

Press release
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One in three Kiwi companies don't think annual performance reviews are necessary

- 31% of New Zealand CFOs and finance directors don't think annual performance reviews are necessary – rising to 39% of small-sized businesses¹.
- 33% believe employees would prefer to receive feedback monthly; quarterly (29%); or even on the spot (19%).
- 53% nominate one-on-one discussions aimed at career development as a key step to keeping employees engaged and motivated.

Auckland, 16 November 2016 – The traditional annual performance review may be falling out of favour with New Zealand business leaders. Research by leading global recruitment company [Robert Half](#) confirms that more than one in three (31%) Chief Financial Officers (CFOs) don't believe annual performance reviews are necessary in today's workplace.

In today's fast-paced commercial environment only 3% of finance leaders in New Zealand believe employees want to receive feedback annually. The majority say their staff would prefer feedback on a more regular basis: 33% believe employees would like monthly feedback, 29% point to quarterly feedback and another 19% see value in providing immediate feedback on the spot.

There is less preference for annual reviews among small business leaders. Four out of ten (39%) CFOs of small organisations do not favour annual performance reviews compared to 26% of medium-sized businesses and 27% of large business organisations.

Megan Alexander, General Manager Robert Half New Zealand said: *“Performance management is still an important aspect of any Human Resources policy. If done efficiently and thoughtfully, performance reviews can foster a corporate culture that encourages staff career development and it can also be an effective way to improve employee engagement and loyalty.”*

“However, the chance to deliver feedback to employees and offer career development doesn't need to only happen on an annual basis. There are numerous other ways to keep employees motivated, and businesses need to be prepared to think creatively of other ways to gain the best output, results and loyalty from their staff.”

Looking beyond the performance review

Companies can use a variety of strategies to keep employees motivated, engaged and loyal to the company.

¹ Company Size Definitions

Number of staff in the respondent's business

Small	50-149 staff
Medium	150-499 staff
Large	500+ staff

More than half (53%) of New Zealand CFOs believe one-on-one discussions between employees and their managers which are geared toward career development can be effective in keeping employees engaged and motivated, closely followed by 52% who see training opportunities as being a source of motivation. Another 42% say awarding salary increases and promotions, followed by 41% who encourage employees to offer suggestions and putting their ideas into practice.

Interestingly, only one in five (21%) refer to employee recognition programmes and awards.

Other initiatives (beyond performance reviews) that can motivate and engage employees

	Overall	Small	Medium	Large
One-on-one discussions geared toward career development	53%	45%	59%	55%
Training opportunities	52%	55%	44%	58%
Providing salary increases and bonuses	42%	45%	35%	45%
Getting employees to contribute their ideas and implementing them	41%	55%	32%	36%
Employee recognition programs and awards	21%	24%	21%	18%

Source: Independent survey commissioned by Robert Half among 100 New Zealand CFOs and finance directors – multiple answers allowed.

Megan Alexander concluded: *“No matter what the occasion is to deliver constructive feedback, employer guidance is always useful to staff career development and progression. Employers who receive feedback from their boss can use it as motivation and be able to identify areas for improvement. This will help employees further develop their career and consequently increase their market value.”*

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Notes to editors

About the research

The annual study is developed by Robert Half and conducted by an independent research firm, surveying 100 Chief Financial Officers (CFO) and finance directors in New Zealand. This survey is part of the international workplace survey, a questionnaire about job trends, talent management and trends in the workplace.

About Robert Half

Robert Half is the world’s first and largest specialised recruitment consultancy and member of the S&P 500. Founded in 1948, the company has over 325 offices worldwide providing temporary, interim and permanent recruitment solutions for accounting, finance and technology in New Zealand. More information on roberthalf.co.nz.

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