

# Eighty-five per cent of workers inclined to quit after ‘unfair’ performance reviews

*More than half of employees say they are likely to leave employer while regular check-in sessions are favoured over annual ones, finds survey*

BY JOHN DUJAY

IT'S A DREADED time of year for many, but employers might want to take note: Employees who think they have had an “unfair” performance review could very well quit, according to a study.

Eighty-five per cent of workers questioned by employee management company Reflektive said they would consider leaving their employer after receiving what they perceived to be an unfair appraisal.

More than half (51.7 per cent) would be extremely or very likely to leave after an unfair review, with a further 33.5 per cent of workers somewhat likely to leave, found the survey of 1,017 U.S. workers.

## Defining ‘unfair’

But what exactly does unfair mean to employees? The wrong messages provided by the employer around the review process could be one reason for a negative perception, says John Smith, director of enterprise business solutions at Corporate Renaissance Group in Ottawa.

“Most of the time, the unfairness comment is going to come from ‘I didn’t know that was the expectation,’ or ‘I thought that expectation had changed,’” he says. “Underlying it is probably that ‘We decided and communicated something different during the year, but it’s not reflected here,’ or ‘That wasn’t my understanding.’”

It’s up to the employer to properly structure the review process with the right kind of measuring tools, according to Evangeline Berube, vice-president at Robert Half in Edmonton. That means having more objective elements of a performance review versus subjective components.

“That’s where things can become a bit dicey from people thinking that there might be favouritism... If your performance appraisals are largely set up to be based more on direct KPIs (key performance indicators) — numbers that can’t necessarily be argued with or can be defended — then I think there’s less of that perception of favouritism because it’s fairly black and white, whether or not you’re meeting or exceeding — or not meeting — certain KPIs,” she says.

“Some objective ones would be your department, their goal for the next quarter is to generate \$200,000 in revenue. And you either meet that or you don’t. Or let’s say, if you’re in a sales role, you have to meet with 40 clients in a quarter.”

Prejudice is also something that should be eliminated to reduce feelings of unfairness.

“Bias is an enormous factor in the performance-review process and it’s for that reason that they are often unsuccessful in coaching, motivating or addressing problems,”

says Kaneez Jaffer, vice-president of HR consulting at JungoHR in Toronto.

But it can be multi-faceted, according to Smith, citing as an example the “halo effect” — where a manager thinks everybody on their team is a star.

“You could have recency bias in there, where managers only remember what happened in the last six weeks and judge the entire year of performance based on their memory of the last six weeks,” he says.

“What we’re trying to get to in the performance-manager world really is evidence-based, objective, multi-point check-ins during the process so that, throughout the year, we can change course, we can add new objectives, but we’re commenting on why we changed course.”

## The compensation question

When the respondents to the Reflektive survey were asked what they appreciate about the review process, 32 per cent answered: “I get a raise at the end.”

In many organizations, it’s unfortunate that the performance review becomes a process that’s used to determine compensation, says Smith.

“It doesn’t necessarily stand on its own as a process that’s used to motivate employees and coach employees. The organizations that get

it have a process in place that’s used to motivate and coach and think forward-looking.”

Employees looking to move upward in the company must understand how the performance review process can facilitate that effort, says Berube.

“If they want to look at getting raises or climbing the corporate ladder, or... getting promotions, they understand that the performance appraisal process is really critical. It’s really important that an organization says to people, ‘Hey, you’re doing great, and thank you so much for that contribution,’ and if you’re wanting that promotion, if that’s the goal you want, then that’s awesome. Then people will feel like they’re engaged, they’re part of the organization, they’re part of the team. And they’re going to tend to work harder and come to work with a more positive attitude and it’ll really help over-all corporate culture.”

When tied to compensation, the review can mean a lot of employees wait all year for that all-important review, says Jaffer.

“They want to know that their own feedback and experience was heard and validated and that they will be rewarded; and when that doesn’t happen, they make plans to leave. Many executives will wait for their end-of-year bonus for the same reason.”

## Frequency

Almost half (49 per cent) of respondents would like to receive feedback from managers every day or every week. Only 5.5 per cent of survey respondents preferred a once-a-year performance review.

“If we don’t use these micro moments of trust building throughout the year, is it any wonder we feel a huge disconnect at performance-

review time? Aren’t performance reviews essentially an assessment of the impact of someone else’s actions on our own?” says Jaffer.

“We as managers are responsible and, therefore, performance reviews can feel very personal for both the employee and the employer.”

By having regular sessions, people better understand what their ex-

pectations are, according to Smith.

“The employee and managers should be communicating regularly and having discussions and documenting their discussions in a way that wouldn’t lead anyone to say it’s unfair.”

Some employers do them quarterly or a couple of times a year, with touchpoints followed by an annual review, says Berube.

“And you say, ‘OK, so the plan this year for the department is we want to move in this direction’ and you’ve given your goals about how you want to be a part of that — very clearly outline what those things are. And then you can have milestone checkpoints throughout the year, to see how they’re doing and see what challenges that they may be having.”