Institute of Hospitality

WHITEPAPER

IS THE ANNUAL APPRAISAL DEAD?

flow
An inspiring way to learn

MAPAL software

At QOOT, employee appraisals are conducted once per month in the form of informal coffee chats. We've managed to create a culture of feedback, people are trained on how to give feedback, but perhaps most importantly to receive it too. The process is seen more as coaching than appraisals. The feedback is always constructive and aimed at improving performance of the business and individual. I´m grateful to work for a company that genuinely cares for its people."

MARCO REICK
DIRECTOR OF PEOPLE AND TALENT AT QOOT

Introduction

"The appraisal is dead. Long live the catchup." This was the title of a recent article in The Guardian newspaper, citing various major employers across the globe choosing to replace annual appraisals with more regular and sometimes less formal ways of discussing an employee's performance, development and feedback. It's true that some major businesses, like Adobe Systems in the technology space had dropped the practice altogether, but many companies still host this important annual affair, while some are opting for a hybrid approach. It's fair to say that almost nobody disputed the value of two-way communication about someone's career, but the time investment, real value and risks of saving up your feedback for one time a year is at question - especially in a sector like hospitality, where career decisions can be made on the spur of the moment and retention is lower than many other sectors.

Contributors

In this whitepaper we speak to two leading hospitality people & talent thought leaders about how they manage appraisals and regular reviews, as well as highlight the approach of businesses in other sectors.

Marco Reick

Director of People and Talent at QOOT

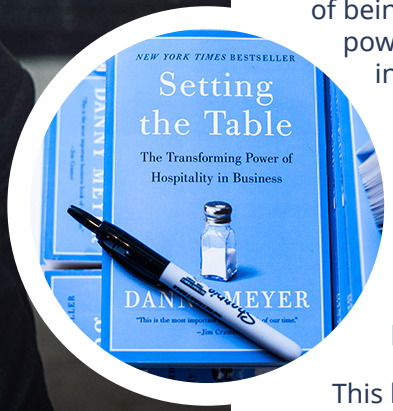
Marco Reick has spent his career in HR within a number of businesses in the UK hospitality industry and is featured on the 2018 and 2019 HR Most Influential list.

Currently People Director at QOOT, the international hospitality operator and investment company, operating brands such as by Chloe, The Gentlemen Baristas and the Lebanese Bakery amongst others.

Hayley Connor

Head of People and Learning at Brewhouse & Kitchen

Hayley Connor is head of people and learning at award-winning pub company, Brewhouse & Kitchen, a fast-growing operator of brewpubs with 24 venues across the UK. A well-known face in the hospitality L&D community, Hayley was the co-founder of the Beers & Peers and Hospitality Proud initiatives, with previous experience at The Restaurant Group, Antic London & IHG.



The need for two-way conversation is as strong as ever

Legendary restaurateur, **Danny Meyer** of Union Square Hospitality Group (USHG) has a philosophy called enlightened hospitality. Within his book 'Setting the Table' he talks often of the foundation of their business being about listening to their team members, continuously investing in their professional and personal growth. In an interview, he said "well before our staff members can extend any kind of meaningful hospitality to our guests, they need to first understand the importance of being on each other's side. Mutual respect and trust are the most powerful tools for building an energetic, motivated and winning team in any field. This starts with regular two-way communication."

Danny has attributed the success of his restaurants to a philosophy he calls enlightened hospitality. It stresses hiring those who can challenge themselves and others to be their best, and take their experience to the table, thus providing a dining experience that is beyond satisfying. It puts the team and their happiness first, so they are empowered to give the best possible experience to the guests.

This becomes a virtuous cycle where enlightened hospitality is the driving force. It's not about just taking care of the customer but doing so in such a way that you create an experience in the customer's life. Hospitality is making sure you provide that service in a way that makes the customer feel great about doing business with you.

It's not about just providing a service, but motivating and challenging teams to provide that service in more imaginative and gracious ways than the next guy. To provide that service in such a way that makes the customer feel warm, fulfilled, and genuinely better than before they walked through their doors.

The challenge with traditional appraisals

Most hiring is down to poor staff retention. Data from the US Bureau of Labor Statistics shows that 95% of hiring is filling existing positions. This makes reducing employee attrition and staff turnover key objectives in any people plan.

The concept of appraisals or reviews is not really questioned, most people accept that the process leads to engaged and fulfilled employees who have a clear idea about their individual and the company's objectives and direction - when delivered effectively, but it's not always the case.

A recent survey by Workforce Mood Tracker highlighted only 49% of workers find reviews to be accurate, and only 47% find them to be motivating. Performance reviews should offer a prime opportunity to build trust and improve culture, but in most cases fail to do so. So, the question is how can the process of performance and development management be improved to increase employee trust and happiness?

49%
Of workers believe appraisals are accurate

47%
Of workers find appraisals motivating

SOLUTION

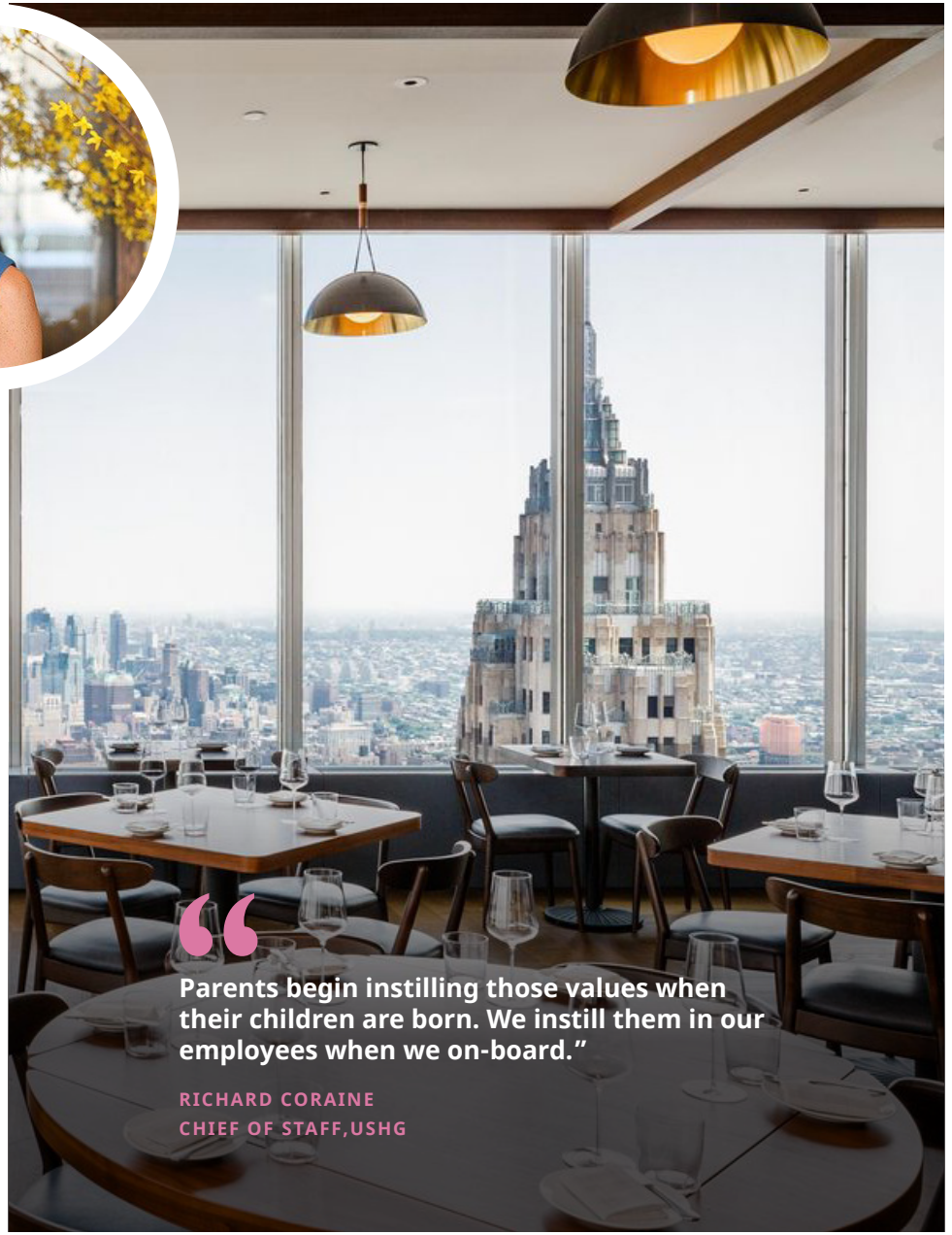
Link it to values & competencies

In order to ensure that regular feedback sessions become a part of your culture, link it to your values and competencies. For most people, sharing feedback can be uncomfortable but when all the team from top management down is doing it, it will quickly begin to be the new norm.

Erin Moran, USHG's chief culture officer says "Culture doesn't happen to people, it happens as a result of the human interaction. No one is a bystander. USHG invests in people in multiple ways to get them engaged in their jobs and in the culture."

During her first five months as chief culture officer, Moran worked in various restaurant roles in the kitchens and dining rooms. After her "tour in the trenches", she designed and implemented a company-wide culture survey that was more like a "mini interview with every employee." The main concern, she learned, was inconsistency in middle management leadership. "Danny had written the book, but leaders were still doing their own thing," says Moran.

The "Family Values and How to Live Them" were introduced in 2016 with four painstakingly wordsmithed USHG definitions of excellence, entrepreneurialism, hospitality, and integrity, each with three statements of behaviours and expectations. The family values are a new addition to the USHG lexicon and a teaching and conversation resource.



SOLUTION

Increasing the frequency of review meetings

Our industry experts unanimously agreed that annual appraisal isn't fit for modern management. When taken in isolation, it's deemed obsolete since teams want to hear feedback more often and in a less formal way.

Marco Reick, director of people and talent at QOOT abolished annual reviews when he was working as the People Director at better fast-food concept LEON. He says that people need to hear feedback more often than once per year. "When you speak to your employees about their performance and behavior just once a year, you won't hear what they really think and feel. Giving and receiving feedback annually is really a bureaucratic nightmare that is unproductive for both sides as you would probably look at the last minute what was agreed the previous year and try to fill in the "correct" answers to your appraisal form. "

> **Hayley Connor, Head of People and Learning at Brewhouse & Kitchen agrees that feedback should be regular and fluid.**
> **"The performance reviews should be more about an individuals development rather than all about business performance.**
> **At Brewhouse & Kitchen we use the Appraisals functionality to conduct the more formal semi-annual appraisals together with the Workbooks which is a living document where the employee can document their progress continuously. In addition to the semi-annual appraisal meetings, the in-house trainers are doing shorter coffee chats with their teams on a regular basis."**

HAYLEY CONNOR
HEAD OF PEOPLE AND LEARNING AT BREWHOUSE & KITCHEN

SOLUTION

Focus on lifelong learning, not just ticking boxes

We all know that employees have limited time. So naturally, learning falls into the shadows of work goals. Instead, you want employees to see learning as a critical part of achieving performance goals. Without connecting learning to work performance, your business will never unlock the benefits of lifelong learning.

Make learning goals “real” by discussing individual learning KPIs and milestones in addition to the business KPIs, with each employee during their regular check-ins.

There is no one–size-fits-all when it comes to the metrics to evaluate the performance of your employees. They depend on the specificity of the business and employees and should be developed together as a team.

Brewhouse & Kitchen uses five KPI’s that they measure ranging from the happiness of their team to the following of the B&K values. By using a behaviour grid together with personal development objectives, it ensures team members understand their future development needs and help to create a training plan that is then tweaked bi-annually.

Other KPIs that are often measured are the profitability of the business, customer feedback and individual sales development.

Be sure not to make the check-in’s all about numbers, however, focus on performance and personal development goals.

“During the monthly coffee-chats at QOOT, the P&L is still reviewed with the managers however these meetings are not about numbers. The KPIs and objectives are still there as a basis but it’s more about discussing the performance and coaching by sharing corrective actions for the future development.”

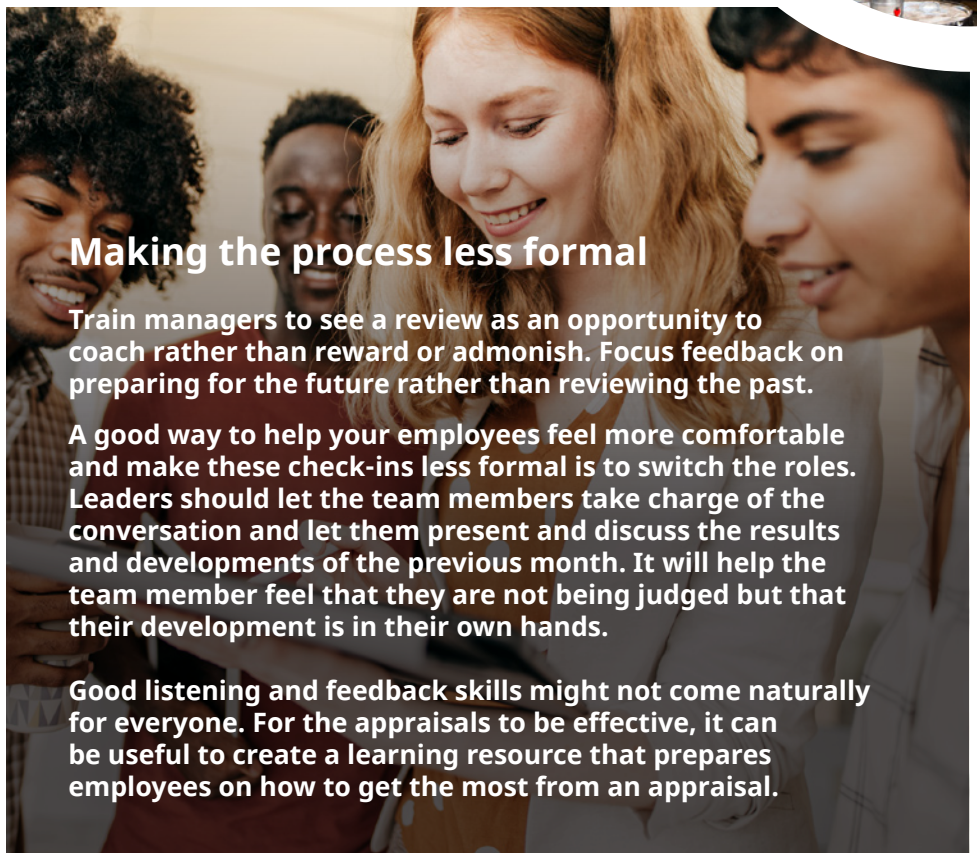
MARCO REICK
DIRECTOR OF PEOPLE AND TALENT AT QOOT

SOLUTION

Encouraging leaders to listen more & let the team member take the lead

“When conducting the regular coffee chats at QOOT, the roles are switched and employees are presenting the results of the past month like it was their own business. The manager can then share their plan of corrective action and goals for next month.”

MARCO REICK
DIRECTOR OF PEOPLE AND TALENT AT QOOT



Making the process less formal

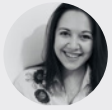
Train managers to see a review as an opportunity to coach rather than reward or admonish. Focus feedback on preparing for the future rather than reviewing the past.

A good way to help your employees feel more comfortable and make these check-ins less formal is to switch the roles. Leaders should let the team members take charge of the conversation and let them present and discuss the results and developments of the previous month. It will help the team member feel that they are not being judged but that their development is in their own hands.

Good listening and feedback skills might not come naturally for everyone. For the appraisals to be effective, it can be useful to create a learning resource that prepares employees on how to get the most from an appraisal.

Prepare people well for the appraisals

“We realised that people really want to receive feedback but being at the other end and sharing it, is less preferred. To combat this, we created a video training module that helps our employees to prepare for the appraisal meetings and this has really helped to get the buy-in needed from the managers”



HAYLEY CONNOR
HEAD OF PEOPLE AND LEARNING AT B&K

SOLUTION

Ensuring the process takes place at all levels of the organisation

Getting team buy in is crucial for the system to work. There is little point in creating a comprehensive employee appraisal system when not all the team members are buying in to the concept of giving and receiving feedback.

In the most effective companies, it is a process that runs right through the business from top to bottom and embedded into the culture. When hosting management sessions, it´s better to be visable in the venues, rather than in a head office, so it is clear that everyone in your organisation is being given feedback, leading by example.

Find an influencer

Marco recommends finding an early adopter who believes in change, can leverage their influence in the company and helps to spread the idea across the ranks, rather than it seeming to come from the top.

“Finding an influencer among the employees who is not in the management team but is very respected and cared for in the company, helps to spread the word even more and make it a part of the culture.”

“To get team buy in, the support and leadership teams try to be present in the sites as much as possible to help the line managers understand the importance of good leadership. As we scale our business, technology like Flow is also of great help.”

SOLUTION

Make the process more transparent and consistent

Lastly, for culture of feedback to stick, it needs to be transparent and done consistently. Learning and workforce management solutions, such as Flow are here to help.

Prepare the team for appraisals by scheduling regular coffee chats in the training calendar and using the appraisals functionality to have people assess their own performance and contentment in their role. And finally, use Workbooks as a constantly evolving tool where you document the career development goals together with the notes on progress.

Both, Marco and Hayley agree that technology allows them to conduct the appraisals more effectively with transparence, all recorded and accessible in Flow for both the leader and the team member. There is no need to worry about lost papers or accidentally deleting files.

“The Flow learning platform enables us to have a swift and transparent process. With the 45-minute coffee chat scheduled, everyone has done their homework before and thus the meetings can be productive and straightforward.”

MARCO REICK
DIRECTOR OF PEOPLE AND TALENT AT QOOT

SUCCESS STORY

Soho House & Co rolls out Flow appraisal management tool

The globally renowned Soho House & Co, has completed the roll out of the Flow Hospitality learning management solution across its business, becoming the first major operator to activate the recently released performance appraisal solution across a global estate for the hospitality industry. **The solution is being used by more than 6,000 team members across 96 sites**, including members' clubs, restaurants, cinemas, workspaces, spas, and bedrooms in Europe, Asia & North America.

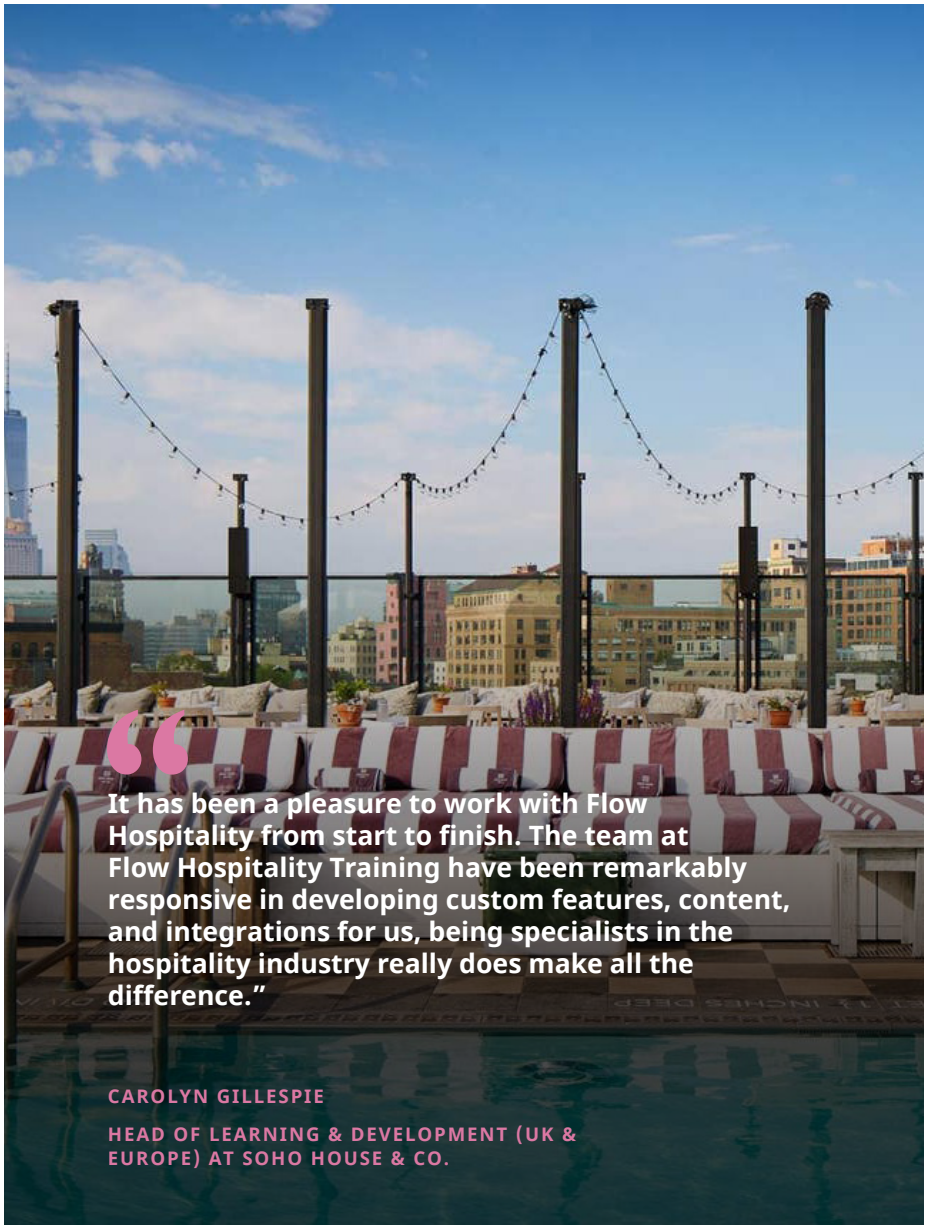
Moving from a traditional paper-based appraisal system to an online management platform

Moving from a traditional paper-based appraisal system, the Flow Hospitality appraisal management platform created a consolidated global view of people development and career progression. This streamlined the process of performance review management, ensuring this important engagement practice was being adhered to across all sites, and enabled senior leadership to make more robust decisions when it comes to skills development, placement, and promotions.

How an online appraisal management system helps build transparency and learning pathways for hospitality workers

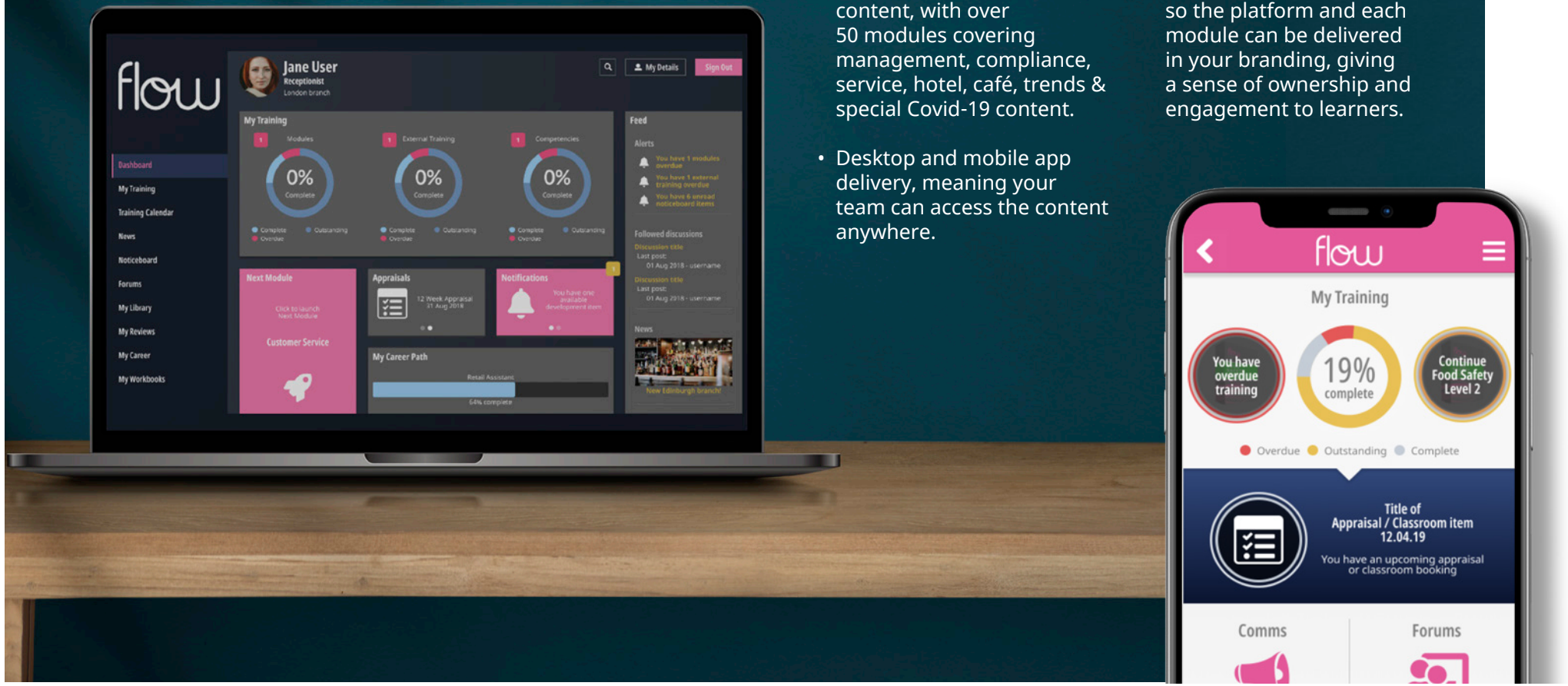
Connectivity has been built to 11 payroll systems globally, avoiding lengthy administration tasks or laborious manual entry for the HR teams.

For individuals working at Soho House & Co, the solution they are logging into is a branded system and the forms are completely tailored to the business, considering performance measures, company values and culture. By being online, it provides greater transparency and access to their previous performance reviews, which is particularly important as pay rises are closely linked to their outcomes at the company.



Introducing flow

- Europe's leading learning management platform for restaurant and hospitality businesses.
- The home of hospitality content, with over 50 modules covering management, compliance, service, hotel, café, trends & special Covid-19 content.
- Desktop and mobile app delivery, meaning your team can access the content anywhere.
- Module builder to allow you to create your own customised content for your business.
- Ability to apply dynamic skins so the platform and each module can be delivered in your branding, giving a sense of ownership and engagement to learners.



COMPLIANT VENUES
REDUCED TRAINING COSTS
IMPROVED EMPLOYEE ENGAGEMENT
MORE CONSISTENT SERVICE
HAPPIER CUSTOMERS
IMPROVED OPERATIONAL CONTROLS

Trusted by over 900 brands

flow

An inspiring way to learn

WANT TO KNOW MORE?

FLOW HOSPITALITY TRAINING
www.flowhospitalitytraining.co.uk
Enquiries@flowhospitalitytraining.co.uk
08444457119

MAPAL SOFTWARE
www.mapalsoftware.com
hello@mapalsoftware.com
+ 34 917 681 560

MAPAL
software