

Performance Review Policy Template

Purpose

This policy establishes a standardized framework for conducting employee performance reviews to support professional development, recognize achievements, and align individual contributions with organizational goals.

Scope

This policy applies to all employees, including full-time, part-time, and contract workers who have completed their probationary period.

Review Frequency

Annual Reviews

Conducted once per year for all eligible employees

Scheduled within 30 days of the employee's hire date anniversary

Comprehensive evaluation of performance over the previous 12 months

Mid-Year Reviews

Conducted six months after the annual review

Focused on progress toward goals and course corrections

Less formal but documented

Probationary Reviews

New employees reviewed at 90 days (or as specified in employment agreement)

Determines continuation of employment and transition to regular status

Review Process

Preparation Phase (2-3 weeks before review)

HR notifies managers and employees of upcoming review dates

Employees complete self-assessment forms

Managers gather performance data, feedback from colleagues, and review documentation

Managers complete preliminary evaluation forms

Review Meeting

Manager and employee meet privately for 60-90 minutes

Discussion covers:

Achievement of previous goals and objectives

Job knowledge and skills

Quality and quantity of work

Communication and teamwork

Areas of strength

Areas for improvement

Career development interests

Goals for the coming period

Documentation

Manager completes formal review form within 5 business days

Employee reviews and signs documentation

Employee may attach written comments if desired

HR receives and files completed reviews within 10 business days

Evaluation Criteria

Performance is assessed using a standardized rating scale:

Exceeds Expectations: Consistently surpasses performance standards

Meets Expectations: Consistently fulfills all performance standards

Needs Improvement: Partially meets standards; requires development

Unsatisfactory: Does not meet minimum standards; immediate action required

Evaluations consider:

Goal achievement and results

Core competencies relevant to position

Adherence to company values

Professional development and growth

Goal Setting

SMART goals (Specific, Measurable, Achievable, Relevant, Time-bound) established during each review

Goals aligned with departmental and organizational objectives

Progress reviewed during mid-year check-ins

Performance Improvement Plans

Employees rated "Needs Improvement" or "Unsatisfactory" may be placed on a Performance Improvement Plan (PIP) outlining specific expectations, timelines, and support measures.

Compensation and Promotion Decisions

While performance reviews inform compensation and promotion decisions, they are not automatic guarantees. Merit increases and promotions are subject to budget availability and organizational needs.

Confidentiality

Performance reviews are confidential and shared only with the employee, their direct manager, HR, and senior leadership as appropriate.

Employee Rights

Employees have the right to:

Provide input through self-assessments

Discuss ratings and feedback openly

Attach written responses to their review

Appeal ratings through HR if they believe the review was unfair or biased

Manager Responsibilities

Provide ongoing feedback throughout the year, not just during formal reviews

Document performance issues and achievements as they occur

Conduct reviews in a timely, fair, and objective manner

Ensure reviews are free from bias and discrimination

Review and Updates

This policy will be reviewed annually and updated as needed to reflect best practices and organizational changes.

Policy Effective Date: [Insert Date]

Policy Owner: Human Resources Department

Last Reviewed: [Insert Date]

Next Review Date: [Insert Date]

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