

The Fall of the Annual Review

A performance review is an important tool used for the all around development of the employee and the organization. There are as many types of performance reviews as there are diet plans. (Just turn the TV on for an hour and you'll see about 5 different weight loss ads - yeah, it's *that* time of year again!) But is the annual review still alive?

The most important things about the review process are:

- 1) they need to be done - what other way can the employee know what's expected and how they are doing, as well as providing development opportunities and linking performance to compensation and...
- 2) each company has its own style and indicators of success.

Each company needs to choose the method of appraisal that most closely reflects its own style and goals. More important, however, is the *timing* of the review and that is trending differently than ever before.

The types of appraisal methods are:

- **Numerical/Rating/Forced Choice**
Manager rates the employee on certain criteria, or answers questions about employee. Very simple, gives tangible data.
- **Weighted Checklists**
A series of yes and no questions that are weighed differently. Allows easy comparison between employees.
- **Management by Objective (MBO)**
An employee and manager decide together on a specific goal for the employee with a deadline. Very practical, easy to see whether goal has been met.
- **360 Appraisal**
Feedback is gathered from several sources: managers, coworkers, clients. It is labor intensive and time consuming but offers a rounded view with a lot of data.
- **Behaviorally Anchored Rating Scale (BARS)**
Composed of rating scale and critical incident methods. Measures specific behaviors.
- **Critical Incidents**
Identify and appraise different incidents whether good or bad. Must keep detailed reports.
- **Self-Evaluation**
Not many like this approach but it does give the employee a chance to provide input to their review.

Whatever method your company chooses, most critical is the *timing* of reviews. The past always consisted of an Annual Review. But the changing trend is to use On-going Reviews. Many of us probably received Fitbits for a holiday gift. What's the goal of this? To walk as much as possible. So, then - would we want to know how we are doing with that goal in a month? A year? We'd lose motivation even faster than we all normally do! (Kudos to those of you who are continuing to use yours 3 months after you received it!!) No, we want to know NOW. Just like with the Fitbit, knowing what the company goal is and how close one is to obtaining it is paramount to job satisfaction and overall retention of focus.

Even if, as a company, you aren't ready to let go of the Annual Review, you can absolutely supplement that with more dialogue. Switch your thinking from "Evaluation" to "Conversation". Train your managers to observe and offer feedback on actions on a daily/weekly basis. Don't assume they know, (you've heard what they say about assuming) and especially important to train them if your company has used other techniques in the past. Frequent conversations about deadlines, work standards, development, etc. is much more aligned toward meeting the employee's and the company's goals. More companies are evaluating their staff by how well each employee is working toward company goals. To this end, those conversations can tighten the link between strategic business objectives and day to day activities. Added benefit to this is corrective action. They say it only takes 18 days for an action to become a habit - why not change that unwanted or negative behavior before that!? At the bare minimum, ask 3 questions a month:

What is working for you?

What do you need help with?

What training can we provide for you to better do your job?

These conversations, instead of an annual review, or along with one, will allow employees to stay focused on their goals, and managers to stay attuned to the professional development of their employees.

