

Staffing & Human Resources

Denver experts present alternatives to traditional employee reviews

Premium content from Denver Business Journal by Brooke Way

Date: Friday, March 2, 2012, 4:00am MST

Related:



Kathleen Lavine | Denver Business Journal

Maurine and Connie McKibben, longtime residents at Balfour Senior Living in Louisville, talk with founder and CEO Michael Schonbrun in the dining room. Balfour has used the Complete Performance Improvement Process for two years as an alternative to a typical performance review. CPIP is a system that encourages managers to partner with their employees to improve interactions and management skills.

The annual performance review: Managers dread giving them and employees loathe getting them. The process can be nerve-racking.

But there are ways to make it easier, staffing experts say — especially by communicating throughout the year with employees about their good work and where they need to improve, rather than saving it up for one annual review.

They also say that reviews remain necessary, but managers should update how they give them.

[Lorrie Ray](#), director of membership development at Mountain States Employers Council Inc. in Denver, said managers should start speaking to their employees more throughout the year, rather than waiting to bring up concerns during an annual review.

“The biggest pitfall I see is that they don’t see the review as a part of a process; they see it as a once-a-year activity,” Ray said.

Managers should communicate with their employees regularly, especially if they notice something an employee needs to improve. “It is almost impossible for managers to overcommunicate with their employees,” Ray said.

Kevin Lombardo, owner of consulting firm Summit Group Partners in Littleton, said he has one-on-one meetings with his employees once a month to discuss how they are doing.

“Just going up to them informally and saying, ‘Hey, you did a great job last week,’ lets employees know you’re paying attention,” Lombardo said.

He also said managers should have separate discussions about raises to keep their employees focused during reviews.

“Separate your discussion from performance and compensation,” Lombardo said. “If somebody comes into their annual review, they’re not even listening to the conversation, they’re waiting for the punch line at the end of the discussion for whether they’re getting a promotion or not.”

The staffing experts also say companies should do away with the forced ranking and check boxes that are part of most review processes.

Wally Hauck runs Optimum Leadership Inc. in Milford, Conn., a firm that coaches individuals and organizations on improving employee performance. He’s also co-creator of the Complete Performance Improvement Process (CPIP), a system that encourages managers to partner with their employees to improve interactions and management skills.

Hauck said the “CPIP is very different than the typical performance-review process because it eliminates a grade or rating system. By taking the grade away, it takes away the power of the manager to control the employee, and lets them be on an equal plane.”

He said CPIP enables employees to be “totally honest” with their managers, which is helpful in solving problems and providing better customer service.

Finding a new system

Balfour Senior Living in Louisville has used the CPIP for two years as an alternative to the typical performance review.

Michael Schonbrun, founder and CEO of Balfour, said it’s improved both employee morale and resident satisfaction at Balfour.

For Schonbrun, having a great staff is especially important in a businesses that is all about caring for people. “At the end of the day, the experience that our residents have is far more determined by the quality of the staff that works here,” he said.

Schonbrun said it’s important for there to be an opportunity for two-way dialogue, where managers can hear about things they might need to improve on as well.

Schonbrun said that although the CPIP takes more time than a 10- to 15-minute check-box exercise, “it’s absolutely worth it.”

Managers must be careful about how they communicate with their employees, Lombardo said. They should remain objective while conducting reviews, and focus on discussing the facts of their employee’s performance rather than their personal opinions, experts say.

“The key is to stay away from personal commentary,” Lombardo said, because it can lead to litigation.

Colin Walker, an attorney who specializes in employment law at Fairfield and Woods PC in Denver, said, “Managers need to stick to the facts. They need to be clear and provide examples, because when things become subjective, that can result in an unfair situation.”

Walker said employees can misconstrue subjective terms in a review.

He said employees often bring up performance appraisals in court, using the manager’s subjective terms as evidence about why the employee was fired.

Walker said the best thing for managers to do is to give as much detail as possible and provide specific examples about employee behavior.

Walker also stressed it’s important for managers to be honest and truthful during their reviews. “The biggest pitfall that I see are managers who are not honest in the appraisal about the employee’s performance,” Walker said.

He said managers try to avoid hurting their employees’ feelings because they have become friends with them.

“I see a lot of inflation, reviews that gloss over performance problems,” Walker said.

However, sugarcoating an employee’s performance often just prevents solving the problems they cause.

If employees are reassured they are doing a great job at every performance review, they won’t know there’s a problem. That’s why experts say managers need to be honest with their employees from the start.

bmaj@bizjournals.com | 303-803-9234