

Bridge the Gap Between Your Performance Reviews and Employee Development – or Both Are Primed To Fail

White Paper



review**snap**

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Focusing on employee development does a company good.

Research conducted by Bersin by Deloitte demonstrates just *how* good: organizations that invest in high levels of development planning and coaching have a third less voluntary turnover and generate twice the revenue per employee than their peers. Clearly, when companies demonstrate a strong commitment to developing their people, their people respond in kind with greater loyalty and significantly improved performance.

Why, then, have performance reviews become so disconnected from the employee development process at so many organizations?

The question becomes even more perplexing when you consider how important performance reviews are to effective employee development. Done correctly, performance reviews inspire greater and greater levels of success. They motivate our people to contribute toward critical business goals, to develop their skill sets, and to reach their full potential. Good performance reviews also help to keep employee engagement levels high.

Sadly, the reason performance reviews become so disconnected from employee development is this: managers typically receive precious little training on how to conduct effective reviews—or even how to manage others well! In Gallup's *State of the American Workplace* report, Gallup's Chairman and CEO, Jim Clifton, estimates that poor management is costing the U.S. \$450 billion to \$550 billion every year through the active disengagement it creates.

A significant portion of this active disengagement comes from the fact that performance reviews at far too many companies are treated as annual "one and done" events devoted almost entirely to performance targets and compensation. Development rarely enters the discussion, or is mentioned in a few cursory comments as the reviews are winding down. This is an epic failure—not only in terms of effectively guiding performance but also in reaping the rewards of building greater loyalty and engagement.

In short, our performance reviews are too often leaving parties on both sides of the desk feeling more disengaged than ever. It's time to re-engineer our reviews and reconnect them to our employee development initiatives.

Shift to a Development Mindset

The first step in re-engineering our reviews is to have managers shift from an “evaluation mindset” (critiquing missed performance targets and focusing on employees’ past mistakes) to a “development mindset.” With a development mindset, managers show employees where they’re falling short but in a constructive manner—by offering useful insights, guidance, understanding and patience. And then they focus on employees’ futures: the kinds of roles and work employees might want to take on in the next three to five years, the kinds of learning and development resources they’re interested in, the projects that will help them grow and stretch their capabilities, etc.

The best performance reviews help clear a path to success as much as they offer a critique of actual performance. Rather than throw a spotlight on a poor rating or a litany of missed marks, good managers use the appraisal process as an opportunity to coach employees and give them guidance on a regular basis. *Where, specifically, are employees struggling and excelling? How can gaps be filled and strengths be better leveraged? What types of coursework, mentoring or other learning content will help?*

No More One-and-Done Reviews

Performance reviews lose much of their power to influence when they’re treated as once-a-year events. The only way to nurture development and keep it on track is through regular dialogue. Instead of one do-or-die annual conversation, schedule more frequent, less formal “check-ins” throughout the year. The ability to get and give coaching and feedback mid-stream will help ensure your employees stay on goal and enable you to course correct if things get too far afield.

At a minimum, conduct these “lite” performance reviews twice a year. Better yet, aim for quarterly conversations—three, less in-depth sessions culminating in a more formalized, full review once annually. Your employees will feel better supported when they know they have your ear on a regular basis and more consistent interaction will give you clearer insight into their state of mind.

Regular reviews will also help release the resentment employees feel when they get called out on performance yet have received what they consider scant feedback in the preceding twelve months. Because they are unaware anything was off-kilter, they are left with little opportunity to address and correct shortcomings. More frequent coaching meetings and ongoing recap of development plans and progress should yield fewer surprises.

Use regular check-ins to:

- Identify areas where employees are struggling and opportunities to help employees address and overcome deficits.
- Discuss employee interests and career aspirations and help employees pursue meaningful learning goals and create career paths.
- Mark and measure progress and ensure individual and organizational goals are aligned.

Drill Down to the Heart of the Matter

Meaningful performance reviews require authentic give-and-take. Both manager and employee should be prepared to actively participate in the performance review and contribute to the development planning. Managers need to ask the right questions of their employees and employees need to ask the right questions of themselves.

Your aim is to get to the heart of critical performance related issues—for example, how employees feel about their own performance, the appropriateness of their responsibilities, where they need guidance and development and their feelings about their future, among other things.

Have managers ask probing questions that challenge employees to examine themselves and their own wants and needs honestly. *What makes you happy? How can we help you grow? What do you really want to work on? What would you like your future to look like?* Doing so will help you dial into their perspectives, needs and interests—all of which are crucial to effectively managing their performance and developing them.

You'll also send a clear signal that you care about how employees are feeling, not just trying to squeeze the most work out of them. In turn, they'll likely be more motivated and engaged in the dialogue. Research and experience tells us that employees are more interested in and accepting of guidance and feedback from their managers when performance and career development are addressed together.

Require your employees to do the necessary introspective prep work at their end. They should come to the performance review ready to articulate their learning objectives and what type of support they are looking for from you and the organization to help reach them. Since you both have skin in this game, be sure to have them talk about what commitment and contribution they will make to their self-improvement also. Periodically ask them to share the progress they have made and how they are putting their new skills to work.

If both sides play their part correctly, what comes out of this dynamic exchange is an action plan that includes clearly defined goals and objectives that the employee helped to shape.

Integrate Learning Content

Take advantage of available technology that enables true development-driven performance management. If you're using a stand-alone learning management system or no LMS at all, you're losing the value that integrating the processes delivers. The most efficient and effective way to achieve your organization's training goals is with an automated performance management system that integrates learning content and employee development plans.

Your system should be able to analyze the information from actual performance reviews and create targeted learning plans tailored for every one of your employees. If an employee's review indicates a particular technical or soft skills gap, for instance, the system should automatically create development goals and recommend specific learning activities based on the performance appraisal rating in that area. This ability to align learning activities with skill gaps will help your organization identify where it should focus its training efforts and let your employees take greater control of their professional development and career paths.

Your system should also let you measure and monitor the progress of your employees' development activities in real time through reporting analytics that track scores and transcripts for internal coursework. This visibility will keep you attuned to how your staff members are progressing and whether or not they are on goal. You'll also be able to see which training programs are working and how development is impacting performance. The ability to access real time data will also go a long way toward making your review sessions more productive.

Development – The Most Important Job Aspect

Successful employee development doesn't just convince top talent to stick around. It's what draws them to you in the first place... and it's what keeps their heart and soul in their work day in and day out. According to the Society for Human Resource Management (SHRM), job seekers ranked opportunities for learning and development as the most important aspect of a job.

It's time to reinstitute sound performance reviews as an integral component of your employee development process. Once you do, you'll find your loyalty, engagement and revenues reaching new heights. And you'll be building a robust pipeline of talent for years to come.

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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