



Leadership

Preview, don't review, performance

By TOM BURSEY

In most professional workplace environments in Canada, a performance-management system requires a formal employee performance review at least once per year. This review spans all levels of an organization, from entry-level employees to the CEO. The purpose of this article is to challenge your thinking about this annual "Groundhog Day" practice.

The notion of "management by objectives" was first popularized by Peter Drucker in his 1954 book, *The Practice of Management*. Sixty years later, what has changed? Most employees can remember their first Groundhog Day – being excited about the process and looking forward to a pat on the back for a job well done, only to discover that most managers are not able to articulate what exceeding expectations would look like. Remember thinking, "there has to be a better way?"

Some performance reviews have become "Easter Bunny" performance-management practice, where meeting financial performance targets — individual or group — means receiving a bonus. However, a sole focus on financial targets is not the way to go. It does not address other potential performance issues, for instance if results were achieved by an individual who had poor performance in every other way.

Old-school performance management is a numbers game, in which the majority of an organization's employees should be rated as "meets expectations." If more than 30 per cent of the organization employees are rated as "exceeds expectations," that may become the standard for the organization, and the organization will need to examine its performance criteria and raise its standards. Experienced managers can probably recall having to justify among fellow managers why certain employees should be rated at a higher level, and many have experienced working with a "no manager" — someone opposed to grading anyone higher than meeting expectations.

To combat this, it was important not to be first up with a roster of candidates recommended for a high grade until a few battles had already been won by that manager. It was equally important to tactfully suggest the name of a plausible candidate that the "no manager" had some hatred for, so that the real nominees could go forward for a consensus approval. Remember thinking, "there has to be a better way?"

Annual Groundhog Day performance-management practice can be witnessed from all perspec-



tives and levels of an organization, and as such, experiences can vary wildly. In cases where financial performance was a real risk for an organization, the link to CEO performance would be direct and non-subjective, and would serve as the cornerstone for the overall review. In cases where a significant number of the goals are not financial, the CEO would have great latitude to frame what success looks like and could dazzle the board. Board members are always concerned about how difficult it would be to replace an effective CEO, as well as

and Focus on What Really Matters.

"Too many bosses think the only way to manage is to scare the hell out of employees," says Culbert. No wonder so many people are afraid to say what they really think at work.

Culbert argues that performance reviews are hated by everyone, whether giving one or getting one. It doesn't just destroy morale and team work and impede personal growth, it also reflects something much bigger: how we too often encourage and even force managers to control employees

start building the kind of trusting relationship with employees that is the only true path to consistently great organizational results.

Performance reviews are focused on the boss finding faults and the subordinates afraid to give their opinions, with open honest conversation the rare exception. Culbert's performance previews, on the other hand, create an environment in which all parties feel safe enough to be honest and do everything they can to accomplish the primary goal of improving organizational results



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the motivational impact of their performance management practice. Remember thinking, "there has to be a better way?"

Can organizations rid themselves of the performance review?

"It is time to put the performance review out of its misery", writes Samuel A. Culbert in his book, *Get Rid of the Performance Review! How Companies Can Stop Intimidating, Start Managing* —

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through intimidation, rather than understanding what motivates people to do their best. However, Culbert states that reviewing performance is still good.

"It should happen every day. But employees need evaluations they can believe, not fraudulent ones they receive," writes Culbert. "They need evaluations that are dictated by need, not a date on the calendar. They need evaluations that make them strive to improve, not pretend to be perfect."

Culbert also argues that managers can focus on positive performance evaluations with an enlightened alternative: the performance preview. Culbert argues that this will enable all managers to

and providing a supportive environment that allows people to self-reflect and grow.

Culbert argues that a better way to evaluate employees is to replace the one-sided, boss-administered/subordinate-received performance review (monologue) with a two-sided, reciprocally accountable performance preview (dialogue). The performance preview can happen at any time and place, whereas a performance review is typically a scheduled event for managers and employees to dread.

According to Culbert, there are four basic steps to a better way of evaluating performance:

- First, get rid of performance reviews.

- Second, create performance measures that are linked to desired corporate results, and against which the boss and the subordinate will be evaluated as a unit.

- Third, get the big boss involved. The big boss will now more actively monitor the boss/subordinate team, making sure it is achieving the results it has pledged to achieve. If it isn't, the big boss has to step in and actively inquire as to why.

- Fourth, replace the reviews with previews, which are ongoing dialogues between boss and subordinates, where each of them is responsible for asking the other: What can I do to make us work together better and get the results we're both on the hook for? The focus isn't on the past and how one person screwed up, but on making the system work better in the future.

Performance management is a leadership matter, and leadership is about the team. American executive Jack Welsh wanted to be remembered for helping people understand that "leadership is helping other people grow and succeed. To repeat myself, leadership is not just about you. It's about them."

How many employees feel that the annual performance review is always about helping them grow and succeed, rather than more or less a judgment day? The secret is in the art of giving feedback. Taking the stress out of giving feedback is beneficial to both the manager and the employee. Feedback is essential. Providing feedback is an essential leadership skill. If used effectively, it can build trust, motivation, and long-term loyalties. Does the leader have your back, with your best interest at heart? Feedback, whether negative or positive, is ideally given in the moment or as soon as possible. This way, the employee can correlate feedback to the event, rather than waiting for the end of a period up to twelve months in length. Remember two key aspects of how to give feedback: first, ask permission to provide it, and second, approach the conversation with an open mind.

So the next time you're preparing for an annual performance review and thinking the same old thing, remember that by creating a dialogue with employees and providing them with immediate feedback in an open and honest forum, there is indeed a better way.

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