

Judgement day: farewell but not goodbye to performance reviews

Source: theconversation | **Author:** Dale Tweedie, David Wild (Macquarie University) | **Published:** July 23, 2015 | **PMS Relevance:** PMS RELATED | **Type:** Opinion/Commentary | **Geography:** Global

Source URL: <https://theconversation.com/judgement-day-farewell-but-not-goodbye-to-performanc>

Executive Summary

This article addresses the widespread enthusiasm surrounding Accenture's decision to abandon annual performance reviews, urging caution before declaring the practice obsolete. The author argues that eliminating formal annual reviews does not resolve the fundamental problems inherent in any performance evaluation system — namely, measurement bias, the invisibility of much workplace labour, and the tension between individual assessment and team-based work environments. Key evidence drawn upon includes cognitive bias research (the halo effect, the Veblen effect), critiques by performance appraisal scholar Christophe Dejours regarding the unmeasurability of much work, and the economic concept of marginal productivity. The article also highlights the distortion of incentives caused by measurement, using academic publishing pressures as an illustrative example. The author concludes that transitioning from annual to continuous or project-based reviews does not inherently address the core flaws of performance appraisal systems. The implication is that organisations moving away from annual reviews risk reproducing the same biases in new formats, and that honest acknowledgement of the partiality and fallibility of any evaluation system is a more meaningful starting point than structural reform alone.

Key Insights

1. Eliminating annual performance reviews does not eliminate performance evaluation — it merely changes its form, and the same cognitive and social biases remain present in alternative systems.
2. Much of what employees contribute at work is either immeasurable or invisible to managers, meaning any formal appraisal system captures only a fraction of actual performance.
3. Individual performance measurement is structurally misaligned with team-based work environments, and the economic premise of 'marginal productivity' underpinning individual reward systems is difficult to apply in modern organisations.

Practical Takeaways

- Organisations adopting alternative performance review formats — such as continuous appraisal or project-based reviews — face the same underlying measurement and bias challenges as annual review systems unless those specific issues are explicitly addressed in the new design.
- Acknowledging the partiality and fallibility of any performance measurement system, and creating genuine space for dialogue rather than issuing verdicts, represents a more honest organisational approach to evaluation.

Critical Analysis

Strengths: The article draws on established performance appraisal research and named scholarly critiques (Dejours, the halo effect, the Veblen effect), lending credibility to its scepticism. The argument that bias is systemic rather than format-specific is coherent and well-reasoned. The use of the academic publishing example effectively illustrates the distortion-of-incentives problem. **Limitations:** The article does not cite empirical studies directly, relying instead on named concepts and anecdote. It raises the question of whether performance review systems are necessary at all but does not engage with evidence on their measurable organisational outcomes, positive or negative. The piece offers no structured alternative, leaving the practical implication somewhat abstract. **Biases:** The tone is broadly critical of performance management systems, and the framing leans toward employee experience concerns over organisational efficiency. The article was likely written for a general academic audience, which may explain its emphasis on critique over prescription.

Organizational Practice

Accenture's decision to abandon annual performance reviews is cited as a catalyst for the discussion. The article describes a range of organisational alternatives being adopted, including project-based reviews, simplified performance indicators, and continuous appraisal. It also references heavily monitored workplaces such as call centres where performance is assessed via software on an ongoing basis.

Strategic Implications

The article points to a broader trend of organisations moving away from structured annual review cycles toward more fluid evaluation models, while indicating that this structural shift does not inherently resolve the bias and measurement validity problems that have long undermined appraisal systems. This suggests that PMS design conversations are shifting from format (frequency, timing) toward more foundational questions about what can legitimately be measured and how subjective judgement is institutionalised. The persistence of cognitive and social bias across all appraisal formats implies that evaluation system reform may require cultural and philosophical changes, not just procedural ones.

Validation Status: passed