

# How Performance Reviews Can Boost Morale

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White Paper



review**sn**ap

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In a recent survey conducted by Reviewsnap, there was a clear indication that when the performance review process is carried out in an efficient and effective manner, employees respond in a highly favorable manner. Conversely, when the process is treated as an afterthought or necessary evil, employee morale can be negatively impacted.

Other research and observation of the workplace also point to a significant difference in employee morale and performance when performance reviews, regardless of how often they are conducted, are done on time, in an accurate and relevant manner and when the communication surrounding the review is effective.

### Why Employees Respond Favorably

Most organizations conduct performance reviews on a regular basis. But too many do not make them an integral part of their culture and they fail to place the proper emphasis on doing them the right way.

When an organization sends the message to employees that their performance will be formally reviewed as part of a performance review or appraisal process, employees expect reviews to, at a minimum;

- 1 be completed in the prescribed time frame
- 2 be specifically relevant to their actual performance
- 3 contain well thought out comments and suggestions for improvement
- 4 reflect the history of their performance over the review period in an accurate manner
- 5 set forth realistic and attainable goals and
- 6 be fair and unbiased.

When these things occur, employees believe that the organization legitimately cares about their development and ultimate success. When they do not, employees tend to view the process as a hollow formality that is meant to criticize rather than provide relevant direction and help. And there is a sense that the organization and the manager just don't care about their success.

Keep in mind that performance reviews are as much a road map for the employee's success as they are a critique of actual performance. Employees should always be sent the proper message and performance reviews provide the opportunity to do just that. Or, if handled poorly, they can send a very negative message.

Accountability for instilling a performance based culture starts at the top. Because employees can be impacted so significantly by the review process, it is critical that those responsible for conducting them take the process seriously and be held accountable for their timely, thorough and accurate completion. It is interesting to note that many organizations allow managers to be completely unaccountable for doing them correctly and completing them on time. In fact, because it is an essential function for a manager, it is ironic that they can fail to get reviews done on time, and sometimes woefully late, and do a sloppy job of completing and conducting them.

The irony lies in the fact that the manager is reviewing an employee's performance when they are not performing up to standards in an important area of their own job. You can well imagine what the employee is thinking and saying to others when their reviews are late and carried out haphazardly. Leadership is partially about setting a good example and when a manager treats reviews as unimportant or a hassle and they don't complete them on time, employees are sent mixed messages. The most important message that gets sent is that they need to do their jobs well, but the manager can do as he/she pleases with impunity. This is a message that has to be avoided.

On the other hand, when a manager takes the process seriously and views it as an opportunity to formalize the employee's plan for success, the employee is sent the message that the manager is accountable and that the organization views the review process as critical and integral to the employee's development and success.

Morale is affected in both cases. In most organizations, wage increases are tied to performance reviews in some manner. Because an employee's pay is so important to him/her, a manager not taking the review process seriously is perceived as a direct blow to their annual earning potential. In the case of the manager who is responsible with reviews and is timely, accurate, thorough and effective in communicating performance results and suggestions for development and improvement, the employee believes that the manager truly cares about both future success and earning potential. It's not hard to see how morale is either positively or negatively affected.

Suffice it to say that employee morale is at issue when it comes to performance reviews. Here are a handful of tips for ensuring that morale is impacted positively or, at worst, neutrally as a result of your performance review process:

- 1 Create very specific expectations for managers/reviewers about completing reviews on time. They need to understand that they will be held accountable for on time reviews. And then hold them accountable.
- 2 Put tools in place for managers/reviewers to journal employee performance "activity" throughout the review period and create an expectation that they use the tool and place entries into the journal on a routine and regular basis. This helps ensure accurate and relevant reviews when it comes time to complete the actual review.
- 3 Train managers on the effective completion of review forms, creation of meaningful and manageable goals, writing effective comments and suggestions and how to communicate the review with employees.
- 4 Create a performance culture in which performance reviews are an integral part of advancing employee performance.
- 5 Allow employees to self-evaluate and allow them to feel comfortable making comments and even offering rebuttals during the review process. Employees must be able to counter inaccurate information if it is present during the review.
- 6 Put an automated review system in place that helps the organization create a user-friendly approach to completing reviews, assists the reviewers in completing the reviews and helps in holding managers accountable for completing the reviews in a timely and effective manner.

### Summary

There is no question that morale impacts productivity and performance. Having a performance review process in place that helps to positively impact morale is important to all organizations regardless of size or type. Ask your employees how they feel about your current performance review process and you might be surprised what you find out. If it needs tweaking, don't hesitate to fix whatever needs to be fixed. Your employees will be glad you did.

## About Reviewsnap

In times like these, growth is *earned* by companies that align their people behind shared goals. If you are working to get everyone on the same page, Reviewsnap is with you. More than performance management software, we offer true partnership through genuine customer service and support. And unlike those other guys who care more about shareholders than customers, we can't sleep at night unless you can. We are all together now. We are your performance management partner. We are Reviewsnap.



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