

BUSINESS PERFORMANCE GUIDE

**FIVE
WAYS
TO BOOST
EMPLOYEE
RETENTION
AND EFFECTIVENESS WITH
PERFORMANCE
REVIEWS**



Recruiting new employees can cost companies tens of thousands of dollars. And while employee retention tactics range from creating a fun environment to recognition programs, perhaps the most simple and cost-effective way to keep employees happy and engaged is through performance reviews.



“Performance review processes offer employees a feeling of worth, help show employees how their contribution adds to the company’s success, and make them feel like a valuable member of the team,” says Eric Kilponen, manager of product marketing at Insperity Performance and Organizational Management.

Here are the top ways performance reviews align employee goals and business objectives to give employees a clear sense of direction and value starting from day one:



1

Set goals, objectives and expectations early



Perhaps the easiest way to increase employee retention is to set proper expectations from the beginning. And that starts with creating an accurate job description and title.

Create job titles and descriptions in line with responsibilities and compensation expected for the role. While describing a role with a senior-level title may draw in more applicants, it can lead to frustration if the title is not supported by senior-level responsibilities or compensation.

The same is true of the job description. Accurately describe duties, responsibilities, skills, environments and expectations required for candidates to have a clear picture of the role and increase their chances of success.

2

Use early and probationary reviews

Whether you formalize a probationary process or conduct early performance reviews, the goal is the same: Provide new hires with clear goals and expectations for their role.

GOALS

A

B

B1

B2

Early reviews help employees understand their role within the larger organizational strategy and focus productivity on those goals. Plus, conducting appraisals early on shows that the company has an interest in the development of its employees and is aware of their progress.

3

Improve focus with regular appraisals



Regular appraisals help keep the momentum going with new employees and refocus existing employees.

“They allow managers an opportunity to correct actions that need to be addressed,” says Keri Ford, professional services supervisor at Insperty Performance and Organizational Management. “Rather than waiting for an annual review, quarterly or monthly reviews offer more opportunities to address problem behavior.”

Regular meetings to discuss goals and performance can motivate employees by reminding them that their individual work impacts the business.

“Meeting frequently allows employees to feel their goals are important to the organization,” adds Ford.

Periodic assessments are also ideal for reminding employees of milestones achieved or documenting necessary changes to help further motivate employees.

4

Align goals with rewards

Improve focus and productivity further by attaching rewards to goal completion.



Rewards can be in the form of bonuses, gift cards, promotions and raises as well as non-monetary incentives such as recognition, increased responsibility and opportunities to attend conferences.

Whatever the reward, the aim is the same: to offer employees additional consideration and recognition for extra effort taken to help achieve overall company goals.

5

Show employees a long-term plan

Improve morale by using performance evaluations to establish long-term career plans for employees. Including career and developmental goals demonstrates your business's commitment to its employees.



Goals such as completing training courses or degree programs and attending seminars or trade shows demonstrate that your company is willing to commit resources to an individual. Your commitment helps employees feel valued within the organization and improves their perception of job security, ultimately improving morale and retention.

Frequent performance reviews offer opportunities to set expectations, refocus efforts and show your commitment to your employees. By engaging in these steps, employees will feel valued and secure with your organization, be happier and more productive at work, and be more likely to stay with your company.

Performance Management Tools Can Help

Insperty™ Performance Management offers a complete suite of solutions to help your organization hire the right employee the first time.

Insperty Descriptions Now® offers a library of professionally written job descriptions and a job description wizard to help organize and edit your descriptions. Once created, Descriptions Now can generate postings for print and online ads as well as develop interview questions and rating forms.

Insperty Policies Now® creates customized policies and handbooks that offer prospective employees a glimpse of your company culture.

Insperty Performance Now® offers a complete system for creating professional performance reviews to help guide and develop your workforce.

Insperty Ultimate Employer® includes all of the professional HR tools listed above plus People Manager® to organize daily tasks for employees. Insperty Ultimate Employer® Professional adds OrgPlus®, the industry's leading and most fully featured organizational charting, planning and analysis tool.

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