



FROM ANNUAL REVIEWS TO CONTINUOUS FEEDBACK: REINVENTING PERFORMANCE APPRAISALS

Only 14% of employees strongly agree that performance reviews inspire them to improve

Why Annual Reviews Fail

Once-a-year feedback creates three management control problems, lack of motivation and direction, and personal limitations.

Receiving feedback once a year undermines

growth: **LM:** effort feels invisible, **LD:** Employees don't know what to adjust, **PL:** No timely correction or coaching.

Emphasis on weaknesses kills confidence: **LM:** motivation drops from repeated criticism, **LD:** unclear what's working, **PL:** strengths go undeveloped.

Static goals ignore strategy shifts: **LM:** work feels misaligned, **LD:** no link between effort and strategy, **PL:** employees can't pivot or grow with business.

Barriers to Change

Manager Discomfort: Many managers were not taught how to give real-time feedback. Without training or a structured model like Renninger's 4-part framework, they default to vague, delayed, or judgmental input, causing anxiety and disengagement.

Time Constraints: Feedback is seen as an "extra task" rather than a habit. But integrating it into project debriefs, one-on-one meetings, and sprint reviews makes it feel less burdensome and more normalized.

Cultural Resistance: Top-down review systems create fear and skepticism. Leaders can model two-way feedback, show their own learning curves, and reframe feedback as collaboration, not criticism.

Psychology of Feedback

When feedback is poorly delivered, it triggers the amygdala's threat response. This four-part framework allows feedback to be absorbed rationally and constructively, which fosters psychological safety.

1. **Start with a micro-yes.**
2. **Follow with a specific observation.**
3. **Explain the impact of the behaviour.**
4. **Conclude by inviting dialogue and collaboration.**

Implement **Challenge Networks** where feedback becomes expected and normalized rather than anxiety-inducing.

Generational Changes

For organizations striving to engage and retain younger talent, adopting practices rooted in neuroscience and emotional intelligence is a necessity.

Gen Z: Expect real time, transparent communication and opportunities for continuous learning

Millennials: Respond best to feedback that includes rationale and developmental guidance

Managers need to build trust by offering real-time coaching and showing vulnerability to younger workers.



Modern Models of Feedback

60% of companies still follow the "status quo" performance rating process, or annual reviews.

Continuous Feedback Model: Frequent and informal check-ins that focus on goals, progress, and development offering support in real time

Two-Way Feedback Conversations: Emphasizes dialogue, shared goal setting, and accountability, employees gain more autonomy and psychological safety

Data-Driven Feedback Systems: Technology platforms track goals, contributions, and engagement, enabling employees to self-monitor and receive consistent, objective feedback that minimizes recency bias.