

## Performance Evaluation: Part 1

Why do performance evaluation? What purpose does it serve? How often should leaders evaluate performance of subordinates? How does the leader tell people bad news without destroying their egos? Aren't most performance evaluations meaningless in terms of true "evaluation?" Let's take these questions one at a time and answer them over a two-part series of articles.

Why do performance evaluation? Performance evaluation can be a powerful tool for leaders to help people become more productive, efficient, and effective. In short, their main purpose must be to help people grow. But they must be done right or they will do more harm than good. Many people facing the annual performance evaluation are filled with fear and trembling especially when the evaluation is the first and only time they have received performance feedback during the year. Add that lack of feedback to a coupling of the performance evaluation with future pay and promotion, and people are often terrorized by the thought of the interview. Most leaders do not go to the extremes that [Admiral Hyman Rickover](#), the father of the U.S. nuclear Navy, was famous for but suffice to say that the experience is often an unpleasant one for most people, and this includes leaders.

Fear of the interview leads to aberrant behavior on the part of the person being interviewed manifested by lying, exaggeration, blame displacement, or simply tuning out. Under these conditions, no learning takes place and future growth is stymied.

Performance evaluation should be for the purpose of helping people perform at a higher level. For the servant leader it should be a primary function of helping people to reach their full potential and true job satisfaction. It should involve measurement of goal achievement against previously agreed upon objectives and metrics. Where goals were not attained, we ask why not? Where they were achieved, we ask why? Was it due to what we did, did not do, or just luck? The answer to these questions will determine what changes, if any, we need to make to processes. Where goals were not achieved, leaders should ask the person being evaluated to explain the cause. Deming reminds us that [85% of the time](#) (he later changed it to 96%) problems are due to the process and not the person. Leaders are responsible for the processes. Therefore, leaders must determine what tools or process changes are required to improve performance. For example, several years ago a salesman told me of his frustration to achieve ever increasing goals imposed by his supervisor while he continued to deny him use of a cell phone. He explained that he could use his time much more efficiently with a cell phone to insure that his contacts were available when he called on them.

True "performance evaluation" should happen every day, assuming leaders have daily contact with their people. If contact is less frequent, performance evaluation should occur whenever contact is made with the person. This informal feedback can be as simple as a compliment or correction on job performance yet is a powerful tool to encourage increased productivity. Daily, weekly, monthly, and quarterly goals may obviate the need for an annual review. The first time a person learns that his/her performance is not meeting goals should not be at the annual review. With short interval goals, each person knows exactly where they stand throughout the year.

No one likes to be the bearer of bad news--including leaders. That is why performance evaluation is among the greatest leadership failings. How does the servant leader deliver bad news while demonstrating his/her concern for the welfare of the person being evaluated? Leaders are *not* being kind or sympathetic by *not* pointing out performance

problems as these may lead to the eventual loss of the job. But it must be done in a way that the person hears and understands the problem and helps to create a plan for correction. It all begins with setting the stage...and this will be the subject of our next article. Stayed tuned!

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