

# Performance Management and Review Process

TechFlow Solutions, Inc.

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Policy Owner: Michael Torres, Chief People Officer

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## 1. PURPOSE AND SCOPE

This policy establishes performance management processes, review cycles, and career development procedures for TechFlow Solutions employees. It applies to all full-time employees across our 150-person organization to ensure consistent performance evaluation and professional growth.

## 2. REVIEW CYCLES AND TIMING

### 2.1 Performance Review Schedule

**Quarterly Check-ins (15-30 minutes):** - **Schedule:** Every 3 months (March, June, September, December) - **Format:** Informal discussion between employee and manager - **Focus:** Goal progress, immediate feedback, support needs - **Documentation:** Brief notes in BambooHR performance module

**Annual Performance Reviews (90-120 minutes):** - **Schedule:** January-February annually - **Format:** Comprehensive written review with in-person discussion - **Focus:** Full year assessment, goal setting, development planning - **Documentation:** Complete performance review form and development plan

**Mid-Year Reviews (45-60 minutes):** - **Schedule:** July annually - **Format:** Formal review session with written documentation - **Focus:** Progress against annual goals, course corrections - **Documentation:** Mid-year review form and updated development plan

### 2.2 New Employee Review Schedule

**30-Day Check-in:** - **Purpose:** Initial adjustment and onboarding feedback - **Participants:** Employee, manager, HR Business Partner - **Focus:** Onboarding experience, role clarity, immediate needs - **Documentation:** 30-day review form in BambooHR

**90-Day Review:** - **Purpose:** End of probationary period assessment - **Participants:** Employee, manager, HR Business Partner - **Focus:** Performance evaluation, cultural fit, continuation decision - **Documentation:** Formal 90-day review with recommendation

**6-Month Review:** - **Purpose:** First comprehensive performance evaluation - **Format:** Full performance review process - **Focus:** Goal achievement, development needs, career trajectory - **Documentation:** Complete performance review and development plan

### 2.3 Special Review Circumstances

**Performance Improvement Plan (PIP) Reviews:** - **Frequency:** Every 2 weeks during PIP period - **Duration:** 30-60-90 day PIP cycles - **Participants:** Employee, manager, HR Business Partner - **Documentation:** Detailed progress tracking and improvement evidence

**Promotion Reviews:** - **Timing:** As needed for promotion considerations - **Process:** 360-degree feedback collection - **Participants:** Employee, manager, peers, direct reports (if applicable) - **Documentation:** Comprehensive promotion assessment package

**Role Transition Reviews:** - **Timing:** 30 and 90 days after internal role changes - **Focus:** Adjustment to new responsibilities and performance - **Documentation:** Transition assessment and support plan

## 3. RATING SCALES AND DEFINITIONS

### 3.1 Overall Performance Rating Scale (1-5)

**5 - Exceptional (Top 5% of performers):** - **Definition:** Consistently exceeds all expectations and delivers extraordinary results - **Characteristics:** Demonstrates exceptional leadership, innovation, and impact beyond role scope - **Examples:** Creates breakthrough solutions, mentors others significantly, drives company success - **Frequency:** Limited to truly exceptional performers (5-7 employees annually)

**4 - Exceeds Expectations (15-20% of performers):** - **Definition:** Regularly surpasses performance goals and demonstrates strong leadership - **Characteristics:** Delivers high-quality work, takes initiative, positively influences team - **Examples:** Consistently delivers above targets, proactively solves problems, mentors peers - **Frequency:** High performers who consistently deliver excellence (22-30 employees annually)

**3 - Meets Expectations (60-70% of performers):** - **Definition:** Consistently achieves performance goals and demonstrates competency - **Characteristics:** Reliable performance, meets deadlines, collaborates effectively - **Examples:** Achieves targets, completes assigned work quality, supports team goals - **Frequency:** Solid performers meeting all job requirements (90-105 employees annually)

**2 - Below Expectations (10-15% of performers):** - **Definition:** Occasionally falls short of performance goals and requires improvement - **Characteristics:** Inconsistent performance, needs additional support and guidance

- **Examples:** Misses some targets, requires frequent guidance, impacts team productivity - **Frequency:** Performers needing improvement support (15-22 employees annually)

**1 - Unsatisfactory (Less than 5% of performers):** - **Definition:** Consistently fails to meet performance expectations - **Characteristics:** Performance significantly impacts team and business operations - **Examples:** Frequently misses targets, quality issues, attendance problems - **Frequency:** Performers requiring immediate intervention (0-7 employees annually)

### 3.2 Competency Rating Areas

#### Core Competencies (All Employees):

*Communication:* - **5:** Exceptional presenter and facilitator, influences across organization - **4:** Clear, persuasive communicator with strong listening skills - **3:** Communicates effectively in most situations, good listener - **2:** Generally communicates adequately, some improvement needed - **1:** Poor communication skills, frequently misunderstood

*Collaboration:* - **5:** Builds bridges across teams, exceptional team player and leader - **4:** Works very well with others, contributes positively to team dynamics - **3:** Good team player, cooperates well with colleagues - **2:** Generally collaborates well, occasional interpersonal challenges - **1:** Difficulty working with others, creates team friction

*Problem Solving:* - **5:** Innovative problem solver, creates breakthrough solutions - **4:** Strong analytical skills, develops creative solutions - **3:** Good problem-solving abilities, uses logical approach - **2:** Basic problem-solving skills, needs guidance on complex issues - **1:** Poor problem-solving abilities, requires significant support

*Adaptability:* - **5:** Thrives in change, helps others navigate transitions - **4:** Adapts quickly to change, maintains performance during transitions - **3:** Handles change reasonably well, adjusts with support - **2:** Some difficulty with change, needs additional time to adjust - **1:** Struggles significantly with change, resists new approaches

#### Role-Specific Competencies:

*Technical Skills (Engineering, Product):* - Software development proficiency - System architecture understanding - Technology trend awareness - Code quality and best practices

*Customer Focus (Sales, Customer Success):* - Customer relationship building - Needs assessment and solution development - Customer satisfaction and retention - Market and industry knowledge

*Leadership (Management Roles):* - Team development and coaching - Strategic thinking and planning - Decision-making and accountability - Change management and vision communication

### 3.3 Goal Achievement Assessment

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

**Goal Rating Scale:** - **Exceeded:** Achieved 110%+ of goal target - **Met:** Achieved 90-109% of goal target - **Partially Met:** Achieved 70-89% of goal target - **Not Met:** Achieved less than 70% of goal target

**Goal Categories:** - **Business Results:** Revenue, customer satisfaction, operational metrics - **Professional Development:** Skill building, certifications, training completion - **Leadership:** Team development, mentoring, process improvement - **Innovation:** New ideas, process improvements, technology adoption

## 4. CALIBRATION PROCESS

### 4.1 Manager Calibration Sessions

**Department-Level Calibration:** - **Frequency:** Semi-annually (July and January) - **Participants:** All managers within department + department director - **Duration:** 2-3 hours per department - **Facilitator:** HR Business Partner

**Cross-Department Calibration:** - **Frequency:** Annually (February) - **Participants:** All directors and VPs + CPO - **Duration:** Full day session - **Facilitator:** Chief People Officer

**Calibration Process Steps:** 1. **Individual Preparation:** Managers prepare employee performance summaries 2. **Peer Review:** Managers review each other's ratings for consistency 3. **Discussion:** Open discussion of rating rationale and evidence 4. **Consensus Building:** Work toward consistent application of standards 5. **Final Ratings:** Agreed-upon ratings documented in system

### 4.2 Calibration Standards and Guidelines

**Rating Distribution Guidelines:** - **Exceptional (5):** 5% of team maximum - **Exceeds (4):** 15-20% of team - **Meets (3):** 60-70% of team - **Below (2):** 10-15% of team - **Unsatisfactory (1):** 5% maximum

**Calibration Discussion Points:** - **Evidence-Based:** All ratings supported by specific examples and data - **Consistency:** Similar performance receives similar ratings across teams - **Growth Trajectory:** Consider employee development and improvement - **Role Context:** Account for role complexity and organizational impact

### 4.3 Calibration Documentation

**Meeting Documentation:** - **Attendance Record:** All participants and their roles - **Discussion Summary:** Key calibration decisions and rationale - **Rating Changes:** Any rating adjustments made during calibration - **Action Items:** Follow-up items and responsibilities

**Quality Assurance:** - **HR Review:** HR validates calibration outcomes for consistency - **Executive Review:** Senior leadership reviews distribution and decisions - **Appeals Process:** Formal process for rating appeals and reconsideration - **Continuous Improvement:** Annual calibration process improvement review

## 5. IMPROVEMENT PLAN PROCEDURES

### 5.1 Performance Improvement Plan (PIP) Trigger Events

**PIP Initiation Criteria:** - **Below Expectations Rating:** Formal PIP required for rating of 2 - **Unsatisfactory Rating:** Immediate PIP required for rating of 1 - **Goal Achievement:** Missing 2+ major goals in review period - **Behavioral Issues:** Significant behavioral or cultural fit concerns

**Manager Assessment Required:** - **Root Cause Analysis:** Identification of underlying performance issues - **Support Evaluation:** Assessment of support and resources provided - **Training Needs:** Skills gaps and development opportunities - **Environmental Factors:** Workload, team dynamics, organizational changes

### 5.2 PIP Development and Structure

**30-Day PIP (Minor Performance Issues):** - **Focus:** Specific skill development or behavior modification - **Goals:** 2-3 specific, measurable improvement goals - **Support:** Weekly check-ins, additional training/resources - **Success Criteria:** Clear definition of successful completion

**60-Day PIP (Moderate Performance Issues):** - **Focus:** Broader performance improvement across multiple areas - **Goals:** 3-4 comprehensive improvement objectives - **Support:** Bi-weekly check-ins, mentor assignment, skills training - **Success Criteria:** Demonstration of sustained improvement

**90-Day PIP (Significant Performance Issues):** - **Focus:** Fundamental performance and fit assessment - **Goals:** 4-5 critical performance areas requiring improvement - **Support:** Weekly check-ins, comprehensive support plan, external training - **Success Criteria:** Clear demonstration of role competency

### 5.3 PIP Monitoring and Documentation

**Check-in Schedule:** - **Week 1:** Initial goal setting and expectation clarification - **Week 2:** Progress review and obstacle identification - **Week 4:** Formal progress

assessment and plan adjustment - **Final Week:** Comprehensive evaluation and decision

**Documentation Requirements:** - **Written Goals:** Specific, measurable objectives with deadlines - **Progress Tracking:** Weekly progress notes and evidence collection - **Support Provided:** Record of all assistance and resources given - **Employee Input:** Employee self-assessment and feedback incorporation

**PIP Outcomes:** - **Successful Completion:** Return to regular performance management - **Partial Improvement:** Extended PIP or role modification consideration - **Unsuccessful Completion:** Termination with documented process - **Voluntary Resignation:** Professional transition support provided

#### 5.4 PIP Success and Support Strategies

**Manager Training:** - **PIP Development:** Training on writing effective improvement plans - **Coaching Skills:** Development of coaching and feedback skills - **Documentation:** Proper documentation and legal compliance - **Difficult Conversations:** Skills for managing challenging discussions

**Employee Support Resources:** - **Employee Assistance Program:** Counseling and personal support services - **Skills Training:** Internal and external training opportunities - **Mentoring Program:** Pairing with successful employees for guidance - **Career Counseling:** Professional development and career planning support

## 6. PROMOTION CRITERIA AND PROCESS

### 6.1 Promotion Eligibility Criteria

**Minimum Requirements:** - **Tenure:** 12 months in current role (6 months for exceptional performers) - **Performance:** Minimum “Meets Expectations” rating in current role - **Competency:** Demonstrated competency in all core areas - **Readiness:** Manager assessment of readiness for increased responsibility

#### Promotion Types:

*Level Promotion (Same Function):* - **Requirements:** Mastery of current role, expanded scope capability - **Timeline:** Typically 18-24 months between level promotions - **Examples:** Senior Engineer to Staff Engineer, Account Manager to Senior Account Manager

*Lateral Promotion (Different Function):* - **Requirements:** Transferable skills, relevant experience, training completion - **Timeline:** Available after 12 months in current role - **Examples:** Engineer to Product Manager, Sales to Customer Success

*Management Promotion:* - **Requirements:** Leadership potential, people management training, business acumen - **Timeline:** Typically 24+ months of

individual contributor excellence - **Examples:** Senior Engineer to Engineering Manager, Senior Sales Rep to Sales Manager

## 6.2 Promotion Assessment Process

**Self-Nomination Process:** 1. **Interest Declaration:** Employee expresses interest in promotion 2. **Self-Assessment:** Comprehensive self-evaluation against role requirements 3. **Goal Achievement:** Documentation of current role excellence 4. **Development Plan:** Identification of growth areas and development needs

**Manager Assessment:** 1. **Performance Review:** Current role performance evaluation 2. **Potential Assessment:** Leadership and growth potential evaluation 3. **Readiness Determination:** Assessment of readiness for promotion 4. **Recommendation:** Formal promotion recommendation with rationale

**360-Degree Feedback:** - **Peer Feedback:** Input from colleagues and collaborators - **Direct Report Feedback:** For management promotion candidates - **Stakeholder Feedback:** Input from internal customers and partners - **Compilation:** HR compiles feedback into comprehensive assessment

**Interview Process:** - **Panel Interview:** Multi-level interview with potential role stakeholders - **Case Study:** Role-specific case study or presentation - **Cultural Fit:** Assessment of alignment with company values - **Reference Checks:** Internal reference verification

## 6.3 Promotion Decision and Communication

**Decision Timeline:** - **Application to Decision:** 4-6 weeks for standard promotions - **Executive Promotions:** 6-8 weeks including board consideration - **Emergency Promotions:** 2-3 weeks for business-critical roles - **Bulk Promotion Cycles:** Quarterly promotion review cycles

**Approval Hierarchy:** - **Level Promotions:** Department Director approval - **Cross-Department:** Receiving department Director + HR approval - **Management Roles:** VP level approval + HR partnership - **Executive Roles:** CEO approval + board notification

**Communication Process:** - **Candidate Notification:** Private communication of decision - **Team Announcement:** Department/team announcement of promotion - **Company Communication:** Company-wide announcement for significant promotions - **External Communication:** LinkedIn and industry announcement coordination

## 6.4 Promotion Transition and Support

**Transition Planning:** - **Role Handover:** 2-week transition period for current responsibilities - **New Role Onboarding:** Structured onboarding for new

position - **Training Plan:** Role-specific training and development plan - **90-Day Goals:** Clear expectations and goals for first 90 days

**Ongoing Support:** - **Mentor Assignment:** Senior employee mentor for new role guidance - **Check-in Schedule:** Weekly check-ins for first month, bi-weekly thereafter - **Resource Access:** Additional resources and training opportunities - **Feedback Loop:** Regular feedback collection and adjustment

## 7. COMPENSATION REVIEW TIMELINES

### 7.1 Annual Compensation Review Process

**Review Timeline:** - **January:** Performance review completion and calibration - **February:** Compensation analysis and market benchmarking - **March:** Budget planning and allocation decisions - **April:** Individual compensation decisions and communications - **May:** Implementation of compensation changes

**Market Analysis:** - **External Benchmarking:** Annual salary survey participation and analysis - **Internal Equity:** Review of internal pay equity and compression - **Performance Correlation:** Alignment of pay with performance ratings - **Retention Analysis:** Assessment of compensation for retention risk

### 7.2 Compensation Adjustment Types

**Merit Increases:** - **Exceptional Performance:** 6-10% salary increase - **Exceeds Expectations:** 4-6% salary increase - **Meets Expectations:** 2-4% salary increase - **Below Expectations:** 0-2% salary increase (or development focus)

**Promotion Increases:** - **Level Promotion:** 8-15% salary increase - **Management Promotion:** 10-20% salary increase - **Lateral Promotion:** 5-10% salary increase - **Role Expansion:** 5-12% salary increase

**Market Adjustments:** - **Below Market:** Adjustment to bring to market median - **Compression Relief:** Adjustment for internal equity issues - **Retention:** Above-market adjustment for critical talent - **New Role Market Rate:** Adjustment for role changes

### 7.3 Off-Cycle Compensation Reviews

**Trigger Events:** - **Significant Role Expansion:** Immediate review for major scope increases - **Market Adjustment:** Quarterly review for competitive positioning - **Retention Risk:** Immediate review for flight risk employees - **Promotion:** Immediate review upon promotion effective date

**Off-Cycle Process:** - **Business Case:** Written justification for off-cycle adjustment - **Manager Recommendation:** Direct manager recommendation and rationale - **HR Review:** HR assessment of equity and budget impact - **Approval:** Appropriate level approval based on adjustment amount



## 8. CONTACT INFORMATION

### 8.1 Performance Management Support

- **People Operations:** people@techflow.com, +1 (415) 555-0123
- **Performance Management:** performance@techflow.com, +1 (415) 555-PERF (7373)
- **HR Business Partners:** hr-bp@techflow.com
- **Management Training:** management-training@techflow.com

### 8.2 Career Development Resources

- **Career Development:** career-development@techflow.com
- **Learning and Development:** learning@techflow.com, +1 (415) 555-5432
- **Mentoring Program:** mentoring@techflow.com
- **Leadership Development:** leadership-dev@techflow.com

### 8.3 Executive Contacts

- **Chief People Officer:** Michael Torres, michael.torres@techflow.com
- **VP of People Operations:** Rachel Kim, rachel.kim@techflow.com
- **Director of Talent Development:** talent-development@techflow.com
- **Executive Assistant:** executive-assistant@techflow.com

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**Approved By:** - Michael Torres, Chief People Officer - December 15, 2023 - Rachel Kim, Chief Operating Officer - December 15, 2023 - Jennifer Liu, Chief Technology Officer - December 15, 2023 - David Park, Chief Executive Officer - December 15, 2023

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