

Press release
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Are traditional annual performance reviews losing value? 36% of companies don't think performance reviews are necessary

- 36% of CFOs and finance directors don't think annual performance reviews are necessary – rising to 43% of medium-sized businesses¹.
- 26% believe employees would prefer to receive feedback monthly; weekly (14%); or even on the spot (14%).
- 53% nominate training opportunities as a key step to keeping employees engaged and motivated.

Sydney, 7 June 2016 – The traditional annual performance review may be falling out of favour with business leaders. Research by leading global recruitment company [Robert Half](#) confirms that more than one in three (36%) Chief Financial Officers (CFOs) don't believe annual performance reviews are necessary in today's workplace.

In today's fast-paced commercial environment only 11% of finance leaders believe employees want to receive feedback annually. The majority say their staff would prefer feedback on a more regular basis: 26% believe employees would like monthly feedback, 14% point to weekly feedback and another 14% see value in providing immediate feedback on the spot.

The larger the business, the greater the preference for annual reviews. More than seven out of ten (72%) CFOs of large organisations favour annual performance reviews compared to 55% of medium-sized businesses and 52% of small business organisations.

David Jones, Senior Managing Director Robert Half Asia Pacific said: *“Business organisations need to understand the importance of performance management, which is a fundamental aspect of any Human Resources policy. Performance management, if done efficiently and empathetically, can not only create a corporate culture that promotes individual growth and success, but it can also be an efficient way to improve staff efforts and to keep employees engaged and loyal.”*

“However it doesn't all hinge on annual performance reviews. There are other ways to keep staff engaged and motivated, and businesses need to be prepared to think outside the square in order to gain the best results, and loyalty, from their people.”

¹ Company Size Definitions

Number of staff in the respondent's business

Small	50-149 staff
Medium	150-499 staff
Large	500+ staff

Looking beyond the performance review

Companies can use a variety of strategies to keep employees motivated, engaged and loyal to the company.

More than half (53%) of Australian CFOs believe training opportunities can be effective in keeping employees engaged and motivated, followed by 44% who see one-on-one discussions as being a source of motivation. Another 40% say encouraging employees to offer suggestions – and putting their ideas into practice – can be a powerful motivator.

Interestingly, just over one in three (36%) refer to salary increases and bonuses as an efficient motivator.

Other initiatives (beyond performance reviews) that can motivate and engage employees

	Overall	Small	Medium	Large
Training opportunities	53%	42%	52%	64%
One-on-one discussions geared toward career development	44%	43%	43%	45%
Getting employees to contribute their ideas and implementing them	40%	36%	44%	40%
Providing salary increases and bonuses	36%	25%	41%	42%
Employee recognition programs and awards	17%	11%	19%	21%

Source: Independent survey commissioned by Robert Half among 300 Australian CFOs and finance directors – multiple answers allowed.

David Jones concluded: *“No matter what the format is, employer feedback is always beneficial to staff career development and advancement. Receiving feedback is not only motivating, but by identifying areas for improvement, employees know what to work on in order to further develop their career thereby also increasing their market value.”*

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Notes to editors

About the research

The annual study is developed by Robert Half and conducted by an independent research firm, surveying 300 Chief Financial Officers (CFO) and finance directors in Australia. This survey is part of the international workplace survey, a questionnaire about job trends, talent management and trends in the workplace.

About Robert Half

Robert Half is the world’s first and largest specialised recruitment consultancy and member of the S&P 500. Founded in 1948, the company has over 325 offices worldwide providing temporary, interim and permanent recruitment solutions for accounting and finance, financial services, technology, and administrative professionals. Robert Half Australia has offices in Brisbane, Melbourne, Mount Waverley, Perth and Sydney. More information on roberthalf.com.au.

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[Heading for the exit: The impact of negative performance reviews](#)

No one likes to be criticised. A negative performance review can be an emotional and extremely demotivating experience, particularly if a person feels unfairly treated. But not all performance reviews can be glowing bundles of praise. So how can you lessen the negative impact of a poor performance review?



[Performance reviews and salary reviews – there is a difference](#)

Who wouldn't love a pay rise? After all, many of us believe we deserve one. But when a performance review date pops up in your office calendar, don't assume this is your ticket to a new salary band. Performance reviews and salary reviews are not the same thing. Find out the difference!

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