



PERFORMANCE APPRAISALS: BEST PRACTICE GUIDE & TEMPLATE EXAMPLES

SEPTEMBER 2022



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As a national, non-profit organization, **Trucking HR Canada** advances modern HR solutions for the trucking and logistics workforce.

One of our strategic priorities is to make a company's job easier by delivering a comprehensive collection of up-to-date guides, reports, templates and more to support effective human resources management and recruitment and retention efforts.

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WANT MORE?

To help fleet employers understand what they can do to update their skills and align themselves to today's modern management practices and approaches, Trucking HR Canada created *Successful Management in the Changing World of Work: A Guide for Today's Manager*. In this online resource guide, learn about:

- How and why management practices are evolving.
- How managers can align their skillsets with changing management practices.
- On-going challenges leaders face, and suggestions for managing them.
- Best practices for providing employees with feedback and conducting coaching conversations.

To view this online resource visit THRC's **HR Resource Library**.



INTRODUCTION

The practice of supporting continued growth amongst employees is an effective way to attract and retain talent. Tools like the Performance Appraisal are useful frameworks for accomplishing this. Also known as a performance review, performance evaluation or development discussion, creating a clear and consistent approach to delivering feedback can help your company assess and measure performance and plan for growth.

Within this document are tips and tools that will help you create a standard process that facilitates regular, thoughtful discussions with your team members.

Specifically, you will find:

- Information to understand current trends in performance review practices and the benefits of using a formal appraisal program.
- Tools to help managers prepare for and conduct effective review discussions, including guidance on how to deliver difficult performance feedback.
- Sample Performance Appraisal Templates:
 - Template 1: Skills Based Appraisal
 - Template 2: Objectives and Outcomes Appraisal

WHAT DOES A MODERN PERFORMANCE APPRAISAL PROGRAM LOOK LIKE?

If you want to update your current performance appraisal program or you are considering designing one from scratch, there are some factors to consider so it effectively aligns with current trends and satisfies the growing needs of the business and desires of your employees.

In the past, performance discussions took place annually and often were deemed by employees as a means to an end to determine a merit increase amount, or as a punitive process. Today, conversations are often more future focused and goals oriented. Outlining the why, when and how performance discussions will take place within your employee handbook or as part of onboarding will help employees understand the intention behind this process.



Today's Performance Appraisal Programs often include the following:

- Touch points that are more frequent than annually to allow employees to receive ongoing feedback on their performance and to check-in on the progress of their goals. Consider scheduling quarterly or bi-annual discussions.
- The development of goals that are measurable and results focused. Use the **SMART** [Defined below] methodology to create clear and effective objectives.
- The opportunity for two-way conversation between the manager and employee that is positive, constructive, and clear. Include questions that generate discussion from the employee's perspective about their accomplishments and challenges.
- A streamlined and straightforward process that is easy to understand and utilize.
- Providing easy to use templates and supporting communication and resources is key to executing a successful program.
- A focus on employee professional development.
- Opportunities for managers to check-in on their team member's wellness and engagement.
- Training for managers on the benefits of regular 1-1 meetings, how to use of the appraisal tools, establishing strong goals and providing effective feedback.

Wellness and Engagement Team Member Check-In

Below are five questions managers can ask their team to gauge their level of engagement and wellbeing:

- 1.** Do you have the tools and resources you need to effectively perform all of your tasks?
- 2.** Are there any roadblocks or challenges that you consistently come up against that prevent you from performing at your best?
- 3.** How are you balancing your work and life obligations?
- 4.** Are you receiving adequate support from team members?
- 5.** How can I better support you?

Additional consideration:

- There are online platforms available that can streamline the process and provide easy to access and timely updates to goals, results, and feedback. If your company uses an HRIS, you likely already have access to a performance management module. You can also look into stand-alone platforms, such as: *Lattice* or *Trakstar*.

BENEFITS OF A PERFORMANCE APPRAISAL PROGRAM

A well constructed and actioned performance appraisal program goes well beyond simply providing an employee with feedback, it contributes to the overall health of your employees and company.

A performance appraisal program can:

- Provide a structured methodology to identify, document and track progress on employee goals and contributions.
- Ensure goals are relevant and updated regularly to align with changing business requirements.
- Provide a documented record of results on established goals over a specified period.
- Prevent miscommunications and performance concerns from escalating.
- Keep employees engaged by seeking their feedback on their progress, accomplishments and challenges or development areas that need to be addressed.
- Provide opportunity to identify training needs and create input into an Individual Development Plan (IDP)
- Create opportunity for management to improve their skills and contributions through the feedback provided by their team on their leadership capabilities.
- Provide information and data to support merit and compensation decisions.

HELPFUL CONSIDERATIONS

- Be careful of a one-size fits all approach. Take the time to create a program that works for your organization's size, positions, industry and culture. For example, the appraisal for a truck driver may need to be simple and focused on the evaluation of skill and compliance – *An Employee Performance Appraisal – Sample Skills Based Template has been included at the end of this document* – whereas a professional role may require a results-oriented *An Employee Performance Appraisal – Sample Objective and Outcomes Template has been included at the end of this document* – focus to the appraisal.
- Be cognizant that appraisals can be stressful for some managers and employees. Create an environment where the process is used consistently and respectfully and is valued as a means to ensure continuous communication around employee successes, challenges and career development. If care isn't taken in these areas, it can turn into a negative experience for all involved.
- Avoid overly complicated and time-consuming appraisal forms and processes that will overwhelm managers and employees. While you want good information to be captured in the appraisal form, the intent is to create and guide effective 2-way conversations.



CONDUCTING EFFECTIVE PERFORMANCE APPRAISALS

Preparing for a Performance Review or Check-In Meeting

As a manager, it's your responsibility to ensure the performance appraisal meeting is conducive to engaging the employee in constructive and valuable conversation. You want them to leave feeling they have received important information and a fair evaluation. Use the checklist below to set yourself up for a successful discussion.

| Checklist | Tip |
|--|--|
| Remind employee of preparation requirements | Be clear on the purpose of the meeting and any expected pre-work. |
| Set and review goals and expectations | At the beginning of the year, establish goals for each team member. Ensure goals are relevant to business objectives and projects. Review the goals in advance of the quarterly discussion. |
| Meeting environment is comfortable and private | Even if meeting remotely, ensure you are in a private location and can remain attentive to the discussion throughout. |
| Review notes from previous performance reviews and check in meetings | Reviewing these documents helps keep the full year view in mind, versus just the most recent success or challenge. |
| Collect feedback from others | Collect information from colleagues, customers, and other managers. This information should be confidential and used in aggregate to support the manager's assessment. |
| Ask employee for feedback | Providing the employee some self-assessment questions often surfaces information the manager may not have been aware of. A standard self-assessment template – <i>An example has been included at the end of this document</i> – can be provided to the employee and returned to you in advance of the discussion. |
| Prepare examples | Where possible, identify specific examples that help demonstrate your feedback. If evaluating skills or competencies, aim to have 2-3 examples for each. |

Setting SMART Goals

Smart goals are statements of expected outcomes employees are working to accomplish. They are designed to foster clear and mutual understanding of expected levels of performance. The chart below gives you an overview of what the SMART acronym means and an example of how you can apply it to positions within your company.

| CRITERIA FOR SMART GOALS | | |
|--------------------------|-------------------|--|
| S | Specific | What will be accomplished? What actions will you take? |
| M | Measurable | What data will measure the goal? (How much? How well?) |
| A | Attainable | Is the goal doable? Do you have the necessary skills and resources? |
| R | Realistics | How does the goal align with broader goals? Why is the result important? |
| T | Time | What is the timeframe for accomplishing the goal? |

Example for a Dispatcher:

Reports, on average, less than X delivery errors due to the distribution of inaccurate delivery information by using assigned systems and applications, as assessed through biweekly audits by the supervisor.

Example for a Manager:

Obtains high levels of team engagement and retention as measured by obtaining an average score of X or higher by direct reports in the employee engagement survey and maintaining a team retention rate of X% or more.

When setting smart goals, consider the following:

- Is there already a baseline measure established? What is a realistic improvement expectation?
- In addition to determining what the goal is, discuss with the employee how they will accomplish the goal.



In addition to goals being SMART, it's helpful to demonstrate how an individual's goals are tied to the larger objectives of the company. For example, if a company measures customer satisfaction as one of their top indicators of success, how does the SMART goal for the individual link back to customer satisfaction?

DELIVERING DIFFICULT PERFORMANCE FEEDBACK

While delivering difficult feedback can be uncomfortable it is an important role managers play. According to a Harvard Business Review article, 72% of employees said they thought their performance could improve through corrective feedback from their manager (*Your Employees Want the Negative Feedback you Hate to Give*, 2014). The key is to be constructive, not unnecessarily critical

Here are some pointers on how to deliver hard messages in a way that is healthy and encourages employees to accept it as a motivator to improve.

- Always be professional in your delivery and tone – It can be upsetting when an employee's behaviour or actions result in difficulties for the business, but losing your cool isn't going to correct the situation. Ensure you are in a calm frame of mind when approaching the conversation so you can deliver accurate, measured feedback.
- Focus on facts, not feelings – Address the problem, not your frustrations. For example, if a Shipper/Receiver continuously mislabels outgoing product, instead of yelling, "*I'm so sick of you making mistakes!*" spell out exactly how the person's actions are negatively impacting the team and business results. Then, offer specific suggestions to help the individual address the problem.
- Choose your words carefully – Most people know when they've made a major mistake and don't need help feeling embarrassed. Avoid any demoralizing statements that call into question the employee's intelligence, are highly subjective, or make sweeping generalizations.
- Be clear and direct - Withholding negative feedback does a disservice to underperforming employees because it deprives them of information they could use to improve. Aim to be kind but candid and say what you mean in a tactful yet straightforward way.
- Encourage two-way dialogue - Keep an open mind and give team members an opportunity to explain their side of the story. Employees will often admit to shortcomings and ask for help – or explain legitimate extenuating circumstances you weren't aware of. You may even realize that a particular problem is a symptom of a larger underlying process or systems issue that's affecting other team members.
- Focus on the solution – When giving feedback, focus on quickly rectifying the issue at hand. Support the employee by helping identify the solution. Examples may be to provide additional training, offer more frequent direction or correcting an ineffective process. Do what you can to help resolve the issue.



- Balance negative feedback with praise – Managers are constantly developing their skills. Knowing how and when to provide constructive feedback is one of them. Offer praise for a job well done and acknowledge improvements – this will go a long way to boost moral and reinforce positive behaviour.

PERFORMANCE APPRAISAL TEMPLATES

There are two types of Performance Appraisals that you may want to consider.

- 1. Skills Based** Appraisal allows the manager to assess the level of performance against specific skills needed to fulfill the requirements of the job. It will also help to identify if development or improvement is required. When filling out the form don't forget to provide examples to validate your ratings. Also consider having the employee complete the same evaluation and return to you prior to the meeting to help you prepare and set up the opportunity for a better 2-way discussion.
- 2. Objectives and Outcomes** Based Appraisal focuses on assessing whether an employee has reached the agreed upon goals for the review period. If they aren't being reached, developing a strategy for addressing the reasons for the delay will be important. The employee generally completes this type of appraisal first, followed by the manager. It may also be helpful to invite feedback from team members, clients and others that had sight to the goal/objective.



EMPLOYEE PERFORMANCE APPRAISAL – SAMPLE SELF-ASSESSMENT

EMPLOYEE INFORMATION

| | |
|----------------|--------------------|
| Employee Name: | Employee Position: |
| Reviewer Name: | Reviewer Position: |
| Review Period: | Today's Date: |

The Self-Assessment form should be completed by the employee and returned to the appraising manager in advance of the Performance Appraisal meeting.

SELF-EVALUATION & REFLECTION

| Questions to Consider | Comments |
|--|----------|
| What are some of the key strengths that I utilize on a regular basis in my day-to-day performance? | |
| What are some of the notable accomplishments that I am proud of? | |
| Where is the opportunity for me to develop / make improvements to my current performance? | |



How is my team currently supporting me? Are there gaps or requests?

How is my manager currently supporting me? Are there gaps or requests?

What are my career aspirations?

What are some development opportunities that can help bring me closer to achieving my career goals?

GENERAL COMMENTS



EMPLOYEE PERFORMANCE APPRAISAL – SAMPLE OBJECTIVES AND OUTCOMES TEMPLATE

EMPLOYEE INFORMATION

Employee Name:

Employee Position:

Reviewer Name:

Reviewer Position:

Review Period:

Today's Date:

OBJECTIVES / OUTCOMES

OBJECTIVE 1:

[Insert predefined and agreed to SMART goal]

DISPATCHER EXAMPLE:

Reports, on average, less than 5% delivery errors due to the distribution of inaccurate delivery information by using assigned systems and applications, as assessed through bi-weekly audits by the supervisor.

COMPLETED ACTIONS:

[Insert actions completed in the quarter to make progress on the goal]

DISPATCHER EXAMPLE:

- Completed cross-training with Jane to better understand the scheduling system.
- Surveyed 3 drivers to determine the best way to communicate delivery information
- Reviewed the bi-weekly audit results, discussing opportunities for improvement

PROGRESS

| Progress | | | | Success & Progress | Obstacles & Required Support |
|----------|---------|---------------|----------|--|--|
| Pending | Stalled | Tracking X | Achieved | <p>[List successes & progress to date]</p> <p>DISPATCHER EXAMPLE:</p> <p>Positively affected delivery errors at XYZ company – received a thank you email from the customer.</p> | <p>[List obstacles and required support]</p> <p>DISPATCHER EXAMPLE:</p> <p>Challenge with some of the online systems – will need management support</p> |

AGREED TO ACTIONS & NEXT STEPS

COMPLETED ACTIONS:

[Complete after discussion with agreed to actions & next steps]

DISPATCHER EXAMPLE: Continue to review bi-weekly audit results. Host a driver Q & A session on the systems. Proactively reach out to customers for feedback.



SAMPLE SKILLS BASED TEMPLATE FOR TRUCK DRIVER POSITION

EMPLOYEE INFORMATION

Employee Name:

Employee Position:

Reviewer Name:

Reviewer Position:

Review Period:

Today's Date:

The skills highlighted below are general to a truck driver position – use your company's job descriptions to help inform what's included. For each, defining specific expectations can help employees understand what "success" looks like when the evaluation criteria are met. The examples below can get you started. Add additional criteria and explanations as needed.

SELF-EVALUATION & REFLECTION

| Evaluation Criteria | Always Met | Sometimes Met | Not Met | Comments |
|--|------------|---------------|---------|--|
| Communication <ul style="list-style-type: none"> Proactively communicates schedule delays. | | | | NOTE: The comments section is used to provide context to the rating. Where possible, try to give a specific example to demonstrate the current and the desired behaviour/expectations if improvement is required. |
| Organization <ul style="list-style-type: none"> Maintains clear and accurate records and logs. | | | | |
| Reliability <ul style="list-style-type: none"> Is available when needed and consistently delivers loads on-time. | | | | |

| Evaluation Criteria | Always Met | Sometimes Met | Not Met | Comments |
|---|------------|---------------|---------|---|
| Customer Service <ul style="list-style-type: none"> Resolves customer concerns efficiently and effectively. | | | | <p>NOTE: The comments section is used to provide context to the rating. Where possible, try to give a specific example to demonstrate the current and the desired behaviour/expectations if improvement is required.</p> |
| Adheres to Safety Procedures <ul style="list-style-type: none"> Ensures all safety requirements are adhered to. | | | | |
| Technical/Mechanical Aptitude <ul style="list-style-type: none"> Identifies and informs on any technical or mechanical concerns in the vehicle. | | | | |

GENERAL COMMENTS





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FUNDED BY:



This project is funded in part by
the Government of Canada's
Sectoral Initiatives Program (SIP).