

Do Performance Appraisals Work?

January 6, 2014 by Richard

"Performance appraisals are dead."⁽¹⁾

So sayeth Edward Lawler, professor of business at the University of Southern California, reacting to a 2012 poll of 2,677 employees, Human Resource managers and CEOs... 98 percent of whom firmly declared annual performance reviews, at best, unnecessary. (A full quarter of those polled worked in HR.)

Why so gloomy? As anyone in corporate America has likely encountered, the prevailing attitude about annual performance reviews is that they promote bloat: They're time-consuming, often implemented by reluctant managers with little ability to appraise, create untold paperwork and are anathema to most employees.

Proponents of performance reviews maintain that the assessments can be sharp, well-honed tools for upper management recruitment, and that a nuanced, detailed and well-executed review can provide invaluable feedback for both employer and employee. Effective reviews, they argue, can motivate both sides. (Would that the reviews also went bottom up as opposed to only top down, say some of the more disgruntled employees who lack the ability to appraise feeble or even crippling management who hold all the cards.)

Because so much money has been invested in the appraisal process, few companies are eager to toss them. And, proponents argue, most people miss the point: it's not the reviews themselves that are the problem, they say, it's the reviewers.

In other words, managers need to be trained to effectively review their personnel, with the ultimate goal of motivating those being assessed. To do that, try the following:

Make it comfortable.

Business consultant and Forbes.com contributor Lisa Quast advises managers to "[c]onsider the logistics for the discussion," choosing, for instance, to sit near the employee at a round table in a small conference room as opposed to across from the employee at the long end of a large rectangular table. Tending to such physical details, she says, will go a long way towards putting the employee at ease and making for a much more effective review.

Create clarity from the get-go.

Managers should give employees a roadmap of what the review will entail, whether it's a certain number of key areas or a proposed discussion regarding the employee's development. Knowing that the discussion won't just be a "beat-down," as one employee we spoke to described her own reviews, could help alleviate tension and create flow.

Accentuate the positive, at least at the beginning.

Choose something specific about the employee's performance, and/or overall strengths, to sincerely credit and praise. Again, be specific and detailed so that the reviewee understands that his or her manager has been paying attention and acknowledging wins.



Present negatives as “areas for growth.”

Although it's best to deal with negatives in the moment and not let them fester for weeks or months, in an appraisal situation, it's key to deal with potential negatives as important areas for growth. Let the employee know that these are important, even vital, areas to shore up, and acknowledge ways that the employee has demonstrated potential in these places. This will work much more effectively as a motivating tool than does outright and unmitigated criticism.

Keep the flow going.

Make sure that at least part of the discussion is a two-way street. Ask the employee what kind of support or direction he or she needs. Ask about their perspective on wins and losses, and on how to best approach goals as a team.

End with the positive, and with a sense of teamwork.

At the end of the day, an employee wants to have a game plan, know they are respected, and feel confident about the boss's clear views.

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(1) Source: <http://www.hrmagazine.co.uk/hr/features/1075041/is-performance-appraisals>

