

How does your performance review process stack up?

- Are ratings forced to fit into the expected bell curve?
- Does your current process achieve its overall purpose?
- Are your managers skilled at performance conversations?

There has been a lot written of recent times regarding the future of performance reviews and the changes some organisations are making.

Back in 2012 Adobe led the way by removing the annual review in favour of regular check-ins to create a process that helped rather than distracted people from doing their best work. Their new approach is far more informal and starts at the beginning of the year where the manager and the employee jointly set the focus areas for the year, supported with regular and ongoing check-ins.



The ongoing feedback may come from the manager, peers or other partners across the company. This is based on the view that people are most effective when they know where they stand hence the feedback should be in real time.

Accenture followed suit this year. Employing approximately 330,000 people worldwide, Accenture is removing rankings and the once a year evaluation process and replacing it with a fluid system where employees receive feedback from their managers on an ongoing basis following assignments. The decision has been driven by a combination of research and frustration amongst managers and employees with the time consuming paperwork and forced rankings which ultimately showed that all the time, money and effort spent didn't ultimately accomplish their main goal – to drive better performance.

Accenture's CEO Pierre Nanterme stated that the current process was too heavy & too costly for the outcome and the outcome wasn't great. Accenture posed the question to ask itself "how do we get the best value out of the time and money we are spending?" The answer was to move from measuring the value of an employee's contribution after the fact to providing regular support and positioning employees to work better in the future.

Accenture has been followed by Deloitte who employ 200,000 people globally and have revamped their performance review cycle with a focus on “fuelling” performance in the future rather than evaluating the past.

To validate the need for change Deloitte conducted a survey to find out what managers thought of performance reviews, with 58% stating that they did not serve its purpose. They also looked at a study done by Intelligence Group which indicated 72% of millennials want to be their own boss at work and if they do have a boss 79% are looking to their boss to act as a coach or mentor.



They felt that these findings suggested a need for a performance management system that guides employees into being more equipped in their line of business.

Armed with this information, Deloitte reviewed their existing performance review cycle which consisted of setting objectives at the beginning of the year. In relation to projects, managers would rate employees at the end of a project but no conversation took

place. This information formed the basis for annual ratings and conversations. Management felt they needed conversations straight after a project instead of at the end of the year. In addition they discovered the cycle consumed around 2 million hours a year, with most of the time taken discussing ratings rather than actual performance.

Deloitte’s solution was to change their process with a focus on 3 areas – Recognising performance, seeing performance and fuelling performance. The process has been renamed ‘performance snapshot’ to reflect that it is now point in time with weekly check in conversations occurring to review latest projects, set expectations and provide coaching for upcoming weeks. These check in conversations are initiated by team members to give them ownership of their development and are supported by an app to enable easy & timely provision of feedback.

Recent discussions suggest that GE is also now following suit by overhauling its traditional performance review in favour of a modern, more millennial friendly approach. They too are implementing a process that increases the frequency of manager and employee interactions to foster growth, correct issues in a timely manner and provide valuable information for planning and meeting company priorities. GE is following a similar path as Deloitte with the introduction of an app to assist employees, managers and team mates to share feedback. GE sees this as essential for millennial employees who grew up with the internet and expect fast feedback.

It would appear that there is a strong groundswell of support to create a new way of operating in the performance review space. Proponents of the change suggest that as organisations grow, there are increasing barriers to monitoring and increasing employee performance and that the existing methodology cannot adapt to employee expectations and the fast pace of modern business.

The aim of the organisations mentioned above is to implement a modern process that by its frequent feedback nature, aims to remove those barriers to driving improved performance.

This is a great time to review and question your existing performance review process to identify: how participants feel about it? Is it driving better performance? Does it meet your organisations needs?

We would be keen to hear your thoughts on what you are doing in this space via info@selectionpartners.com.au.

