

How To Handle Employee Performance Reviews

In order to help practitioners navigate the tricky terrain of employee performance reviews, this author talks to various experts in the field about the value of honest feedback and thorough documentation.

By Robi Garthwait, Contributing Editor

The performance review can be a difficult proposition as there is a certain amount of dread and anticipation for both the employer and the employee. One must address the tricky issue of pay or salary. Performing a thorough performance review is also important from a legal perspective. For example, a fired employee may claim he or she was never told about a particular area of deficiency.

There is a desire to cover all the relevant areas and issues in the performance review but some people have trouble being tactful and honest at the same time. A common mistake is being overly positive and sugarcoating mistakes or problem areas. However, being overly critical can also thwart your attempts to get employees to make improvements in certain areas.

While it is tempting to think of the annual performance review as a one-time event, it is actually the culmination of a yearlong process of communication and documentation. As long as everyone is on the same page, it may not only be an informative experience but a generally positive one for all involved.

Steven Peltz, CHBC, of the Brewster, N.Y.-based Peltz Management & Consulting Service, LLC, says employees want to feel as though they are meeting their employer's expectations.

"Many employees take a great deal of pride in their work and appreciate constructive feedback," he says.

Eric Espensen, DPM, believes regular performance reviews are important for monitoring the progress of his staff.

"They help us keep the office moving in the right direction of our desired course of growth," notes Dr. Espensen, the Director of the Providence Diabetic Foot Center in Burbank, Ca. "It also helps employees to know exactly what is expected of them."

Dr. Espensen says the information that emerges from performance reviews can often facilitate improved communication as well as improvements in office procedures and work flow.

“By cultivating dialogue between the doctors and the employees, we have improved office efficiency by 20 percent in the billing/claims area,” points out Dr. Espensen.

Subtle Secrets To Reviewing Strengths And Weaknesses

Performance reviews are indeed a necessary part of doing business, according to Lynn Homisak, PRT.

“The purpose of a performance review is to give both the doctor and staff a sense of how they are doing and -- just for the record -- the staff wants to know how they are doing,” notes Homisak, a member of the Board of Trustees of the American Academy of Podiatric Practice Management.

If employees are doing a great job, let them know. Conversely, no one wants to waste his or her time doing a poor job, says Homisak.

“If they are not meeting the standards of their job, (the review) is the perfect opportunity to explain how they can make it better,” she advises.

Look at a review as an opportunity to guide an employee, not as a time to reprimand or scold the staff member. There are a number of subtle things one can do to help facilitate an effective performance review.

“Remember to critique the employee’s behavior, not him or her personally,” points out Homisak, a longtime podiatric medical assistant and current office manager in a busy podiatry practice in Sammamish, Wa.

She says it also important to remember not to focus solely on areas where the employee needs to improve. Homisak says the review is the perfect time to acknowledge the employee’s effort and motivate him or her to do more.

“Offering a genuine thank you for things they think go unnoticed can change an attitude completely,” notes Homisak, a team partner and practice management consultant with SOS Healthcare Management Solutions, LLC.

“Remember that a little bit of sugar helps the medicine go down,” posits Peltz. “If the employee is someone you want to keep but needs improvement in certain areas, start off the discussion with something positive and review with the employee why it was positive.”

After some initial praise, Peltz says it is then okay to venture into areas that the employee needs to improve. It helps to have employees formulate their own plan for improvement rather than merely lecturing them on what to do better, according to Peltz.

Why Honesty Is The Best Policy

However, Peltz, Homisak and Dr. Espensen all emphasize the importance of being honest during the performance review.

“Praising (employees) for things done improperly or just not addressing it at all for fear of hurting their feelings sends mixed messages to your employee and makes you guilty of encouraging repeat, wrong behavior,” says Homisak. “Be absolutely honest.”

Gary Mogel, JD, concurs. He says it is common to want to sugarcoat employee reviews and highlight employees’ positive attributes but this is where employers can get into trouble.

“It is uncomfortable for managers to be blunt about employee shortcomings so they tend to emphasize the good points and downplay or ignore the bad,” notes Mogel, an employment and insurance law expert who practices in New York. “That comes back to bite them when the employee sues, claiming an allegedly discriminatory discharge, and all the employer can produce to “justify” the firing are seemingly good reviews.”

Why Thorough Documentation Is Vital

That said, Mogel and Peltz strongly encourage employers to document specific examples of employee conduct in each personnel file. Peltz says it is important to file these comments as incidents occur. Recording these incidents with the date, time and circumstances gives podiatrists and office managers “a better perspective of the employee’s value to the practice rather than just focusing on the (most recent behavior),” according to Peltz.

Peltz says it is important to remember that annual reviews can not only identify an employee who has management potential but may identify an individual who should be put on probation and possibly terminated.

“All reviews, when placed in the employee’s file, create a legal record which may become important if a terminated employee brings a wrongful termination suit against the practice,” adds Peltz.

Thorough performance reviews can also protect you and your practice from employees who claim they were discriminated against. In fact, without a fair and comprehensive employee review process, you could just be setting yourself up for a lawsuit.

“Reviews are necessary because they are the only safe and legal way to justify an adverse employment action, such as discipline or discharge,” emphasizes

Mogel. “Without a written review, the employer has no effective way of rebutting employee claims that they were unlawfully discriminated against.”

The size of your practice can make a difference regarding what laws apply to you and your employees. For example, many federal anti-bias laws don't kick into effect unless the employer has four employees, according to Mogel. However, he points out that many state and even local anti-bias laws apply to all employers regardless of size.

Mogel recommends the use of a standardized performance review form. He says this helps ensure that managers cover all of the relevant topics and that all employees are judged on the same or similar factors based on their job duties and responsibilities. Emphasizing the importance of consistency in the review process, Homisak agrees that the same rating standards should be used “across the board for all employees.”

Peltz's firm designs evaluation forms that practices can use to evaluate performance. Peltz notes that generic review forms are also available. In order to ensure a fair and legal review process, Mogel says employers should use a review form that an employment law attorney has vetted. Managers should be required to completely fill out the form and both Peltz and Mogel say the employee should sign it after the review has taken place.

How Often Should You Do Reviews?

Homisak emphasizes timely performance reviews. Postponing or delaying the review can send the wrong message to employees.

“If review time is coming up, don't keep putting it off or, worse yet, ignore it,” says Homisak. Conduct reviews in a timely manner with the level of importance they deserve. This means preparing your materials ahead of time. For example, one should pull the employee's personnel file or talk to other individuals the employee reports to in order to get their input.

Homisak suggests meeting with new employees at three- and six-month intervals in addition to a year-end review. This provides them with information right up front so they know fairly quickly how their on-the-job performance ranks.

For staff members who have been with the practice longer, the formal annual review is usually sufficient, according to Homisak. However, if an employee has received a poor review, Homisak recommends meeting with the employee for a brief follow-up three months later. At this time, you can determine if the employee has addressed critical areas or if disciplinary action might be necessary.

Dr. Espensen and his partner evaluate employees every three months, with a formal review occurring every six months. Staff members receive immediate

feedback in writing and Dr. Espensen says he also addresses changes in duties without delay.

According to Dr. Espensen, when reviews were casual or infrequent, they failed to provide the direction that employees needed to do a good job.

“Since the reviews are done privately and formally, they allow us to directly address issues and to praise good work,” he says.

Dr. Espensen notes the review process came in handy when a new office manager joined the practice and had difficulty adjusting to a work environment where things were done differently than at her previous job.

“(The) manager was reviewed immediately, praised for her hard work and her duties were explained in writing,” recalls Dr. Espensen. “(This has) helped her feel less overwhelmed.”

Why Proper Training Is A Must

Homisak strongly believes that employee training and evaluating performance go hand-in-hand.

“I take training a staff person very seriously and it is the first thing I look at when I visit a client’s office (as a practice management consultant)” says Homisak.

Sadly, employee training is an area that is often neglected, according to Homisak, mostly because of the time it takes to train an individual properly.

However, if staff members are adequately trained and understand the “hows” and “whys” of each task they are asked to complete, Homisak says there is a better chance that they will make an effort to do their jobs well.

Should You Have Employees Offer Their Review As Well?

In Homisak’s office, employees compile a list of things they have done throughout the year to bring to their review. “This will help support their contributions to the office which might otherwise get lost,” she says.

In addition, employees complete a form similar to one that Homisak and the DPM use to rate staffers. She says that process allows employees to grade themselves and see how close the self-ratings are to the ratings the employers give. Homisak recommends this approach because it tends to indicate if the employee and employer are on the same page. It can also facilitate discussion, especially if you notice a significant difference of opinion.

There is another dimension to the review process that can improve the operation of your practice. It involves having employees rank you or the practice as a whole.

Homisak says there are many advantages to having employees rank their employers.

It gives employees a voice. It is the perfect opportunity for employees to share their thoughts. Homisak says this should be done anonymously as it will enable employees to be more forthcoming with their responses without the fear of retaliation if they say something critical.

Just getting things off their chest can also help improve employees' attitudes. Knowing that their opinions matter is extremely important to most workers.

You gain valuable information. Perhaps scheduling patients too close together wreaks havoc behind the scenes and the DPM might not even be aware of it. Maybe allowing an extra 15 minutes at lunch would enable office workers to accomplish more outside of work and thus feel less harried during the day.

You never know what meaningful information you might gather through 360-degree feedback. Often, employees have the best ideas on how to improve efficiency and patient satisfaction and just need to be given the chance to share their thoughts.

"If you care about your employees, you will care about what they are thinking about you, their workplace and their jobs in general," concludes Homisak.

Final Notes

Ultimately, performance reviews can give you an idea of the general health and well being of your business. If your employees are regularly getting positive reviews, it is a sign your business is on the right track. However, poor reviews often mean you must make adjustments. Key issues to look at include training programs and communication. Of course, the entire process is easier if you hire the right people in the first place. Take care during the interview process and when creating job descriptions. The right person in the right position can make all the difference in the world.

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