies the legal monitoring of your performance reviews—saving staff time, reducing lawyers' fees, and safeguarding your company from legal risk.

Tips for selecting an automated performance review system

Not all automated performance management solutions are created equal. Some consist of little more than a collection of electronic review forms, while others offer a robust set of best-of-breed goal management tools. Today's best automated solutions provide:

- ▶ INSTANT FORM ROUTING AND OTHER PAPERLESS ONLINE PROCESSES
- ▶ WRITING ASSISTANTS TO HELP MANAGERS COMPLETE APPRAISAL FORMS
- ▶ LEGAL SCAN WIZARDS TO ENSURE LEGALITY OF REVIEW LANGUAGE
- ▶ AUTOMATED GOAL MANAGEMENT AND PERFORMANCE REVIEW REMINDERS
- ▶ COACHING TOOLS TO ASSIST MANAGERS WHEN THEY NEED IT MOST
- ▶ GOAL ALIGNMENT, TRACKING AND CASCADING CAPABILITIES
- ▶ EASY-TO-ACCESS DASHBOARDS TO DELIVER COMPANY-WIDE OR INDIVIDUAL REPORTS

Be sure to choose a solution that's easy to implement so that you can be up and running in short order. In general, a web-based solution, rather than packaged software, is typically easier and cheaper to deploy because it eliminates most costly hardware and IT requirements. Finally, you should look for a credible, experienced vendor, one who intimately understands performance review best practices and can help you establish them at your workplace.