## Time to Ditch the Annual Performance Appraisal?

By Jennifer Carsen, J.D., Senior Legal Editor Apr 27, 2017 Strategic HR

Ah, the annual (or semi-annual) performance appraisal. One of the few rituals of work life that's loathed in almost equal measure by employees, managers, and HR alike.



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On paper, at least, the performance review process has a lot going for it. It makes sense to carve out time to really look in-depth at an employee's performance over the past year, as well as look forward to goals for the year ahead – both from an organizational standpoint and an employee development standpoint.

In an ideal world, I imagine the performance review meeting playing out a lot like one of those General Mills International Coffee commercials from the 1980s: Manager and employee in a relaxed setting, steamy coffees in hand, talking frankly yet animatedly about past triumphs and upcoming challenges.

As with so many things in HR, however, performance appraisals never quite work in real life the way they're meant to. In real life, you're more likely to wind up with the following:

- You pester your busy managers, repeatedly, to get their \*^#@#^\*^#! reviews in before the deadline.
- Everyone (like the children in Garrison Keillor's fictitious Lake Wobegon) is "above average" even the guy who set the entire first floor ablaze three months ago due to an entirely preventable mishap involving a sticky bun and the break room toaster.
- The reviews are filled with meaningless platitudes: "team player"..."exceeds expectations"..."goes the extra mile"...
- Everyone gets the same 2.5% pay increase, no matter how stellar (or abysmal) the performance review was.
- Managers and employees alike skim the surface of performance and personality issues, afraid to offend – or, in the case of managers, jump-start a bias lawsuit against the company.

- By the time the annual or semi-annual revew rolls around, everyone has forgotten the goals that were set out last time around. Alternately, the company has changed so much in the interim that said goals are no longer relevant (e.g., Jim's ability, or lack thereof, to build the Mexico business is now moot as the Mexico division was sold off late last year).
- Employees and managers "save up" comments and feedback for the review meeting. By the time the meeting happens, the comments and feedback are either stale or forgotten entirely. As an added bonus, an employee is sometimes blindsided by a negative bit of feedback his or her manager has been sitting on for the better part of a year.

Sound familiar? If so, take heart – you are most assuredly not alone. Which is why so many companies are starting to do the previously unthinkable: Ditch the annual performance review entirely.

According to Natasha Bowman, J.D., SPHR, of White Plains Hospital and Performance ReNEW, we're in the midst of a veritable revolution in this area, with more than one-third of U.S. companies replacing traditional annual performance reviews. She says companies like Adobe, Microsoft, IBM, Deloitte, Dell, and General Electric have opted for informal, regular check-ins between employees and their managers.

Just think: Ongoing performance management rather than a single, dreaded meeting. If this idea is even mildly intriguing to you, you won't want to miss Bowman's special session at our upcoming THRIVE conference in Las Vegas in a few weeks.

In Performance Management Reloaded: Ditching Appraisals in Favor of Revolutionary Ways to Reinforce Positive Employee Behaviors, Bowman will identify reasons for ditching "check-the-box" performance management processes and highlight ways companies are succeeding at taking a new approach by increasing the frequency of performance discussions, eliminating ratings and replacing them with adjectives, and, in many cases, eliminating the process altogether.

It's going to be a great session, and I hope you'll consider joining me and the rest of the BLR team at THRIVE for it. The conference is designed specifically for high-level HR professionals looking to hone their leadership skills and drive their companies to the next level of success.

The full conference agenda is available <u>here</u>. If you have any questions about the conference, I'd be more than happy to answer them (or find you someone who can). Just <u>shoot me an email</u>. The conference gets rolling on May 11th, and we'd love to have you join us!