

Job performance reviews are outdated and often pointless. Why do we still use them?

Source: The Conversation | **Published:** March 12, 2026 | **PMS Relevance:** PMS CORE | **Type:** Opinion/Commentary | **Geography:** Global

Source URL: <https://news.google.com/rss/articles/CBMitwFBVV95cUxPQ251V05IODFzcHpwWUVPUEN4TGJ>

Executive Summary

This article addresses the persistent use of traditional annual performance review systems despite substantial evidence of their ineffectiveness. The authors argue that conventional performance appraisal and KPI regimes are institutionally entrenched relics of a more predictable, place-based work era, and that they continue not because they function well but due to structural inertia, perceived objectivity, and embedded ties to remuneration and compliance cycles. Key evidence includes a 2024 Betterworks survey finding that 44% of employees viewed performance management as a 'significant failure' and that employees were 57% less likely than leaders to believe it was working; a 2025 Cornell University Center for Advanced Human Resource Studies analysis identifying why traditional systems persist despite poor outcomes; and established social science warnings about Goodhart's Law — the tendency for metrics to distort behaviour when they become targets. The article concludes that continuous feedback, adaptable short-term objectives, multi-source input, and future-focused development conversations represent a more effective alternative, and calls on organisations to evaluate whether their performance metrics themselves generate growth, motivation, and accurate value capture.

Key Insights

1. Traditional performance systems persist not because they are effective but due to institutional embeddedness, links to pay and compliance cycles, perceived objectivity, and the high cost of overhauling them.
2. A fundamental tension exists between using performance measurement for pay and promotion versus using it for learning and development — collapsing both into a single annual process undermines both goals.
3. When metrics become targets, they lose validity as measures — employees optimise for the score rather than the underlying outcome, a phenomenon the article links to gaming behaviour, shortcut-taking, and depressed quality and collaboration.

Practical Takeaways

- Organisations with persistent gaps between leadership and employee perceptions of performance management effectiveness may find the disconnect partly explained by the dual-purpose design of annual review systems.
- Continuous, real-time feedback mechanisms and multi-source input are identified in the cited research as more aligned with how high-performance work actually occurs compared to annual ratings-based assessments.

Frameworks Mentioned

360-Degree Review — A multi-source feedback approach in which performance insights are gathered from multiple colleagues rather than a single supervisor, providing a broader view of collaborative working.

Critical Analysis

Strengths: The article draws on named, time-stamped sources including a 2024 Betterworks industry survey and a 2025 Cornell University analysis, grounding its claims in specific data points. The identification of structural rather than purely rational reasons for system persistence is analytically useful. The Goodhart's Law dynamic is accurately described and well-applied. **Limitations:** The article is written as opinion-commentary, not as a research study, and the conclusions are advocacy-oriented. The proposed alternatives — continuous feedback, adaptable objectives, informal conversations — are presented without evidence of their own limitations, implementation challenges, or conditions under which they also fail. No counterarguments or cases where traditional systems function adequately are acknowledged. The Betterworks survey is produced by a commercial performance management software vendor, which represents a potential conflict of interest not disclosed in the article. The 'one widely cited review' referenced in the text is not named, limiting verifiability. The Cornell source is described briefly without full citation details.

Organizational Practice

The article describes widespread organisational use of annual performance reviews featuring rating scales, KPI tracking, output-per-hour metrics, sales quotas, and task-completion counts. It also notes that some organisations are moving toward continuous feedback cycles, short-term adaptable objectives, informal manager-employee conversations, and multi-source input as alternatives to annual appraisal rituals.

Strategic Implications

The article signals an ongoing and widening perception gap between senior leaders and employees regarding the effectiveness of performance management systems, which has implications for trust, engagement, and the legitimacy of reward decisions. The persistence of annual review structures despite available evidence of ineffectiveness points to institutional and structural factors — not just awareness gaps — as drivers of PMS design, suggesting that technology adoption or awareness campaigns alone are unlikely to shift entrenched practices. The shift toward knowledge-intensive, collaborative, and creativity-dependent work continues to erode the validity of output-based individual metrics, raising questions about how organisations calibrate performance measurement as task automation expands.

Validation Status: passed