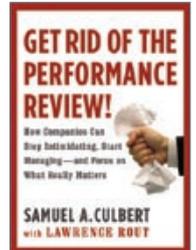BY RONALD E. KEENER

'Oh, no, it's performance review time!' The dark side of managing

All managers do performance reviews, and all managers hate them. And so do the employees who receive them. There's got to be a better way.

Samuel A. Culbert thinks so too, as the title of his book says plainly: *Get Rid of the Performance Review!: How Companies Can Stop Intimidating, Start Managing, and Focus on What Really Matters* (Business Plus, 2010).

Says Culbert in the opening page of the book: "This corporate sham is one of the most insidious, most damaging, and yet most ubiquitous of corporate activities. Everybody does it, and almost everyone who's evaluated hates it. It's a pretentious, bogus practice that produces absolutely nothing that any thinking executive should call a corporate plus."

Culbert has the background to know. He is a professor of management at UCLA Anderson School of Management and author of other business and management books. His co-author is Lawrence Rout, a senior editor at *The Wall Street Journal.*

Dr. Culbert responded to our questions:

You say that managers know how to intimidate but not how to manage. Sounds right, but how so?

The relationship between bosses and a subordinate should be one of honesty — where they each say what they think is the best way to get the company what it needs. But thanks to the performance review, that isn't the way things work in most organiza-tions. The performance review is a one-way street: Managers tell an employee what he or she is doing wrong. Period. No wonder employ-ees are afraid to say what they really think, lest they be accused of being defensive or inflexible. They are, in other words, intimi-dated into saying what they think the boss wants to hear. But not into saying the truth.

What should a performance review accomplish?

A performance review sho-uldn't accomplish anything, because it shouldn't exist at all. It simply serves to kill straight talk in the organization. And for no good reason.

If not performance reviews, then what?

I'm glad you asked. The alter-native to performance reviews is what I call Performance Previews. Instead of a monologue, it's a dia-logue. Instead of the employee being the only one accountable, it's both boss and subordinate accountable as a team. Instead of a subjective boss saying what the employee needs to do to improve, it's both parties telling the other what kind of support each needs to do the best job for the com-pany.

Shouldn't pay be attached to goal accomplishment?

The idea that pay is deter-mined by performance is one of the great fallacies. Pay is deter-mined by the market and by the company's budget. The perfor-mance review is then a story told to an employee to justify the pay that has already been decided.

What is a good employer — employee relationship?

I'm for hierarchy in struc-ture, which is where it belongs: clean jurisdictional lines, clar-ity about who makes which deci-sion and who stands accountable. But I don't believe in hierarchy in relationships where hierar-chy squelches expression. With performance reviews people put pleasing the boss ahead of saying and doing what they believe gets results for the company.

What was it that Jack Welsh used to turn around General Electric if not hierarchy and performance expectations? We laud and applaud Jack as a man-ager.

It's true that Jack Welch was lauded for GE's "rank and yank" system, where everybody was rated on a constrained formula: 20 percent excellent, 70 percent some form of average and the bot-tom 10 percent put on notice with most of those losing their jobs. I can't imagine a worst recipe for disaster.

It guarantees that bosses have to give some people lousy ratings, even if they don't believe they deserve it. And think about what it does to teamwork. If you know that only a certain percentage of people can get high marks, are you really going to help your col-leagues do better? No doubt about it, GE had successes, but it wasn't because of its performance review system. By the way, the boss's job is to make everyone successful. Why have a system where 70 per-cent get called average?