



Is It Time To Rethink the Traditional Performance Review?

🔖 human resources employees management

Summary: Although annual performance reviews are the norm at most companies, many employees dread the process. Changing your CFI's approach to performance reviews and how often they happen can be the key to more effective discussions and better feedback. Read on for tips on how to optimize the review process and help employees and managers alike find more value in these meetings.

Granola bars and protein bars have become so popular that there are now literally hundreds of choices available. But while many health-conscious people gravitate to these products, many of these bars are actually quite unhealthy. Though exceptions exist, the average granola bar or protein bar contains so many enhancements and sweeteners that their sugar and carbohydrate counts are comparable to many candy bars.

Like many commonly perceived health foods which are later revealed to have drawbacks, traditional performance reviews have served as the standard method for evaluating employees. However, just as nutritional science evolves, so too must our approach to performance evaluation. It may be time for an upgrade in the way we assess and motivate our workforce.

The Traditional Performance Review

The purpose of performance reviews may be to align the views and goals that managers and employees have regarding an individual's work performance, but for many employees, annual reviews alone don't provide sufficient feedback. According to Clear Company, a talent organization, 92% of employees would welcome feedback on their performance more than just once a year. In fact, [employee engagement triples](#) among workers who receive daily feedback from their managers.

Since performance reviews are done on an annual basis, when they aren't accompanied by regular feedback throughout the year, they lose the value of real-time input between employees and supervisors. When employees aren't given timely feedback, problems with individual employees can be left unaddressed for months on end, allowing them to compound.

A More Effective Approach

Professional development, such as regular coaching, is one approach that some organizations are using to effect better results. According to the International Coaching Federation's 2022 Global Awareness Study, the impact of regular coaching extends to greater productivity and self-esteem for employees, as well as enhanced communication skills and team performance. Taking a proactive approach is more conducive to regular improvements and allows managers to address any concerns in real time.

There is also evidence that coaching translates to enhanced leadership, greater job satisfaction among employees, and lower burnout and turnover rates. In some cases, organizations even add peer-to-peer input into their employee review processes, given the valuable insights that can come from employees who work

closely together. Regardless of the approach an organization takes, consistent and clear communication between employees and their managers is key.

“Normalize those conversations throughout the year, so that it's not one big, massive ugly conversation... something like 90% of leaders dread the performance evaluation, so it's not just the people receiving it, it's the people doing it as well — and it does occupy large amounts of time,” says Laurie Battaglia, CEO of leadership development consulting firm Aligned at Work, [in a recent PCBB podcast](#). “The fewer conversations you have during the year, the more of a surprise it is. Monthly, quarterly, whatever, check in and take notes about what that person's been doing...and make sure they're getting the feedback along the way, especially about the things...that need correcting.”

Not surprisingly, technology is also playing a growing role in employee reviews and performance feedback. Many organizations have begun to embrace software and performance management platforms that allow for ongoing, real-time communication between employees and managers throughout the year.

Tips for Providing Valuable Feedback

Of course, an overhaul of your institution’s employee performance strategy isn’t something that can be accomplished overnight. As you and your team weigh the best approach for your organization to assess and provide feedback to employees, here are a few things you can implement now:

- **Talk about what they’re doing right, too.** Managers conducting any type of review should remember the importance of humanizing the experience with constructive criticism. Put as much emphasis on what an individual is doing right as where they may need improvements.
- **Recognize their impact.** Don’t just review what people have done in their job, but the impact they have had on the organization as well. Taking this approach helps employees to feel more vested.
- **Keep track of accomplishments.** Encourage employees and managers alike to keep an ongoing list of an individual’s accomplishments so that things are not forgotten or overlooked when reviews take place.
- **Communicate expectations often.** Be clear about what the expectations are of employees, and constantly remind them so that there are no unpleasant surprises when reviews come around. This also includes what metrics they need to reach to achieve raises, bonuses, and promotions.

While there is no one-size-fits-all approach for performance reviews, evidence has shown that consistent, ongoing input for employees yields better results than traditional year-end reviews. Community financial institutions should consider more employee-friendly approaches such as real-time input or coaching, which can yield higher employee satisfaction and lower turnover rates.

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ECONOMY & RATES

Rates As Of: 02/22/2024 06:37AM (GMT-0700)			
Treasury	Yields	MTD Chg	YTD Chg
3M	5.44	0.02	0.04
6M	5.32	0.14	0.06

1Y	5.00	0.29	0.23
2Y	4.69	0.48	0.44
5Y	4.34	0.50	0.49
10Y	4.34	0.43	0.46
30Y	4.49	0.33	0.46
FF Market		FF Disc	IORR
5.33		5.50	5.40
SOFR		Prime	ORER
5.30		8.50	5.31

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