

5 Tricky Problems with Performance Reviews: How to Fix Them Now - HRMorning

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Executive Summary

This practitioner-oriented article from HRMorning addresses five widely recognised problems with traditional annual performance reviews: infrequent cadence, poor timing of feedback, interpersonal awkwardness, excessive complexity, and overly generic improvement plans. The author's central argument is that annual reviews are structurally inadequate for modern hybrid and remote work environments, and that organisations relying on them for compensation and accountability decisions risk actively harming performance outcomes. Key evidence includes a Gallup finding that performance reviews lead to worse performance one-third of the time, alongside practitioner commentary from Lana Peters, Chief Revenue and Experience Officer at Klaar, an HR technology platform. The article proposes a series of corrective approaches: increasing feedback frequency to monthly or biweekly cadences, separating performance conversations from compensation discussions, introducing structured one-on-one formats, and applying flexible rather than standardised performance improvement plans. The implied conclusion is that continuous, conversational performance management outperforms periodic formal review cycles, though the supporting evidence is limited and the primary expert voice is affiliated with a commercial HR platform.

Key Insights

1. Annual performance reviews are characterised as structurally misaligned with modern work patterns, including hybrid and remote arrangements, because the extended gap between discussions allows performance issues and recognition to go unaddressed.
2. A Gallup-cited finding indicates that performance reviews result in worse employee performance approximately one-third of the time, attributed to the defensive or resentful reactions triggered by delayed, retroactive feedback.
3. The article identifies conflation of multiple high-stakes topics — compensation, promotion, improvement planning, and developmental feedback — within a single annual review as a structural driver of complexity and reduced effectiveness.

Practical Takeaways

- Organisations separating performance feedback conversations from compensation and promotion discussions, and conducting them at different times, may reduce the complexity and emotional charge associated with combined annual reviews.
- Structuring manager-employee one-on-ones around three recurring themes — recent goal review, development planning, and specific praise — offers a repeatable conversational format that avoids the

administrative burden of formal review paperwork.

Critical Analysis

Strengths: The article identifies real, widely-documented limitations of annual review cycles and structures its critique around distinct, separable problem categories, making it accessible to HR practitioners. The Gallup reference provides one external empirical anchor. **Limitations:** The primary expert source, Lana Peters, is Chief Revenue and Experience Officer at Klaar, a commercial HR platform — creating an evident conflict of interest that is not disclosed or contextualised by the article. No independent academic or multi-source research base is presented beyond the single Gallup citation, which is referenced without a study title, date, or methodology. The proposed solutions are presented prescriptively without evidence of effectiveness. The claim that 'only a small percentage of employees feel their performance review inspires them' is cited without a source. The article reads as practitioner commentary with vendor alignment rather than balanced research synthesis.

Organizational Practice

The article describes organisations using annual performance reviews to determine pay, establish accountability, and manage performance improvement, with some organisations using bi-annual or quarterly check-ins. It notes the use of generic paper-based forms and combined review meetings covering performance, compensation, promotion, and development simultaneously. Some organisations are described as adopting HR technology platforms to facilitate structured weekly or biweekly manager-employee updates.

Strategic Implications

The article reflects a practitioner-level shift in discourse away from periodic formal appraisals toward continuous, lightweight feedback loops embedded in regular work rhythms. The emphasis on separating compensation from performance conversations and on flexible rather than standardised improvement plans points to a broader trend of disaggregating the traditional omnibus annual review into distinct, purpose-specific interactions. The repeated reference to HR technology as an enabler of feedback cadence suggests increasing platform dependency in performance management operations.

Validation Status: passed
