

**Section 06:**

**Bringing it all together:  
The Annual Formal  
Performance Review**

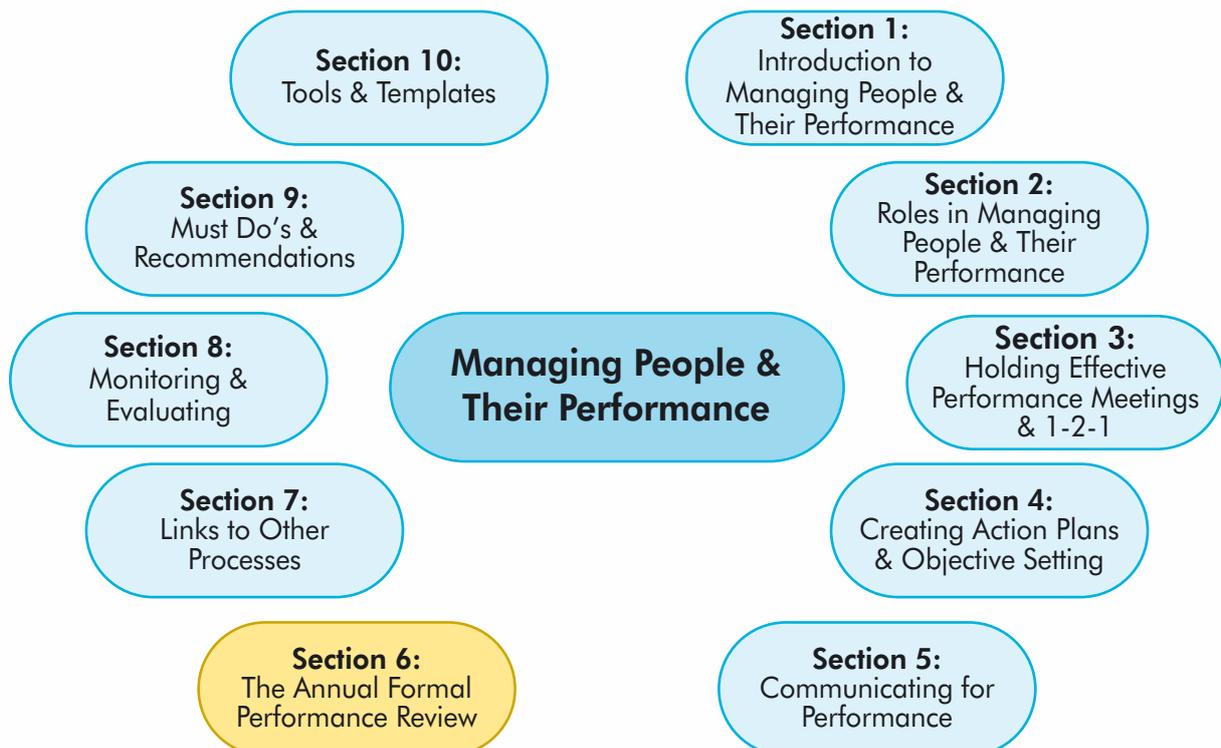


# How to approach & complete the Annual Formal Performance Review

This toolkit will give you in your role as a Line Manager, a step by step guide through each of the following stages:

- Why the Annual Formal Performance Review is required
- Who is involved
- The reviewing criteria:
  - a. What objectives are being reviewed
  - b. Reviewing against skills, behaviours and aptitudes – how the job is done, using the Competency Frameworks
- Carrying out the review
- The feedback meeting
- Developing the Action Plan & Setting Objectives for the next 12 months
- Collating information to take your team / Service area forward
- Team Reviews – A different perspective
- All this information – what now?
- Monitoring Annual Reviews across the Council
- The flowchart – an illustration of how and where the annual review fits in with the cycle of Managing People and Performance
- Food for thought – an important note to end on

**TIP...** In your Line Manager role there will be certain functions that are mandatory and other functions that, although not mandatory, are considered good practice. Each section of the toolkit will summarise these areas on the final page. Please note – the must do’s at the end of this section are those from section 5 only. A summary of all ‘Must Do’s’ and ‘Recommendations’ from all Sections can be found in Section 9.



## Why is an Annual Formal Performance Review required?

The Annual Review is an important means of communication about performance between you and the individuals you manage. Conversations about performance should happen at every meeting but a more formal review will help you and the individual reflect on progress over a longer period and map out development for the future.

At an agreed point of the year you will sit down with the individuals within your team to discuss their performance over the past year, looking specifically at objectives that have been set as the year has progressed; agreed development and evaluation of that development (please see Section 10 for an evaluation form for training); discussions addressing strengths, weaknesses, performance and behaviour. It is an essential part of performance management and should be a two way process between you and the individuals you manage. The meeting will be a summary of the regular Managing People and Their Performance meetings that you have held throughout the year, so nothing in this meeting should come as a surprise to you or the individual.

- **The Way Forward:** A discussion and agreement of SMART targets and objectives, both at a team and individual level for the coming year in line with the needs of the service
- **Recording Decisions and Plans:** Formulating and updating Action Plans, including addressing development needs and evaluation of any development undertaken  
(For advice on writing SMART objectives and developing Action Plans please see Section 4 of the Managing People and Performance Toolkit)
- **Linkages:** Communication of Council, Service area and team priorities; updates on areas of interest; legislation; health and safety.

Through the use of:

- **Dialogue:** Open and honest discussion

**You will be afforded some degree of discretion in how you carry out the annual review in agreement with your Senior Management Team but an annual review against priorities and competencies is required.**

The information that follows will provide you with step by step guidance of best practice and an illustration of minimum requirements.

The formal review is not 'in addition' to your management responsibilities as far as managing performance goes – it is a fundamental part of your management responsibility and every employee of the Council is entitled to some form of Annual Formal Performance Review whether on an individual or team basis.

**TIP...**

The Annual Performance Review will look at:

- **Objectives:** How well the individual has progressed against their objectives throughout the year, assessing suitability of targets and whether there is any requirement for change – your notes from all the regular 1-2-1s will provide you with evidence and examples (templates to be found in Section 10)
- **How the role is undertaken:** A review of the key behaviours, aptitudes and skills (competencies) required to perform effectively in achieving the objectives, including any concerns about performance and praise for jobs well done

# Who is involved in the Annual Formal Performance Review

Two roles remain constant in the review:

- **The role of you as Line Manager - reviewing the individual's performance**
- **The role of the individual - self review**

For the review to be meaningful and acceptable, both parties need to be engaged and participate fully in the review.

### Advantages

- Many individuals and Line Managers find involving others in the review valuable as it can provide a different perspective and viewpoint upon performance, behaviours, skills and aptitudes that the manager and individual may have overlooked or not been conscious of.
- Many welcome the 'balance' this gives the review, especially when positive relationships have not been forged between the individual and Line Manager, or when the Line Manager and individual work so closely together on the same targets that objectivity becomes difficult.

### Involving others – Team Members / Peers

Historically the Council has encouraged the inclusion of other parties in the review, whether as team members or peers, including 90, 180 and 360 degree reviews.

### Disadvantages

- Some find involving others adds limited value to the process, especially when choosing reviewers who have little to do with the day-to-day performance and objectives of the individual being reviewed.
- On occasion individuals have many reviews to complete – self reviews and the review of the individuals they manage, to also request reviews on others they work with sometimes means that the process is not afforded the time it requires, leading to a limited, inconclusive review.
- Often individuals are uncomfortable reviewing team members and peers, especially where there is not an environment of trust and openness. This can lead to reviews with a 'leniency bias' – reviewing in a more positive way so as to avoid conflict, or reviews with a 'centrality bias' – where everyone is equally average – scoring according to the middle of the range.

### Making the decision

The decision as to whether, or not, to involve others in the review will remain at the discretion of the individual and the Line Manager. In deciding whether to bring in additional reviewers you and the individual need to discuss:

- **What value will they add to the review?**
- **Will the review be objective, constructive and honest?**
- **Is it what the individual wants?**
- **Who will the reviewers be?**
- **Do they have the time to complete the review within given timelines?**

It is important to note that any additional reviewers need to give their consent to be included in the review. The individual needs to gain their permission and can do this using the 'selecting your reviewer' template found in Section 10, or gather the same information through an email. You, as Line Manager, are also in the position to agree or disagree with chosen reviewers, based on a justifiable reason – e.g. the individual does not work alongside the reviewer on any of their objectives/targets.

### The Reviewing Criteria

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The Annual Formal Performance Review will involve the individual being reviewed against:

- a. Agreed objectives (minimum 2, maximum 6) – (The What)
- b. Relevant behaviour, skill and aptitude statements chosen from their job family (Competency Framework) – (The How)

#### Agreed Objectives - What objectives is the individual being reviewed against?

##### Agreed and established SMART objectives.

Many people make the mistake of setting objectives immediately prior to a review, making it almost impossible to evaluate progress against those objectives as they have not been in place long enough to allow the individual to make any great strides in their achievement. The objectives being reviewed should be the ones you have established and agreed with the individual during the last formal annual review. These are the over-arching objectives for the year which are supplemented by targets and actions set and agreed in your regular Managing People and Their Performance meetings.

New objectives for the next 12 months will be discussed, set and agreed following the feedback meeting.

##### What if the objectives have changed?

Sometimes the priorities of the Council can change and this can have a direct impact upon the objectives and targets of Service areas, departments, teams and individuals. Through the regular 1-2-1 performance management meetings with individuals within your team, and regular team meetings you will be able to revisit and revise objectives thus enabling these to be both pertinent and relevant to the formal annual review. It is imperative that any revision of objectives is done so with the involvement and agreement of the individual.

It is advisable to clarify objectives in your 1-2-1 meetings prior to the Formal Annual Review to eliminate the possibility of error.

For advice and guidance in setting SMART objectives, please see Section 4 – Creating Action Plans and Objective Setting.

#### How many objectives should an individual be reviewed against?

As detailed in Section 4, good practice suggests that no more than 6 objectives should be set and both the individual, and the role in which they operate, must be considered when setting these over-arching objectives.

These objectives will set the basis for performance targets and/or actions that will be continually set and monitored on the action plan during your regular performance management meetings.

#### Reviewing against skills, behaviours and aptitudes – How the job is done, using the Competency Frameworks

To effectively manage and review performance, encourage conversations around dynamic performance, and address under performance, the Council has always asked line managers and individuals to look at both the WHAT and HOW of performance. (As illustrated in Section 1 of the Toolkit.)

##### The WHAT

When recruiting new employees managers use the Job Description and Person Specification to communicate the details of the role and the type of person required to carry out the role. The Job Description identifies the WHAT - this includes what the role involves, what actions need to be carried out, what targets should be met and what the expectations are. This is the same for Managing People and Their Performance – the achievements within the role - progress against objectives, carrying out the functions and meeting the requirements of the role.

### The HOW

The 'HOW' of performance looks not just at what is done but HOW it is done. To refer again to recruitment, the Job Description stipulates the what of a role whilst the Person Specification illustrates the how – the skills, aptitudes and behaviours required to carry out the role in the most effective and efficient way.

To carry out a review on how the individual is performing you will need to use the Council's Competency Framework. The Framework consists of 9 job families:

- Administrators Competency Framework
- Ancillary Staff Competency Framework
- Community and Social Care Competency Framework (including Social Care Professionals)
- Frontline and Customer Care Staff Competency Framework
- Middle Management Competency Framework
- Strategic Management Competency Framework
- Skilled Manual Workers Competency Framework
- Supervisory Competency Framework
- Technical, Specialists and Professional Competency Framework

Within each job family there are categories that contain a number of statements about behaviours, aptitudes and skills. These statements illustrate examples of excellence and you can use these to measure performance, whether to demonstrate areas of excellent behaviour/skill and aptitude, or highlight areas for development.

Previously, the Council used the Performance Plus! review where individuals were reviewed against all categories and statements that were contained within their job family. For example:

- A Chief Officer would be reviewed against the Strategic Management Competency Framework
- This framework has 9 Competency Areas (Categories)
- Each category has a number of statements relating to skill, behaviour and aptitude
- The total number of statements of excellence under this framework is 79 statements
- The Chief Officer was reviewed against all 79 statements

This could be a time consuming exercise and has been changed to make the process far less time consuming and far more relevant to the work, the objectives and the targets of the individuals that you manage.

### How to choose the behaviours, skills and aptitudes that will form part of the Annual Formal Performance Review

#### i. Firstly look at the role and identify the job family it falls under.

You may have already done this through updating the Person Specification or holding previous reviews using the Performance Plus! system. If you are not familiar with the job families use the decision tree to help you assess where the role best sits. (The decision tree can be found in Section 10: Tools and Templates and at the end of this section.)

#### ii. Look at the categories (competency areas) within the job family and identify which are key to the individual successfully undertaking their role and achieving their objectives.

If you are looking at this for the first time a good starting point will be the Person Specification attached to the role as this should have the key behaviours and skills that are relevant to the role. The Competency Framework can be found on the Council's intranet site, or can be obtained from Human Resources.

#### iii. Look at the statements beneath the headings and identify those that the individual needs to demonstrate and/or develop in, to deliver their objectives and achieve the requirements of their role.

Following on from the Person Specification, look at the individual's objectives and decide which statements are most relevant to the achievement of the objectives and the successful operation of your team in achieving overall objectives.

#### iv. Discuss the chosen statements around behaviours, skills and aptitudes with the individual and the reasoning behind their choice.

This should be carried out in your Managing People and Their Performance meetings and you must explain to the individual that the Annual Formal Performance review will include reviewing them against these chosen areas.

### v. Review the individual against the identified areas.

The competency framework will help you review the individual against the identified areas as it provides not only the statements of excellence but also statements illustrating how an average individual would perform and how an ineffective employee would perform.

### vi. Address performance with reference to the identified areas during regular Managing People and Their Performance meetings.

It is important to keep referring to the areas identified in your regular 1-2-1s with the individual to ensure they are not forgotten.

## An Example – Line Manager A.N.Other

### Identifying the Job Family

Line Manager A.N.Other has an individual who falls into the Frontline and Customer Care Staff Competency Framework.

### Identifying the Key Areas

To meet the requirements of the role and achieve established objectives A.N.Other decides that the areas the individual needs to focus on at this point in time are:

- Working with Others
- Meeting Customers' Needs
- Achieving Results
- Demonstrating Professionalism

### Choosing the statements on behaviours, skills and aptitudes

Once the categories are decided, A.N.Other looks at the statements that lie beneath each category and chooses those that they feel are most relevant:

- **Working with Others**
  - Seeks to prevent or overcome conflict
  - Is tactful, polite and respectful
  - Knows the role of other teams and individuals and uses this to help resolve service users' issues
- **Meeting Customers' Needs**
  - Focuses on resolving customer queries quickly
  - Sets clear expectations to customers about what can be provided
  - Goes and finds the correct information if they can't provide it personally

### • Achieving Results

- Is always punctual and ready to start work on time
  - Thinks ahead when planning work
  - Always completes tasks on time
- Demonstrating Professionalism
- Stays calm and tries to diffuse tense/aggressive situations

### Communicating with the individual

A.N.Other uses their 1-2-1 with the individual to discuss the areas that have been identified for review and explains the reasoning behind it. These areas also play an important part of regular 1-2-1 performance management meetings. (The individual is able to query the choice of competencies and put forward their own recommendations – if and when this occurs the Line Manager is encouraged to explore the reasoning behind this and, if appropriate, make amendments to the criteria.)

### Undertaking the Review

At the time of the Annual Formal Performance Review, A.N.Other reviews the individual's progress against priorities and performance against the behaviour, skill and aptitude statements. The individual also carries out a self review.

### Carrying out the Review

The Annual Formal Performance Review will involve you in your role as Line Manager and the individual (at the very least) **separately** carrying out a thorough review on progress against objectives and a review of behaviours, skills and aptitudes over a period of time, ideally a 12 month period.

You should have a clear idea as to how the individual has been progressing from your regular 1-2-1 Managing People and Their Performance meetings and you will be able to refer to the notes from these meetings when undertaking the formal review. (Notes from 1-2-1s Template – Section 10.)

To effectively carry out the review and prepare for the feedback meeting you should:

- Dedicate an appropriate amount of time to carrying out the review – this will depend on the person being reviewed, the number of objectives and the number of competency areas chosen.
- Refer to the notes of your 1-2-1s to evidence and support your comments.
- Carry out your review in an environment where you will not be disturbed or distracted. It would be advisable not to complete a review when you are feeling particularly stressed or constrained by time.
- Ensure your comments are well founded and constructive:

#### Example 1

##### **'Fred has progressed well against this objective'**

Comments such as these will not tell the individual anything of relevance – you need to say how, where, when and doing what:

**'Fred has made good progress in achieving this objective through effective negotiation with our working partners and building positive relationships to drive the programme forward. Although time-management was an issue for Fred at the beginning of the year with some deadlines being missed we addressed this in our 1-2-1s and through arranging some support from our administration team, plus a half day time-management course for Fred, this has meant that Fred now plans his time to meet most deadlines and is continuing to develop his time management skills.'**

This comment highlights areas of strength for Fred whilst also addressing issues that came up over the year and how they were managed.

#### Example 2

##### **'This objective has not been achieved and continues to be an issue for Fred.'**

Again, this comment does not tell the individual anything of relevance – you need to say why, how, what has been done about this over the year?

**'Fred has encountered problems in the achievement of this objective due to a number of reasons and he is aware of this due to the discussions we have in our regular 1-2-1s. Some external factors – the inclement weather and resulting budget constraints – meant resources were limited and Fred found this restrictive and difficult to accept. However, through a long process of discussion, Fred adjusted to these factors and, with support from his team, has implemented a new project plan. Fred looks to be learning from this experience and improving his change management skills.'**

This comment provides information as to why the objective has not been achieved and how Fred has worked on the objective over the year. It also illustrates development areas for Fred that can be further discussed when the feedback meeting takes place.

- Ensure you are able to evidence any examples you use and be specific – the notes from your 1-2-1s will assist you with this.
- Do not use the Annual Formal Performance Review as the time to bring up, for the first time, issues around performance – such issues should be addressed as and when they occur and plans put in place in your regular 1-2-1s. Reference to any issues will take place at this time as part of the review, but it is not the time to introduce to the individual all the things they have done wrong over the year.
- When reviewing the competency statements you will choose from the following scoring system: (Please see the Workforce Planning Toolkit, Stage 4, for information on Talent Management.)

**5 Clear strength – constantly exceeds role requirement in this area (Link to Talent Matrix box:9,6,3 )**  
The individual demonstrates this at an exemplary level on an everyday basis and could coach others in the development of this area

**4 Moderate strength – often exceeds role requirement in this area (Link to Talent Matrix box:8 )**  
The individual demonstrates this when the need arises and is seen to do this very well

**3 Acceptable Demonstration – meets role requirements in this area (Link to Talent Matrix box:5,2 )**  
The individual demonstrates this adequately when required to meet the expectations of their role (neither a strength or a development need)

**2 Moderate Development Need – met some, but not all role requirements in this area (Link to Talent Matrix box:2)**  
The individual has been seen to demonstrate this on occasion and is aware of the importance of this to their role but does need to develop their ability in this area to integrate it into everyday practice

**1 Clear Development Need – has not met requirements of role in this area (Link to Talent Matrix box:7,4,1)**  
The individual has not been seen to demonstrate this when carrying out their role and needs clear development in this area.

This information could be gathered as simply as producing a word document version of the review which lists the competency areas and a scoring guide (See Section 10 for an example), or, if technology allows, could be sent via email.

- It is good practice to ensure that you do not focus on scoring alone when it comes to the competency statements and each area should be reinforced with your comments – providing justification and evidence to back up your score.

### TIP...

Remember that what you put in to the review will form the basis for the feedback meeting with the individual, so you should be prepared for the conversations that will follow.

As well as your role in the review, the individual will also be completing their self-review which will form a significant part of the feedback meeting.

### The feedback meeting

When the review has been completed by the individual, any additional reviewers, and you as the Line Manager, each person involved in the review should send their review to both the individual involved and the Line Manager (you), whether via email or hard document.

This will enable the individual to digest the information prior to the feedback meeting, and enable you to prepare for the feedback session, taking on board all elements of the review.

If Team Members or Peers are holding up the process and have not adhered to the set timescales it is the role of the individual being reviewed to make them aware of this and push for the completed reviews. If they fail to complete within 1 week of the deadline the responses can be collated without their input. Please note, the feedback meeting cannot go ahead without the review being completed by the Line Manager and the individual.

**TIP...**

#### What to consider before the Annual Performance Review meeting

You, in your role as Line Manager, and the individual being reviewed have a responsibility to prepare for the feedback meeting.

#### When to hold the meeting

The feedback meeting should take place within 2 weeks of the reviews being completed and sent to the individual and the Line Manager.

#### Where to hold the Feedback Meeting

You will also need to consider the environment in which the feedback is delivered and look at the following points:

- Have you, and the individual, had sufficient time to read and digest the reviews?
- Is there a venue available where you and the individual can meet without distractions or interruptions?
- Is the timing of the meeting suitable for you and the individual?

**Section 3 of the toolkit looks specifically at The Annual Formal Performance Review Meeting, please see Section 3 of the toolkit for full guidance.**

To conduct a successful Managing People and Their Performance meeting you will need to be able to communicate effectively – advice and guidance on effective communication can be found in Section 5 of the toolkit.

### Developing the Action Plan & Setting Objectives for the Next 12 Months

An important outcome and requirement of the Annual Formal Review is the individual's Action Plan. The Action Plan will detail how you and the individual see the individual going forward into the next 12 months.

The Action Plan includes:

1. Some reference to team and service objectives
2. SMART Objectives – that are agreed
3. Areas that may have an impact on achieving objectives
4. Strengths that can be utilised to fulfil objectives (behaviours / skills / knowledge)
5. Weaknesses that need to be developed to fulfil objectives (behaviours / skills / knowledge)
6. Management support required and agreed
7. Identification of possible development opportunities (project work, on the job training, coaching, formal qualifications etc)
8. Agreed areas of development with dates and responsibilities
9. Area for notes – issues, evidence, successes
10. Area for signatures of the individual and the Line Manager

**Please note that for monitoring and audit purposes, when action plans are updated the previous action plans should be saved for reference.**

Section 4 of the toolkit looks at Action Plans, Setting Objectives and Identifying Development Needs. Please refer to Section 4 for the full guidance.

### Collating information to take your team forward

When you have carried out the Annual Formal Performance Reviews with your team, along with the feedback meetings, you will then be in a position to provide your whole team with an overview of:

- The current situation within your team
- Team objectives for the next 12 months
- What strengths are available within your team
- Where the team needs development
- Management Support
- Gathering feedback and ideas on all of the above from the team

The value of this meeting will be in the sharing of information, keeping people on track and communicating a consistent and well informed message to your team.

Obviously you will not be able to name individuals and discuss individual objectives in the team meeting environment but the purpose of this meeting is to provide a general overview and to show to your team the value and outcomes of the review.

This information you will now have will also be valuable when you report to your Senior Management Team, illustrating your engagement in People and Performance Management along with a detailed understanding of the individuals within your team and any issues that may impact upon the success of your team / Service area.

### Team Reviews – A different perspective

In addition to individual reviews it is good practice to review team performance and set team targets for the year, or period. You may already have your own system of team review – some may have team performance as a regular item on the Team Meeting agenda to focus on particular aspects of performance and some may devote whole meetings to team performance on a quarterly basis.

If you have yet to establish team reviews it is worth exploring as however, or whenever they happen, they are an essential part of performance management.

**TIP...**

A team review can sometimes provide you with valuable insight and a different perspective to an individual's review. It can also be used when completing individual reviews is difficult due to the nature of the jobs within the team.

The way the Formal Annual Performance Review works enables you to carry out an annual review on your whole team as well as on individuals. The process is the same as carrying out a review on an individual but for a team review you would:

- Look at Team Objectives
- Choose competencies from across the frameworks that you and your team feel are vital to your team achieving their objectives effectively and efficiently

The feedback from a team review will be take place in a team meeting environment with the feedback circulated to the whole team prior to the meeting. Please note that this meeting would require an Agenda and Minutes. (Please see Section 3 for advice on Effective Team Meetings.)

### All this information – what now?

Completing Annual Formal Performance Reviews with the individuals within your team will provide you with valuable and meaningful information. If used effectively the data you gather can assist you in many areas, including:

- Workforce Planning
- Talent Management
- Succession Planning
- Role Redesign
- Restructures
- Recruitment and Selection
- Employee Wellbeing

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### Monitoring Annual Reviews across the Council

The Formal Annual Performance Review will support the development of many outcomes, including:

- Feedback on Performance
- Action Plans / Development Plans
- Individual Objectives
- Team Objectives

An audit of Managing People and Their Performance could be undertaken at any time and within any area – this could be entirely random or focused on areas where specific concerns have been identified. When such audits are undertaken evidence of the above will be required.

Quality assurance may also be undertaken to ensure standards are being applied consistently across the Council.

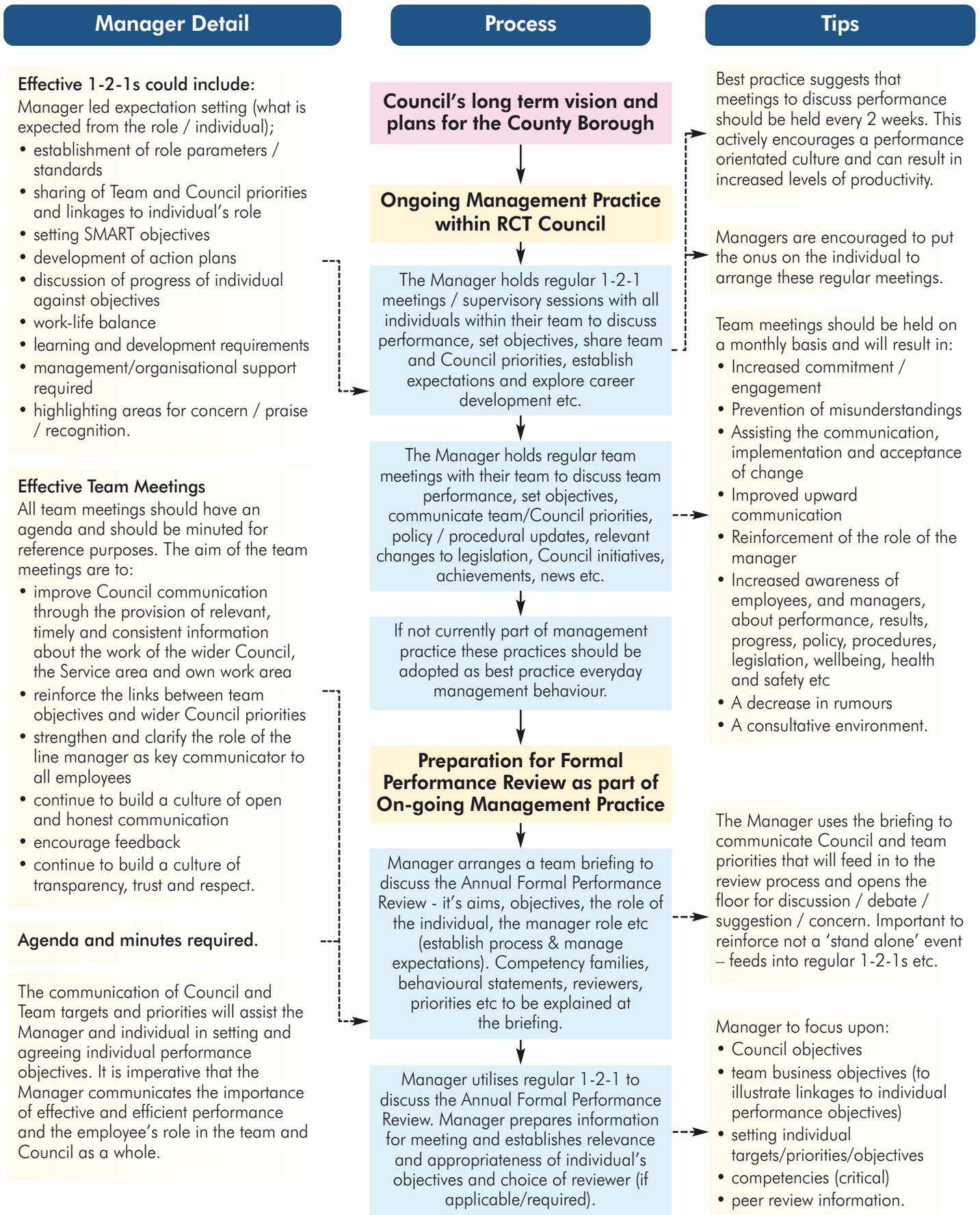
### Food for thought – An important note to close

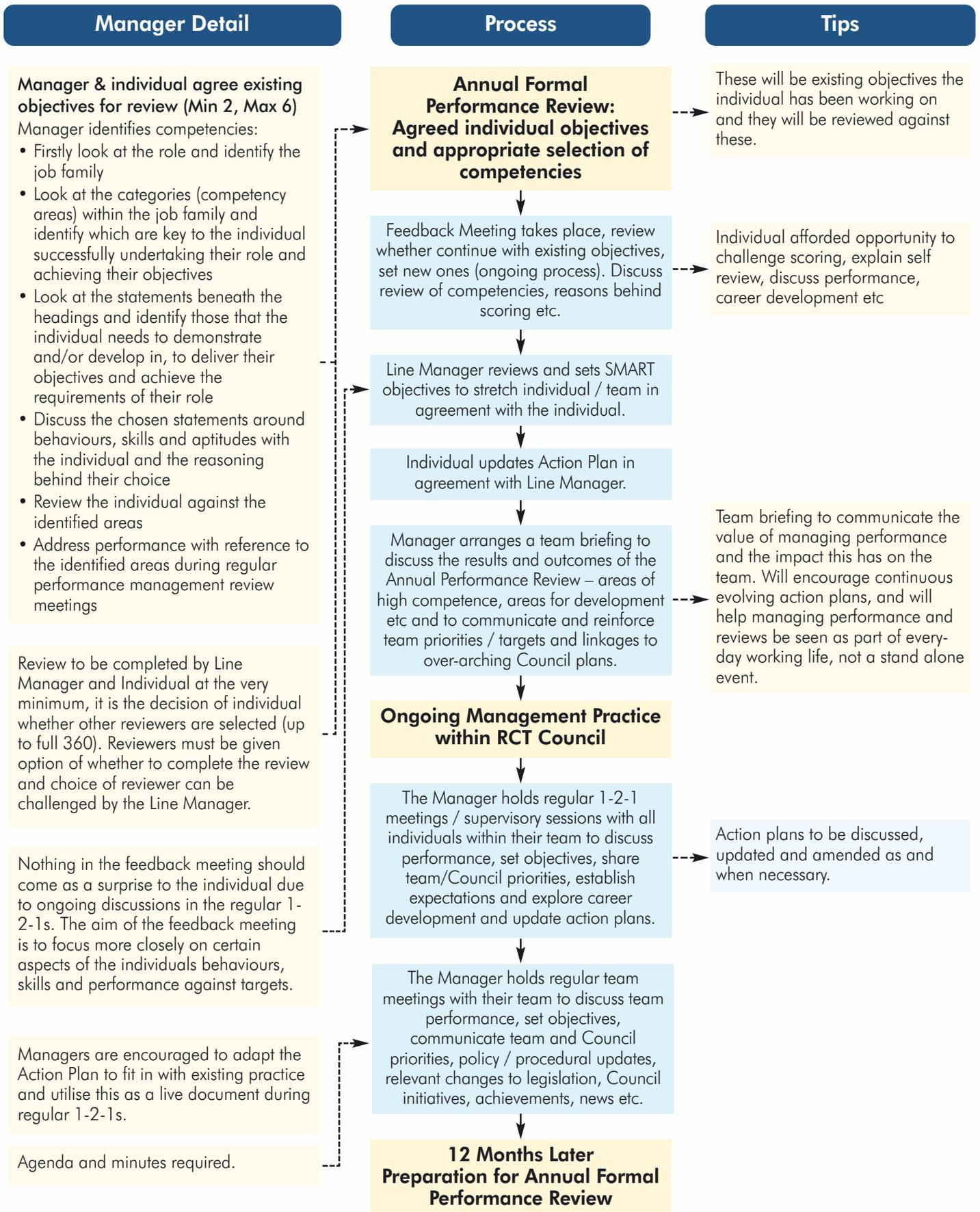
Your role within Managing People and Their Performance is not merely as a Line Manager – you will also be participating in this as the individual.

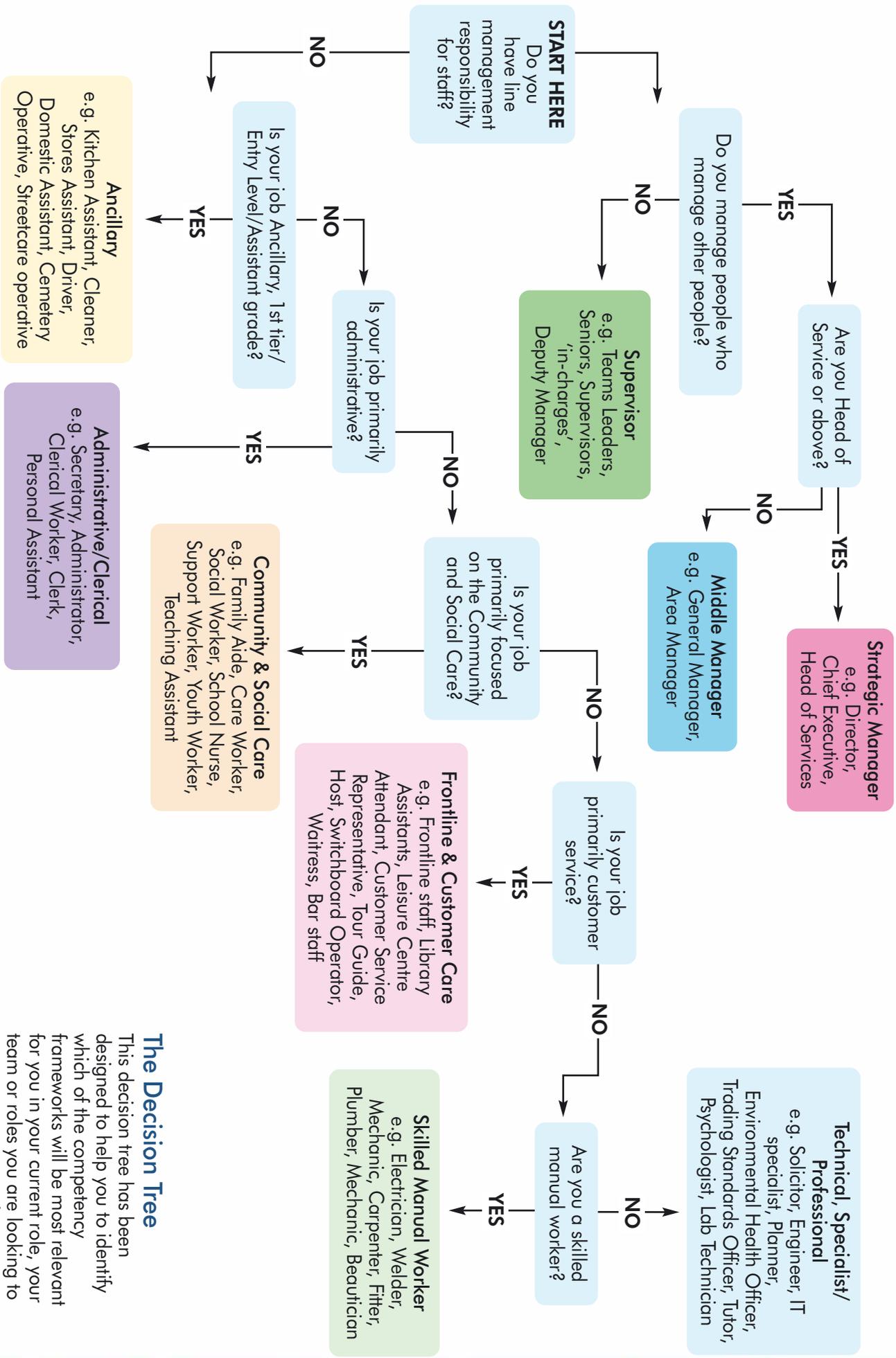
This section, and the toolkit as a whole, illustrates the

level of support and attention you would expect from your own manager when they are managing your performance. It is important to ensure that you afford the same level of detail that you expect to the individuals that you manage.

The flowchart – an illustration of how and where the annual review fits in with the cycle of Managing People and Their Performance







### The Decision Tree

This decision tree has been designed to help you to identify which of the competency frameworks will be most relevant for you in your current role, your team or roles you are looking to recruit to. You may also use it to identify the appropriate framework linked to other jobs you may consider applying for in the future.

## Manager Checklist

### Must Do's

Action	Completed
Undertake an annual formal review of performance with the individuals and/or teams that you manage using the toolkit as a guide	
Formal Performance Review to incorporate, at the very minimum, progress against 2 objectives (max 6), and scoring against competencies from the individuals' job family (number and area to be determined by the Manager)	
Use information gathered from regular 1-2-1s to evidence discussions / score against competencies	
Ensure that you and the individual are part of the review at the very least (option for peer / team member review (180/360) if brings added value to the review)	
Ensure feedback meetings are held in an appropriate environment (private/minimal interruptions) and assign appropriate amount of time	
Ensure that a working Action Plan is an outcome of the review	
Discuss and identify the development needs of those you manage and set up development plans that address the development needs that impact upon the delivery of objectives	
Pass the ownership of completing / updating Action Plans to the individual but monitor to ensure this is being carried out	
Ensure Action Plans are agreed by you as Manager and the individual employee	
Action Plans (past and present) to be made available as evidence that regular reviews and 1-2-1s are being held (as and when required for internal audit purposes)	

### Recommended

Action	Completed
Where possible and appropriate include a 3rd party in the formal review (if adds value for the individual) (180/360 degree reviews)	
Try to ensure the competency areas and statements chosen for the review are those that are required to meet the identified and agreed objectives	
Think about choosing competencies across the team looking at what behaviours, skills and knowledge is required to take the team forward / develop into the future	
Think about Workforce Planning and the impact managing people and performance has on the future development of your workforce / Service area (identifying skill gaps / managing talent / succession planning / critical posts)	