Everybody Loves to Hate Performance Reviews

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This week's column is triggered by an article entitled "Low Grades for Performance Reviews" in the August 3, 2009 issue of "Business Week" magazine. The article is written by Jeffrey Pfeffer, a professor at Stanford University's Graduate School of Business. To access the article, go to http://www.bloomberg.com/news/articles/2009-07-23/low-grades-for-performance-reviews

Pfeffer writes, "Managers don't like doing appraisals. Employees don't like getting them. Perhaps that's because they all suspect what the evidence shows: Such performance reviews don't work." He suggests we "think about giving up this bankrupt process."

Pfeffer cites a variety of reasons why these kinds of appraisals don't accurately assess employees. He points out that "the traditional review process does not help employees learn about a better way to work." Unfortunately, he offers no alternative.

So, let's consider a three-pronged approach to eliminating performance reviews.

First, informal frequent feedback is extremely valuable in affirming good performance and correcting poor performance, yet it's often missing in many organizations. Most managers avoid offering feedback and most employees prefer not to seek evaluative comments on their activities.

Feedback has developed a negative reputation, probably because in the past it's typically been given only when results are poorer than desired. Also, many individuals are expected to perform without clearly understanding and agreeing to the criteria by which their performance will be evaluated. As long as everything seems to go well, they hear nothing. But when there's a deficiency, they get "zapped."

Preparing for this article caused me to seek an "oldie but goodie" reference book. Because it was published so long ago (1982), many leaders today are not familiar with *The One Minute Manager* by Ken Blanchard and Spencer Johnson. It's an easy read (less than an hour), yet it contains great counsel on setting expectations, reinforcing good performance, and immediately correcting poor performance.

Some leaders consider the book too simplistic. An easy criticism, yes, but the basic concepts work. And the authors point out that "One Minute" is a symbolic term, not to be taken literally. Be sure to read the final third of the book where the authors tell you why the approaches work to deliver such good results.

If you don't have a copy of this basic resource in your personal library, obtain a used one. Read the book and commit the praising and reprimand process to memory. Then use the techniques often.

The second system I propose extends the concept of individualized feedback to the organization. After any meeting or other activity, two simple questions should be asked and answered by all involved. "What did we do well?" "What could we do better next time?"

Obviously, whatever was done well should be reapplied in future endeavors. Opportunities for improvement should be noted and tested during the next occasion. Organizations that are intent on improvement routinely make use of these two questions--or some variation of them.

Third, the organization should institute a personal development system that encourages and allows each individual to select specific areas of performance enhancement. With help from more experienced guides, the individual identifies some particular skill to improve. It might be an existing strength that would be particularly beneficial to the rest of the team. Or it may be a known limitation.

Either way, the manager helps the individual identify behavioral expectations that will lead to growth. These commitments become a part of the assigned work for the individual for the coming months.

If performance evaluations are hated in your organization, why not generate a trial test period? Teach the managers to give productive, immediate feedback. Teach the organization to ask the two group evaluation questions, only apply them to individual behaviors. And enable contributors to identify and enhance skills they'd like to enhance, seeking help. If it works and has organizational acceptance, you perhaps could eliminate those performance reviews that everyone hates!

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Interested in building leaders for the future of your organization? Contact Dennis at 770-286-2250 or at dennis@uildingfutureleaders.com. Or find his website at www.buildingfutureleaders.com.