

***“Is the  
Performance  
Review reaching  
its sell-by date?”***

**Carl Thomas**





**30**

Players

# Kahoot!

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# Performance Review History

## 1940s

About 60% of U.S. companies were using appraisals to document workers' performance and allocate rewards.

## 1970s

Inflation rates shot up, and organizations felt pressure to award merit pay more objectively, so accountability again became the priority in the appraisal process.

## 2012

Adobe ended annual performance reviews, in keeping with the famous "Agile Manifesto" and the notion that annual targets were irrelevant to the way its business operated.



## WWI

The U.S. military created merit-rating system to flag and dismiss poor performers.

## 1960s

Led by General Electric, companies began splitting appraisals into separate discussions about accountability and growth, to give development its due.

## 2011

Kelly Services was the first big professional services firm to drop appraisals, and other major firms followed suit, emphasizing frequent, informal feedback.

# The Battle!

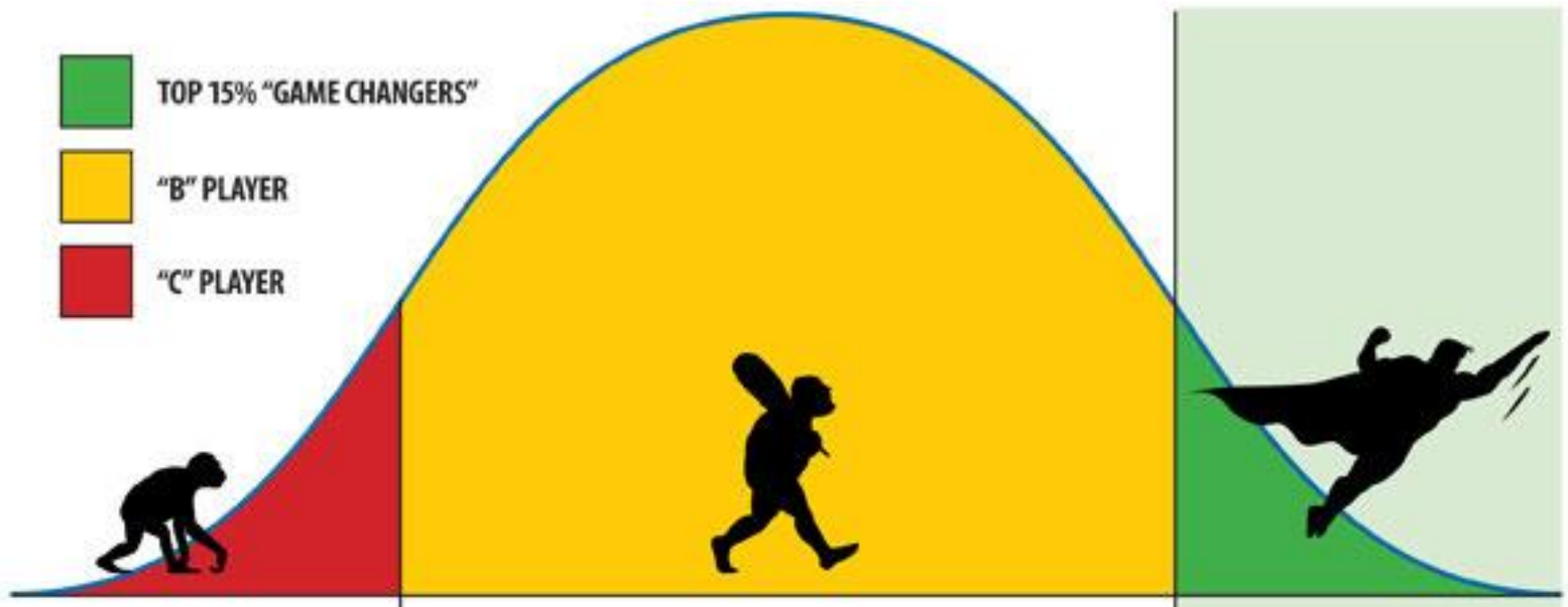
Accountability

Development



# Forced Ranking

- General Electric 1981
- Tax exemption for performance-based pay (1993)





FORTUNE  
**500**

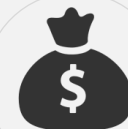
Early 2000's 60% of Fortune 500 companies used forced rankings

Flatter organizational structure = more employees per manager



Difficulty with annual goals and speed of organization

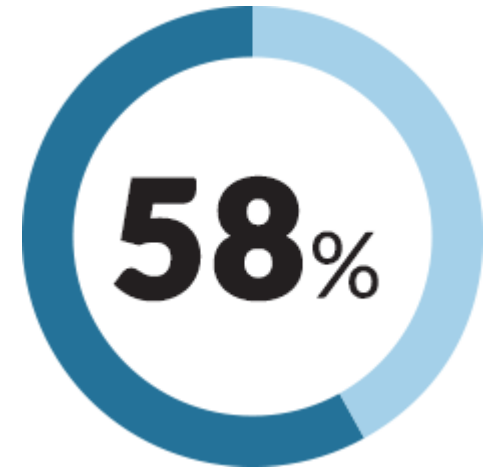
Small budgets for wage increase



# Some Numbers



Do not see the value  
in the systems used  
Willis Towers Watson



HR see it as ineffective  
use of time  
Deloitte



210 Hours  
CEB

# Dropping the Review





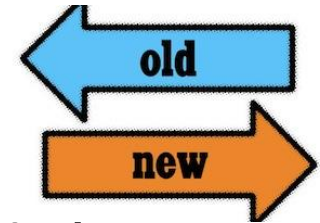
# The Pending Issues



Managers do not  
rate employees  
effectively



How do we measure  
performance for pay  
& bonus?



What do we replace  
reviews with?



How do we maintain  
accountability?

# Discussion

Annual goals have been proven to be ineffective in driving individual performance.

What could we do differently with individual goals to make them be more effective?



*When managers conduct frequent check-ins on quarterly goals, companies can realize 30-40% greater returns.*

**Source: Josh Bersin**

# Discussion

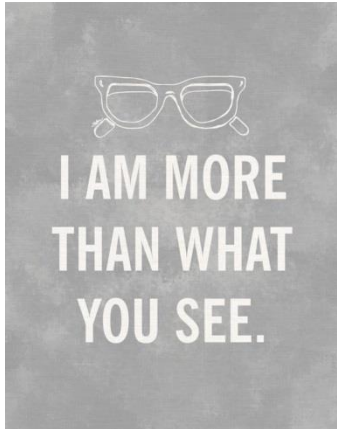


If you had a blank page (with no budget restrictions) what would you do in replacement of the annual performance review?

# Waldorf Astoria – Catch-Up Program

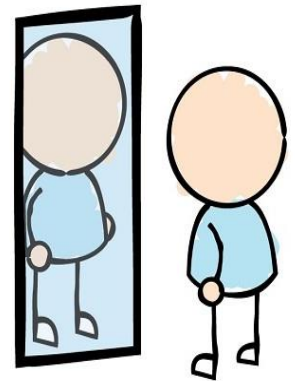
## Personal Information / Get to know me

Employees who feel that their manager cares about them are more likely to be engaged by x3  
(Josh Bersin)



## Performance Reflection

50% of employees don't know what is expected of them at work! (Josh Bersin)



## Feedback

Give them the opportunity to give their manager feedback directly.



# Waldorf Astoria – Catch-Up Program



## Quarterly Individual Goals

Organizations that review goals quarterly are more likely to:

1. 50% more likely to have above average customer satisfaction.
2. 65% more likely to be effective at controlling costs

## Monthly Learning Actions

Only 24% of millennials are 'very satisfied' with the development opportunities at their organisation (Deloitte)



谢谢

THANK YOU!

Σας ευχαριστώ

ringraziarla

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gracias

obrigado

merci

Teşekkür ederiz

감사합니다

ありがとう

Děkuji

Vielen Dank

شكرا

متشكراً

спасибо

