

Press Contacts

Colleen Rodriguez
Adobe
408-536-6803
corodrig@adobe.com

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Performance Review Peril: Adobe Study Shows Office Workers Waste Time and Tears

Adobe open sources "Check-in," an approach for companies seeking a change in managing employee performance saving more than 100,000 Adobe manager hours per year

SAN JOSE, Calif. — Jan. 11, 2017 — Most U.S. office workers participate in annual traditional performance reviews, but a large majority call the process outdated, time-consuming and stressful. "[Performance Reviews Get a Failing Grade](#)," a survey of 1,500 U.S. office workers issued today by Adobe (Nasdaq: ADBE), details how traditional performance reviews are considered unproductive and irrelevant by employees and their managers who go through them.

Eighty-eight percent of U.S. office workers surveyed report going through structured performance reviews, which include written reviews, often with rankings and ratings, on a mandated frequency. Many respondents say these reviews drive competition among coworkers, increase personal stress, and result in dramatic reactions such as crying and quitting.

"The findings from this survey show how time consuming, cumbersome and demotivating performance reviews are for many employees," said Donna Morris, executive vice president of Customer & Employee Experience at Adobe. "That was our experience at Adobe as well, prior to 2012. We abolished the review process and instead focused on ensuring employees and managers set priorities, gave and received feedback and charted career growth on an ongoing basis. The results have been higher engagement, improved retention and stronger company performance."

One of the first companies to eliminate the formal annual performance review, Adobe introduced the "Check-in" in 2012. Through this new approach, workers and managers have regular, informal conversations to set clear expectations, give frequent feedback, and talk about career growth. Adobe is open sourcing its tools and materials, along with sharing key tips for making the shift away from the annual review, as part of a [new website](#) launched today.

Key Survey Findings

According to U.S. office workers whose current companies have structured performance reviews:

Traditional reviews are a waste of time, especially for managers

- Office workers and managers consider performance reviews an unproductive use of their time.
- On average, managers spend 17 hours per employee preparing for a performance review.
- Close to two-thirds of office workers (64 percent) and managers (62 percent) agree that performance reviews are outdated ways of managing performance.
- More than half of office workers feel that performance reviews have no impact on how they do their job (59 percent) and are a needless HR requirement (58 percent).

Performance reviews cause stress

Structured performance reviews can elicit dramatic reactions, as rankings and ratings create competition and breed stress.

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- More than half of office workers agree that performance reviews put them in competition with one another (57 percent), and their manager plays favorites (61 percent).
- Close to two-thirds of Millennials (61 percent) would switch jobs to a company with no formal performance reviews even if pay and job level were the same.
- One in three Millennials has cried after a performance review (34 percent), 47 percent have looked for another job and 30 percent say they've quit outright.
- Men report especially strong reactions. One in four men has cried after a performance review (25 percent men vs. 18 percent women). Men are also more likely to have looked for another job (43 percent men vs. 31 percent women) or quit (28 percent men vs. 11 percent women).

Workers want a change

Workers are looking for a collaborative process with regular and qualitative feedback.

- A vast majority (80 percent) of office workers wants feedback in the moment rather than delivering aggregated feedback after a period of months.
- More than half (55 percent) of office workers and 66 percent of managers wish that their companies would get rid of or change the current performance review process.
- Office workers believe companies that have abolished traditional reviews are more likely to be flexible (46 percent), have happier employees (44 percent) and have a collaborative culture (38 percent).

Adobe open sources its "Check-in" approach to performance

Adobe made a dramatic move in 2012 to eliminate its annual performance review, which had included employee ratings, rankings and a rigid process for writing and submitting performance reviews. In the first year, the company estimated it saved 80,000 manager hours, the equivalent of 40 full-time employees, required by the previous process. With headcount growth since then, the company estimates it now saves more than 100,000 manager hours per year.

Since the change, Adobe has demonstrated higher employee engagement and retention and stronger performance management through a model it branded the "Check-in." This process focuses on two-way dialogue between manager and employee on an ongoing basis rather than heavy process and formal rankings.

"We love talking to other companies who are considering a move away from structured performance reviews, and many have adopted some form of Check-in already," said Morris. "Now we want to make it easier to share our experience with people who are exploring a model like this - whether they're in technology or a totally different industry. We thought we would apply the software open-sourcing concept to our own HR practices by sharing what we've developed."

Adobe's open source website includes the company's Check-in toolkits and resources such as Adobe's discussion guides and worksheets for managers and employees, which companies can draw from in order to implement similar programs of their own. The website also offers best practices and detailed FAQs about Check-in, as well as links to external case studies that provide a framework for launching a process similar to Check-in.

About the "Performance Reviews Get a Failing Grade" Report:

The "Performance Reviews Get a Failing Grade" study findings came from an online survey of 1,500 U.S. office workers who have been through at least one performance review. Research was conducted from November 28 to December 2, 2016. The research was commissioned by Adobe and produced by Golin. The margin of error for the sample is +/- 2.5%.

For more information and graphics on the research results, see the [blog](#), [infographic](#) and [full report](#).

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