

## Maximising Your End-of-Year Performance Reviews

Employers and HR professionals throughout Ireland are preparing for the yearly routine of performance reviews as the end of 2023 fast approaches. These evaluations can be time-consuming, but a well-defined performance management strategy will support a streamlined and effective process, resulting in a more accurate and meaningful appraisal of Employee performance.

It is advisable that both year-end and regular Employee reviews take place throughout the year, as planned evaluation of an Employee's performance is a crucial aspect of effective talent management, retention, and career development. Setting in place ongoing procedures will involve regular assessments and feedback to ensure that Employees are growing in their roles and contributing positively to the overall success of the company.

The end-of-year reviews, in particular, will then offer a comprehensive look back at an Employee's entire year's performance, allowing for a more holistic assessment of how Key Performance Indicators (KPI's) and personal work objectives have gone whilst also allowing for a joint approach to strategic planning for the upcoming year.

Employee performance management is a vital component of corporate success. Managers are crucial in this process since they are in charge of guiding, encouraging, and evaluating their team members. To achieve a successful Employee performance management system, managers must be given full support.

The Adare HR Barometer 7.2 research findings ( October 2023) on Performance Management revealed that one in five Organisations believe that their Performance Management processes are ineffective or completely ineffective. This is unsurprising given the shift in blended work and communication pathways, although a priority, have become more challenging due to the changes in the work environment.

### **Effective Performance Management Process**

An effective performance management process is designed to develop and motivate Employees while providing and giving honest and objective feedback regarding performance. Performance management is one of the key activities that, when successfully carried out, enables Employees know that their contributions are recognised and acknowledged.

An effective process is one which reflects ongoing communication between the Employer and the Employee that occurs throughout the year, in support of achieving the strategic objectives of the Organisation. The communication process includes clarifying expectations, identifying and setting objectives / goals, providing ongoing feedback and evaluating performance.

An effective performance management approach positively influences employee engagement. An Employee understanding how their work contributes to overall organisational performance, being provided with career growth opportunities, interesting and challenging work contribute toward an engaged employment levels. Contribute towards higher levels of Employee discretionary effort in the workplace.

An effective performance management process should be built upon a number of basic principles including:

- Joint establishment of goals and objectives.
- Clarifying expectations – this makes it easier for Employees to be aware of what they are working toward.
- Support should be provided in the development of capacity to meet expectations.
- Continuous assessment and the provision of honest feedback.
- Focus on learning and development.

### **Training or Upskilling Managers**

Setting in place best practices for effective Employee Performance Management will empower Managers and Employees throughout the year and ultimately will result in greater collaboration and achievement of company goals which can be evaluated at the end of year performance review.

An Employee should be aware that they are responsible for their daily performance and that the Manager's leadership role is to ensure that they are supervising the Employee's overall performance through agreed set goals and objectives. A good Manager who has been supported and received Performance Management training should never leave an Employee in a situation where they feel criticised but rather encouraged to perform to their highest standard.

There are key strategies for assisting managers in this critical area of leadership which involve setting out clear expectations for Employee's KPI's and defined goal-setting processes. Training and continuous upskilling for Managers and providing them with ongoing development opportunities to enhance their skills in performance management is essential. This can include workshops on effective communication, goal setting, and leading performance reviews.

Providing Managers the opportunity to create a safe space for Employees to express concerns, seek clarification of roles and responsibilities, and to discuss their career aspirations will ensure that performance management is seen as a priority for all Employees by an Organisation.

As an Employer training and supporting your management team to have open and transparent communication will aid their confidence in using effective active listening skills to better understand the perspectives and needs of their team members. Effective communication is a two-way street, and active listening fosters a collaborative and supportive work environment.

### **What will Success Look Like?**

The success of an Employee's performance management review can be judged by a variety of criteria. But firstly, ensuring effective communication by all parties involved is vital. It plays a key role in ensuring that Employees understand their role, expectations, and performance goals. Managers must communicate specific job responsibilities and any key performance indicators (KPIs) and their link to the overall strategy, that will be used to evaluate their performance. Two-way communication must also be encouraged between managers and Employees. Regular and constructive feedback on an Employee's performance should include recognition of achievements as well as areas for improvement allowing Employees to make necessary adjustments and stay on track for end-of-year reviews.

Nurturing open communication and Employee involvement is important for Employers as revealed by the Adare HR Barometer Series 7.2, where 55% of respondents believe that greater interaction through regular reviews and more input from peers and colleagues would have a positive impact on the effectiveness of an internal performance management process.

Performance Management, when executed correctly, contributes significantly to a more engaged and productive workforce. The process promotes active and ongoing communication and support of accomplishing the strategic objectives of the Organisation.

Completely implemented, performance management is an all-inclusive process bringing together many of the elements that make up successful people management. Learning and development is an integral piece of this process. While review of past performance typically forms a vital piece of the appraisal process, in order to be successful, it should also be used as a basis for reaching agreement on future areas of learning and development.

All in all, successful Performance Management is a vital contribution to the success of an Organisation, and its Employees, and should be treated this way by Appraisers and Appraises alike.

**To support development of new or revised Performance Management frameworks, upskilling Managers, and setting out a framework for success, please contact our team of experts in Adare HRM who can advise and guide your Strategic HR interventions.**

***Contact Details: Phone (01) 561 3594 or email [info@adarehrm.ie](mailto:info@adarehrm.ie)***

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