

# Performance Review Guide

Guiding employees through  
evaluations and goal setting

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# The foundation for developing & retaining talent

Performance reviews, when done right, can serve as an invaluable tool for employee motivation, development, and retention. But, many managers may view it as awkward, uncomfortable, or something to dread. It's why having a performance review strategy in place is so important for your organization.

So, what do you do? How do you help your employees perform in their roles and develop to do even better? In this guide, we offer a thought-out structure to hosting the perfect performance review.

## The Eight Phases of a Performance Review

- 01** Create a productive atmosphere
- 02** Clarify the goal and purpose of the review
- 03** Look back together over the review period
- 04** Appraise, consult and formulate a specific course of action
- 05** Ask employees specific questions
- 06** Define new targets or goals
- 07** Plan next steps and actions
- 08** End the review on a positive note



# 01 A productive atmosphere

## Note

You can change and adapt this guide to each individual situation – after all, every conversation has its own dynamic.

To create the kind of environment in which you can have a constructive discussion, make sure that your invitation to the performance review is clearly formulated. Avoid vague wording and you will avoid causing unnecessary stress to your team.

Would you like to discuss the team member's performance over the last quarter? Or are you more focused on setting the employee objectives for the new year? It's only fair to make sure that the employee has just as much chance as you to prepare for the review.

Incidentally, the fact that an employee takes the time to prepare for their review already tells you something about their level of engagement and way of working.

Your employee will most likely have a certain degree of anxiety about coming to a meeting where their performance is going to be judged. So, try to communicate the fact that they are valued and that you see the upcoming review as an opportunity to strengthen what is already a good working relationship.

## Goal

To facilitate an open, transparent and constructive discussion.

## Helpful hints

Adopt a calm and focused approach; do not rush the conversation.

Use verbal and non-verbal signals to create a matter of fact, relaxed atmosphere – such as by smiling and using open body language.

Start off by asking the employee a non-work-related question. This will help to relax the atmosphere, and the employee will be more likely to go into the review feeling positive.



### Goal

To create motivation for new projects and objectives.

### Key insight

While the manager may be in charge, the outcome should be centered around the employee. Allow them to suggest the route they'd like to follow. Where required, offer assistance, but don't demand how employees complete their goals. Steer them, don't force them.

A large, stylized green percentage graphic with a dotted pattern, reading '69%'. The numbers are bold and the percentage sign is also large and green.

of employees would be more dedicated to their work if they felt that their efforts were appreciated (source: [Harvard Business Review](#)).

## 02 The reason for the review

In phase two, you lay the groundwork for a transparent and interactive discussion. Firstly, you should make it clear which key points you want to discuss with your employee. However, be sure to sprinkle in a dash of motivation. Point out how your team member can also benefit from the discussion, by:

- **Receiving feedback** about their work and identifying their potential for improvement.
- **Getting feedback** on their strengths, allowing them to further develop them.
- **Discussing their professional development** and agreeing on development opportunities.
- **Understanding what is required** and expected of someone in their position.
- **Making their own suggestions** and shaping their own professional development.
- **Communicating openly** with their manager, which should be good for their working relationship.

A manager's job is to lead their employees in the right direction, helping them complete their objectives to fully reach their true potential.



## 03 Looking back together

Look back with the employee at their performance during the review period and the goals that had been agreed on. Record the progress they have made in achieving these goals, and discuss what has gone well during this process and in which areas the employee still has room to improve and develop.

### If targets have been partially achieved or missed:

#### Talk & detect:

Discuss why they were not able to achieve certain objectives and where the stumbling blocks were.

#### Document & reflect

Establish what lessons you can learn from this, and consider how similar hurdles could be overcome in future.

#### Analyze & agree

Analyze whether the employee communicated any problems they were having in good time and agree on some signals that would indicate when it's time for you to intervene.

# 26%

Employees whose supervisors mainly focus on their weaknesses are 26% less likely to be well motivated (source: [Gallup, 2016](#)).

### Goal

To discuss performance during the review period.

### Helpful hints

No matter whether or not they have achieved all their objectives, it is important to express your recognition and appreciation of their work. Be sure to point out how their performance contributes to the goals and vision of the company as a whole. Encourage employees who have achieved their goals to share their strategies for success with the team.



# 04 Evaluation, consultation & procedures to put in place

In this phase, you should go through your internal assessment criteria systematically and address each point in the following way: evaluate (evaluate your employee first, then they should evaluate you), consult and formulate specific procedures to put in place.

A constructive dialog is especially important during this phase. Make sure that the employee has sufficient opportunity to contribute their own perspective.

## Goal

To build strengths and develop potential.

## Helpful hints

Let your employee give their opinion on each review criterion before sharing your own evaluation. This helps them to develop their capacity for self-criticism and ensures a balanced dialog.

Make a point of emphasizing where you and the employee have come to the same conclusion. Explain any points of difference clearly and give the reasons for them.

After that, move directly on to the consultation step of the process. This will allow you to support your employee by building on their strengths and addressing their weaknesses.



### Goal

To elicit the employee's suggestions and concerns.

### Key insight

Ask open questions about issues that affect employee satisfaction, motivation and performance. It can be particularly helpful to start this phase with a positive question, such as "What was your best moment in the last quarter/half year/ year?" The answer can tell you a great deal about the employee, their motivations and the atmosphere in their team.

Other Suitable Questions Include:

- "How do you like your work station?"
- "How satisfied are you with your development opportunities?"
- "What do you think of the professional development opportunities available to you?"
- "Where do you see room for improvement in the way you and your team work together?"
- "How would you appraise our collaboration?"
- "How can I support you?"

## 05 What you should ask your employees

After the employee evaluation, give the employee the opportunity to make suggestions and voice any concerns they may have. Make sure you show an interest in their point of view. Be open to receiving feedback on the way you come across and your management style. What they have to say may well help you improve the way your team works together.



# 06 Agreeing on objectives

Based on your discussion, agree on a new set of employee goals. Keep in mind, though, that goals are only motivating when employees can relate to them or see themselves in them. Therefore, you need to agree on goals together, rather than setting targets and demanding that employees reach them.

Formulate SMART objectives. That is, they should be:

**Specific:** The objective is clearly defined

**Measurable:** Progress towards the objective is quantifiable

**Attractive:** The employee feels that the objective is worth working toward

**Realistic:** It is feasible

**Time-based:** The objective has a deadline

## Goal

To ensure the employee can relate to their defined objectives.

## Helpful hints

The objectives will generally arise from:

- The employee's personal and professional strengths and development potential
- Corporate and broader strategic goals. Formulate SMART objectives. That is, they should be: Specific The objective is clearly defined Measurable Attractive Realistic
- Suggestions, personal aspirations, ideas, initiatives.



## 07 Deciding on a course of action

As a manager, showing your employees that you are invested in their success is critical. You want them to know that you'll be there to help. Set clear deadlines for the agreed actions and schedule check-in meetings to review progress together. Document the most important points of the conversation and make sure that your employee can view the summary at any time

### Goal

Taking your objectives and making them real.

### Key insight

Of course, you do not want to micromanage your employees, but as a manager it is important for you to be aware of how everything is going:

- You want to make sure that your employee can handle their new objectives.
- You want to be able to offer support when it's needed.
- You want to see if the agreements you have made are being adhered to.





# 08 Finishing on a positive note

01

Make sure that your employee leaves the review feeling positive – even if you have expressed some criticisms.

02

Thank them for the positive discussion you have had, their good ideas or their openness.

03

Make it clear that you trust them and that they can rely on your support if they have any problems.

## Goal

To boost motivation and confidence.

## Helpful Hints

If they have identified any ways that you yourself could improve your performance, thank them for their honest feedback.

With your employee, agree on a specific course of action that you can follow to improve your managerial capabilities. In this way, you can demonstrate that you are willing to work on your own performance, rather than just expecting others to do so.



## **Goal**

Simplify and automate all your performance management processes.

## **Performance Management At Scale**

Easily set up performance cycles for the entire company or specific teams and keep track of all progress.

## **Automate Your Performance Cycles**

Managers and employees are prompted to complete their reviews and schedule meetings – without HR following up.

## **More Effective Feedback**

Create standardized feedback forms that allow for an equitable performance review – for everyone.

## **Keep Track of Clearer Goals**

Define and track both qualitative and quantitative targets. If targets are linked to bonus payments, results are automatically transmitted to payroll.

[Perfect Performance With Personio](#)

# Personio