

HR Insights

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4 Performance Review Trends in 2019

What does the term “performance review” mean to you? To many people, it means sitting down at the end of the year with a manager to discuss how you conducted yourself over the past 12 months. To others, it could mean chatting with a manager every quarter. And some might know it as a biweekly conversation to discuss personal goals.

The point is, not all businesses approach performance reviews the same way. Whatever form your reviews take, it should be formulated off employee feedback and company culture. This article examines four trending practices to help inform your methods.

1. Ongoing, Periodic Reviews

Some employers are replacing annual performance reviews with more frequent manager-employee check-ins—occurring monthly or even weekly. These check-ins do not need to be lengthy meetings and can be as simple as taking a short walk or coffee break.

For example, instead of waiting until the end of the year to review a year’s worth of projects, managers can give immediate feedback after projects are completed. At this time, managers can discuss what was done well and areas for improvement, and employees can bring up any questions or ideas they may have. Frequent check-ins between managers and employees help promote continuous growth, since they give managers the chance to identify and resolve performance issues in a timely manner. As a result, feedback can seem less confrontational and managers can seem more supportive.

2. Wellness Checks

Like a performance review, checking in on employee wellness can be critical for their success. Research indicates that people are more stressed than ever. Prolonged stress like this can lead to serious mental health issues and subpar workplace performance.

Employers are combatting mental health and stress issues by weaving wellness into performance conversations. Since managers meet with employees regularly, why not also talk about wellness? In fact, regular conversations about these issues can help address them before they start affecting the workplace.

3. Emerging AI and People Analytics

People analytics is a way of tracking things like employee engagement data, training program effectiveness or worker productivity. The practice examines human data and crunches the numbers so you have a better idea of the return on investment. Need to know if your employees feel appreciated? Want managers to have real-time coaching feedback? This is where people analytics can help.

Notably, these analytical tools are being used to inform performance reviews. If you have the data, you can find a system to make sense of it. And with more advanced artificial intelligence (AI) being created each month, systems will be able to gauge an employee’s productivity based on whatever criteria you like—eliminating any guesswork.



4. Identifying Strengths for Upskilling

If you have a new task that requires new skills, should you hire a new employee for the job? The current trend says no—you should upskill current workers. Upskilling is the process of training current employees in new skills and responsibilities that better suit their talents. If an employee is performing poorly in one area, that doesn't necessarily mean they will in others.

Performance reviews offer a great opportunity for evaluating and identifying an employee's skillset. Since you're discussing workplace performance anyway, floating upskilling opportunities to workers can be a way to retain employees who are already familiar with your organization. Moreover, according to a McKinsey study, 62% of executives think automation will require them to retrain or replace over a quarter of their workforce, calling into question the practice of firing an employee over a bad performance review.

Obviously, replacing employees is less cost-effective than offering more skills training, but is it easy? That depends on how you go about it.

As was previously mentioned, advanced AI is making training easier and more personalized for employees. AI can provide real-time feedback, recognize the areas in which employees need help and adapt to individual learning styles. While advanced training software may be pricey, it's certainly less than the cost of replacing a quarter of your workforce.

Like most trends, these four will develop and grow over time in potentially unforeseen ways. What is certain, however, is that the labor market will be affected by innovation and that AI will become smarter and more heavily relied upon. This means now is the time to explore new ways to approach employee performance and coaching.

Speak with Lang Financial Group, Inc. today to ensure you're getting the most out of your performance reviews. And, if you're not, let's talk about options available to you. Contact us today to learn more.