

Home / Related Topics

The folly of annual performance appraisals

87% of employees think performance reviews are ineffective

Allison Graham, *Financial Post* Published: Wednesday, March 31, 2010

More On This Story



Getty Creative Considering how little regard so many have for the formal annual appraisal, it may be time to dispense with the annual review for good.

Is it possible to eliminate the dreaded performance appraisal? One management consultant, Chuck Bolton, author of *Leadership Wipeout - The Story of an Executive's Crash and Rescue*, thinks it's possible. And he is not alone.

Many industry experts claim that doing so can increase productivity, harmonize workplace communications; alleviate stress and focus outputs to achieve the company's strategic direction more quickly. Mr. Bolton's research shows that 87% of employees think these traditional performance reviews are ineffective, and a whopping 94% of CEOs in Mr. Bolton's study feel the same way.

"Despite this dissatisfaction, most CEOs and HR managers are not sure how to address the problems in the workplace so they continue to implement sub-standard techniques."

He poses the question, "Why do companies waste time engaging in a traditional model that causes undue stress and is seen as futile?"

Greg Schinkel, author of *Employees Not Doing What You Expect* and the president of Unique Training and Development Inc., a firm specializing in training managers and supervisors how to manage performance, sees the annual sit-down as an unnecessary stress trigger in the workplace.

"When a manager waits until the formal review process to give feedback rather than include it in the daily repertoire, an employee can feel ambushed and lose respect for the manager." Mr. Schinkel refers to this as the performance "surprise" rather than the performance "review."

The redundancy of the annual appraisal process is only achieved when the manager provides daily feedback to employees. "This does not have to be flowery or punitive. It simply needs to let the employee know whether he is meeting expectations and/or how he can change in order to meet expectations in the future."

For example, "Next time you complete the report I would like to see more detail in section one because that section is read closely by senior management;" or "I appreciate the work you did on the client file. It made it easy for me to create my summary."

This process is further enhanced if the manager makes a list of desirable and undesirable behaviours or work outputs. Then, as those behaviours show up, she can immediately let the employee know how she is doing related to the expectations.

Mr. Bolton recommends formalizing the feedback process on a more consistent basis with what he calls Working in Five Directions meetings. These are not full PowerPoint meetings that take hours of preparation; rather these are regularly scheduled check-in dialogues that ensure alignment, coaching and feedback.

The concept grew from an employee experience. Bolton's employee approached him and said, "When I think of your role, this is what I imagine is most worrisome for you and this is what I am doing about it." It was easy for him to see if her priorities were aligned and if not, gently tweak her course of action to reach the greater objectives for the business.

This initial coaching session morphed to include and provide a general accounting of progress covering each direction of work flow - customers, direct reports, peers, manager and self-development. With all five areas covered each month, the need to wait till the year-end appraisal is nullified - or at the very least, lessened.

Some leaders claim there isn't enough time to implement such half-hour meetings with each of their direct reports, let alone ask each of those people to do the same. But can any manager really afford not to check and ensure all reports are aligned with their organization's strategic objectives? That is the message Mr. Bolton and others convey and, considering how little regard so many have for the formal annual appraisal, it may be time to dispense with the annual review for good.

Financial Post

-- Allison Graham is a business networking expert, keynote speaker and the author of Business Cards to Business Relationships: How to Build the Ultimate Network. Based out of London, Ontario, she can be contacted through

Read more: <http://www.financialpost.com/related/topics/story.html?id=2748369#ixzz0jofJASLG>