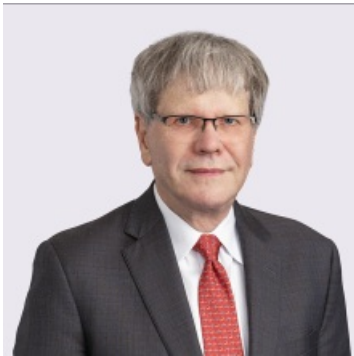


Evaluating Evaluations in the Manufacturing Workplace

By James M. Stone & Zachary A. Ahonen

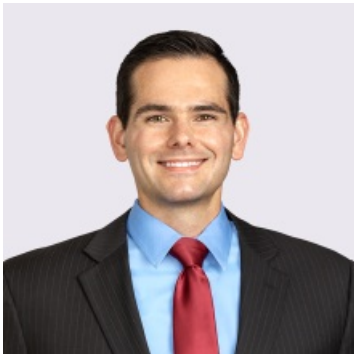
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Like all employers, manufacturers tend to hold strong opinions about the use of performance reviews and evaluations in the workplace. Whether performance reviews make sense for a given manufacturer usually requires an individualized assessment.

Benefits of Performance Reviews

When administered properly, performance reviews can produce numerous benefits.

From a human resources perspective, the process can promote consistent treatment of employees, provide employees an opportunity to improve their performance and efficiency, help identify internal training deficiencies, and even assess the performance of the reviewing supervisors.

From a business and operations perspective, performance reviews can highlight important information. For example, they can reveal if parts or divisions within the company are underperforming.

Who Receives a Review

Once a manufacturer decides to use performance reviews, the next step is to determine which employees will be reviewed.

If the company's workforce is unionized or organized, the options for conducting performance reviews on bargaining unit employees likely will be shaped through negotiations with the union.

Regardless of whether a company's workforce is organized, employers should consider certain factors to determine which non-supervisory employees to review. For example, employees in positions with high turnover may not be useful candidates for performance reviews. The odds of an employee in a position with high turnover staying with the company long enough to improve weaknesses identified in a performance review can be poor. Further, it often is difficult to truly review a recent hire.

Employees in skilled craft or trade positions are frequently solid candidates for performance reviews. In addition to traditionally lower turnover rates for these positions, it often is easier for manufacturers to incorporate objective performance measures into an evaluation for these types of employees. Critically, objective measures of performance tend to improve consistency across employee reviews and across multiple reviewers.

Manufacturers deciding whether to review supervisors and members of management generally rely on an analysis similar to that for non-supervisory employees. The decision usually depends on a company's organizational structure as well. Manufacturers generally review supervisors and managers on the floor overseeing the manufacturing process. However, as the level of management goes up, performance reviews become

less common.

The Reviewers

Ideally, the supervisor or manager reviewing an employee has direct, frequent interactions with the reviewed employee. In the manufacturing workplace, this often means a floor-level supervisor or manager is in the best position to provide insight into an employee's performance. However, there are downsides to this approach. Lower-level supervisors generally have less experience conducting reviews, may not have the appropriate understanding of the importance of consistent and complete reviews, and may not have enough of an understanding of equal employment laws and policies. Further, higher turnover may be more of an issue with lower-level supervisors than with middle and upper management. This can affect the consistency and value of the performance review process.

To counter these issues, many manufacturing employers implement a hybrid review process. Under this approach, a manager above the floor-level supervisor officially conducts the performance reviews or approves the performance reviews submitted by the floor-level supervisor. Regardless, the performance review under a hybrid approach includes significant input from lower and higher levels of management.

Cautionary Tale

Even if a manufacturing employer has an effective performance review process in place, it should continuously assess whether there is room for improvement. The U.S. Court of Appeals for the Seventh Circuit Court has emphasized the need for this reflection in *Vichio v. United States Foods, Inc.*, No. 22-1180, 2023 U.S. App. LEXIS 33176, at *1 (Dec. 15, 2023).

The court reversed the lower court's order granting summary judgment in favor of the defendant-employer as to the plaintiff-employee's age discrimination claim. Allowing the litigation to proceed, the court relied in part on the plaintiff's history of receiving solid performance reviews in its analysis. It held that, although an employee's performance at the time of an adverse decision is the relevant timeframe, a history of solid performance reviews followed by a single poor performance review administered under the guidance and direction of a new manager permitted a jury to find the final performance review was pretext for age discrimination. This case is a vivid reminder of the importance of accurate and comprehensive performance reviews.

Jackson Lewis attorneys advise employers on workplace issues, including on assessing, developing, and implementing performance review programs. Contact a Jackson Lewis attorney to learn more or for assistance in updating your performance review program.

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