The Definitive Guide On Conducting Highly Successful Employee Annual Review Programs

Purpose

A lot of people think annual review programs are a waste of time and just "something else we have to do". The truth is if they are used the way they were intended then they are very helpful, effective and well worth the time they take to perform. In fact, executing an annual review program effectively will save you hundreds of hours of nonproductive time dealing with employee mistakes, misjudgments and personal issues. The bottom line is if you are executing your employee annual review program correctly, it will:

- Educate your employee
- Develop your employee
- Inspire your employee
- Provide goal focus
- Create workplace stability
- Create workplace harmony
- Build a challenging and positive work culture
- Acknowledge individual accomplishments and improvements

Focus

There are organizations and review systems that advocate having the employee create their goals for the upcoming year and then having their supervisor review those goals with them. THAT IS A MISTAKE!

First and foremost, employee goals must be focused on the needs and goals of the organization and those of the employee to become more successful in their position and career. Their goals should first address areas of their performance that have the most room for improvement. Second should be any skills that would make them more effective above and beyond an already solid work performance.

The focus must also be on the entire year's performance!

One of the ways leaders insert conflict and contention is to evaluate the individual on one incident that happened during the year. Often a leader will refer to an incident that happened in the last few months and rate them citing that incident. Usually the annual raise percentage is also a result of that focus. This "Time Circling" or event focus is one of the main reasons annual review systems are used wrong, are ineffective and resented by almost everyone! The annual review must be based on annual performance - NOT small events pulled from the time line.

In fact, when the annual review process is done correctly, there is nothing to debate during the review meeting. It's only a recap and confirmation of the conversations, performance goals agreements and RESULTS conducted and achieved throughout the year. It makes the meeting short, pleasant, and very productive.

Always attach achievement of the annual goals to their personal goals, i.e., promotions, advancements, material desires, etc.

You can get detailed instructions on exactly how to attach their goals to our goals (the company's) in TLI's bestselling book, ""Why Try To Make Them Do It When You Can Make Them Want To?" Basically you take the time to find out what the individual really wants out of life. Many will tell you MONEY!! That isn't actually true. We don't want money; we are after the things money can do for us or buy. Some people want a sail boat, some want a log cabin in the mountains or a beach house and some want things like sending their children to college or their dream car. Show them how they will get their desire faster by committing to the company's goals and helping the group achieve those goals.

Steps

Now let's look at the steps to making your annual review program a raging success!

1. It's a year-long process

As previously stated, the reason for the annual review process is to acknowledge and appreciate the improvements and provide clear guidance on how to generate continued improvement and success. Along with that, our meetings and discussions always get a commitment to an agreement on the steps and outcome the employee will take to achieve the

planned course adjustments. To execute the review in this manner you must follow this clearly defined and proven process:

1. Conduct successful annual review meeting

A. Generating clearly and specifically detail and agree upon actions with time lines and outcomes.

b. Get Spoken agreement on what is to be done, when and how and to what end.

Get a spoken, "Yes I will" from the employee.

c. Ensure all identified and requested activities and behavior changes are clearly attached to the organizations goals and will generate obvious and quantifiable benefit to the company and the employee.

d. Use no opinion or leader preferences or beliefs during the meeting. Every identified evaluation and requested adjustment and new activity, process or behavior must be based on the company's stated goals and the employee's development path to those goals.

e. Always attach achievement of the annual goals to their personal goals, i.e., promotions, advancements, material desires, etc.

2. Manage, support and guide through observation

As much as we would like people to do what they say they are going to do "the first time", it isn't realistic! Research shows the average person needs six exposures to the information with practice in between to learn the new information. Research also shows it takes the average person between 21 to 30 days to change or make a habit. We as a leaders expedite the skills adjustment and acquisition process by helping them with their multiple exposures and practice. To that end:

a. Monitor and provide follow-up daily until new habit is formed.

b. Tell them, show them and have them do it until they do it to the required efficacy level.

c. Always attach achievement of the annual goals to their personal goals, i.e., promotions, advancements, material desires, etc.

Note: Observe their work routine. At the times they normally would undertake the activity where the change is required - be in the area observing unobtrusively. If they begin to stray from the new actions, step in and using questions focused on goals, help them guide themselves gently back to the path to successful change and achievement. Let them know this is your job, to help them be successful at their job…not micromanaging, micro adjustments for successful results.

3. Monthly follow-up and individual progress meetings

    a. Conduct a one-on-one 5 to 15-minute meeting detailing successful change and needed adjustment.

    b. Use questions and verifiable facts to demonstrate whether current activities are or are not meeting the agreed upon standard of performance.

    c. Don't tell; ask and use observable facts as final success indicators.

    d. Get employee agreement and commitment on newly defined course adjustments.

    e. Always attach achievement of the annual goals to their personal goals, i.e., promotions, advancements, material desires, etc.

4. Daily and monthly follow-up creates the annual review

    a. Be transparent: your employees/staff should always know how they are doing and what changes need to be made. No surprises-that causes mistrust!

    b. Use content and agreement as focus of review meeting and raise percentage eval.

    c. Use current observable data and fact to compare committed to results to current performance status.

    d. Congratulate on goals achieved and maintained.

    e. Through discussion on actual needed results, jointly identify needed future goals.

    f. Always attach achievement of the annual goals to their personal goals, i.e., promotions, advancements, material desires, etc.

5. Handling and removing disagreement or conflict that may arise

    a. Use only verifiable fact and data to base conversation on.

    b. If disagreement arises, respond by showing the current data and compare those

     facts to their assertion.

    c. If necessary, remind them of the standard of performance they agreed to upon hire in this position or role.

    d. Have monthly meeting documentation at all annual review meetings.

    e. Advise them not to be upset with the facts but rather to use them as motivation to

     achieve the goals they agree to and desire.

    f. Always attach achievement of the annual goals to their personal goals, i.e., promotions, advancements, material desires, etc.

Conclusion:

This annual review method is a tried and proven method leaders learn through the GSC (Goal, Structure, Culture Leadership Style) taught by TLI. However these steps will work if you currently function in an any organizational structure. It works because people like to know what their leader thinks of their performance at all times. It works because it provides the employees with stability. It removes surprise and guessing from their work environment. They know exactly what to do to achieve success and have support. It works because if they choose not to take the steps they agreed were correct and previously committed to doing this job or function, they have no one to blame but themselves. However, when they do follow the steps they committed to, it empowers them to own the achievement and accolades and know it is all theirs as well!

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