



## Accurate performance reviews have a big impact on motivation.

As Gary Vikesland explains in his article 'Use the Performance Review to Motivate Employees' accurate and inaccurate performance reviews and indeed whether performance reviews are performed at all have a profound impact on employee motivation. Vikesland further explains how accompanying pay increases can drive unproductive behaviours, and in fact, can serve to demotivate employees in certain combinations with performance reviews. Vikesland contends that one of the key determinants of employee motivation is the accuracy of the performance review and not pay increases. He claims simply that inaccurate reviews demotivate employees even if a pay increase is offered. Vikesland also points out that reviews should be 'an ongoing yearlong process' where feedback, support and coaching is provided to enhance performance as opposed to a once a year exercise with no support for development.

Vikesland's assertions regarding the relationship between performance reviews, pay increases and employee motivation resonates with me. In my experience, many supervisors are fearful of providing particularly negative feedback and even giving positive feedback can be a source of anxiety for some. The result is that, in these cases, often the supervisor simply avoids to provide the feedback altogether if their organisation allows this to happen, which denies subordinates the opportunity to address performance issues and further develop. I also agree Vikesland's view that it is the accuracy of the review that is most important and that pay increases can serve to drive unproductive behaviours and act as a demotivator if combined with an inaccurate review.

I believe that performance reviews are a fundamental leadership activity. It is a powerful instrument in the leaders toolbox if used appropriately. Performance reviews provide leaders exceptional opportunities to connect with employees. However, as Goleman (2002) points out in his book 'The New Leaders' trust is a critical element that must exist to foster learning and resonance. Performance reviews provide an opportunity for leaders to build trust and a strong and enduring connection with their subordinates. Developing a coaching leadership style will provide the leadership behaviours that value the importance of providing feedback to individuals. It equips leaders with the confidence and skills to work collaboratively with subordinates to address performance issues and areas for development. My observation is that employees respond positively to in an environment where mutual trust and respect exists and a leadership coaching style is applied. Even tough feedback can be a rich source of motivation if the leader is open, straightforward and has established trust with the individual.

As Vikesland reminds us, it is the accuracy of the review that counts when considering motivation. Inaccurate reviews have the potential to create the very 'toxic' environments that Goleman warns us to avoid in the quest for resonance, connection and motivation. Inaccurate reviews, in a sense, violate trust and have the potential to sabotage employee relationships and are therefore demotivating. Vikesland contends that inaccurate performance reviews combined with no pay increases, not only demotivates, but may also lead to high employee turnover rates. Therefore, in conclusion, there is strong case for leaders to adopt a coaching leadership style and in so doing ensure that they are open, straightforward, honest and sincere when providing feedback to employees through performance reviews where this is an ongoing yearlong process to nurture and foster employee motivation.

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