



Management Rethink: The Annual Review

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The “Great Exodus” (see previous [LINKCO articles](#)¹) has caused hand wringing and soul searching amongst our clients and network of business leaders. They are grappling with how to manage their own workflow while ensuring that their direct reports are supported, mentored, and given adequate and constructive feedback on a regular basis. We write this assuming, like most of our clients and network that employees-human resources are the most critical part of your organization. This is more critical now that the office environment has changed so dramatically in the past three years. When feasible, most of the upper management and C-Suite leaders in our network want to work in a hybrid or remote work environment themselves (83%). Yet they bemoan the challenges and day to day inconveniences that hybrid or remote work imposes on their supervision of direct reports.

When most senior business leaders in our network share their concerns and worry about being labeled dinosaurs, we advise them to own it! While hybrid and remote work is here to stay, best practices to supervise, mentor, and evaluate direct reports is a work in progress. There is nothing wrong with being frustrated that your mentees are not getting the same full-on attention and day to day casual direction and insight they would gain while in the office working in close quarters. Yet our resilient leaders know that their frustration can lead to better working practices given the new reality. No one knows what best practice supervision may end up looking like and each organization has different needs that need to be considered: full teams in the office once a month, once a quarter, once a week for instance? Double down on your efforts to check in regularly with your direct reports and make sure that those you supervise are doing the same with their direct reports. Do not leave your feedback for the dreaded annual review!

The most recent studies on the efficacy of Annual Reviews are summarized in the Wall Street Journal article by Marcus Buckingham², based on research by Gallup, Adobe Inc., World at Work, XpertHR, Gartner, ADP Research Institute, and Deloitte. A shocking 86% of employees do not think their annual reviews are accurate. Yet while over 80% of companies queried stated they are considering other “performance-management” systems which include more frequent evaluation opportunities and conversations, most continue with the reviled Annual Review. Besides the shocking expense and number of human hours involved in Annual Reviews, the article summarized the problems into three main categories: infrequent, dehumanizing, and irrelevant to real-world performance. Let’s break these down into potential lessons learned and opportunities:

- **Infrequent:** How many of your employees (or you for that matter) revisit goals set at the beginning of the year? Less than 4%, based on this article. It’s unrealistic to handle the struggles, lessons learned, hopes, dreams, and successes cached over a whole year, in one review session. What’s more, it denies you, the supervisor, the ability to reinforce

great achievements and performances, or mentor/problem solve about disappointing work product when it occurs.

- **Dehumanizing:** When does your direct report get to voice her career dreams and discuss her evolving skills and performance in a constructive manner with the benefit of your mentorship? Are you forced to rank each of your employees into a numbered category in a bell-shaped curve with no leniency for your own determination of the person's inherent value to your organization?
- **Irrelevant:** Are the above referenced rankings relevant to your direct reports' thriving within your organization? How employees excel in their jobs is idiosyncratic. Where and when in the Annual Report, do you get to give your employees pragmatic and specific feedback to help them grow in their current jobs and careers?

You can help arrest the "Great Exodus"! Split the annual review into two parts.

- **Performance measurement:** to address the bonus structure at your company.
- **Performance development** check-ins very regularly. (As opposed to a check-up.) Ask, what did you love doing last week? What did you find difficult and why? What are your priorities this week and how can I help? Resilient leaders also want to hear performance feedback directly from their employees. There is a wealth of lessons to be learned when you listen to what your direct reports have to say about your work.

Finally, considering your direct reports span of attention versus span of control will help refocus your organization to thrive. How many direct reports is too many? There are tons of great research on this issue alone. Feedback from LINKCO's network shows that when each supervisor has enough time to spend with each of their direct reports (maybe 15 minutes a week) the employees feel mentored, heard, and derive better satisfaction from their jobs with less likelihood of attrition.

Contact LINKCO and let us help you build a diverse and more resilient workforce ready for the future. The LINKCO system produces rapid results, is cost effective, and pain free. With twenty plus years of broad executive business experience cross industries, LINKCO is well situated to work with Middle Market CXO and Upper Management leaders in California and throughout the United States.

1. <http://linkco.net/articles/>
2. https://www.wsj.com/articles/annual-reviews-are-a-terrible-way-to-evaluate-employees-11651291254?st=cxci56j8prcf0y2&reflink=desktopwebshare_permalink "Reviewing the Annual Review," Buckingham, Marcus, WSJ, April 30-May1, 2022, B2.

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