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## ~ Ditching the Annual Performance Review ~

**Get out you're Fired! Why can't we just tell employees they're doing a good job and if not, you're fired? Why do we need to do Performance Reviews?**

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Can we be honest... most of our clients tell us that they find the annual performance review process to be excruciating and painful – for both managers and employees. And quite honestly, we at McCloskey Partners feel their pain.

**We are here to tell you... there is hope!**

The performance review process does not need to be so depressingly daunting, when it's done right.

**Recently there has been a trend that many companies are following - and that is doing away with the traditional performance review process altogether. *Yes, you read correctly!***

***Get ready to jump on the band wagon of this trend...***

More and more companies are jumping on this recent trend, such as Adobe, General Electric, Gap, Dell, Microsoft, and IBM, just to name a few. In fact, approximately one-third of U.S. companies have ditched the annual review process and have replaced rigid ratings with Check-Ins that allows for real-time feedback vs. looking back into the past year in review.

But why is this the case? Let's take a look at some of the reasons why many forward-thinking companies have finally come to terms with the fact that the formal review process may not be as effective today as it was in the past.

### **So why are companies moving away from the traditional performance review?**

- **Those Pesky Millennials** – If close to or more than 50% of your workforce are considered “Millennials,” any annual performance reviews that you do are pointless. Yes, you read right... pointless and time wasters! According to some research, more than half of millennials surveyed want to receive feedback from their managers at least on a bi-weekly basis. **But don't confuse feedback with praise.** Millennials are civic-oriented and need to know that they are contributing and making a difference in an organization. They need to be inspired and engaged, which an annual performance assessment fails to do. The mass number of millennials in the workforce is reshaping how companies evaluate and manage their employees. Believe it or not, millennials are the most educated generation in western history and the most progressive. Because they are the first generation to grow up immersed in technology, they crave constant feedback and instant gratification.
- **Time Waster** - One of the biggest complaints from employees regarding the performance review is that the information often comes as a surprise. When managers fail to provide frequent feedback to their employees or follow up on discussed goals, making employees aware of performance issues once a year is useless. On the flip-side, most managers grumble about the amount of time that they put into rating an employee and how time consuming the process is. Many managers also complain that it is too difficult to recall a year's worth of information to accurately and fairly rate employee performance.
- **Keeping up with Change** - For some companies, it no longer makes sense to conduct a performance review once a year and setting goals for the next twelve months. This approach doesn't help the company keep up with faster-paced strategies and accelerating industry demands. Organizations must constantly be agile and on their toes in order to adapt to change. In order to do this, company and workforce performance must be monitored and addressed on a real-time basis.

Stop just doing a performance review because you think you should be doing it. Check in with your employees more, give more frequent feedback and sit back and watch... your team will be more motivated, more engaged and less confused as to what you are thinking and expecting from them. Why, more frequent face time with you means more feedback. That is one of the most important ingredients for successful companies.

When you have questions about performance management, attracting and retaining the right employees or other HR best practices, contact us at McCloskey Partners, LLC today.

**Office:** 215-716-3035 x 712

**Email:** [info@mccloskeypartners.com](mailto:info@mccloskeypartners.com)

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