

Managers are the Problem with Performance Appraisals

A new year brings a new round of anxiety for employees and managers at many organizations.

The cause of this anxiety? **Performance reviews. It's one of the things in my more than 30 years of work experience that never seems to change.**

I peruse a variety of publications on HR topics of interest, and a recent article in HR Magazine entitled [“Is the Annual Performance Review Dead?”](#) rang true with me. One of the highlights of the article is that on a five-point appraisal scale, the average rating for an employee is 3.3. The article also explained why General Electric ditched performance reviews earlier this year.

Talking about reviews in general, 95 percent of managers are dissatisfied with their performance review system (this is not new news), 59 percent of employees say performance reviews are not worth the time invested, and 56 percent of employees say they do not receive feedback on what to improve.

The second article I saw on this topic was in Government Executive. The column by Dannielle Blumenthal is titled, [“How Well Are Bosses Bossing?”](#) She talks about performance **reviews from different perspectives. She says good reviews help you and bad reviews don't do much for your career. As an employee wants recognition, respect and to be valued, it's not clear what motivates the boss, maybe professional development. The boss rates you but is not typically rated herself. She may be totally incompetent, but what's your point? Lastly,** Blumenthal is not clear that performance reviews have any impact on productivity. She suggests six pulse surveys a year in which bosses rate employees and vice versa. These events roll up into an annual review that becomes a non-event.

Here is my two cents. Companies need a means to give people feedback on their **performance. If you don't formalize it (performance appraisal system) it doesn't happen.** When an individual contributor accepts an offer to supervise other employees, in addition to receiving more money, a title and a bigger office, he or she should sign a promise to demonstrate managerial courage. This says the employee acknowledges that giving positive and constructive feedback is part of the job.

Bosses should be rated on this aspect of management. What will make this conversation easier is if the system has three rating possibilities: meets expectations, exceeds expectations, or below expectations. Most of the people are doing what you asked them to

do and should receive a “meets” rating. You have a few stars and you need to tell them so, and you have a few folks who need to improve their performance or go elsewhere, and you need to tell them.

In my opinion, appraisals for bosses should cover three areas. The first is accountability and managerial courage.

The second is about communication, clarity and productivity. I do believe that the high-level goals of an organization need to flow down, and that each individual needs to understand **how his or her efforts support the organization’s goals. If each individual achieves his or her specific objectives, then those efforts should improve the organization’s productivity.** I have seen how a tight link from top to bottom translates into amazing results. The difficult piece involves communication. To the degree that the message sent is received, understood, communicated up and the cycle continues, then we have clarity.

The third area is about investing in the future. It involves feedback to the employee (positive and constructive) and then preparing people to do better in their current jobs or for future roles. Feedback is a lost art in many organizations. Employees come to work for you and your organization more than 200 days a year, and you owe them feedback. Feedback gives them assistance to be better tomorrow. I am one who believes that brief conversations once a week or month are better than talking only once a year.

In summary, I am in favor of performance reviews as long as you keep them simple and include:

1. Accountability and managerial courage
2. Communication and clarity
3. Feedback and development

About the Author

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