

TESLA, INC.

PERFORMANCE REVIEW GUIDELINES

Comprehensive Employee Performance Management System

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1. INTRODUCTION AND OVERVIEW

1.1 Purpose Statement

Tesla's Performance Review Guidelines serve as the comprehensive framework for evaluating, developing, and recognizing employee performance across all levels of the organization. This document establishes standardized processes that align individual contributions with Tesla's mission to accelerate the world's transition to sustainable energy.

1.2 Mission Alignment

Every performance review at Tesla must directly connect to our core mission and values:

- **Mission:** To accelerate the world's transition to sustainable energy
- **Vision:** To create the most compelling car company of the 21st century by driving the world's transition to electric vehicles
- **Values:** Innovation, Efficiency, Sustainability, Safety, and Excellence

1.3 Scope and Applicability

These guidelines apply to all Tesla employees globally, including:

- Full-time employees (exempt and non-exempt)
- Part-time employees working more than 20 hours per week
- Contract employees on assignments exceeding 6 months
- Remote and hybrid workers
- International employees (with local law considerations)

1.4 Performance Management Philosophy

Tesla believes in continuous performance management rather than annual events. Our approach emphasizes:

- **Continuous Feedback:** Regular check-ins and real-time feedback

- **Growth Mindset:** Focus on development and learning opportunities
- **Results-Oriented:** Clear metrics and outcome-based evaluations
- **Innovation Focus:** Encouraging creative problem-solving and breakthrough thinking
- **Transparency:** Open communication about expectations and performance

2. PERFORMANCE REVIEW PHILOSOPHY

2.1 Core Principles

Tesla's performance review system is built on five foundational principles:

2.1.1 Acceleration Through Performance

Just as Tesla accelerates sustainable transportation, we accelerate human potential through structured performance management. Every review should identify opportunities to increase individual and team velocity.

2.1.2 Innovation in Evaluation

Traditional performance reviews often fail to capture the dynamic nature of innovation-driven work. Tesla's approach emphasizes:

- Breakthrough achievements over incremental improvements
- Risk-taking and learning from failures
- Cross-functional collaboration and impact
- Speed of execution and iteration

2.1.3 Sustainable Growth

Performance reviews focus on long-term development rather than short-term metrics alone. We evaluate:

- Capacity for increased responsibility
- Learning agility and adaptability
- Contribution to team and organizational growth
- Alignment with Tesla's long-term strategic objectives

2.1.4 Data-Driven Insights

Tesla leverages data and analytics in all aspects of business, including performance management:

- Quantitative metrics where applicable
- Qualitative feedback analysis
- 360-degree input compilation
- Performance trend analysis over time

2.1.5 Global Standards, Local Adaptation

While maintaining consistent global standards, reviews accommodate regional differences in:

- Cultural communication styles
- Legal requirements
- Market conditions
- Local talent development needs

2.2 Performance Review Objectives

Each performance review cycle aims to achieve the following objectives:

2.2.1 Performance Assessment

- Evaluate achievement of individual and team goals
- Assess demonstration of core competencies
- Review contribution to Tesla's mission and strategic objectives
- Identify areas of exceptional performance and recognition opportunities

2.2.2 Development Planning

- Create individualized development plans
- Identify skill gaps and learning opportunities
- Establish mentoring and coaching relationships
- Plan career progression pathways

2.2.3 Goal Alignment

- Set clear, measurable objectives for the upcoming period
- Ensure alignment with team, department, and company goals
- Establish success metrics and accountability measures
- Create stretch goals for high performers

2.2.4 Recognition and Rewards

- Acknowledge outstanding contributions
- Determine compensation adjustments
- Identify promotion candidates
- Plan special recognition initiatives

3. REVIEW CYCLE AND TIMELINE

3.1 Annual Review Cycle

Tesla operates on a calendar-year performance review cycle with the following schedule:

Q4 (October - December): Preparation Phase

- **Week 1-2 of October:** Goal setting for following year begins
- **Week 3-4 of October:** Self-assessments open
- **November:** Manager reviews and 360-feedback collection
- **December:** Calibration meetings and final ratings

Q1 (January - March): Completion and Planning Phase

- **January:** Performance discussions and feedback delivery
- **February:** Development plan creation and career conversations
- **March:** Compensation and promotion decisions communicated

Q2-Q3 (April - September): Continuous Monitoring

- **Monthly:** Informal check-ins and progress updates

- **Quarterly:** Formal progress reviews and goal adjustments
- **Mid-year:** Comprehensive progress assessment and recalibration

3.2 Review Timeline Details

3.2.1 Pre-Review Phase (8 weeks)

Weeks 1-2: Goal Setting and Self-Assessment

- Employees complete comprehensive self-assessments
- Managers review previous year's goals and set new objectives
- HR provides review timeline and resource access

Weeks 3-4: 360-Degree Feedback Collection

- Peer nominations and feedback requests submitted
- Direct reports provide upward feedback
- Cross-functional partners contribute input

Weeks 5-6: Manager Assessment Period

- Managers complete detailed performance evaluations
- Documentation review and evidence compilation
- Initial performance ratings assigned

Weeks 7-8: Calibration and Review

- Department-level calibration meetings
- Rating consistency reviews
- Final performance ratings confirmed

3.2.2 Review Delivery Phase (4 weeks)

Week 1: Performance Conversations

- Scheduled 90-minute performance discussions
- Feedback delivery and rating explanation
- Employee questions and clarifications

Week 2: Development Planning

- Individual development plan creation
- Career aspiration discussions
- Learning and growth opportunity identification

Week 3: Goal Setting for Next Period

- New objective establishment
- Success metric definition
- Resource requirement planning

Week 4: Administrative Completion

- Final documentation submission
- System updates and record keeping
- Follow-up action item creation

3.3 Special Review Circumstances

3.3.1 New Hire Reviews

- 90-day initial performance check-in
- 6-month comprehensive review
- Annual review alignment with standard cycle

3.3.2 Role Change Reviews

- Performance assessment within 90 days of role change
- Competency evaluation for new position requirements
- Development plan adjustment for new responsibilities

3.3.3 Performance Improvement Reviews

- 30, 60, and 90-day improvement plan checkpoints
- Monthly progress assessments during improvement periods
- Final improvement plan evaluation

4. PERFORMANCE RATING SCALE

4.1 Tesla Performance Rating Framework

Tesla uses a five-point performance rating scale designed to differentiate performance levels while encouraging continuous improvement:

4.1.1 Rating 5: Exceptional Impact (Top 5%)

Definition: Consistently delivers extraordinary results that significantly exceed expectations and create substantial value for Tesla.

Characteristics:

- Achieves breakthrough results that redefine standards
- Demonstrates innovation that influences company-wide practices
- Shows exceptional leadership regardless of formal title
- Creates significant positive impact beyond immediate role
- Serves as a role model for Tesla values and behaviors

Performance Indicators:

- Goals exceeded by 150% or more where quantifiable
- Introduces innovations adopted across multiple teams
- Receives recognition from senior leadership
- Mentors and develops others effectively
- Demonstrates thought leadership in area of expertise

Development Focus:

- Strategic leadership opportunities
- Cross-functional project leadership
- External speaking and representation opportunities
- Advanced skill development in emerging technologies

4.1.2 Rating 4: High Performance (15-20%)

Definition: Consistently exceeds expectations and delivers strong results that advance Tesla's mission.

Characteristics:

- Regularly surpasses established goals and objectives
- Takes initiative beyond assigned responsibilities
- Contributes innovative solutions to complex problems
- Demonstrates strong collaboration and teamwork
- Shows continuous learning and skill development

Performance Indicators:

- Goals exceeded by 110-149% where quantifiable
- Volunteers for additional projects and responsibilities
- Receives positive feedback from multiple stakeholders
- Demonstrates expertise in core competencies
- Shows progression in leadership capabilities

Development Focus:

- Stretch assignments and challenging projects
- Leadership development programs
- Cross-functional collaboration opportunities
- Specialized skill enhancement

4.1.3 Rating 3: Successful Performance (60-70%)

Definition: Meets expectations and delivers solid, reliable performance that contributes to Tesla's success.

Characteristics:

- Achieves established goals and objectives consistently
- Demonstrates competency in core job requirements
- Collaborates effectively with team members
- Shows reliability and accountability
- Maintains quality standards consistently

Performance Indicators:

- Goals achieved within 90-109% range where quantifiable

- Completes assignments on time and to specification
- Receives satisfactory feedback from stakeholders
- Demonstrates required technical and behavioral competencies
- Shows steady performance over review period

Development Focus:

- Skill building in areas of interest
- Process improvement opportunities
- Professional development activities
- Increased responsibility in current role

4.1.4 Rating 2: Developing Performance (10-15%)

Definition: Performance meets some expectations but requires improvement in key areas to be fully successful.

Characteristics:

- Achieves some objectives but misses others
- Shows inconsistent performance across responsibilities
- Requires additional support and guidance
- Demonstrates potential but needs development
- May be new to role or facing challenges

Performance Indicators:

- Goals achieved within 70-89% range where quantifiable
- Inconsistent quality or timeliness in deliverables
- Requires frequent coaching and support
- Shows improvement potential with focused development
- May have external factors affecting performance

Development Focus:

- Targeted skill development programs
- Increased coaching and mentoring
- Clear performance improvement goals
- Additional training and resources

4.1.5 Rating 1: Performance Below Expectations (0-5%)

Definition: Performance consistently falls short of expectations and requires immediate improvement.

Characteristics:

- Fails to achieve critical objectives
- Shows consistent performance gaps
- Requires significant support and intervention
- May not demonstrate required competencies
- Performance impacts team and organizational results

Performance Indicators:

- Goals achieved below 70% where quantifiable
- Frequent quality or performance issues
- Negative feedback from multiple sources
- Fails to meet basic job requirements
- Shows limited improvement despite support

Development Focus:

- Performance improvement plan implementation
- Intensive coaching and support
- Basic skill development
- Clear expectations and accountability measures

4.2 Rating Distribution Guidelines

Tesla expects performance ratings to follow an approximate distribution:

- **Exceptional Impact (5):** 5% of population
- **High Performance (4):** 15-20% of population
- **Successful Performance (3):** 60-70% of population
- **Developing Performance (2):** 10-15% of population
- **Below Expectations (1):** 0-5% of population

These distributions serve as guidelines, not rigid quotas. Actual distributions may vary based on team performance, business results, and organizational needs.

5. GOAL SETTING FRAMEWORK

5.1 Tesla Goal Philosophy

Goal setting at Tesla follows the principle of "thinking big and executing with precision." Our framework encourages ambitious objectives while maintaining clear accountability and measurable outcomes.

5.1.1 Goal Categories

Every Tesla employee should have goals across three categories:

Mission-Critical Goals (40-50% weight)

- Directly advance Tesla's mission and strategic objectives
- Have clear business impact and measurable outcomes
- Align with departmental and organizational priorities
- Require stretch effort to achieve

Innovation and Improvement Goals (30-40% weight)

- Focus on process improvement and innovation
- Encourage creative problem-solving
- May involve cross-functional collaboration
- Include learning and development objectives

Personal Development Goals (10-20% weight)

- Build capabilities for current and future roles
- Address skill gaps or development opportunities
- Include leadership and behavioral competencies
- Support career progression plans

5.2 SMART-ER Goal Framework

Tesla uses an enhanced SMART goal framework called SMART-ER:

5.2.1 *Specific*

Goals must be clear, well-defined, and unambiguous:

- What exactly will be accomplished?
- Who is responsible for achievement?
- What resources are required?
- What are the specific success criteria?

Example: "Increase Model 3 production efficiency by implementing automated quality control systems in the Fremont factory."

5.2.2 *Measurable*

Goals must include quantifiable metrics:

- How will progress be measured?
- What are the key performance indicators?
- How will success be quantified?
- What data sources will be used?

Example: "Reduce production defect rate from 2.1% to 1.5% as measured by final quality inspection reports."

5.2.3 *Achievable*

Goals should be challenging yet attainable:

- Are the necessary resources available?
- Do current capabilities support achievement?
- What obstacles might prevent success?
- How will challenges be addressed?

Example: "Based on current automation technology and team capabilities, achieve 15% efficiency improvement within available budget."

5.2.4 Relevant

Goals must align with broader objectives:

- How does this goal support Tesla's mission?
- What is the business impact?
- How does it connect to team and department goals?
- Why is this goal important now?

Example: "This efficiency improvement directly supports Tesla's goal of making electric vehicles accessible to more customers through cost reduction."

5.2.5 Time-bound

Goals must have clear deadlines:

- When will the goal be completed?
- What are the key milestones?
- How will progress be tracked over time?
- What is the timeline for each deliverable?

Example: "Complete automation implementation by Q3 2025 with monthly progress reviews and Q2 pilot program."

5.2.6 Exciting

Goals should inspire and motivate:

- Does the goal create enthusiasm?
- How does it contribute to meaningful work?
- What makes this goal personally motivating?
- How does it align with individual aspirations?

5.2.7 Reviewed

Goals require ongoing monitoring:

- How frequently will progress be reviewed?
- What adjustment mechanisms exist?

- Who provides feedback and support?
- When are formal check-ins scheduled?

5.3 Goal Setting Process

5.3.1 Individual Goal Development

1. **Self-Assessment:** Employee reviews previous goals and performance
2. **Priority Analysis:** Identify key focus areas for upcoming period
3. **Draft Creation:** Develop initial goal proposals using SMART-ER framework
4. **Research and Planning:** Gather data and create action plans
5. **Resource Assessment:** Identify required support and resources

5.3.2 Manager Collaboration

1. **Goal Discussion:** Manager and employee review draft goals
2. **Alignment Check:** Ensure connection to team and organizational objectives
3. **Challenge Calibration:** Adjust difficulty level appropriately
4. **Resource Planning:** Confirm availability of required support
5. **Final Agreement:** Document agreed-upon goals and success metrics

5.3.3 Documentation and Approval

1. **Goal Documentation:** Record goals in performance management system
2. **Action Plan Creation:** Develop detailed implementation plans
3. **Milestone Setting:** Establish check-in dates and progress markers
4. **Approval Process:** Obtain necessary management approvals
5. **Communication:** Share relevant goals with team members and stakeholders

6. CORE COMPETENCIES

6.1 Tesla Core Competency Framework

Tesla evaluates all employees across seven core competencies that reflect our values and operational requirements. These competencies apply to all roles while allowing for role-specific adaptations.

6.1.1 Innovation and Creativity

Definition: Demonstrates original thinking, challenges conventional approaches, and develops breakthrough solutions.

Behavioral Indicators:

- Generates novel ideas and approaches to solve complex problems
- Questions existing processes and proposes improvements
- Takes calculated risks to pursue innovative solutions
- Learns from failures and applies insights to future challenges
- Encourages creative thinking in others

Proficiency Levels:

- **Developing:** Occasionally suggests new ideas; follows innovative processes designed by others
- **Proficient:** Regularly contributes creative solutions; improves existing processes effectively
- **Advanced:** Consistently generates breakthrough ideas; leads innovation initiatives successfully
- **Expert:** Creates paradigm-shifting innovations; influences organization-wide innovative practices

Assessment Questions:

- How has the employee demonstrated creative problem-solving this year?
- What innovative solutions has the employee implemented or proposed?
- How does the employee respond to new challenges or obstacles?
- In what ways has the employee contributed to process or product improvements?

6.1.2 Execution Excellence

Definition: Delivers high-quality results efficiently, meeting deadlines and exceeding standards.

Behavioral Indicators:

- Consistently meets or exceeds quality standards
- Completes projects on time and within budget

- Demonstrates attention to detail and accuracy
- Takes ownership of results and outcomes
- Continuously improves personal and team productivity

Proficiency Levels:

- **Developing:** Meets basic requirements with supervision; occasional quality or timing issues
- **Proficient:** Consistently delivers quality work on time; requires minimal oversight
- **Advanced:** Exceeds expectations regularly; helps others improve execution
- **Expert:** Sets new standards for excellence; drives organizational execution improvements

Assessment Questions:

- How consistently does the employee meet deadlines and quality standards?
- What examples demonstrate the employee's commitment to excellence?
- How does the employee handle competing priorities and tight deadlines?
- What improvements has the employee made to increase efficiency or quality?

6.1.3 Collaboration and Teamwork

Definition: Works effectively with diverse teams, builds positive relationships, and contributes to collective success.

Behavioral Indicators:

- Communicates clearly and constructively with team members
- Supports colleagues and contributes to team objectives
- Resolves conflicts constructively and diplomatically
- Shares knowledge and resources generously
- Builds trust and rapport across organizational levels

Proficiency Levels:

- **Developing:** Participates in team activities; sometimes struggles with difficult interpersonal situations
- **Proficient:** Contributes effectively to team success; maintains positive working relationships

- **Advanced:** Facilitates team collaboration; helps resolve conflicts and build consensus
- **Expert:** Transforms team dynamics; creates high-performing collaborative environments

Assessment Questions:

- How effectively does the employee work with different personality types and backgrounds?
- What examples show the employee putting team success ahead of individual recognition?
- How does the employee handle disagreements or conflicts with colleagues?
- In what ways has the employee helped others succeed or develop?

6.1.4 Learning Agility

Definition: Adapts quickly to new situations, learns from experience, and applies knowledge in novel contexts.

Behavioral Indicators:

- Seeks out new learning opportunities proactively
- Adapts behavior based on feedback and changing circumstances
- Applies learnings from one situation to different contexts
- Embraces change and uncertainty with confidence
- Teaches and shares knowledge with others

Proficiency Levels:

- **Developing:** Shows interest in learning; adapts to change with support
- **Proficient:** Learns new skills effectively; adjusts approach based on experience
- **Advanced:** Rapidly masters new competencies; helps others navigate change
- **Expert:** Transforms challenges into learning opportunities; drives organizational learning

Assessment Questions:

- How has the employee demonstrated adaptability in changing circumstances?
- What new skills or knowledge has the employee acquired this year?

- How does the employee respond to feedback and incorporate it into their work?
- What examples show the employee learning from mistakes or setbacks?

6.1.5 Customer Focus

Definition: Understands customer needs deeply and makes decisions that enhance customer experience and satisfaction.

Behavioral Indicators:

- Demonstrates deep understanding of customer requirements and preferences
- Makes decisions considering customer impact
- Seeks customer feedback and acts on insights
- Advocates for customer needs within the organization
- Builds products and services that exceed customer expectations

Proficiency Levels:

- **Developing:** Shows basic customer awareness; follows customer service protocols
- **Proficient:** Understands customer needs well; makes customer-considerate decisions
- **Advanced:** Anticipates customer requirements; influences others to prioritize customer focus
- **Expert:** Shapes organizational customer strategy; creates exceptional customer experiences

Assessment Questions:

- How does the employee demonstrate understanding of customer needs in their work?
- What actions has the employee taken to improve customer satisfaction or experience?
- How does the employee balance customer requirements with business constraints?
- What feedback has the employee received from internal or external customers?

6.1.6 Leadership Impact

Definition: Influences and inspires others regardless of formal authority, driving positive change and results.

Behavioral Indicators:

- Influences others through expertise, relationship-building, and persuasion
- Takes initiative to address challenges and opportunities
- Develops and mentors others to achieve their potential
- Communicates vision and purpose effectively
- Takes accountability for team and organizational outcomes

Proficiency Levels:

- **Developing:** Shows potential for leadership; occasionally influences peers positively
- **Proficient:** Leads projects effectively; mentors junior team members
- **Advanced:** Influences across organizational levels; drives significant positive change
- **Expert:** Transforms organizational culture; develops other leaders systematically

Assessment Questions:

- How has the employee influenced positive outcomes beyond their direct responsibilities?
- What examples show the employee developing or mentoring others?
- How does the employee handle situations requiring leadership without formal authority?
- In what ways has the employee contributed to positive organizational change?

6.1.7 Strategic Thinking

Definition: Understands the bigger picture, anticipates future trends, and makes decisions that advance long-term success.

Behavioral Indicators:

- Connects daily work to broader organizational strategy
- Anticipates future challenges and opportunities

- Makes decisions considering long-term implications
- Understands competitive landscape and market dynamics
- Balances short-term pressures with long-term objectives

Proficiency Levels:

- **Developing:** Shows awareness of organizational strategy; makes decisions considering immediate impact
- **Proficient:** Connects work to strategic objectives; considers future implications in planning
- **Advanced:** Influences strategic decisions; anticipates trends and prepares effectively
- **Expert:** Shapes organizational strategy; creates long-term competitive advantages

Assessment Questions:

- How does the employee connect their work to Tesla's broader strategic objectives?
- What examples show the employee thinking ahead and preparing for future challenges?
- How does the employee balance competing priorities and resource constraints?
- In what ways has the employee contributed to strategic planning or decision-making?

7. REVIEW PROCESS STEPS

7.1 Process Overview

Tesla's performance review process consists of eight distinct phases designed to ensure comprehensive evaluation, meaningful feedback, and effective development planning.

7.1.1 Phase 1: Preparation and Planning (Weeks 1-2)

Objective: Establish foundation for effective review process

Employee Responsibilities:

- Complete comprehensive self-assessment questionnaire
- Gather supporting documentation and examples

- Reflect on goal achievement and key accomplishments
- Identify development areas and career aspirations
- Prepare questions for performance discussion

Manager Responsibilities:

- Review employee's previous goals and performance history
- Collect performance data and feedback from stakeholders
- Schedule review meetings and coordinate calendars
- Prepare evaluation framework and rating considerations
- Plan discussion agenda and key talking points

HR Support:

- Provide review templates and evaluation tools
- Distribute timeline and process reminders
- Offer manager coaching and support resources
- Ensure system access and technical functionality
- Address questions and process clarifications

7.1.2 Phase 2: 360-Degree Feedback Collection (Weeks 3-4)

Objective: Gather comprehensive feedback from multiple perspectives

Feedback Sources:

- **Peers:** 3-5 colleagues at similar organizational levels
- **Direct Reports:** All team members (for managers)
- **Internal Customers:** Key stakeholders who receive work output
- **Cross-functional Partners:** Collaborators from other departments
- **Senior Leaders:** Skip-level managers and department heads

Feedback Categories:

- Core competency demonstration
- Goal achievement and results delivery
- Collaboration and teamwork effectiveness
- Communication and interpersonal skills
- Innovation and problem-solving contributions

Collection Methods:

- Structured online questionnaires
- One-on-one feedback conversations
- Anonymous suggestion platforms
- Project-specific feedback forms
- Customer satisfaction surveys

7.1.3 Phase 3: Manager Evaluation (Weeks 5-6)

Objective: Complete comprehensive performance assessment

Evaluation Components:

- **Goal Achievement Analysis:** Quantitative and qualitative assessment of objective completion
- **Competency Rating:** Evaluation across all seven core competencies
- **Impact Assessment:** Review of contributions to team and organizational success
- **Growth Trajectory:** Analysis of development and improvement over time
- **Future Potential:** Assessment of readiness for increased responsibility

Documentation Requirements:

- Specific examples supporting each rating
- Quantitative data where available
- Feedback synthesis from multiple sources
- Development recommendations
- Calibration notes and considerations

Quality Assurance:

- Manager self-review of evaluation completeness
- Peer manager consultation for complex cases
- HR review for consistency and compliance
- Documentation standards verification
- Legal and policy compliance check

7.1.4 Phase 4: Calibration and Consistency Review (Weeks 7-8)

Objective: Ensure fair and consistent evaluation standards

Calibration Process:

- **Department-Level Meetings:** Managers discuss employee ratings and rationale
- **Cross-Functional Reviews:** Inter-department consistency checks
- **Senior Leadership Review:** Executive oversight of rating distributions
- **HR Analytics:** Statistical analysis of rating patterns and trends
- **Adjustment Process:** Modifications based on calibration discussions

Calibration Criteria:

- Rating distribution alignment with performance standards
- Consistency of evaluation criteria application
- Fairness across demographic groups and departments
- Alignment with business results and team performance
- Historical performance trend considerations

7.1.5 Phase 5: Performance Discussion (Week 9)

Objective: Deliver comprehensive feedback and engage in meaningful dialogue

Discussion Structure:

- **Opening (10 minutes):** Review meeting purpose and agenda
- **Self-Assessment Review (20 minutes):** Employee shares self-evaluation
- **Manager Feedback (30 minutes):** Detailed performance review and rating explanation
- **Dialogue and Questions (20 minutes):** Interactive discussion and clarification
- **Next Steps Planning (10 minutes):** Outline follow-up actions and timeline

Key Discussion Topics:

- Goal achievement analysis and supporting evidence
- Core competency demonstration with specific examples
- Career aspirations and development interests
- Feedback from 360-degree input sources

- Performance improvement or stretch opportunities

Best Practices:

- Use specific, behavioral examples
- Balance recognition with development opportunities
- Encourage employee questions and input
- Focus on future growth and potential
- Document key discussion points and agreements

7.1.6 Phase 6: Development Planning (Week 10)

Objective: Create comprehensive growth and development strategy

Development Plan Components:

- **Skill Development Goals:** Specific competencies to build or enhance
- **Learning Activities:** Training, courses, certifications, and educational opportunities
- **Experience-Based Development:** Stretch assignments, projects, and role expansions
- **Relationship Building:** Mentoring, coaching, and networking opportunities
- **Timeline and Milestones:** Clear deadlines and progress checkpoints

Development Categories:

- **Technical Skills:** Job-specific competencies and expertise areas
- **Leadership Capabilities:** Management, influence, and strategic thinking skills
- **Cross-Functional Knowledge:** Understanding of other business areas
- **Innovation Skills:** Creative thinking, problem-solving, and breakthrough capabilities
- **Personal Effectiveness:** Communication, time management, and productivity skills

7.1.7 Phase 7: Goal Setting for Next Period (Week 11)

Objective: Establish clear objectives and success metrics for upcoming year

Goal Development Process:

- Review organizational and departmental priorities

- Identify individual contribution opportunities
- Create SMART-ER goals across all three categories
- Establish success metrics and measurement methods
- Plan resource requirements and support needs

Goal Categories and Weighting:

- **Mission-Critical Goals (50%):** Direct business impact objectives
- **Innovation/Improvement Goals (30%):** Process and capability enhancement
- **Development Goals (20%):** Personal and professional growth objectives

7.1.8 Phase 8: Administrative Completion (Week 12)

Objective: Finalize documentation and follow-up planning

Administrative Tasks:

- Complete all system documentation and approvals
- Submit final ratings and review summaries
- Schedule follow-up meetings and check-ins
- Communicate compensation and promotion decisions
- Plan recognition and reward initiatives

Follow-up Planning:

- Monthly check-in scheduling
- Quarterly progress review dates
- Mid-year comprehensive assessment planning
- Development activity coordination
- Ongoing feedback and coaching arrangements

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8. Manager Guidelines

8.1 Preparation for Performance Reviews

Pre-Review Preparation Checklist:

- Review employee's job description and current responsibilities
- Gather performance data from the past review period
- Collect feedback from relevant stakeholders and team members
- Review previous performance reviews and development plans
- Prepare specific examples of achievements and areas for improvement
- Schedule adequate time for the review conversation (minimum 60 minutes)

Documentation Requirements:

- Performance metrics and KPI achievements
- Project outcomes and deliverables
- Peer feedback and 360-degree input
- Training and development activities completed
- Any disciplinary actions or recognition received

8.2 Conducting Effective Performance Conversations

Setting the Stage:

- Choose a private, comfortable environment
- Eliminate distractions (phones, computers, interruptions)
- Start with a positive, collaborative tone
- Review the agenda and expected outcomes
- Emphasize the developmental nature of the conversation

Conversation Structure:

1. **Opening (5 minutes):** Welcome and context setting
2. **Performance Review (30 minutes):** Discuss achievements, challenges, and ratings
3. **Development Planning (20 minutes):** Identify growth opportunities and goals

4. **Closing (5 minutes):** Summarize key points and next steps

Best Practices for Managers:

- Listen actively and ask open-ended questions
- Provide specific, behavior-based feedback
- Focus on both strengths and development areas
- Encourage employee self-reflection and input
- Maintain objectivity and avoid personal biases
- Document key discussion points and agreements

8.3 Difficult Conversations

Addressing Performance Issues:

- Use the DESC model (Describe, Express, Specify, Consequences)
- Focus on observable behaviors and measurable outcomes
- Avoid personality-based critiques
- Provide clear expectations for improvement
- Establish timelines and check-in points

Managing Emotional Responses:

- Remain calm and professional
- Acknowledge emotions without being defensive
- Take breaks if needed to de-escalate
- Focus on facts and constructive solutions
- Follow up with written summary of discussion

8.4 Post-Review Actions

Immediate Follow-up:

- Complete all required documentation within 48 hours
- Share written summary with employee
- Update employee development plans
- Schedule follow-up meetings as needed
- Communicate any changes in role or responsibilities

Ongoing Support:

- Provide regular feedback throughout the year
- Monitor progress on development goals
- Adjust expectations based on changing business needs
- Recognize and celebrate improvements
- Escalate concerns to HR when necessary

9. Employee Guidelines

9.1 Preparing for Your Performance Review

Self-Assessment Process:

- Review your job description and current responsibilities
- Gather examples of your achievements and contributions
- Identify challenges you've overcome and lessons learned
- Assess your performance against established goals
- Prepare questions about your career development

Documentation to Prepare:

- List of completed projects and their outcomes
- Metrics showing your performance and impact
- Examples of innovation, leadership, or collaboration
- Training and development activities undertaken
- Feedback received from colleagues and customers

9.2 During the Performance Review

Active Participation:

- Come prepared with your self-assessment
- Ask clarifying questions about feedback
- Provide context for your performance
- Share your perspective on challenges and successes
- Engage in career development discussions

Professional Conduct:

- Listen actively to your manager's feedback
- Remain open to constructive criticism
- Focus on specific behaviors and outcomes
- Avoid defensive reactions
- Take notes on key discussion points

9.3 Goal Setting and Development Planning

SMART Goal Framework:

- **Specific:** Clear and well-defined objectives
- **Measurable:** Quantifiable success criteria
- **Achievable:** Realistic given resources and constraints
- **Relevant:** Aligned with role and company objectives
- **Time-bound:** Clear deadlines and milestones

Career Development Areas:

- Technical skills enhancement
- Leadership and management capabilities
- Cross-functional collaboration
- Innovation and problem-solving
- Industry knowledge and expertise

9.4 Post-Review Actions

Following Up:

- Review and acknowledge receipt of written feedback
- Develop action plans for improvement areas
- Schedule regular check-ins with your manager
- Seek additional resources or training as needed
- Track progress on development goals

Continuous Improvement:

- Implement feedback immediately where possible

- Seek mentorship and coaching opportunities
- Participate in relevant training programs
- Network with colleagues in your field
- Stay updated on industry trends and best practices

10. 360-Degree Feedback Process

10.1 Overview of 360-Degree Feedback

Purpose and Benefits:

- Provides comprehensive view of employee performance
- Identifies blind spots and development opportunities
- Enhances self-awareness and emotional intelligence
- Supports leadership development initiatives
- Improves team collaboration and communication

When 360-Degree Feedback is Used:

- Annual performance reviews for senior roles
- Leadership development programs
- Succession planning processes
- Team effectiveness assessments
- Special developmental interventions

10.2 Feedback Sources and Selection

Types of Feedback Providers:

- **Supervisors:** Direct managers and senior leaders
- **Peers:** Colleagues at similar levels
- **Direct Reports:** Team members and subordinates
- **Internal Customers:** Cross-functional partners
- **External Stakeholders:** Clients, vendors, partners (when appropriate)

Selection Criteria:

- Regular interaction with the employee

- Diverse perspectives and viewpoints
- Credible and reliable feedback sources
- Confidentiality and discretion
- Willingness to provide honest input

10.3 Feedback Collection Process

Timeline and Logistics:

- Feedback collection period: 2 weeks
- Minimum 5-8 feedback providers per employee
- Anonymous feedback collection through Tesla's performance platform
- Reminder notifications sent to encourage participation
- HR support available for technical issues

Feedback Questions Categories:

- Leadership effectiveness
- Communication skills
- Collaboration and teamwork
- Problem-solving and innovation
- Professional development
- Tesla values demonstration

10.4 Analysis and Interpretation

Data Analysis:

- Quantitative ratings compiled and averaged
- Qualitative comments themed and categorized
- Variance analysis across different feedback sources
- Comparison with self-assessment ratings
- Identification of key strengths and development areas

Feedback Report Components:

- Executive summary of key findings
- Detailed ratings by competency area
- Verbatim comments (anonymized)

- Developmental recommendations
- Action planning templates

11. Career Development Planning

11.1 Career Development Framework

Tesla's Career Development Philosophy:

- Employee ownership of career progression
- Manager support and coaching
- Company investment in growth opportunities
- Alignment with business needs and strategy
- Continuous learning and adaptation

Career Development Pillars:

1. **Performance Excellence:** Delivering outstanding results
2. **Skill Development:** Building relevant capabilities
3. **Leadership Growth:** Expanding influence and impact
4. **Network Building:** Creating internal and external connections
5. **Innovation Mindset:** Driving change and improvement

11.2 Career Path Options

Vertical Progression:

- Advancement within current functional area
- Increased scope and responsibility
- Leadership and management roles
- Technical expertise and specialization
- Strategic and executive positions

Lateral Movement:

- Cross-functional role transitions
- Geographic relocations
- Project and assignment rotations
- International opportunities

- Entrepreneurial ventures within Tesla

Developmental Assignments:

- Stretch assignments and special projects
- Task force and committee participation
- Mentoring and coaching roles
- Speaking and representation opportunities
- Innovation and R&D initiatives

11.3 Individual Development Planning

Development Plan Components:

- Career aspirations and goals
- Skill gaps and development needs
- Learning and development activities
- Timeline and milestones
- Success metrics and measures

Development Methods:

- **Formal Training:** Courses, certifications, conferences
- **Experiential Learning:** Projects, assignments, rotations
- **Social Learning:** Mentoring, coaching, networking
- **Self-Directed Learning:** Reading, research, online resources
- **Feedback and Reflection:** Regular review and adjustment

11.4 Support and Resources

Company Support:

- Tuition reimbursement programs
- Internal training and development offerings
- Leadership development programs
- Mentorship and coaching initiatives
- Conference and seminar attendance

Manager Support:

- Regular career conversations
- Developmental assignment opportunities
- Feedback and coaching
- Network introductions
- Advocacy and sponsorship

12. Performance Improvement Plans

12.1 When PIPs Are Appropriate

Triggering Circumstances:

- Performance ratings of "Below Expectations" or "Unsatisfactory"
- Consistent failure to meet job requirements
- Significant gaps in essential skills or competencies
- Behavioral issues affecting team or company culture
- Failure to achieve critical objectives or deliverables

Prerequisites for PIP Implementation:

- Previous informal feedback and coaching attempts
- Clear documentation of performance issues
- Specific, measurable performance deficiencies
- Reasonable belief that improvement is possible
- Commitment from both employee and manager

12.2 PIP Development Process

Stakeholder Involvement:

- Employee's direct manager
- HR Business Partner
- Senior leadership (when appropriate)
- Employee (collaborative approach)
- Subject matter experts (if needed)

PIP Components:

- **Performance Issues:** Specific, documented deficiencies
- **Expectations:** Clear, measurable performance standards
- **Resources:** Training, tools, and support provided
- **Timeline:** Specific deadlines and milestones
- **Consequences:** Outcomes if improvement is not achieved

12.3 PIP Implementation and Monitoring

Implementation Best Practices:

- Conduct formal PIP meeting with employee
- Ensure understanding and acknowledgment
- Provide written PIP document
- Schedule regular check-in meetings
- Document all interactions and progress

Monitoring and Support:

- Weekly or bi-weekly progress reviews
- Continuous feedback and coaching
- Adjustments to plan as needed
- Recognition of improvements made
- Escalation procedures for concerns

12.4 PIP Outcomes

Successful Completion:

- Performance meets or exceeds expectations
- Sustained improvement demonstrated
- PIP officially closed with documentation
- Return to standard performance management
- Recognition and positive reinforcement

Unsuccessful Completion:

- Performance remains below expectations
- Consultation with HR and legal counsel
- Consideration of alternative roles

- Progressive discipline procedures
- Potential termination of employment

13. Calibration Process

13.1 Purpose of Calibration

Objectives:

- Ensure consistency in performance ratings across teams
- Reduce bias and subjective interpretation
- Maintain fairness and equity in evaluations
- Align performance standards across the organization
- Support talent management and succession planning

Benefits:

- Improved accuracy of performance assessments
- Enhanced credibility of performance management system
- Better identification of high performers and development needs
- Reduced legal and compliance risks
- Strengthened manager confidence in ratings

13.2 Calibration Process Overview

Participants:

- Department heads and senior managers
- HR Business Partners
- Talent management representatives
- Cross-functional leaders (when appropriate)
- Executive sponsors

Process Steps:

1. **Pre-Calibration Preparation:** Data collection and analysis
2. **Calibration Sessions:** Collaborative review and discussion
3. **Rating Adjustments:** Modifications based on consensus
4. **Documentation:** Recording of decisions and rationale

5. **Communication:** Feedback to managers and employees

13.3 Calibration Methodology

Data Analysis:

- Distribution of ratings across organization
- Comparison with previous periods
- Identification of rating anomalies
- Performance data validation
- Bias detection and analysis

Discussion Framework:

- Review of rating distribution and patterns
- Individual employee case discussions
- Comparison of similar roles and responsibilities
- Consideration of business context and challenges
- Consensus building on rating adjustments

13.4 Post-Calibration Actions

Documentation Requirements:

- Calibration session notes and decisions
- Rationale for rating changes
- Feedback for managers on rating accuracy
- Summary reports for senior leadership
- Process improvement recommendations

Follow-up Activities:

- Manager briefings on calibration outcomes
- Employee communication about any rating changes
- Training for managers on rating consistency
- System updates and data corrections
- Preparation for next calibration cycle

14. Documentation Requirements

14.1 Legal and Compliance Framework

Documentation Standards:

- Accurate and factual information
- Objective and specific language
- Consistent formatting and structure
- Timely completion and submission
- Secure storage and access control

Regulatory Compliance:

- Equal Employment Opportunity requirements
- Americans with Disabilities Act considerations
- State and local employment laws
- International employment regulations
- Data privacy and protection laws

14.2 Required Documentation

Performance Review Documentation:

- Completed performance evaluation forms
- Self-assessment submissions
- 360-degree feedback reports
- Goal setting and development plans
- Manager and employee signatures

Supporting Documentation:

- Performance data and metrics
- Project outcomes and deliverables
- Training and development records
- Disciplinary actions and corrective measures
- Recognition and awards received

14.3 Documentation Best Practices

Writing Guidelines:

- Use specific, behavior-based examples
- Avoid subjective opinions and assumptions
- Include both strengths and development areas
- Maintain professional and respectful tone
- Ensure clarity and readability

Review and Approval:

- Manager review and approval
- HR Business Partner validation
- Senior leadership sign-off (when required)
- Employee acknowledgment and feedback
- Legal review for sensitive situations

14.4 Record Retention and Storage

Retention Policies:

- Performance reviews: 7 years minimum
- Development plans: 5 years minimum
- Disciplinary actions: 7 years minimum
- Training records: 5 years minimum
- Termination documentation: 10 years minimum

Storage Requirements:

- Secure electronic storage systems
- Access controls and permissions
- Regular backup and disaster recovery
- Compliance with data protection laws
- Audit trail and version control

15. Technology and Tools

15.1 Tesla Performance Management Platform

System Overview:

- Cloud-based performance management solution
- Integration with HR information systems
- Mobile accessibility for managers and employees
- Real-time data and analytics capabilities
- Automated workflow and notification features

Key Features:

- Performance review templates and forms
- Goal setting and tracking functionality
- 360-degree feedback collection
- Development planning tools
- Reporting and analytics dashboard

15.2 User Access and Training

System Access:

- Role-based permissions and security
- Single sign-on integration
- Multi-factor authentication
- Regular access reviews and updates
- Deactivation procedures for departing employees

Training Programs:

- New user orientation sessions
- Manager training on system features
- Employee self-service tutorials
- Advanced features workshops
- Ongoing support and help desk

15.3 Data Analytics and Reporting

Standard Reports:

- Performance rating distributions
- Goal completion rates
- Development plan progress
- Calibration analysis
- Trend analysis and comparisons

Custom Analytics:

- Department and team performance metrics
- Individual employee progress tracking
- Predictive analytics for talent management
- Benchmark comparisons
- ROI analysis for development programs

15.4 System Support and Maintenance

Technical Support:

- Help desk and user support
- System maintenance and updates
- Bug fixes and enhancement requests
- Data backup and recovery
- Performance monitoring and optimization

Continuous Improvement:

- User feedback collection
- System enhancement planning
- Integration with new technologies
- Process optimization recommendations
- Vendor relationship management

16. Legal and Compliance Considerations

16.1 Employment Law Compliance

Equal Employment Opportunity:

- Non-discriminatory evaluation criteria
- Consistent application of standards
- Accommodation for disabilities
- Protection against retaliation
- Documentation of decision-making process

Key Legal Areas:

- Title VII of the Civil Rights Act
- Age Discrimination in Employment Act
- Americans with Disabilities Act
- State and local fair employment laws
- International employment regulations

16.2 Documentation and Record Keeping

Legal Requirements:

- Accurate and contemporaneous documentation
- Retention of performance records
- Protection of confidential information
- Compliance with discovery requests
- Audit trail maintenance

Best Practices:

- Regular legal review of policies
- Training for managers on legal requirements
- Consultation with legal counsel on complex cases
- Proactive compliance monitoring
- Documentation of reasonable accommodations

16.3 Privacy and Data Protection

Data Privacy Principles:

- Lawful collection and processing
- Purpose limitation and data minimization
- Accuracy and up-to-date information
- Secure storage and transmission
- Limited access and retention periods

Compliance Framework:

- GDPR compliance for European employees
- CCPA compliance for California employees
- State and local privacy laws
- International data transfer requirements
- Employee consent and notification

16.4 Risk Management

Identification of Legal Risks:

- Discrimination and harassment claims
- Wrongful termination lawsuits
- Wage and hour violations
- Privacy and data breach incidents
- Regulatory enforcement actions

Risk Mitigation Strategies:

- Regular policy updates and training
- Proactive compliance monitoring
- Early intervention in problem situations
- Strong documentation practices
- Partnership with legal counsel

17. Frequently Asked Questions

17.1 General Performance Review Questions

Q: How often are performance reviews conducted at Tesla? A: Tesla conducts formal performance reviews annually, with mid-year check-ins and ongoing feedback throughout the year. Some roles may have quarterly reviews based on business needs.

Q: What happens if I disagree with my performance rating? A: Employees can discuss concerns with their manager first, then escalate to HR if needed. Tesla has a formal appeal process for performance rating disputes.

Q: Can my performance review affect my compensation? A: Yes, performance reviews are one factor considered in compensation decisions, including salary adjustments, bonuses, and equity awards.

17.2 Manager-Specific Questions

Q: How do I handle an employee who refuses to participate in the review process? A: Document the refusal, explain the importance of participation, and escalate to HR. Performance reviews are mandatory and non-participation may result in disciplinary action.

Q: What should I do if an employee becomes emotional during the review? A: Remain calm, acknowledge their emotions, offer a break if needed, and focus on specific behaviors rather than personal characteristics.

Q: How do I calibrate ratings across my team? A: Use consistent criteria, compare similar roles, document your rationale, and participate in calibration sessions with other managers.

17.3 Employee Development Questions

Q: What if I don't have clear career goals? A: Work with your manager and HR to explore career options, complete assessments, and develop short-term objectives that can lead to longer-term clarity.

Q: How can I get feedback outside of the formal review process? A: Request regular one-on-one meetings with your manager, seek peer feedback, and participate in 360-degree feedback opportunities.

Q: What resources are available for my professional development? A: Tesla offers tuition reimbursement, internal training programs, mentorship opportunities, and access to external conferences and workshops.

17.4 System and Process Questions

Q: What if I experience technical issues with the performance management system?

A: Contact the IT help desk or HR support for technical assistance. Alternative methods may be available if system issues persist.

Q: How is my performance data protected? A: Tesla maintains strict data privacy and security protocols, with access limited to authorized personnel and data encrypted during storage and transmission.

Q: Can I access my previous performance reviews? A: Yes, employees can access their historical performance reviews through the performance management system or by requesting copies from HR.

18. Appendices

Appendix A: Performance Review Templates

Annual Performance Review Template

- Employee Information Section
- Self-Assessment Questions
- Manager Evaluation Form
- Goal Setting Worksheet
- Development Plan Template
- Signature and Acknowledgment Page

Mid-Year Check-in Template

- Progress Review Questions
- Goal Adjustment Form

- Development Update Section
- Action Planning Worksheet

Appendix B: Competency Definitions

Leadership Competencies:

- Strategic Thinking: Ability to see the big picture and plan for the future
- Decision Making: Making timely, informed decisions with available information
- Team Building: Creating and leading high-performing teams
- Communication: Effectively conveying information and ideas
- Change Management: Leading and adapting to organizational change

Technical Competencies:

- Job-Specific Skills: Mastery of role-related technical requirements
- Problem Solving: Identifying and resolving complex issues
- Innovation: Developing creative solutions and improvements
- Quality Focus: Commitment to excellence and continuous improvement
- Safety Awareness: Maintaining safe work practices and procedures

Appendix C: Rating Scale Definitions

Performance Rating Scale:

- **Exceptional (5):** Consistently exceeds expectations and demonstrates outstanding performance
- **Exceeds Expectations (4):** Frequently exceeds expectations with notable achievements
- **Meets Expectations (3):** Consistently meets job requirements and expectations
- **Below Expectations (2):** Sometimes meets expectations but has notable performance gaps
- **Unsatisfactory (1):** Fails to meet basic job requirements and expectations

Appendix D: Goal Setting Examples

SMART Goal Examples:

- **Sales Role:** Increase quarterly revenue by 15% through new client acquisition

- **Engineering Role:** Reduce product defect rate by 20% through process improvements
- **Management Role:** Improve team engagement scores by 10% through enhanced communication

Appendix E: Legal Resources

Key Employment Laws:

- Equal Employment Opportunity Commission (EEOC) Guidelines
- Department of Labor Regulations
- State Employment Law Summaries
- International Employment Compliance Requirements

Internal Resources:

- Tesla Legal Department Contact Information
- HR Business Partner Directory
- Employee Relations Specialists
- Compliance Hotline and Reporting Procedures

Appendix F: Training Materials

Manager Training Modules:

- Conducting Effective Performance Reviews
- Providing Constructive Feedback
- Managing Difficult Conversations
- Legal Compliance in Performance Management
- Bias Recognition and Mitigation

Employee Resources:

- Self-Assessment Techniques
- Goal Setting Best Practices
- Career Development Planning
- Feedback Reception and Implementation
- Professional Development Opportunities

This document represents Tesla's commitment to fair, transparent, and effective performance management. For questions or clarifications, contact your HR Business Partner or the People Operations team.

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