PERFORMANCE MANAGEMENT CYCLE



2025

AGENDA

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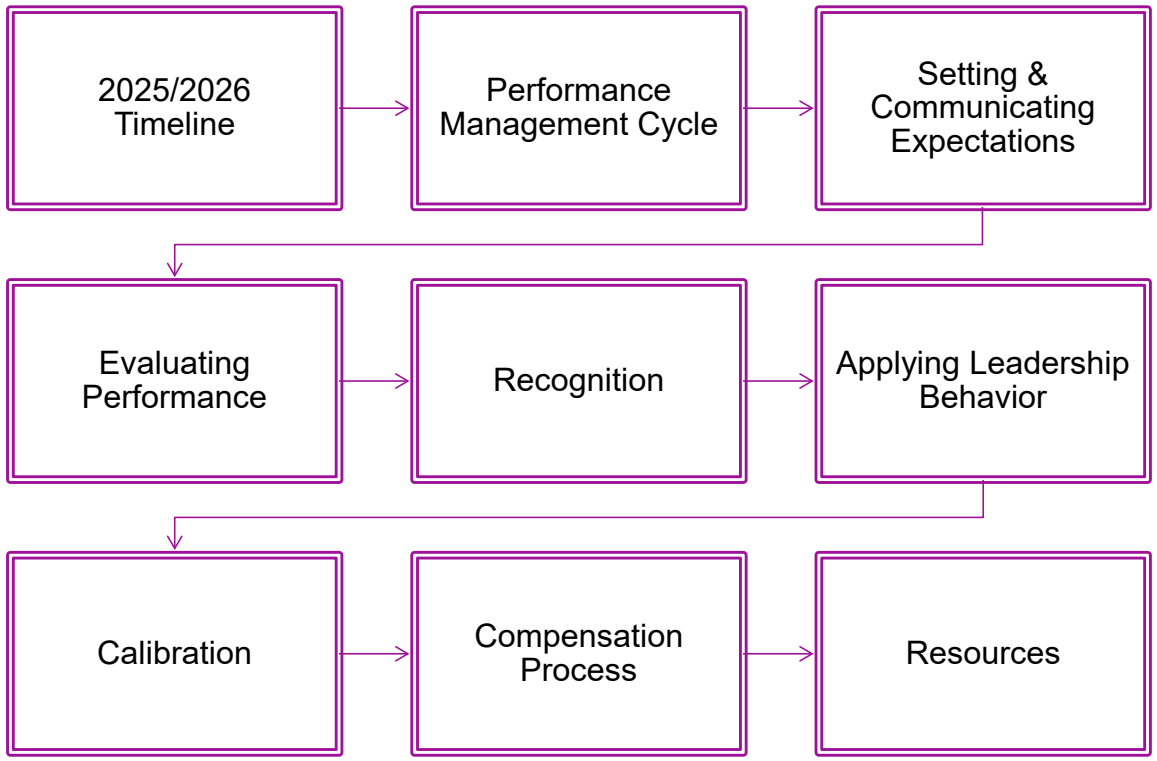
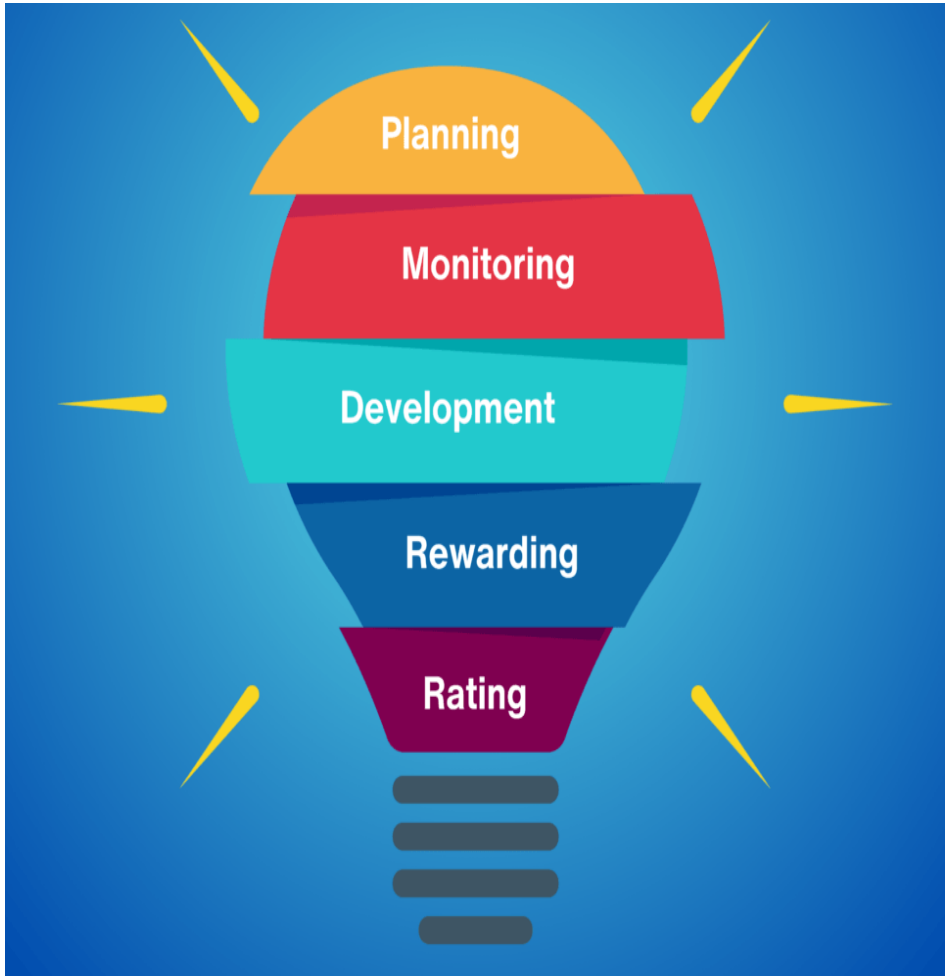


2025 Year-End Performance Review Process & Timeline	Due Date
- Close out all 2025 Mid-Year reviews in Workday.	10/31/25
- Launch year end self-assessment forms in Workday for all non-represented employees. Employees access the form via Workday.	12/3/25
- All non-represented employees complete their 2025 self-assessments in Workday and click "Submit" to move the form into their manager's Workday inbox.	12/31/25
- Managers will follow the Workday process for entering their assessments and ratings for each employee. - Manager enters preliminary rating into Workday for calibration. - Manager enters verbiage to support preliminary rating and saves for later. - Manager confirms FINAL rating following calibration with leadership.	1/2/26 - 2/2/26 1/16/26 1/23/26 2/2/26
- Managers conduct 2025 year-end performance discussions with employees. - Managers finalize the review process in Workday for each employee following their performance discussion.	2/4/26 - 3/4/26
2026 Merit and Incentive Process	**Due Date**
- Managers enter merit and incentive recommendations into Compensation tool (note: start date dependent on approval from Finance)	2/4/26 -2/18/26
- *Tentative Date:* Managers communicate 2025 year-end performance discussions, approved merit and incentives to employees.	2/25/26 – 3/4/26
- Target date for incentive payout.	3/5/26
- Merit effective date (note: merit and lump sum awards will be seen on Thursday, 4/2/26 payroll)	3/15/26
2026 Goal Setting Process	**Due Date**
- Employees enter 2026 goals in Workday.	1/30/26



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WHAT IS PERFORMANCE MANAGEMENT?

Performance Management is the ongoing process of setting goals, monitoring progress, providing feedback, and developing employees to align individual performance with organizational objectives.

THREE STEP PROCESS

Setting Expectations

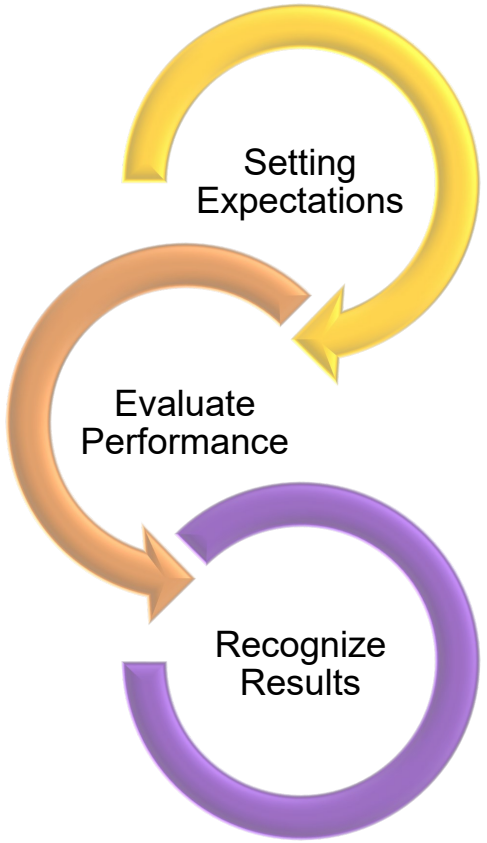
- Employees need to know what is expected of them. And…how their work impacts the success of the department and Eversource

Evaluate Performance

- What was accomplished; how it was accomplished and tracking progress

Recognize Results

- Based on expectations, performance – recognizing results - formally and informally



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STEP 1: SETTING EXPECTATIONS

This step ensures that the employee understands what is expected of them on the job.

WHY ARE EXPECTATIONS SO IMPORTANT?

"Employees with no North Star, no directions, have no place to go, they are just swirling around, and do not feel that their work means anything."

~ Heather Younger, J.D., CSP

Tips:

- Expectations/Goals create guard rails for your employees
- Support your employee with timelines and parameters.
- Ensure they have the proper resources to achieve their goals
- Clear expectations shows you care about your employee's success and future



Setting Clear Expectations

Communicating Expectations

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"Communication
is the foundation
of any strong relationship.
Without it,
you're just guessing."

Involve employees

- Realistic goal setting
- Recognize obstacles and resources needed

Make asking questions safe

- What questions do they have for you?

Lead and coach

- What can you do to help them be successful?

Connect the goals

- Remember to connect the goal to the bigger picture – yours and the company's



Additional Tips: How to Set Clear Expectations

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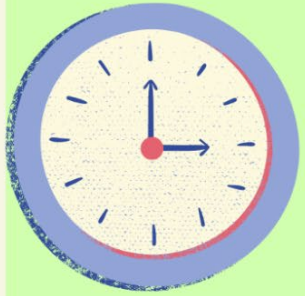
S	M	A	R	T
Specific	Measurable	Achievable	Relevant	Time-Bound
				
Create a clear, concise goal	Ensure you can measure progress	Ensure you can achieve the goal	Does the goal align with your business?	Make sure your goal has a deadline

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STEP 2: EVALUATE PERFORMANCE

Focus on outcomes, behaviors, and observations.

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When Evaluating Performance Think About:



What the employee accomplished?



How was it accomplished?



What did you observe?

Tips for Writing Strong Performance Reviews

1. Prepare with Purpose
- Review goals and metrics: Revisit the employee's objectives, KPIs, and any feedback received throughout the review period.
- Gather input: Include feedback from peers, cross-functional partners, or customers when relevant.

2. Be Specific and Balanced
- Use examples: Highlight specific accomplishments or challenges to support your points.
- Balance strengths and opportunities: Celebrate wins while identifying areas for growth.

3. Focus on Impact
- Describe how the employee's work contributed to team, department, or company goals.
- Use language that connects individual performance to broader outcomes.

4. Avoid Surprises
- Performance reviews should reinforce what's already been discussed in regular check-ins.
- If there's new feedback, frame it constructively and with context.

5. Be Objective and Fair
- Stick to observable behaviors and results, not personality traits.
- Avoid bias by focusing on facts and avoiding comparisons to others.

6. Encourage Development
- Identify growth opportunities and suggest actionable next steps.
- Align feedback with career aspirations where possible.

7. End on a Motivational Note
- Express appreciation for their contributions.
- Reinforce your support for their continued success.



Pro Tip: Use Copilot as a writing assistant, **not a decision-maker**. Start with your notes or key points, then let Copilot help you shape them into a strong, well-written review.

THE CONVERSATIONS

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What Not To Do:



Poor Performance Evaluation Video

VS

What To Do:

Prepare Yourself

- Make sure you accurately understand what happened
- Make this a priority!
- Anticipate emotional reactions

Prepare Your Feedback

- Establish the conversation objective
- Roleplay or mentally rehearse
- Prepare talking points

Have the conversation

- Give specific feedback
- Listen to understand
- Work towards a solution, set expectations and agree on next steps

Revisit

- Periodically check in on your employee's progress

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STEP 3: RECOGNIZE RESULTS

Recognition drives engagement and retention.

WHY DOES RECOGNIZE MATTER?

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Recognition Leads To:

- Boosted morale
- Improved engagement
- Increased retention
- Stronger collaboration
- Innovative thinking
- Strengthened team culture
- Enhanced performance



Five Frequencies: 20 Low Cost/ No Cost Ways to Deliver Warm Signals

Leaders create culture for better or worse, through the signals they are consciously or unconsciously broadcasting over five frequencies. To change a culture, leaders must deliberately transmit strong and steady signals to create a culture that drives competitive advantage.

1. Hand-write a thank you. (Almost everyone values this warm signal.)
2. Talk them up in front of others (when they are not around). Tell a story about their success (because stories get remembered and repeated.) Most people are happy to learn they are being spoken of positively.
3. Be responsive to their needs and / or requests.
4. Give them your time and attention. (Your employees know this is a scarce resource. And scarce resources are usually perceived as more valuable.)
5. Remember things about them (family, interests, etc.) and bring them up in conversation.
6. Greet them warmly. Give them eye contact.
7. Ask for their advice and feedback.
8. Include them in decisions.
9. Share information and insights that help to reduce their uncertainty.
10. Make introductions to expand their network.
11. Give them more visibility in the organization or industry.
12. Give them a choice of assignments, project, or tasks.
13. Give them time back.
14. Give them the opportunity to try something new without fear of embarrassment if it doesn't work out as planned.
15. Forgive and forget past mistakes.
16. Arrange for new learning experiences.
17. Start holding low performers accountable so your high performers no longer need to pick up the slack.
18. Remove a roadblock or obstacle.
19. Offer a convenience that they'd value.
20. Stay out of their way.

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APPLYING LEADERSHIP BEHAVIORS

When evaluating an individual's performance, it's essential to integrate leadership behaviors into the assessment to ensure a well-rounded and future-focused review.

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	Top or High Contributor	Successful Contributor	Improvement Needed
Communicate Strategic Vision	• Promotes and ensures that vision, goals, and priorities are clear to the greater organization • Understands business environment and identifies future needs and aligns / adjusts strategic vision as needed	• Team members understand goals and priorities and how they are aligned with larger organization • Strategy communicated effectively	• No tie to team member goals and organization goals • Strategy and alignment are not clear
Take Ownership and Accountability	• Brings others along on action items across the Enterprise • Solves challenges inclusively • Empowers team to own and deliver while identifying future challenges • Proactively identifies and mitigate risks	• Owns action items, including challenges and drives to a resolution • Empower while monitoring progress • Guides team as needed, does not solve the problem for them	• Offers excuses vs solutions • Struggles with empowerment • Sees opportunities but does not take action • Operates in silos
Build Trusting Relationships	• A “go-to” leader, sought after by others for advice, guidance, etc. • Frequent and proactive communications to stakeholder and team • Willing to "pitch – in" to solve problems outside of your team	• Timely follow through on commitments • Address difficult issues quickly • Speak and act honestly • Balance “results” vs individual needs • Engage and know your team / customers	• Putting self / personal goals above others • Not listening to others / concerns • Does not follow through on commitments
Focus on the Customer	• Proactively identify and drive improvements to enable better customer service across the Enterprise • Business minded, technical expert that understands the business and can communicate well with stakeholders • Anticipate and plans for future customer/business needs	• Role model good customer service behavior (i.e. Listening, follow through) • Recognize employees • Treat all with dignity and respect	• Allowing customer service issues to persist without addressing the root cause • Failing to recognize others

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	Top or High Contributor	Successful Contributor	Improvement Needed
Foster Teamwork and Cross-Functional Collaboration	• Creates an environment where teamwork/collaboration is core throughout the Enterprise • Ensures all teams find a path to be successful and meet their objectives	• Solves problems through collaboration • Encourages teams to work together through problems/dependencies • Creates an inclusive atmosphere for all team members	• Does not empower teams/others to solve problems or make decisions without their approval • Does not collaborate; interested in their own success over others • Creates an "Us vs Them" environment
Manage and Develop People	• Coaches and mentors across the enterprise • Builds a culture that attracts talent • Identifies key talent and provides them with growth and stretch assignments	• Guides members of team; assisting them to achieve goals • Allows team members to solve problems • Provide actionable feedback to individuals strengths and development opportunities	• Does not prioritize development needs of others • Shows little to no empathy for needs of team • Does not own their own development path • Does not provide actionable feedback • Leaves performance issues unaddressed
Create an Engaged Workplace	• Diverse team where all are respected and welcome • Actively engages in opportunities to forward an engaged workforce across our enterprise and the larger community that we serve. • Encourage diversity of thought	• Treats team members and partners equitably • Listens, considers views respectfully • Active in company-wide events • Includes people in discussions / decisions to obtain diversity of thought	• Team members don’t always feel heard • Rarely solicits input from team
Lead Change	• Influences, drives change affecting internal and external stakeholders • Defines and champions changes across all stakeholders	• Delivers change within the team timely • Articulates changes to Sr. Leadership • Matures processes within team • Learn from your failures	• Reactive • Prioritizes as questions arise • Keeps status quo

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CALIBRATION

Why are calibration sessions so important?

CALIBRATION PROCESS

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Discuss employees with the highest ratings.



Assess employees with the lowest ratings.



Review employees who are in the middle but on the edge.



Capture results from the meeting & make rating changes.

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COMPENSATION PROCESS

Guide to a smooth and consistent process.

COMPENSATION TOOL

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The overall intent of our reward programs is to align pay with individual performance, supporting our “pay for performance” philosophy.

How It Works:

- The incentive pool/overall budget is based on company’s financial and operational performance for the previous year (2025).
- The ES Board of Trustees reviews and approves the company’s final performance results and sets the incentive target pool. The incentive pool is evenly allocated across the organization and the guidelines we develop are in place to support managing to the budgeted incentive pool.
- Incentive pay is variable pay because the amount varies by year; individual performance is evaluated on a 1-year basis for the incentive payout and the prior year’s incentive is not taken into consideration.

The Process:

- Supervisors with employees eligible for an incentive award and merit increase will receive a 2026 Compensation Worksheet in their Workday inbox on **February 4th.**
  - Complete your incentive and merit recommendations and send the completed worksheet to your Manager for review.
  - Directors and Vice Presidents will review recommendations and push the worksheet for final approval to their Senior Officer.
- The compensation will close on **February 18th** to process and load incentive payments for **March 5th,** and merit increases effective **March 15th** (seen on April 2nd payroll)**.**

PERFORMANCE RATING DEFINITIONS

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Rating	Definition	Differentiation Guidelines
Top Achiever	• **Routinely** exceeds expectations • Is self directed; expertly skilled • A role model	20%
High Contributor	• **Frequently** exceeds expectations • Demonstrates high-level skill, initiative, and productivity	
Successful Contributor	• **Routinely** meets expectations and may occasionally exceed expectations	70%
Improvement Needed to be a Successful Contributor	• Performance approaches job requirements but does not fully meet expectations • Some improvement is needed	10%
Did Not Meet Performance Expectations	• Performance does not approach job requirements and is below expectations • Sustained improvement is required	

Please note: If an employee has continuous below expectations ratings, work with your HRBP to discuss appropriate next steps.

AWARD GUIDELINES

Based on the individual performance of each of your employees, you can award between 0% and 200% of the Award at Target.

The Award at Target amount is a recommended incentive award based on each employee's individual incentive target and eligible earnings for the 2025 plan year.

Did Not Meet Performance Expectations (D)	Improvement Needed to be a Successful Contributor (I)	Successful Contributor (SC)	High Contributor (HC)	Top Achiever (TA)
0%	Up to 70%	70% - 125%	125% - 175%	175% - 200%

Please note, the data above is from 2024 and is subject to change.

RESOURCES

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HR Business Partner

HR Connect Manager Resources

Eversource Leadership and Development

Eversource Leadership Behaviors

Eversource Corporate Policies

Submit an AskHR Ticket

Employee Assistant Program (EAP)

Connect HRConnect at 1-800-841-8684



KEY TAKEAWAYS

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Performance Management is a Continuous Cycle
- Set clear expectations aligned with goals
- Evaluate outcomes, behaviors, and observations
- Recognize and reward contributions

Effective Goal Setting Matters
- Use SMART goals
- Involve employees
- Link goals to company strategy

Feedback is Foundational
- Provide regular, constructive feedback
- Use coaching and mentoring
- Make feedback ongoing

Leadership Behaviors Drive Success
- Integrate competencies into evaluations
- Focus on trust, accountability, and change leadership
- Use observable actions and impact

Calibration Ensures Fairness
- Align ratings across teams
- Use peer input to validate assessments

Compensation Reflects Performance
- Tie awards to contributions and results
- Follow timeline and process for equity

Q & A