

IS YOUR **COMPANY** CRUSHING, BRUISING, AND BATTERING YOUR EMPLOYEES?

W. EDWARD DEMING, the recognized father of Quality, described the effects of Performance Appraisal with these strong words:

“It leaves people bitter crushed, bruised, battered, desolate, despondent, feeling inferior. Some even depressed, unfit for work for weeks after the receipt of ratings, unable to comprehend why they are inferior. It is unfair, as it ascribes to the people in a group differences that may be caused totally by the system they work in.”

People need and want employee feedback. Most companies are using Performance Appraisal/Review Systems that are failing to provide feedback.

The Society of Human Management Resources (SHRM) and that **95% of managers** are dissatisfied with their systems and **60% of employees** think they are a waste of time. SHRM also reported the 2/3rds of performance appraisal systems misidentify high performers.

Some companies have recognized the failures of their Appraisal Systems and have the courage to trash their review systems and implement systems that are simpler and provide substantial feedback.

Recently a Human Resource Director came to me with a new exciting and courageous vision for performance feedback for her organization. She reported:

"We realized that what we were doing wasn't working to get employees engaged. Our goal was to create a process that was simple and allowed the employee to partake in their own performance discussion."

“We wanted to avoid the dread of annual reviews”

Within a few weeks, her organization buried appraisal and implemented a feedback system with frequent interactive performance discussions. In essence - their Performance Appraisal was not meeting expectations. Her honest assessment was consistent with the findings of current research on Performance Appraisal.

After the implementation of the new Feedback System, the same Human Resource Director reported:

“Yesterday I had one manager tell me that the review process was kind of fun.”

“It was probably the best decision we've made!”

“We were very excited and pleased to see the great number and substance for the employee suggestions for improvement.”

It is impressive and appropriate that 40% of organizations have or are considering junking their systems. Dumping systems that are a waste of time is a good thing, but replacing it with a feedback system that provides meaningful discussions of performance, employee engagement and increased productivity can a culture shift and competitive advantage. Fortunately, we have been given the critical elements of an effective performance feedback system from a Gallup survey of 80,000 managers in this country that was conducted over decades (Buckingham, Coffman). These critical elements are: simple, frequent feedback, and the focus upon the future and self-tracking.

What needs to happen for this dramatic transition to emerge?

First, the value of frequent meaningful feedback has become increasingly more apparent since Millennials entered the workforce. Research tells us that employees, especially Millennials expect feedback at least weekly from their managers. Some companies will contend that they have implemented a frequent feedback/recognition program. This feedback will not occur by declaration. Managers and employees must be retrained to gain the skills and perspectives to make an effective ongoing dialogue reality. Managers must rethink their managerial penchants to diagnosis and fix, rather than listen and facilitate.

Second, the formal discussions must be radically changed. The employee must be a partner and a driver in the discussion. The employee should be initially responsible to identity the critical duties, critical values and outcomes of the job. This is more than an attempt at self-appraisal. It is the foundation for discussion of the employee’s job & expectations, initiated by the incumbent who does know the job best. The discussion will give both parties mutual understanding of the employee’s job and expectations which will become the basis for tracking by both employee’s performance. Managers and employees can expect some surprises in the discussion of the job.

Third, the focus of the discussion should be now and in the future. In place of a form the outline completed by both parties would be the basis for the discussion and ultimately the document of record. As prompted by the outline, the discussion will include professional development, career management and continuous improvement. The discussion will create a partnership for performance feedback and culture change.

For additional discussion or assistance, contact Jim Laumeyer, MBA.SPHR, SHRM-SCP at Jim@laumeyhr.com or (218) 348-7908.

External Sources

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