

# Manager's Guide to Performance Reviews, Goal Setting & Professional Development

Let's face it, performance reviews have earned themselves a bad reputation.

Many employees dread their annual performance review, and most managers view these reports as just another task on their to-do list.

What's important for managers to realize is how valuable performance reviews can be. In fact, companies who implement regular employee feedback have turnover rates that are **14.9 percent** lower than for employees who receive no feedback.

When a manager puts in the effort to execute a well-planned performance review, it can actually make a difference in an employee's work ethic and have a positive impact on the success of the company overall.

In this guide, get all the information you need to measure and give employee performance feedback, set and track goals, build professional development plans, and ask for feedback on your management style!



# CONTENTS

## I. A Manager's Guide to Performance Reviews, Goal Setting & Professional Development

### **A. Measuring Employee Performance**

1. How to Measure Performance
2. How to Deliver Feedback

### **B. Goal Setting**

1. Tracking/Measuring Goals
2. Setting new goals

### **C. Professional Development**

1. Overview
2. Types of Professional Development
  - a. *L&D classes*
  - b. *Upskilling*
  - c. *Mentorship*
  - d. *Career Pathing*

### **D. Getting Feedback from Employees**

1. Asking For Feedback on Your Management Style

## II. About Namely



# Measuring **Employee Performance**

---

From assessing quality of work to goals, reviewing employee performance on an individual level will help you form an accurate understanding of how your talent stacks up to the rest of your organization.

**Here are four employee performance metrics you should measure at your business:**



## 1

### QUALITY OF WORK

Quality trumps quantity—especially when you consider employee performance. Sure, meeting deadlines is important and does reflect on individual performance, but if what's being produced is of lower quality, meeting deadlines takes a back seat. Ideally, you want employees who do it right the first time.

How to measure employee performance with quality of work: Measuring the quality of someone's work is subjective. What and how you measure is very dependent on the industry you're in and the specific duties and tasks of the employee. One thing to consider, however, is the percentage of work output that is rejected or must be redone.



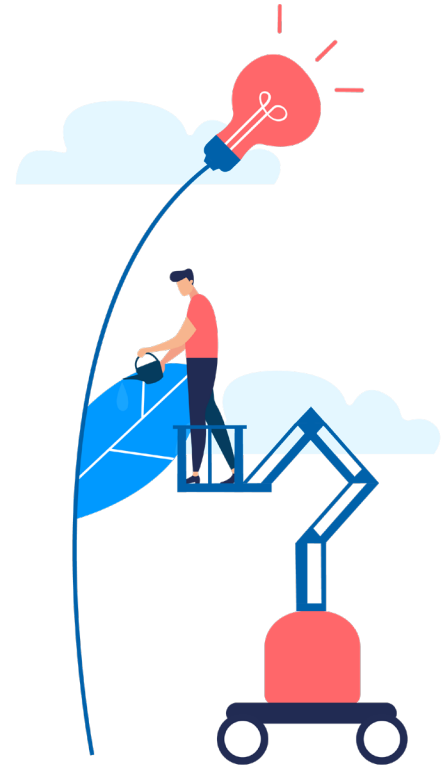


## 2

### EMPLOYEE EFFICIENCY

An efficient employee is able to maximize their productivity with minimum effort and expense. Costly mistakes are few and far between, deadlines are met and quality of work is not sacrificed. They neither waste time nor effort. Simply put, they get the job done and done well.

How to measure employee performance through efficiency: To measure individual efficiency, try conducting team assessments. Team assessments can provide an in-depth evaluation of a team's ability to meet goals, as well as identify challenges. Additionally, communicating with the people with whom an employee works on a day-to-day basis can give you valuable insight on how an employee is performing—insight you might not otherwise get. Plus, peer feedback can have a particularly strong impact, [boosting employee performance by as much as 14 percent](#).



## 3

### EMPLOYEE EFFICIENCY

Employee goals speak for themselves. Whether or not an employee is meeting his or her individual work goals can tell you a lot about how they're performing, even if you're not able to interact with them on a daily basis. To gain the most insight when measuring work performance, help your employees set goals that are measurable and timely (i.e. set realistic quarterly goals).

How to measure performance against individual goals: This one is pretty straightforward. Did the employee meet their goals? Did they miss their numbers? These should be some of the easiest talking points, as goals were set and communicated in advance (and hopefully tracked all year long).

## 4

### COMPANY CORE VALUES

Ensure that the metrics on which people are recognized are aligned with your company's mission and core values. Your core values are the heart of your organization, and every employee should exemplify them in their work.

#### **How to measure performance against core values:**

*Consider asking yourself questions like:*

How has the employee exemplified our core values?

How well does the employee collaborate and communicate with teammates?

Does the employee demonstrate leadership?



Other things to consider when measuring performance are your employee's strengths, weaknesses, impact on your team, and overall communication skills.

It's also important to emphasize that any weaknesses or negative comments mentioned should not come as a surprise to your employee. Ensure that you take note of performance issues as they arise so that reviews just act as an opportunity to restate those issues and hopefully comment on any improvements made.

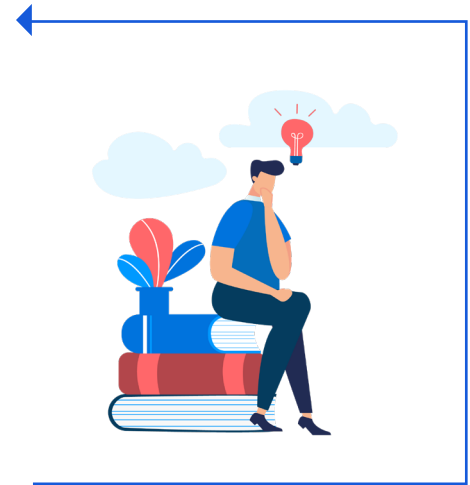
# How to Deliver Feedback

One study found **37 percent** of managers feel uncomfortable delivering direct feedback and criticism about their employees' performance. But employees crave feedback—good and bad.

So what's the key to ensuring a stress-free, constructive performance review? Preparation.

Being prepared with documentation and talking points as a reviewer or reviewee is imperative in order to set clear expectations and prevent either party from being blindsided during the review.

Being prepared will also help you with one of the most important parts of giving feedback: being specific. Avoid general comments like “good job” and focus on specific actions, efforts, projects, etc. that the employee has done well, and describe what you're happy with and would like to see repeated. This is also a good place to discuss the impact that the employee has had on the larger company goals.



# 37%

of managers feel  
uncomfortable delivering  
direct feedback and  
criticism about their  
employees' performance



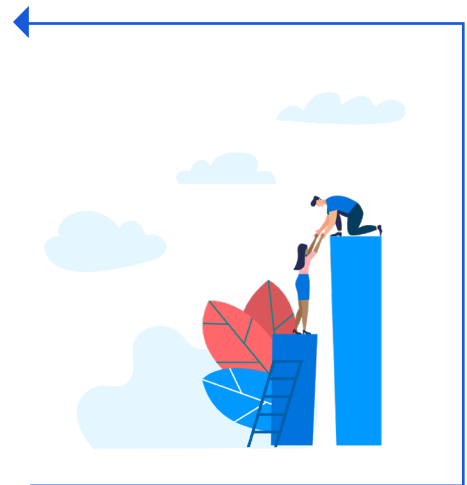
# How to Deliver Feedback

Feedback in reviews doesn't need to be all constructive. In fact, nearly **70 percent of employees say they would likely leave their job if they didn't feel appreciated. So make sure you also acknowledge successes.**

While raises and promotions are traditional ways to reward outstanding employees, sometimes a simple “thank you” can go along way. **One study** found that employees said the most meaningful accolade they had ever received held “no dollar value.”

But even after you've had your 1-on-1 feedback conversation, your work isn't done yet. Consider meeting weekly or bi-weekly with your direct reports to give, receive, and act on feedback.

This “ongoing feedback” helps you keep pace with change by monitoring performance, reassessing goals, and discussing strategies. More frequent 1-on-1 meetings may actually end up saving you time by providing a forum to address and resolve problems before they become larger issues.



# 70%

of employees say they would likely leave their job if they didn't feel appreciated.





# Goal Setting

---

Now that you've measured your employees' performance and given them feedback, it's time to assess how successful they were at achieving their goals in order to help them set new ones. Setting goals holds employees accountable for their performance and helps keep them motivated. In fact, **93 percent** of employees think goal setting is crucial to their work performance. Simply writing down goals makes employees **42 percent** more likely to achieve them.

So as a manager, how can you help your employees set new goals so that they can challenge themselves and continue to grow? The first step to setting new goals is measuring the success of previous ones.

**93%**

of employees say they would likely leave their job if they didn't feel appreciated.

Simply writing down goals makes employees

**42%**

more likely to achieve them.

# Tracking and Measuring Goals

Even if you only conduct performance reviews annually, tracking goals throughout the year is crucial to measuring an employee's performance. Companies who encourage employees to set goals on a quarterly basis can generate **31 percent more ROI** than those who only set goals once a year.

**Regardless of how often your employees set them, goals should not only be “SMART”, but should also be measured against company-specific goals.**

For example, if a sales representative has a goal for sales each quarter, that goal should be based on the company's overall goal for quarterly sales. Tying employees' goals to organizational goals will help them understand how they directly contribute to your company's success.

Throughout the year, managers should sit down with employees to check in on the progress towards their goals. If a goal is based on numeric metrics, calculate how close an employee is to achieving that goal in a percentage.

In the case that an employee is struggling to hit a goal, it's their manager's responsibility to ask them what they can do to support them and help them reach it. This frequent check in can help employees understand what they need to adjust in order to reach goals and also prevents any surprises when a performance review rolls around.

In addition to helping employees adjust their approaches to reaching goals, sometimes managers need to help them adjust the goals themselves. Whether goals have become unrealistic, employees' roles have changed, or the company has shifted its business strategy, being flexible with goals enables managers to help employees adjust them accordingly.



**S** \_\_\_\_\_ Specific

**M** \_\_\_\_\_ Measurable

**A** \_\_\_\_\_ Attainable

**R** \_\_\_\_\_ Relevant

**T** \_\_\_\_\_ Time-Based



One might think that setting new goals is the employee's job, but it actually should be a team effort. In order to reflect on the success of previous goals and set new ones, employees need to collaborate with their managers. Whether it's during the 1-on-1 feedback conversation or a separate call, managers should sit down with their employees to discuss what they'll be striving to achieve going forward.

Of course it's crucial to look at the facts—what goals did they hit and which ones did they fail to achieve—but it's also important to get a pulse for how your employees felt about working towards them. Was striving to meet goals manageable or overwhelming for them? Did they feel challenged and motivated or too challenged and **burnt out**? Asking your employees for feedback will give you a bigger picture and enable you to help them set ambitious, yet realistic goals.

After setting these new goals, it's imperative that you make sure your whole team is on the same page. Schedule a meeting for your employees to share their goals with the rest of the team. Doing so will ensure that all of your employees are heading in the same direction and can offer each other support if needed. In order to reflect on the success of previous goals and set new ones, employees need to collaborate with their managers. Whether it's during the 1-on-1 feedback conversation or a separate call, managers should sit down with their employees to discuss what they'll be striving to achieve going forward.





# Professional Development

---

After helping your employees set new goals, it's important to examine avenues for professional development so they can continue to develop their skills and grow their knowledge base. The goal of professional development is to give employees insight into industry trends and help them develop new skills to advance in their field.

Professional development is also critical to engaging and retaining the best talent, boosting morale, improving productivity, and building brand recognition. In fact, **94 percent** of employees say they would stay at a company longer if it invested in their learning and development.

**94%**

of employees say they would stay at a company longer if it invested in their learning and development.



Creating a culture of learning drives employee engagement and helps build new skills to prepare for what's ahead. When surveyed, **80 percent** of employees expressed that learning and development opportunities help them feel more engaged at work. Pursuing professional development makes employees feel valued and increases their credibility. It can also lead to networking opportunities and influence earning potential, while improving skills and hireability.

The connection between employee engagement and productivity is undeniable, and both help maximize ROI for businesses. Companies who score high on employee engagement are **21 percent** more profitable and **17 percent** more productive. Investing in employee development also means investing in the longevity of the business. It creates a nurturing environment for better performance—which leads to greater return.

Professional development is also a strong motivator and competitive advantage for employee retention. It's no surprise that **40 percent** of employees who receive poor job training leave their positions within the first year. Additionally, **68 percent** of workers say training and development is the most important workplace policy. Satisfaction and happiness among employees are derived from a sense of growth with the company and connection to its mission.

While developing people capabilities is essential to any business, learning and development also helps to build a better **employer brand**. Investing in learning and development can lead to better brand recognition and boost a company's position as an "employer of choice." The employer value proposition is an important way to communicate brand strength and company success in the industry and market as a whole.

Managers can integrate development and learning into their organizational culture through a variety of ways, such as providing access to classes, facilitating mentorships, upskilling, and career pathing.



Here is an overview of the different types of professional learning and development you may want to consider:

- 1 **Learning & Development Classes**
- 2 **Upskilling**
- 3 **Mentorship Programs**
- 4 **Career Pathing**

## 1

### LEARNING & DEVELOPMENT CLASSES

Essential components of the learning and development function within an organization are classes, training programs, and curriculum development aligned with the company's business and talent strategies. Remote work has also created more flexibility and personal time to dedicate to career advancement, and companies are open to growth and learning opportunities now more than ever. In fact, **57 percent** of L&D professionals said their companies would be investing more in online learning than before.

This may take the form of virtual seminars, conferences, or classes designed to enhance job-related skills and support continuing education. As a manager, it's up to you to decide on the best course of action for employee learning.

**When thinking about classes, here are a few tips to keep in mind:**

The method of learning will depend on the individual's chosen learning environment. Classroom-based learning is generally used for topics unique to the employer, and online learning is utilized for more universal topics. Online learning is now becoming a method of choice, as it allows employees more freedom and control over their time than they would have in a traditional classroom. An employer can create opportunities for e-learning through platforms like [Udemy](#), [General Assembly](#), or [Cousera](#).

Some employees may prefer **microlearning**, such as watching 15-minute videos that cover topics in small increments. In this case, online learning within the organization should be tailored to easily digestible pieces of content to keep employees engaged during the training. Employees should be able to envision how the content will help them perform their jobs better. Choose topics that are tied to specific business goals and provide introductory training so employees can easily use online training systems. Be sure they have access to online support and supplemental resources as needed.

In addition to workshops and online courses, employers can cover the financial cost of a membership to a professional organization or guild. This is a great way to expand employees' professional networks and help them gain access to exclusive opportunities. Social events hosted by professional organizations within the industry can encourage employees to meet more like-minded individuals and bolster their professional connections in their field.

Managers can also provide access to a strengths assessment and coaching tool, like [Gallup CliftonStrengths](#)—which helps employees understand their unique potential and areas for development. This form of learning will help employees evaluate their current and potential levels of contribution to the organization. The assessment tool allows for a visual representation of employees' skill sets and creates dialogue on areas for growth and collaboration.

## 2

### UPSKILLING

Upskilling, “reach projects”, or “stretch assignments” are developmental assignments that allow employees to achieve new skills, knowledge, and competencies necessary for higher-level positions. They give employees the chance to learn, while immersing themselves in real work.

As the workforce evolves and integrates more digital technology, the need for upskilling is becoming more apparent. By 2022, **54 percent** of employees will require significant reskilling and upskilling. Changing dynamics in the workplace call for both technical skills as well as “soft skills,” including flexibility, time management, communication, and collaboration.

Upskilling can help form confident, productive teams, while making change in the workplace easier to handle. It’s a compelling resource in developing talent for future leadership roles, as it keeps employees engaged and ultimately leads to better results. Indeed, **91 percent** of companies and **81 percent** of employees say upskilling/reskilling training has boosted productivity at work. Employees who feel they are contributing to the organization’s overall success will be more likely to empower others, make better decisions, and focus on growing the vision of the company.

Leadership success is often dependent on cross-functional teamwork, handling workplace conflicts, and high-risk, high visibility experiences to develop these powerful “soft skills”. Upskilling can provide a long-term solution since it gives employees the chance to train in new areas and gain exposure, while developing unforeseen talents and capabilities. This allows for a more holistic approach to leadership training.

It’s likely that many workers are unaware of the experiences needed to best prepare them for upward mobility, yet these experiences are often crucial to get to the next level within the organization. It’s no coincidence that **53 percent** of employees want to get training on “soft skills”, such as resilience and adaptability.

**81%**

of employees say upskilling/  
reskilling training has boosted  
productivity at work.

**53%**

of employees want to get  
training on “soft skills”, such as  
resilience and adaptability.



## 2

### UPSKILLING

As you think about incorporating upskilling into the professional development programs at your organization, here are a few things to consider:

Before getting started with upskilling assignments, it's necessary to determine the skill and knowledge gaps within the organization. Conduct a discovery phase to determine what skill base you will need from employees down the line. Identifying skill shortcomings will help ensure alignment of your upskilling efforts with your workforce needs. Establish training programs in a way that makes the most sense for the organization. Review a brief analysis of the type of institutions, teams, and partnerships that you see best fitting your company's needs. Upskilling may take on several different forms, but usually includes internal training, apprenticeships, partnerships with vendors, partnerships with universities and community colleges, as well as career training programs.

Next, it's crucial to understand and match the program to employees' career goals. Upskilling aims to solve specific skill gaps, and employees' needs will depend on their current skills, role within the organization, how the role is evolving, and the technology needed to successfully fulfill the job requirements. It's important to get managers on board and tailor the upskilling plan based on the employee's goals. This will help employees take ownership of their personal and professional development.

If possible, provide your employees with the resources or financial support they need for upskilling—this will motivate them to embrace the learning process and excite them about what's next with the company. According to one survey, **66 percent** of employees say the joy of learning new things is the top reason why they invest in upskilling. If possible, offer financial incentives such as grants or access to external education. External training will help contextualize the employee's new skills as they correspond to your business goals.



## 3

### MENTORSHIP PROGRAMS

One of the most effective ways to develop employees toward business goals is to facilitate mentorship programs within the organization. Mentoring allows for two-way relationships that benefit the mentor and mentee through creating open dialogue and trust. Mentoring programs can help elevate the quality of work for both participants, while increasing productivity, boosting employee retention, and creating a positive company culture.

Mentorship is directly correlated to happiness in the workplace as it helps to cultivate meaning for employees. In fact, **9 in 10 employees** who have mentors say they are happier in their jobs. Mentors provide guidance in navigating questions around career advancement and a safe space to discuss any workplace challenges.

One important dimension to consider for pairing mentors and mentees can be the diversity groups they are a part of, such as age and functional expertise. Greater levels of diversity can encourage better understanding, growth, and open expression of different ideas.

Creating a **mentorship cohort program** will take commitment from both the mentor and mentee, but it has proven to be a worthwhile endeavor in the long run. For instance, **78.8 percent** of employees think being part of a mentorship program made them feel more engaged at work.



Here are a few guidelines for running a successful mentorship program:

- a** Understand the Goals of the Program
- b** Establish a Meeting Rhythm & Expectations
- c** Build Trust & Confidence Together
- d** Improve with Each Iteration of the Program

## 3

### MENTORSHIP PROGRAMS

**a**

#### **Understand the Goals of the Program**

First, it's necessary to define the goals and objectives of the program so everyone has a comprehensive outlook of their participation and contributions. Knowing the “why” of committing to this initiative will allow both parties to immerse themselves and establish trust.

**b**

#### **Establish a Meeting Rhythm & Expectations**

Creating time to meet regularly with your mentor holds both sides accountable and requires thoughtful preparation. The senior leader typically outlines the meeting cadence. Create the shared expectation that each person will come prepared with discussion topics, business scenarios to solve together, and career pathing questions.

**c**

#### **Build Trust & Confidence Together**

It can be somewhat intimidating to come together with a group of colleagues you may not know very well to openly discuss business solutions and personal career pathing. However, being vulnerable within your mentorship circle has many advantages. Knowing that everyone is sharing confidential information creates a secure space to explore together while exchanging ideas and experiences. The trust and confidence in one another will grow as you continue to share and receive authentic feedback. This enables your mentorship circle to develop a greater understanding and appreciation of their colleagues' work in other parts of the organization and continue to collaborate on shared goals.

**d**

#### **Improve with Each Iteration of the Program**

The effectiveness of the program will continue to improve as each cohort provides meaningful feedback for areas of improvement upon completion of the program. You can send out response forms or surveys to participants to collect their input, and use these results to adjust the parameters of the program. For example, there may be a better pairing method, more preparation needed, or a different meeting cadence to try out. With each set of mentors and mentees “graduating” the program, constructive observations and evaluations of the program are provided so the next set of mentors and mentees will have the best possible version of it.

## 4

### CAREER PATHING

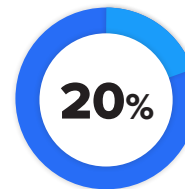
Career pathing refers to the process of charting the career development of an employee with a particular employer. It is a talent management strategy where employees have a detailed framework in place to identify opportunities based on their particular skills, competencies, experiences and preferences. Career pathing gives employees valuable insight into possibilities for advancement and resources needed for addressing competency gaps.

Unsurprisingly, employees who feel they're progressing in their careers are **20 percent** more likely to still be working at their companies in one year's time.

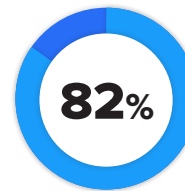
Career pathing can help employees envision a long-term career with the company, which can lead to improved employee retention and engagement. In fact, **82 percent** of employees report that a lack of progression would influence the decision to leave their jobs. Conversely, **73 percent** would stay with their company if skill-building opportunities were offered to them.

While career pathing is about the evolution and growth of employees' career, not all career pathing is vertical, as lateral and cross-functional career moves may also align to their skills, education, and interests. Having an understanding of their transferable skills will aid in employees' decision making around departmental and organizational roles.

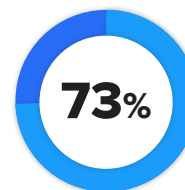
Managers are responsible for integrating the company's definition of success into employee feedback, evaluations, and development plans.



Employees who feel they're progressing in their careers are **20 percent** more likely to still be working at their companies in one year's time.



**82 percent** of employees report that a lack of progression would influence the decision to leave their jobs.



**73 percent** would stay with their company if skill-building opportunities were offered to them.

## 4

### CAREER PATHING

Here are a few guiding principles you can follow when building out your organization's career pathing initiatives:

One tool managers can use during career pathing discussions is career mapping. Clear career mapping first requires determining employees' career goals and desired jobs for the future. Managers should engage with employees to discover their skills, knowledge, abilities, past experiences, interests, and accomplishments.

Next, create a custom plan for your employees that outlines learning, training, and experiences required for them to drive their career goals forward. Identify other opportunities within the organization that correlate with employees' interests or specific ways they can reach their goals. For instance, they may volunteer as chair of an **Employee Resource Group** to gain leadership experience. The position should aim to build on employees' past experiences and motivations, while simultaneously encouraging them to develop new knowledge, skills, and abilities. This gives them something to strive after and keeps them engaged.

Lastly, managers should continue to track other job opportunities within the organization as they become available. This will help them with employees' job evolutions, mapping the appropriate job and tasks with their goals and capabilities. Conducting regular assessments or reviews with employees will allow for honest feedback on the progress of your career pathing initiatives. Consider establishing a regular touchpoint discussion instead of an annual review.

When necessary, consider the benefits of using career pathing technology when implementing career development at your organization. Most career pathing software integrates seamlessly with existing learning and talent management platforms. Companies that provide career pathing tools include [Lattice](#), [Fuel50](#) and [Talentguard](#).

These software tools help create awareness among your employees about the various job types and strategies to get to their desired positions. They also assist with customizing employee action plans and job matching. Finally, they enable insight into workforce trends and help you to plan for the future through hiring and training.



# Getting Feedback from Employees

---

Of course, performance reviews allow managers to recognize their employees' achievements and help them continue to develop professionally. However, performance reviews are also a perfect time for managers to ask employees for feedback about their management style.

# Asking For Feedback on Your Management Style

Getting feedback from employees not only helps managers grow, but also makes employees feel more productive. In fact, **59 percent** of employees feel more engaged at work when they're asked for feedback.

## Not sure where to start?

**To get insight into how employees feel about your overall management style, consider asking these questions:**

1. Do you wish your manager checked in with you more frequently?
2. Does your manager communicate well when it comes to setting expectations and goals?
3. Do you think your manager gives you enough professional development opportunities?
4. Does your manager keep you informed about overall business decisions and strategies?
5. What can your manager do to better support you and your growth?

These are all critical questions, but one of the most important topics to ask your employees about is the way you give them feedback. Even though **58 percent** of managers think that they give enough feedback, 65 percent of employees wish that their manager gave them more.

Whether it's by scheduling weekly 1-1 meetings, reviewing individual and team goals on a monthly basis, or building an **employee recognition program**, giving employees "ongoing feedback" is not only crucial for their growth, but for your growth as a manager as well.







## ABOUT NAMELY

Distinguished by its intense commitment to diversity, equity, and inclusion, HR technology leader Namely is an employer of choice that helps mid-sized employers and their employees thrive. Delivering and streamlining the complexities of recruiting, onboarding, time & attendance, performance management, benefits administration, compliance, payroll and analytics from a single platform, Namely also offers Managed Payroll and Benefits services. The company further differentiates the client experience through personalized service and easy-to-use applications.

Learn more at [www.Namely.com](https://www.Namely.com) and follow us [@NamelyHR](https://twitter.com/NamelyHR).