Best Practices for an Employee Evaluation Program

Establishing an objective employee evaluation program—and consistently applying it across the company—is key in preventing employment-related lawsuits.

But managing employment liability is more than just creating an evaluation form and requiring your managers to use the form to rate their employees. What's vital is the overall framework of the evaluation program: starting with a foundation of training for managers, creating job descriptions and job-specific evaluation forms, and regularly monitoring the process.

Basics of an Employee Evaluation Program

An employee evaluation program should be carefully designed so it is fair and free of discrimination for all employees, especially protected classes. To increase the efficiency and productivity of your employees, employee evaluations should be conducted on a regular basis. Some employers choose to review employee performance annually. In some industries, more frequent quarterly or monthly evaluations make better sense as it can lead to improved performance and the ability to correct job-related issues more quickly.

Provide Employees with Job Descriptions

A first important step in loss control is to provide job descriptions to all newly hired and current employees. Well-written job descriptions inform employees of their job duties, responsibilities and criteria for how their performance will be evaluated. Subsequently, when managers are working on employee evaluations, they should have the job description handy to ensure they are evaluating the proper duties and not duties outside the scope of the position.

Use Job-specific Evaluation Forms

Managers and supervisors should complete all employee evaluations in writing so they can be referenced in the future. A few tips when completing employee evaluation form include:

- Use job-specific evaluation forms. Evaluate employees based on their job descriptions and avoid evaluating employees in general terms.

- Keep in mind the primary and secondary audiences for evaluations; primary audience is the employee, secondary could be lawyers and juries (in the case of a lawsuit). Make sure the content and format of the evaluation could be easily understood by all audiences.

- Avoid short, overly general reviews and complex, overly detailed reviews. Use straightforward, non-technical language that concisely

describes the employee's performance and goals.

- Use specific examples for subjective areas of evaluation.

Train Managers on How to Evaluate Employees

Using objectivity in evaluating employees may not be intuitive for all managers. Training managers on the basics of your employee evaluation program and guiding them throughout the process will help mitigate the risk of discrimination claims.

After managers have completed their employees' evaluations, have the human resources department and upper management review the evaluations before presenting them to employees.

Share Evaluations in a Face-to-Face Meeting

When the evaluation form is ready to present to the employee, managers should set up a face-to-face meeting with the individual to discuss the evaluation

Managers should begin the meeting by praising the employee's strengths and specifically commenting on the valuable contributions the individual makes to the company. Next, the manager should discuss each item of the evaluation form with the employee, describing the job-specific behavior and rationale for the rating, while allowing the employee to ask questions or give input.

If there are areas of poor performance, a manager should confront the job-specific problem, not the person. While describing job-related problems, a manger should provide specific examples so the employee understands the rating. The manager should set clear goals for an underperforming employee and brainstorm with the individual ways he or she can achieve those goals. In all cases, managers should avoid

making the employee feel like he or she is being personally attacked. It may be a good idea for managers to have materials, such as a copy of the employee handbook, company policies or past documentation of disciplinary actions, on hand to reference if necessary.

The in-person meeting should be a two-way conversation between the rating manager and the employee. The employee should have the opportunity to ask questions and comment on the evaluation. If an employee disagrees with anything on the form, he or she should be able to state on the form what he or she disagrees with. If the employee refuses to sign the evaluation, make a note of this. After the review is over, the employee should receive a copy of the evaluation form.

Monitor the Overall Evaluation Process

Monitoring the evaluation process and ensuring it's consistently applied across the organization are both critical. This requires checking in with all managers and supervisors, scrutinizing their evaluation forms and providing additional training if needed.

Do your employees feel like they are being evaluated fairly? In some cases, you may also want to ask employees for feedback on the evaluation program to find out what works and what doesn't.

Common Mistakes with Employee Evaluations

Understanding common mistakes on employee evaluations may help you identify problems in your current evaluation process or highlight what to avoid when you create your program. Evaluating employee performance—especially poor performance—can be a difficult and unpleasant task for many managers. Common problems include:

- Employees are not evaluated on a regular basis.

- Managers rate employees more "middle-of-the-road," while avoiding the "poor" and "superior" ends of the rating scale.

- Managers make the mistake of rating employees on their *overall* job performance, instead of evaluating how they performed in each *area* of their job.

- Managers rate an employee's personality instead of job-related behaviors.

It is important to note that if employees feel they are being personally attacked, they are more likely to claim discrimination or harassment, and you can also run into problems under the Americans with Disabilities Act.