Employment

Annual Review Plus Frequent Coaching Boosts Job Performance

Recent chatter about employers doing away with annual performance reviews appears to have been an exaggeration, but managers should supplement appraisals with frequent coaching of the people they supervise.

"We haven't seen anybody throwing it away," Wibe van de Vijver, head of U.S. operations for Impraise, said of the performance review. The New York City-based company offers a mobile platform for continuous feedback among co-workers.

"If it's annual, make it a bit lighter and do it two to four times a year," he told Bloomberg BNA Sept. 28. But it's also important to "hold constant conversations," he said.

"We can help make managers better coaches, but it has to happen step by step. Start with quarterly reviews and monthly coaching conversations," which can help managers become more comfortable with ongoing discussions with their reports, van de Vijver said. "The No. 1 reason people leave companies is they don't feel recognized," he asserted.

Whether annual reviews should be eliminated "is an organizational decision," Hawley Kane, head of organizational talent and leadership development for Redwood Shores, Calif.-based Saba Software Inc., told Bloomberg BNA Sept. 28.

Pivot From Past to Future Annual performance reviews can be essential, said Kane, whose company provides cloud-based talent management software. Trouble arises, she said, "if it's a once-a-year, check-the-box exercise."

"Then it's nine months too late to do any good, and it's probably demoralizing," for the employees, she added. "The problem with the annual review is it's focused on the past and not how we can grow together," Kane said.

A similar viewpoint came from Rishav Gupta, CEO of iCoachFirst, a Bridgewater, N.J.-based company that provides a talent management platform. "If the purpose is forward looking, to motivate people into better performance, then it falls short," he said about annual reviews.

"In our perspective, we need to take a step back and understand the purpose—what are we trying to accomplish through these processes?" Gupta told Bloomberg BNA Sept. 28.

Annual Evaluations vs. Instant Feedback Annual performance reviews are useful for explaining why an employee got, or failed to get, a raise or a bonus, he said. But they aren't very useful for motivation, because they're "not frequent enough" and often aren't based on enough firsthand observation by the manager, Gupta said.

Employees, especially millennials, desire "instant feedback" based on direct observation, Gupta said, which should come from co-workers as well as supervisors. Like Uber customers providing a numbered-star rating of their ride as soon as it's over, colleagues can provide an immediate thumbs-up or thumbs-down for an employee's presentation, he said.

"More frequent progress and career check-ins are required to let people know where they stand, and for managers to know how to shape employees' contributions, capabilities, and connections to engage their careers," Greg Pryor, vice president of leadership and organizational effectiveness at Workday told Bloomberg BNA in a Sept. 29 email. The financial management and human capital management software company is based in Pleasanton, Calif.

Feedback can simply consist of "having a one-on-one meeting between the employee and the manager," Kane said. That setup makes it possible to ensure that "the employee is focusing on the right goals and moving the business forward," she said.

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