P&C Specialist - Eight Ways to Rethink How to Review Employees

Today, managers are being urged to provide high-quality, continuous feedback, especially to retain younger workers. Here are some ways to do that effectively.

By Cheryl Winokur Munk | June 27, 2023

Insurers might want to think about scrapping their antiquated method of reviewing employee performance once or twice a year.

Some human resources professionals now favor providing high-quality, continuous feedback. They think offering ongoing assessments is especially critical in retaining younger workers who relish more frequent touchpoints. Insurers need to be doing more on an ongoing basis to satisfy the heightened level of engagement employees are craving, they say.

Insurance companies that don't follow this advice run the risk of employees becoming frustrated, not meeting their potential, or leaving for greener pastures. They're also missing an opportunity to gently sculpt people into more ideal workers.

Amy Sung, work and rewards global growth leader at WTW, said imagine what would happen if a football coach only spoke to a quarterback once a game or quarter rather than throughout the match. "And what if the coach said, 'I don't have enough time?' How helpful do you think that's going to be for performance?" she said.

With this in mind, here are eight tips for insurers to address employees' performance:

1. **Choose the Right Wording**

   To help people stay energized and focused, managers should be staying in touch with their reports once a week, said Patricia Carl, chief executive of Highland Performance Solutions, an organizational consulting firm in Oakbrook, Ill. Frequent check-ins should include reviewing progress against goals, discussing barriers to success, and linking performance to development opportunities, according to Sung. Managers shouldn't just say, "You didn't do well here." Rather, they should discuss specific ways to help the employee improve. David Wagner, founder of Clear Mission Consulting in Manchester, N.H., offers the example of someone trying to communicate that an employee is not being a team player. Instead of that wording, "it would be better to say, 'During meetings, I've noticed that you cut down other teammates' ideas and that undermines team camaraderie and morale,'" Wagner said. To address a lack of engagement, rather than a generic comment like, “We question your commitment,” the manager might give specific examples of where the employee fell short, such as by coming late to meetings or not taking part in discussions or generating ideas, Wagner said. Giving examples allows the employee the opportunity to provide context; maybe he is going through something at home or doesn’t feel comfortable speaking up for a particular reason, Wagner said.

2. **Share Good Feedback Too**

   Employees need to hear both positive and negative feedback, said Kristin Nease, senior vice president of human resources at Vertafore, an insurance technology company. When someone prepares for a meeting particularly well, articulates points succinctly, or performs a task in an exemplary manner, say so, Nease said. “Employees don’t necessarily know what to continue doing if managers aren’t specific.”

3. **Focus on the ‘How’**

   It’s natural for managers to want to focus on results, but “the ‘how’ matters as much as the ‘what,’” Nease said. She offers the hypothetical example of an employee who exceeds his sales goals, but who alienates his team in the process or uses scare tactics to accomplish his goals. High sales notwithstanding, this person shouldn’t be considered a high performer, she said.

4. **Avoid Remote-Worker Bias**

   With the rise of hybrid work, managers need to be careful not to ding employees who are following company guidelines, but happen to be in the office different days than their manager, said Casey Schaffer, U.S. lead of talent and culture transformation consulting at Capco. A bias can develop from not seeing someone in person on a regular basis. Schaffer encourages insurers to think more about outcomes and less about the employee’s location.

5. **Assess Impact, Not Time Spent**

   Companies may need to rethink their metrics for assessing a worker’s productivity, Schaffer said. Leaving at 5 p.m. doesn’t necessarily mean someone is less effective than a colleague who checks out two hours later. “If people can accomplish their goals in a high-quality way, make sure you are rewarding them for the outcome of their work and not the time that it took them to do it,” Schaffer said.

6. **Train Managers Properly**

   Consider providing training for managers, who may not be inherently good at offering constructive feedback. Managers may need skill-building in areas such as how to have challenging conversations, how to help employees set better goals, and how to have development discussions with employees, said WTW's Sung. Training can be accomplished through role-playing exercises or through manager forums where real-life scenarios are dissected and discussed for learning purposes, Sung said.

7. **Take a Big-Picture Approach**

   Formal checkpoints, such as an annual evaluation, are still important opportunities to help employees grow. This, though, is an area where many insurers miss the boat, said Lucy Pilko, a managing director and senior partner at BCG, who leads the consulting firm's North American insurance practice. It's a bad sign, she said, if a manager copies and pastes last year's review and only changes a few words. Also be sure to seek input from other people who work with the employee, so a review isn't just from one person's vantage point. In addition, managers shouldn't let their judgment be swayed solely by recent events. Rather, they should talk about the whole period under evaluation and the broader picture, which won't be hard to do if they've been giving continuous feedback and keeping notes, Nease said.

8. **Avoid Annual Surprises!**

   Carl of Highland Performance Solutions has seen situations where employees received feedback for the first time only during a formal annual review. While it can be uncomfortable for managers to have similar conversations throughout the year, it's far better for employees, teams, and the company when there's an earlier opportunity to correct unwelcome or troubling behaviors, or reinforce what's working well. It's also better for the manager because it means less scrambling at formal review time for anecdotes and examples that happened long ago. "Performance reviews should be the culmination of ongoing feedback conversations and not the sole opportunity for employees to receive feedback," Wagner said.

Correction: An earlier version of this article incorrectly attributed the quote in the last paragraph.