

Performance reviews don't Work

Performance reviews do very little to help increase productivity and should be ditched in favour of regular coaching, according to Profiles International.

Annual reviews really aren't capable of helping companies reach their overall goal - their biggest flaw is that they are "the equivalent of looking in the rearview mirror to see where the employee has been - and perhaps failed", instead of looking at where they can successfully go, Profiles International managing director Dario Priolo says in the report, [*The Powerful Act of Coaching Employees*](#).

Because reviews usually happen after a year, "any corrective solutions are too late to do any good".

Coaching "early and often" is the effective alternative, he says. "Early, to catch potential problems before they happen. Often, because continuous interest and feedback virtually guarantee better performance."

But before managers can start to coach, they need to be clear on the five elements of successfully coaching.

1. Job fit

Five questions help leaders understand a consultant's job fit:

- Does the employee fit in his/her current job?
- What motivates the employee in the job, and how will he or she respond to stressful situations?
- How compatible is the employee with the manager?
- How compatible is the employee with his/her work teams?
- How effective is the employee as a leader?

The report recommends comparing employees' characteristics against those of known top performers in the role, taking into account factors such as energy level, assertiveness, sociability, manageability, attitude and independence. The gaps identified show a manager where to focus coaching for improved work performance.

2. Motivation

Managers also need to understand how to motivate each employee and how they will respond under stress, Priolo says.

They should consider the employee's:

- need for control;
- social influence;
- patience and ability to be a team player;
- focus on precision and quality; and
- motivational intensity and focus on change.

3. Chemistry with the manager

Knowing how the employee fits into the larger community is vital, the report says, because "relationships have an important impact on productivity, and they can create gains for the team and the organisation".

"In order to make the most of these relationships, however, we have to identify potential conflict points... and understand how to avoid such issues. Knowing what to say and how to say it makes everything else possible."

4. Chemistry with the team

Each team has its own dynamics, and communication and good attitudes about working together will be critical to its success, the report says.

All team members have to buy in to each other's ideas, and a coach/manager should determine the behavioural and working characteristics of team members, and identify potential strengths and weaknesses.

The report says managers should know:

- Are team members workers who need to be in control?
- What characteristics is the team lacking?
- How can they avoid or resolve potential conflicts?

Leadership

Finally, managers should consider whether their team members have leadership ability.

The report says a coach should know whether an employee has eight specific leadership competencies:

- Personal development – do they demonstrate commitment and seek improvement?
- Communication - How well do they process information and listen to others?
- Leadership ability - Do they instill trust, provide direction and delegate responsibility?
- Adaptability - How well do they adjust to circumstances? Do they think creatively?
- Relationship building - Are they effective at establishing personal relationships and helping the team succeed?
- Task management - How efficiently and competently do they work?
- Production - Do they act, or do they wait? Do they get results?
- Development of others - Do they cultivate the talents of others and successfully motivate them?

"Making the transition from performance evaluations to performance coaching can be an uphill battle, Priolo says.

Coaching, on the other hand, "not only changes the culture of an organisation, but it increases performance and leads to a significant return on investment".