

FACT SHEET



REGULAR PERFORMANCE REVIEWS

WHAT ARE REGULAR PERFORMANCE REVIEWS?

Formally reviewing your employees' performance on a regular basis provides a valuable opportunity for managers and employees to check progress on key performance indicators, training and development goals, and personal development goals, in a structured format.

Performance reviews should be a collaborative process, with an appraisal form completed in advance by both employee and manager, which can then be reviewed and discussed in conversation to ensure mutual goal and expectation alignment.

It is a chance to look back on the previous year and assess, together with the employee, how they have achieved their performance, what if any roadblocks there have been. The second part is to set together expectations and goals for the following year.

Regular performance reviews also provide an avenue for discussion and consideration of increases in pay.

IS THIS THE SAME AS PERFORMANCE MANAGEMENT?

Performance management is more focused on situations where an employee is not meeting expectations in some way. Using a regular performance review process can be a way of avoiding the need for performance management, as issues and potential issues can be identified and addressed early, reducing the need for difficult conversations and/or disciplinary processes.

If you need to provide critical feedback to an employee due to misconduct, problems with their work, issues with colleagues, regular lateness or absences, etc, ensure that you follow your organisation's Performance Management / Disciplinary / Misconduct Policy, as the principles of natural justice must be adhered to, to meet your legal and ethical obligations as an employer.

WHAT DO I NEED TO DO?

- Communicate with your employees about the planned schedule for performance reviews - you might schedule it reviews for the anniversary of each employee's start date, or you could choose to have a "review season" where all employees are reviewed at the same time of year.
- Decide on and communicate your process for undertaking performance reviews - these should be transparent to participants, and demonstrate an open conversation rather than a punitive critical discussion.
- Put together a performance appraisal/review form that suits the needs of your business. A template from BusinessNSW is attached to this fact sheet as a potential starting point, but it is just a suggested framework.
- Take the time to prepare properly for each performance review. It is essential that you make a fair assessment of the employee's performance over the period in question, and approach any corrections, suggestions or improvements required from a collaborative and collective improvement mindset.
- Listen to your employee throughout the review process - take on board their feedback and explanations with an open mind, and also take the opportunity to consider how you could have been a better manager as well!
- Do the paperwork, and follow up on issues identified, training sought, and development that is needed. It is a waste of time to have the same conversations with employees each year - your employee should be growing and developing, not just doing the same old same old.

KEY TAKEAWAYS

- Performance reviews are a structured chance for managers and employees to look at the last year, and prepare for the next one.
- Communication and open-mindedness are key.
- For managing problems with employee performance, follow your Performance Management / Disciplinary / Misconduct Policy to ensure that your legal and ethical obligations are met.