

COMMUNICATION

iCOMMUNICATION: THE WAY FORWARD FOR ORGANISATIONS

Georgia Murch explains how by ditching annual performance reviews, organisations can finally press their foot firmly on the accelerator – and achieve progress

DELOITTE'S RESEARCH and costing tells us that an annual appraisal for 65,000 staff took two million hours. Expedia says it mostly wanted to 'rehumanise' the relationship between employees and bosses. A recent PwC study conducted in Australia showed that 81% of companies had performance management systems which were only "somewhat effective" at achieving their goals.

Adobe, a global software business, estimates that their annual performance reviews were costing them 80,000 hours of managers' time each year, the equivalent of 40 full-time employees. And after all that effort, internal surveys revealed that employees felt less inspired and motivated, and staff turnover increased.

Increasingly the progressive companies are recognising this and ditching the performance reviews in place of feedback cultures and regular 'check ins'. Adobe led the way, soon followed by Juniper, Accenture, Microsoft, Deloitte, Zappos, Expedia, Dell and GE. There are over 30 companies now ditching performance reviews in place of feedback and 'check in' cultures. It's no surprise these are the ones that attract the best and brightest as they are receiving the feedback they need and deserve and improving themselves and productivity as a result.

We are now seeing an emerging trend in high-performing organisations where all employees, not just the leaders, are being taught



how to give great feedback and also how to receive feedback with equal candour and grace. Organisations that do this are in their 'feedback flow'. But there are far too less that are gaining this as their competitive edge. BRW, who award and recognise the 'Best Places to Work', cite that one of the factors in creating these high performance workplaces is where 'the bosses saw issues from the employee's point of view, gave meaningful feedback and information.'

Why don't we implement powerful feedback cultures?

There are four main reasons that get in the way of leaders and organisations creating these cultures:

1 Organisations don't muster the courage to invest in their people and culture. They are stuck in the 1940s and they just don't get it. They fail to acknowledge that their biggest assets are not their products or services but their people. As a result, these are not high-performing companies.

2 People think the change will be too hard and too disruptive. Creating a cultural shift requires effort, but without the investment there will be no change. It's like the frustrated lumberjack who continues to use a blunt saw to chop down the trees. He decides he doesn't have time to stop and sharpen it. Yet all he is doing is making more work for himself.

3 We blame the organisation and its leaders for failures in feedback and get stuck in what I call 'the blame trap'. Getting stuck in the blame trap means we blame others, organisations and leaders and do not take any responsibility ourselves. It's not a healthy space, nor does it allow anyone to move forward.

4 We think that 'robust' six monthly or annual performance reviews will be enough. It won't. In fact, the Corporate Leadership Council tells us that when informal feedback, that is outside the formal review process, is delivered well it can improve productivity by nearly 40%. Now it's pretty compelling that conversations outside the performance review work.

It's time to move to the future

The concept of 'performance management' was introduced about 60 years ago as a means to determine the wages of an employee based on their performance. It was used to drive behaviours to generate specific outcomes. When employees were solely driven by financial rewards this tended to work well.

In the late 1980s not all employees felt rewarded, nor motivated by financial gain alone; many were driven by learning and

the development of their skills. From here performance management started moving into more frequent monitoring and reviews with a focus on 'regular feedback' outside the formal review process.

As organisations put more regular conversations into the mix there was a notable improvement in productivity and employee engagement, when the conversations were handled well. This still meant that the onus was on the person giving the feedback rather than the person receiving.

Organisations that are in touch with the now – the high-performing organisations – exist where all employees, not just the leaders, are being taught how to give great feedback and also how to receive feedback with equal candour and grace. Organisations that do this are in their 'feedback flow'. But there are far too less that are gaining this as their competitive edge.

When BRW cited that one of the important factors about creating these high performance workplaces is where 'the bosses saw issues from the employee's point of view, gave meaningful feedback and information' – I know this to be true as I work with many of them and they are committed to improving the quality of their conversations. Then they improve collaboration

with each other, and their customers, and drive better strategies and relationships. The great companies get it. No wonder they are becoming the places that employees flock to and stay with.

So, if we want to remain not only competitive, but ahead of the game, we need to move into the future and have feedback become part of our everyday. Part of how we flow. Creating a feedback flow is how progressive and competitive organisations get things done and create happy, fully engaged employees and customers. It is where we reverse the push of giving feedback and add to it the pull of receiving it, and alter systems to create an even flow.

Fixing feedback

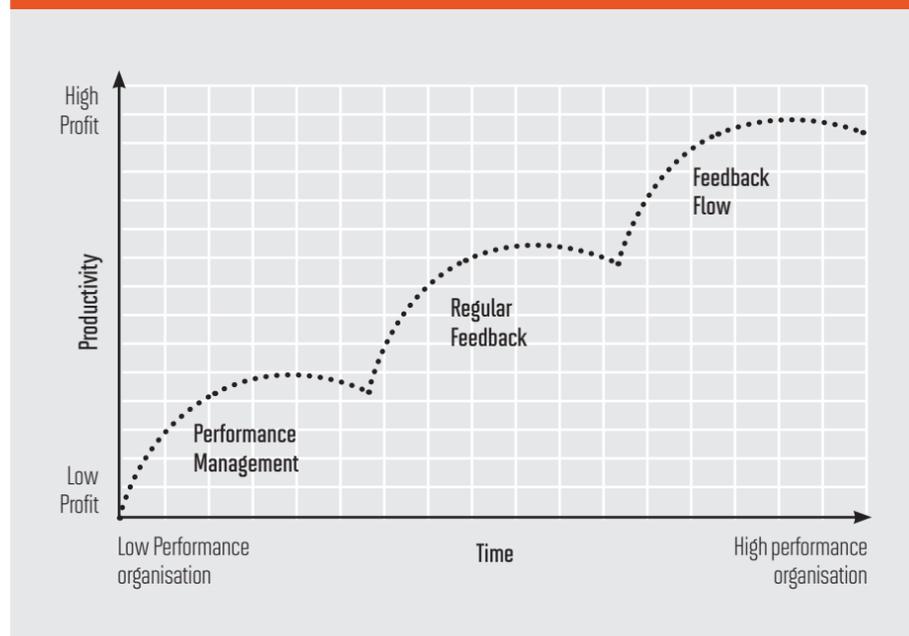
We need to make the changes to not only get ahead but to stay there. Fixing feedback is about creating a cultural cadence. It's more than feedback training. It's about creating a self-sustaining flow that feeds itself and becomes effortless.

It's about moving to the future. The onus is on both parties: one to deliver the feedback, in real time, and the other to receive it well, in the moment. The outcomes of this:

- eliminates dependence on performance management systems
- significantly improves productivity
- creates a culture of accountability and commitment
- evolves authentic transparency and openness
- allows individuals to own their own development

When we create a frequency of accountability that feeds itself, giving and receiving becomes an inevitable part of the way you do business. You and the organisation are in your flow. You and your people become remarkable and no one can stop talking about it. **MPA**

FEEDBACK FLOW MODEL



Georgia Murch is an expert in teaching individuals how to have the tough conversations and create feedback cultures in organisations. She is the author of 'Fixing Feedback' and a highly engaging speaker. Visit www.georgiamurch.com or email georgia@georgiamurch.com

