



TOYOTA

Performance Review User Guide

Purpose of this Guide

This guide provides information to help you successfully implement a performance review process in your dealership.

Use this guide to confirm your performance review process provides a fair, transparent and consistent experience for all employees.

What is a Performance Review?

A performance review is a formal process where employees are provided with feedback on how they're performing in their role. Employees are evaluated by their managers on how they're going; what their strengths and development gaps are; and if their behaviours are in line with expectations.

The focus of a performance review is employee development, not punishment. A well-structured performance review process is future-focused and identifies opportunities for employees to continue to grow in their roles, and within the dealership.

What are the Benefits of a Performance Review?

Benefits for Employees

Benefits for employees include:

- Understanding exactly what's expected of them and how they're going against those expectations.
- Being provided with the manager's perspective of what they're doing well, and where they're struggling.
- Having a formal opportunity to discuss barriers to job productivity and potential methods to remove them.
- Having a formal record of their growth in terms job skills, training and experience that can be shared with future managers, rather than relying on a continuing relationship with the current manager.

Benefits for Managers

Managers are able to:

- Identify high-performing employees.
- Identify and correct any performance issues before they become too large to resolve.
- Communicate clear expectations for their team.
- Encourage employee growth, development and engagement.



The Performance Review Cycle

The Performance Review process can be as frequent, simple or complex as your business requires.

Ensure expectations are clarified at the start of the performance cycle.

For new employees, ensure you discuss the performance review process as part of your onboarding process, so they are aware of what to expect beforehand.

Initial Meeting (Performance Planning/Goal Setting)

- For the initial meeting, arrange a time that is mutually agreeable and without distraction. The meeting will be more effective if it is a face-to-face, private meeting between the employee and manager, allowing enough time for meaningful and thorough discussion.
- Ensure the employee is aware of the process cycle; understands the rating system and the structure of the review process.



- Discuss the employee's career aspirations:
 - What do they like/dislike about their current role?
 - Are there any other roles in the dealership they are interested in, both sideways and up?
 - Can you allocate them work that will help them get to where they want to go next?
- For new employees (or existing employees new to their role), help them understand exactly what is expected of them as they perform their role; and be clear what success will look like. Take the time to confirm their understanding matches yours. This shared understanding is critical for a successful end of the review when ratings are applied.
- For existing employees, consider previous discussions regarding performance and career aspirations to assist with setting goals that will either:
 - close any gaps in their current role; or
 - support their transition to another role they are interested in for the future.

Helpful tips

- As always, treat the employee with respect. Turn off your phone and give them your complete attention.
- Ideally, the goal setting process should be collaborative, with the employee given the opportunity to provide input on what they should work on for the year - before you confirm the plan.
- Don't expect a new employee to hit the same standard as the previous incumbent straight away. You may need to identify milestone targets to confirm the employee is on track to meet the standard over time.

Progress Check Meetings

Depending on your dealership's performance review process, you may have several (or just one) formal check throughout the review period.

Key points for discussion at these meetings include:

- Progress against goals.
- Demonstration of key behaviours.
- Confirmation of the relevance of the plan – if priorities have changed, make sure the employee's performance plan is updated as well.

Take the time to document the key points of the conversation in the employee's performance review form – this will save you time at the end of the year and also ensure that – if there's a change to the reporting structure – the employee's new manager will have all the information they require to complete the final review.

Helpful tips

- These formal progress check meetings shouldn't be the only time managers and employees meet to discuss the employee's progress against plan.
- If you've identified an issue with the employee's progress, raise it now while they still have a chance to make a change.
- Don't wait until the end of the year when it's too late and any opportunity to get back on track has been missed.



Final Review Meeting

Towards the end of the review period, advise the employee well ahead of time when the review meeting will take place. Give at least two weeks' notice. This may prevent the employee feeling like the review has been "sprung" on them.

Ask the employee to spend some time reflecting on their performance over the period. The employee should fill out the review form prior to the meeting and hand back to the supervisor/manager.

Prior to the meeting, the supervisor/manager should review the employee's comments to confirm a shared understanding of:

- what was expected; and
- what was achieved.

During the meeting, the manager should provide opportunity for the employee to speak first, and then share their perspective.

Helpful tips

- There shouldn't be any surprises for the employee at this point - no new tasks added; expectations consistent with what has been discussed throughout the year.
- The employee's input forms part of the decision-making process for the manager's final ratings. If you are provided with additional information, don't feel pressured to commit to a rating in the meeting. You may need to have discussions with other stakeholders before finalising the rating.



Tips for an Effective Performance Review

Despite people wanting feedback on how they're going, most dread the formal review process.

Following these tips will help ensure the meetings are constructive and – if not completely enjoyable – not something to be feared.

- Let employees know that their review is confidential and ensure their privacy is respected.
- When determining the position responsibilities with the employee, make sure goals are **S.M.A.R.T.:**
 - **S**pecific
 - **M**easurable
 - **A**ttainable
 - **R**ealistic
 - **T**imebound
- Provide regular feedback. Providing regular feedback and input to the employee about their performance means expectations are clear, without any ambiguity, and there are no surprises at the end of the review process when ratings are determined. Also, employees who receive regular feedback concerning positive performance are less likely to become disgruntled due to a perceived lack of appreciation.
- Use objective (factual) wording so you concentrate on observed behaviours, rather than on personality traits or “attitude”. Focus on work habits and behaviour, not the person.
- Don't compare one employee's performance to another.

- Look out for any personal biases you may have, including:
 - “Mirroring” – favouring someone who is much like yourself.
 - The “Halo Effect” – don't let one favourable or unfavourable trait or incident influence your judgement of an employee as a whole.
- Always finish the review meetings on a positive note. Encourage the employee despite their outcome. It is just as important for the employee who received a less than satisfactory review to feel supported as it is for a high performer.



Performance Review Template

A Performance Review template is available from the Manager's Toolkit and is structured as follows:

Section A – Key Responsibility Areas

This section provides the overall context for planning and reviewing performance. Section A details the primary key responsibilities for successful performance in the position. Together, the employee and manager need to determine and document the key responsibility areas for the review period.

The employee's effectiveness in each area of responsibility should then be evaluated, with the manager providing a performance rating and comments.

Finally, an overall rating is completed by the manager at the bottom of this section.

Section B – Key Behavioural Areas

By accessing the Toyota For Life Behavioural Competency Matrix Guide in the Manager's Toolkit, the review can align a behavioural competency by job level to each of the Toyota for Life standards.

The employee's effectiveness in each area of responsibility should then be evaluated, with the manager providing a rating and comments.

An overall rating is then completed by the manager at the bottom of this section.

Section C – Current Development Opportunities

This section provides space for you to record outcomes of an initial discussion on development needs for the employee to perform their current job, and a plan for how they are going to achieve the required development by the end of the performance review period.

Section D – Future Career Development Plan

A career development plan is also important to engage the employee, support their future aspirations and ensure the dealership is supporting their development within the business. This discussion could focus on:

- where the employee would like to progress, either across the business or upwards in their current stream; and
- what work will ensure they are challenged and feel they have some direction towards their future work goals.

Section E: Conclusion

This final section contains the overall performance rating for the review period, along with space for comments from both the employee and the reviewer.

It is important the completed document is signed (and dated) by both the manager and employee to finalise the process and create a record of the performance discussions held throughout the review cycle.

Helpful tips

- This template is a suggestion only.
- If you are already using a performance review form that is meeting your dealership's needs, it's fine to keep using it.
- Take the time to reference your current form against this suggested template to identify any potential improvement points in your existing process.