Performance management is about maximizing performance -- getting your employees working effectively on the tasks that are of the greatest value to your organization and your customers. It involves motivating employees to work toward clearly defined goals, monitoring their performance, and providing ongoing coaching and feedback to keep them on track. In a few cases, when performance doesn’t meet expectations even after coaching and feedback, it involves progressive discipline. Here are eight positive steps you can take to maximize the performance of your employees and focus their efforts on the most important work.

1. Understand the individuals you manage and your team.
   - Learn what your employees do, how they spend their time, and what pressures they face in their jobs and in their personal lives. Work with them on identifying obstacles to good work and inefficiencies in the way they work, and help them fix those problems. It will take conscious thought for you to do this without micromanaging.
   - Understand each of your employees’ strengths and weaknesses and different approaches to work. It’s from an understanding of the work and knowledge of the capabilities of your staff that you set the expectations on which to manage performance. Turn the differences on your team into assets.
   - Encourage cooperation and collaboration.

2. Set goals and make performance expectations clear.
   Building on the goals and expectations for your team (which should be aligned with the organization’s goals and strategic plan), work with each employee to set annual goals. These should include both outcome-focused goals and goals for developing skills and effectiveness. The SMART acronym can help you remember to make these goals:
   - **Specific:** well-defined, clearly worded, and narrow enough to use as a guide. For example, “Reduce cycle time by 25 percent” is a specific goal. “Be more efficient” is too general to be useful.
   - **Measurable:** without outcomes that can be tracked and fairly evaluated. “Close $100,000 of new business” is a measurable goal. “Increase revenue” is not, and may leave an employee confused about whether he or she is succeeding. A goal that can’t be measured leaves the employee wondering, “By how much?” “By when?” or “In what ways?”
• **Action-oriented:** focusing on steps and actions the employee will take. “Complete training to master the use of the new drill machine” is an action-oriented goal. “Learn new skills” and “Improve attitude,” without specific actions or outcomes, are too vague to act on.

• **Realistic:** within reach, but requiring stretching and growth. “Increase customer satisfaction ratings by 5 percent” might be a realistic goal for an employee, while “Double our customer satisfaction ratings” is probably unrealistic. Realistic goals also fall within the employee’s sphere of influence. Goals that depend on the actions of people the employee doesn’t work with aren’t fair measures of an employee’s performance.

• **Time-specific:** with a deadline or time limit. “Analyze our options for telephone systems and summarize recommendations by the end of October” is a time-specific goal. Without the time limit there’s no point at which the goal can be said to have been reached or not.

Tie goals back to the organization’s strategy, the team’s goals, and the employee’s professional development, so that each employee sees how the goals contribute to larger objectives. Use the SMART acronym as a guide in setting expectations for smaller tasks and projects throughout the year, too. It can help you delegate effectively by pushing you to be clear about expectations. It will also drive you to clarify how you and your employees will define success.

3. **Monitor progress.**

When measurement is incorporated into the goal- and expectation-setting with employees, it should be comfortable and easy for you to monitor progress without micromanaging. Projects and tasks should have measurable outcomes and measurable progress toward those outcomes.

• **Use regular one-on-one meetings to get updates from your employees on their progress.** Use these meetings to share your own observations or information you may have from other sources. These conversations ought to refer back to the employee’s goals and to the expectations you set when assigning the work.

• **When progress falls below your expectations, talk about what might be causing the slip and what can be done to get back on track.** When work is below expected quality or behind the agreed schedule, or when you don’t see progress on goals for improving performance, it may turn out that additional training is needed or that an unforeseen obstacle outside your group is stalling progress. In general, it’s the employee’s responsibility to meet agreed-on expectations. But it’s your job to offer coaching on how to deal with unexpected problems and to help clear obstacles when they block progress.

• **When monitoring progress, measure what is getting done and allow the employee to choose how to get it done.** Early in the review process it is important to involve the
employee in the discussion. It’s OK to offer suggestions on how to do the work and to explain what others have learned through experience about the most efficient ways to do the work. You may need to offer coaching and training on required skills. But beyond that, you should step out of the way. Let your employees choose the best ways to get the work done, as long as those methods are ethical, professional, and efficient.

4. **Tolerate some mistakes.**
Give your employees a chance to try out new skills and use their creativity without fear of punishment if they make mistakes. Encourage them to let you know what they’re planning. If they feel comfortable “running it by you” informally, they are less likely to make big mistakes with a new task.

• **Try not to be upset when someone makes a mistake.** Use the situation as a learning opportunity (for both of you) and a chance for some productive coaching. Resist the urge to fix the error or to criticize the employee. Instead, ask questions to help the employee solve the problem himself. Ask questions that will help the employee discover the mistake, figure out how it happened, and come up with solutions and a plan for correcting it.

• **Create an environment where employees aren’t afraid to admit and learn from their mistakes.** Teach them ways to give helpful coaching to other team members and to you. Be fair, honest, and open with people, and expect them to be the same with each other and with you. In this sort of environment, employees will hear suggestions for improvement in a constructive way, as a positive tool for learning and personal development.

5. **Give feedback, and give it often.**
Don’t wait for the annual performance review to praise good work or to let an employee know there is a problem. Employees need to know where they stand at all times, not just once a year. If you’re doing your job well as a manager, nothing in an employee’s performance review will come as a surprise to her. With regular feedback, employees have a chance to correct problems before they become serious. And regular positive feedback motivates employees by letting them know their good work is noticed and appreciated.

• **Give ongoing, constructive feedback and coaching.** If a larger goal is to be completed by year’s end, make a point of checking periodically to make sure work is on track. This can include working with the employee in the development of a timeline for the project, one that meets your expectation as the manager and the expectations of the organization. Show your appreciation for the completion of key steps along the way. And let the employee know that it matters when progress falls short -- by talking about it and discussing ways to get the work back in line. The closer your feedback follows an employee’s actions, the more useful it will be.
• **Give feedback based on facts.** Give specific examples to show what you mean whenever you give feedback. This will force you to ground your own perceptions in reality and help you avoid favoritism or bias. It will make positive feedback seem well-earned and substantial, and it will force your employee to take constructive feedback seriously, rather than dismiss it as a mistaken perception.

• **Remember to praise employees.** Many of us are also uncomfortable giving positive feedback. We think we are too busy and don’t take the time to give praise. Studies show that recognition from a manager is a powerful motivator for employees. Yet many managers fail to offer the acknowledgment and praise employees need to thrive and stay enthusiastic and engaged in their work. When was the last time you sent a written thank-you note to an employee or praised an employee publicly for work well done?

6. **Offer support.**
A divorce, an illness, an ailing parent, or other personal issues you may not be aware of sometimes affect work performance. Even happy events can have an impact on performance. One way to maximize performance is to offer support when employees need it.

• **If an employee appears to be going through a difficult time, ask if he or she needs any help from you in meeting work demands.** You might ask if the employee needs any help in coming up with a plan for getting the work back on track. Once a plan has been put into place, support the employee’s implementation of it and schedule a check-in time to review.

• **Remind the employee that help is available through the employee assistance program (EAP) or the program that provided this publication.** Give the employee the telephone number of the program and the e-mail contact information.

7. **Deal with performance problems.**
If you’ve made your expectations clear and given regular feedback but find that a performance problem is not improving, you will need to work with the employee even more closely and be even more rigorous in your performance management.

• **Describe the situation to your HR representative and ask for guidance.** Most organizations have clear procedures for dealing with performance problems.

• **Contact the program that provided this publication for ideas** on how to turn a negative situation around by using positive approaches you may not have tried. This service is provided to you free of charge through your employer.

8. **Celebrate and reward performance successes.**
In addition to giving regular feedback on how employees are meeting their goals and expectations, it’s important to recognize and reward exceptional performance and to celebrate accomplishments. In the same way that you need to deal with
performance problems, you need to shine a light on performance successes. If you take exceptional performance for granted, your star performers will question the value of giving extra effort. And eventually you’ll lose them to a manager -- or another organization -- more open to recognizing excellence.

• **Learn about and use the reward and recognition programs your organization provides** to recognize excellent performance. Your manager or your HR representative can explain these to you. These may include:
  - merit-based salary increases
  - annual and spot bonuses
  - monthly, quarterly, or annual “star performer” awards
  - stock options
  - cash card rewards
  - certificates of recognition

• **Celebrate.** Celebrations also can be used to recognize good performance. Take a project team out to lunch to celebrate the completion of an important task. Turn a team meeting into a celebration to mark a milestone or draw attention to special recognition from a customer.

Over time, as you manage performance well, you should be putting more of your focus on rewarding and celebrating good performance than on dealing with poor performance. And that makes management satisfying.

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