If you were to ask your managers what they thought of performance reviews, what would they say? How about your employees? If your organization is like most – let’s just say the reviews of performance reviews are not so good.

Ironically, the concept designed to drive better performance has created a great divide among the three groups connected to it.

**HR** – Those in human resources understand the potential benefits of the performance review process and have gone to great lengths to implement various iterations of the program – most of which has been received with more push back than positive results.

**Managers** – Most managers find the review process as a tedious, unproductive exercise that they just want to get done so they can get back to work.

**Employees** – The group that should benefit from them the most tends to resent them and begrudgingly participate in order to have a chance for their next raise.

This is hardly the formula for the engaged, productive process that HR set out to achieve. So what happened? Is it the changing workforce, technology or did the process just become outdated? It is likely some or all of these things depending on your organization. The one thing we do know, however, is somewhere along the way performance reviews lost their effectiveness and it’s time to improve them.

**Starting the Performance Paradigm Shift**

Now before you go throw out your existing process, it’s important to identify areas you want to focus on. Chances are you have some good stuff in there that is working, but is simply getting lost in the cumbersome, outdated process. Start by giving your performance review process its own review and begin to shift your own view of the process. Three key questions you may want to consider:

**Simplify** – How can you make the process simpler for your managers to execute consistently?

**Streamline** – How can you make the process faster and easier to complete for managers?

**Strategic** – How can you create more valuable outcomes for both the employee and manager?

By focusing on these areas you will begin to shift your performance review process to one that truly empowers managers and engages employees. This shift can turn traditional performance reviews into “productive conversations” and begin to change the culture in your organization around performance reviews. A performance review paradigm shift that will not only have your managers and employees more engaged in the process but even enjoy it!

This guide will take you through four easy-to-implement ideas to help get started on making this shift – let’s get started!
SHIFT #1: MAKE IT EASY

The number one complaint from managers about performance reviews is that they are a pain to do. The traditional process has become cumbersome, confusing and more complex for managers that already feel overworked and under-staffed.

Making the process easier is not just about simplifying the steps, but making it more intuitive for all levels of managers to execute on their own. We talk a lot about employee engagement but engaging the managers with a process they understand and can do on their own is a huge first step in creating your performance review paradigm shift.

Here are some ideas to make your performance review process easier:

**Simplify Your Steps** - The key here to remember: less is more. It’s time to let go of some steps, forms and formalities to make room for ease-of-use. Strip your process down to its bare essentials and start from there.

**Intuitive Workflow** – Particularly if you are using performance management software, the process should be so easy and simple that any manager at any level can pick up and start with virtually no training. The more linear and consistent the workflow, the more your managers can focus on the conversation than the process itself.

**Accessible Information** – Make it easy for managers to find and use all of your performance management tools. From finding archived reports to questionnaire templates, give them everything they need at their fingertips.

**Change the Conversation** – Help managers make the review process less formal. Overly strict scripts and formalities make managers uncomfortable and prevent a productive conversation from happening. Give them the coaching and flexibility to conduct more personal review sessions.

**Create Clear Objectives** – keep the amount of goals and objectives to a minimum. Helping keep both the manager and employee focused will result in easier and more productive reviews.

Making the performance review process easier will begin to shift the attitude of your managers. When they see the improved simplicity and better understand the process, they will be more willing to embrace it.

**TALENT TAKEAWAY**

*Make a list of every performance review step you could eliminate from your process.*
SHIFT #2: MAKE IT TRANSPARENT

Although many employees have participated in performance reviews throughout their careers, it is surprising how few of them actually understand the process. This lack of understanding often leads to a lack of trust between employees and their managers resulting in a very ineffective process. In fact, a recent study revealed that approximately 25% of employees don’t trust their employer and about half believe their employer is not upfront and open with them.

One of the best ways to shift an employee’s views about the performance review process is to make it more transparent. Improving transparency with the goals, assessments and process establishes trust between managers and employees which in turn boosts engagement.

Below are some ideas for making your performance review process more transparent:

**Transparent Data for Managers** - Without sufficient or accurate data, it can be difficult for busy managers to make a fair assessment of the employee’s performance and growth over time. The key is to make such data easily available to managers so that they can make full use this information during performance feedback.

**Transparent Information to Employees** – Employees need to understand how their performance is evaluated so that they can improve in alignment with their manager’s expectations. To allow employees to fully appreciate performance related feedback, they also need to be educated on how performance results directly impact pay-for-performance and other advancement opportunities.

**Transparent Feedback** – Communication with employees needs to be transparent as well. Many managers avoid tough conversations (informing employees about subpar performances, etc.) however these are the types of conversations that help drive improved performance. Coach your managers on effective communication so they can connect with their employees and create more meaningful conversations.

Building transparency into your process will help shift the performance paradigm for your employees helping them become more engaged in the process and more productive on the job.

TALENT TAKEAWAY

Create and publish your performance review rating guidelines.
SHIFT #3: MAKE IT EFFICIENT

While performance reviews have traditionally been focused on improving productivity, ironically the process is perceived by both employees and managers as highly unproductive. The reason is most performance reviews take too much time and often do not have clear or productive outcomes.

Building efficiency into your performance process is not just about streamlining to save time, it’s about incorporating a strategy to produce more effective outcomes. Creating a faster, smarter and more focused approach will yield more productive performance reviews and employees.

Here are some ways to make your performance reviews more efficient:

**Workflow Automation** – Using performance management software that fits your new approach can dramatically cut down the time on remedial, tedious tasks for the managers. From cascading goals to review automation and alerts you can help your managers use their time more effectively with the employees rather than filling out forms.

**Shorter Review Sessions** – Set guidelines to cut your meeting time in half. This will force the managers to focus on the goals of the meeting making the time together more valuable and productive for both parties.

**Conduct More Frequent Reviews** – Employee surveys consistently show that employees desire more frequent, specific and timely feedback than the typical manager provides. By implementing shorter and more frequent meetings your managers will be able to better communicate, coach and motivate their employees year-round.

**Use Agendas & Templates** – Help your managers with tools to keep the meetings on task. Understanding what will be covered helps the employee feel better prepared and engaged in the conversation. Providing questionnaire templates and “active advice” tools will help HR duplicate best practices among all managers.

Making your performance review process more efficient will not only save time for your managers but help them build better relationships with their teams – the key to engagement and retention.

**TALENT TAKEAWAY**

*Set a goal for all review meetings to be under 30 minutes.*
SHIFT #4: MAKE THEM MATTER

A recent public survey by Deloitte showed that more than half the executives questioned (58%) believe their current performance management approach does not improve employee engagement or high performance. Makes you wonder why everyone still does them, right?

The shift that can help you make the most impact, is simply to make your performance reviews matter. For managers, that means that the data collected results in better accountability and the ability create pay-for-performance programs. For employees, that means that their high performance rating should result in timely recognition and rewards from the company.

It is time to eliminate the “check the box” process of the past and making performance reviews more meaningful – here are some ideas on how to get started.

Set Expectations – Set the expectation for what your employees will learn and takeaway from the meeting. Help your managers eliminate the ambiguous discussions and turn your sessions into productive conversations that coach your teams with specific takeaways to be addressed in the next review. This can be accomplished with automated email notifications or simple offline agendas shared with each employee prior to the meeting.

Simple & Specific Goals – Eliminate the layers of complicated goals with a simple, easy-to-track goal setting system. Simplify the goal setting options for your managers to focus on just a few, short term employee goals in key areas of performance.

Create Accountability – Both managers and employees should be accountable for tasks following a review. The employee should have a small group of short term goals while the manager may have tasks to assist the employee in achieving those goals. Goal tracking can be setup on your online performance management system so both employees and managers can easily access and update.

Pay-for-Performance – Integrate your compensation planning tools with a pay-for-performance program so you can turn your productive reviews into a tangible financial reward for your highest performing employees. This will help create both urgency and accountability with your new, year-round review program while helping retain your top talent.

By making performance reviews more meaningful, both your managers and employees will take the process more seriously leading to measurable improvement in engagement and productivity.

TALENT TAKEAWAY

Setup a simple 3 month/3 goal system for each review session.
SUMMARY

The performance review process is still relevant. It can still drive engagement, retention and revenue – but today it requires a shift in thinking and approach. This shift focuses on a more simplified, streamlined and strategic process built upon 4 key elements:

1. Make It Easy
2. Make It Transparent
3. Make It Efficient
4. Make It Matter

There is no need to start over, just start the shift. By creating a performance management paradigm shift in your organization you will better engage your managers and employees in the process – and maybe even get them to like it!
PERFORMview™ - Faster, Easier and More Productive Performance Reviews

PERFORMview™ is cloud-based software that dramatically streamlines and simplifies the performance management process by providing a fast, strategic, easy-to-use “one page approach” that better engages both the manager and employee leading to improved productivity for both.

About HRsoft

HRsoft is a cloud-based, High Impact Talent Management™ software company that specializes in improving employee engagement and retention for mid-large sized employers. Our High Impact Talent Management System™ includes modules for compensation management, applicant tracking, management software, total rewards, stay interviews, and content management.

Phone: 866.953.8800 | Email: info@hrsoft.com | Web: http://hrsoft.com

Connect with us: Facebook | LinkedIn | Twitter

About the Author

Brian is responsible for all product marketing, lead generation and company branding for HRsoft. Brian brings to HRsoft 20 years of entrepreneurial experience that includes the start-up and successful exits of three companies. As a CEO and business consultant Brian has extensive experience helping companies in all stages of growth develop and execute successful go-to-market strategies that maximize lead velocity and sales profitability. He is an award-winning public speaker, creator of the Microphone Marketing™ method and frequent presenter on topics including HR SaaS technology, business strategy and marketing. Brian resides in Northern California with his wife and three children.