

A REFLEKTIVE GUIDE

What is Best-in-Class Performance Management?

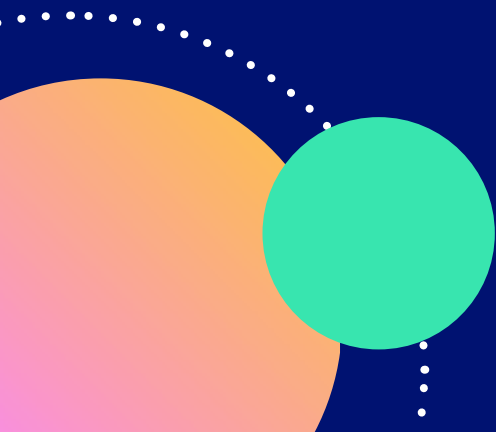


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Introduction



Since Reflektive was founded, we've partnered with hundreds of innovative companies looking to roll out flexible goals, ongoing feedback, and dynamic performance reviews.

Through our close partnership with customers, academics, and HR leaders, we've also developed best practices for driving scalable performance management programs. The best practices in this ebook, paired with Reflektive's performance management solution, have helped customers boost productivity by 92%, and manager-employee alignment by 91%¹. **Let's get started!**

Overview

All successful performance management programs have one thing in common: they focus on **employee development** as their primary objective. Employee development is the key driver in recognition & feedback processes, 1:1 conversations, and performance reviews.

The best way to drive employee development is with continuous feedback from peers and managers. By enabling all employees to receive both positive and constructive feedback - and using this data for strategic HR initiatives - businesses can drive the right initiatives, at the right time.

¹ Based on user surveys pre- and post-implementation.

The Evolution of Performance Management



Traditionally, performance management was centered on annual or bi-annual performance reviews.

Innovative companies (including Google and Accenture) quickly realized that this approach wasn't working for their business — or their employees. With a rapidly evolving business landscape and competition to retain top employees, companies began looking for programs that enable continuous alignment between employees and managers.

Forward-thinking companies realized that building a culture of ongoing feedback would enable them to improve performance, productivity, and employee engagement. More details on the traditional model of performance management vs. an employee-centric approach are available below:

Traditional Performance Management

Annual/Bi-Annual Performance Reviews

- Developed as an evaluation of the employee, focusing on **past performance**
- Includes discussion of performance and compensation in **one conversation**
- Employees receive feedback **once or twice per year**, not in the moment
- Feedback from direct manager



Next-Generation Performance Management

Continuous Feedback

- Covers **recent experiences** to enable employee growth and development
- **Separates** performance and compensation **conversations**
- Annual or semi-annual performance reviews exist within a larger context of **continuous conversations**
- Feedback from direct manager, peers, and cross-functional stakeholders

Best Practices for Performance Management



It's clear that continuous feedback is more valuable than annual performance reviews for both companies and employees. However, what is the best approach to drive continuous feedback and other key elements of performance management programs? After partnering with 500+ companies over 6 years, we've developed best practices for a comprehensive program that empowers teams, managers, and employees to do their best work:

1. Receive ongoing feedback from relevant stakeholders

Creating a culture of continuous feedback has a huge impact on business performance. People who receive meaningful recognition when they perform well are over 3X more likely to work harder than they have at past companies.² People who receive helpful feedback are 2.6X more likely to be at their company two years from now.³ So what programs and processes can companies put in place to build this culture of feedback? We recommend investing in a robust technology solution that includes the following:

360 and Team Feedback

360 Feedback

Many people perceive feedback as a one-directional communication between a manager and her employee. However, a complete picture of employee performance requires input from colleagues as well. We recommend a 360 feedback program that incorporates the following elements:

- **Objective:** We recommend a program focused on development, not a performance evaluation. Constructive feedback that can be applied to future projects is more helpful than a simple evaluation of past performance.
- **Cadence:** Given the effort involved in 360 feedback programs, we recommend running them 1-2 times per year.
- **Feedback Givers:** We recommend that 360 programs always incorporate feedback from managers and direct reports, since they work most closely with the individual. The other feedback providers can be peers that the employee works closely with, on their team or on a different team.

² Based on a Reflektive survey of 1,000+ US workers.

³ Based on a Reflektive survey of 1,000+ US workers.



- **Number of Feedback Givers:** Employees should request feedback from 3-5 people, so they will ideally receive at least 3 responses.
- **Questions:** For an optimal employee experience, we recommend a simple form with 3-5 questions. The “Start-Stop-Continue” methodology is simple and applicable to all roles. Sample questions are below:
 - In what ways did this person impact their team and/or company over the past 6 months?
 - What do you want this person to start doing, to benefit their professional growth?
 - What do you want this person to stop doing, to benefit their professional growth?

Team Feedback

Team feedback is a less formalized, more frequent component of successful performance management programs. Our recommendations for team feedback are below:

- **Objective:** Similar to our 360 feedback program recommendation, we believe team feedback focused on employee development is most beneficial for the employee and her performance.
- **When to Request Team Feedback:** Team feedback is valuable in many situations. An individual may want feedback after a big presentation, to assess their speaking skills. Or engineers may desire regularly-scheduled feedback after each sprint. There is no one-size-fits-all approach, and it’s important to have a technology solution that can support many use cases for team feedback.
- **Cadence:** Similarly, there is no perfect cadence for requesting team feedback. However, we do recommend team feedback if a team completes a key milestone, finishes a project, or reaches another important inflection point.
- **Questions:** Similar to 360 reviews, we recommend a short questionnaire to drive completion for team feedback. 3-5 questions that are structured, specific, and actionable are appropriate for most team feedback situations. Sample questions are below:
 - What is one behavior I should start doing to benefit the team?
 - What is one behavior I should stop doing to benefit the team?
 - How am I performing on [specific work competency]?
 - How am I demonstrating [company value] on this project?



2. Launch a public recognition wall, and encourage all employees to share praise there

Having a place where all employees can see positive recognition across the company makes a difference in employee morale and engagement. In fact, companies that successfully enable employee recognition have a **31 percent lower voluntary turnover rate**.⁴ We recommend that organizations have an easily-accessible public recognition wall, and encourage all employees to provide praise – both within and across teams. This will help foster better cross-functional communication and alignment, and ultimately, happier employees.

Similar to other social networking tools, we recommend that the public recognition wall has functionalities for employees to review, comment, and like posts. This dynamic recognition wall provides opportunities for employees to engage and show support in multiple ways.

Recognition Best Practices

Recognition is most effective when it is:

- Provided consistently by employees
- Delivered in a timely manner
- Inclusive of the specific items that the employee did well

3. Conduct engagement surveys to get a holistic picture of employee sentiment

Another crucial type of feedback is from employees back to their company. Employees want to know that their voices are heard, and that they have a say in their company's future trajectory. One method of capturing this employee feedback regularly is through company-wide engagement surveys. We recommend the following engagement survey cadence:

One annual engagement survey to assess overall employee sentiment and how it has changed over time

Two follow-up pulse surveys on key issues that are important to your employee population, such as benefits, communication, etc

Onboarding survey for all new hires to drive continuous improvements to the onboarding experience

Exit survey for all employees departing voluntarily to better understand key attrition drivers

⁴ Source: <https://www.reflektive.com/blog/recognition-motivation/>.



After an engagement survey is run, it's important for HR teams to quickly access survey results, drill into potential areas of concern, and take action. This enables them to act on issues that are important to employees now, and also share the results with their workforce. When employees know that their voices are heard, they're more likely to be engaged — and stay at their company.

For instance, **Snag** partnered with Reflektive to run an engagement survey, analyze the data, and share insights with their entire workforce. Not only are employees happier with the added transparency, but fewer of them are interviewing with other employees.

With the right tools and visibility, companies can boost employee satisfaction and retention.

“By being vulnerable and not dancing around things, we were able to show our commitment to positive, long-term partnerships with our employees.”

—**Katie Webber**, *Senior HR Manager, Snag*

4. Select a goal methodology, and drive adoption across the entire company

Building a culture of feedback requires alignment within teams, departments and offices. Seamless communication and recognition help drive company cultures forward too. However, high-performing teams and individuals need the right goals program – and goal visibility – to drive their best work forward. A company-wide goals program also helps ensure that the most important projects are getting attention.

For instance, **Exabeam** implemented cascading goals for all employees, including contractors and full-time employees, from the Bay Area to Ukraine. The results?

90% of employees hit their goals

Company-wide attrition is **much lower than average**



Prior to launching a new program though, we recommend that HR leaders think through the following elements:

Purpose

We believe goals are not tasks nor are they job descriptions. Most business activities should happen **outside** the purview of a goal. Instead, employee goals should focus on:

- Improving quality (e.g., better results for your deliverables)
- Boosting productivity (e.g., getting more done in the same amount of time)
- Gaining hard skills (e.g, comfort in using a new type of software)
- Improving soft skills (e.g., feeling more comfortable when presenting to coworkers)

Methodology

There are several strong goal methodologies available, such as Objectives and Key Results (OKRs), SMART goals, and FAST goals. We don't believe that one methodology is better than any other -- each has its own strengths and weaknesses, and may be better suited for particular cultures or company sizes. Instead, we think it's most important to **commit to a methodology** and stick to it.

Frequency

For most businesses, we recommend that goals are set at least **quarterly**. At this cadence, teams and employees can break down large, company-wide goals into actionable tasks that they can realistically accomplish. A quarterly cadence also helps keep goals relevant. Younger companies can also adopt a more frequent cadence for goal-setting.

Goal Creation

We recommend that each employee creates their own goals. These goals can support company-wide objectives, or be developmental in nature (e.g., improving soft skills). However, we do recommend that employees share their goals with their managers to ensure that they're focusing on the right initiatives for the company and the employee.

Transparency

In addition to selecting a methodology and updating goals every quarter, companies need to ensure that there is **goal transparency** – both within and across teams. Per Reflektive's **The Future of Teamwork: 2020 Reflektive Trends Report**, those who have visibility into other teams' goals are **81% more likely to agree** that there is good alignment between their team and other teams. To drive goal transparency, we recommend a performance management solution in which employees can see goals for other peers, teams, and departments. Technology in which employees can see goals in their favorite apps - such as Slack, Gmail, and Microsoft Teams - also boosts visibility and alignment.



Follow-Up

Equally important to goal updating is **goal follow-up**. Employees should discuss goal progress with their managers on a bi-weekly or monthly basis to ensure they are tracking to successful completion. Goal progress can be discussed informally (e.g, via the public recognition wall or in 1:1s), or in more formal settings (e.g., reviews).

To recap, there are several key decisions involved in launching a successful goals program. By incorporating best practices, employees will have a strong understanding of how their goals impact the success of the company.

5. Launch structured, frequent 1:1 conversations between managers and employees

Great performance management programs also include regular 1:1 conversations between managers and employees. These informal conversations help boost manager-employee alignment, and also generate helpful feedback – for the employee, manager, and the company.

Purpose

1:1 conversations enable open and honest dialogue between managers and employees. There are several types of conversations that can take place during 1:1s:

- **Coaching:** The employee has a work challenge or goal, and discusses with her manager different possible approaches
- **Career Discussions:** The employee shares her career goals, and has an open dialogue with her manager about how to accomplish them
- **Employee Feedback:** The employee shares constructive feedback on how the company could be a better place to work

Employees can also augment **cross-functional relationships** with weekly or bi-weekly 1:1s with their closest stakeholders. For instance, to drive alignment and provide timely updates on product development, product managers can sync on a weekly basis with product marketing managers. Reflektive's 1:1 solution supports conversations across the entire workforce, including managers, direct reports, and peers.

Frequency

We recommend a **weekly** cadence for manager-employee conversations. This enables managers to provide timely coaching, and gather continuous feedback from employees.

By leveraging 1:1s as a time for employees to share feedback and discuss projects, managers can gather up-to-date information and ultimately help improve employee performance and engagement.



6. Pair performance reviews with 360 reviews and continuous feedback for more productive conversations

Though it may seem counterintuitive, we do recommend performance reviews as a key component of next generation performance management. Performance reviews are different from 360 reviews because they are centered on the employee-manager relationship, and focus on skills and performance expectations. Reviews should incorporate insights from 360 reviews, team feedback, and peer recognition, and should reflect overall performance.

There are a few other ways that we think reviews should be different from how they've been conducted in the past:

Reviews should deliver value for all constituents. They should not be perceived as a corporate requirement, but instead help employees understand strengths and areas of opportunity, and help managers set expectations and address issues.

Reviews should not have surprises or new content, because managers should have regular 1:1s with their employees

Purpose

From a high level, performance reviews provide an opportunity to inform compensation and promotion decisions. The meeting itself provides an opportunity for managers and employees to:

- Discuss performance, key accomplishments, and learnings
- Share the employee's impact and contributions to the organization
- Confirm key work objectives
- Discuss career growth goals
- Share feedback from peers



Questions to Get Managers Started

We recommend short, direct questions that can develop into a meaningful conversation between the manager and the employee. Rachel Ernst, VP of Employee Success at Reflektive, suggests the below questions:

- What expectations did we agree upon? Please describe observed performance relative to these expectations (specific deliverables, relationships or knowledge to build).
- What would you like to see your employee doing more often? Less often?
- What skills are important for this job and provide observations of how well this employee has exhibited these skills.
- What areas are important for this employee to learn, in order to grow further in their role?

By pairing performance reviews with continuous feedback, these more formal conversations will be less dreaded – and provide real value to employees and managers.

The Model Program



So with all of these best practices, what does an ideal performance management program look like? As a standard template, we recommend the below calendar. It includes:

- Continuous recognition
- Quarterly goal-setting
- Weekly employee-manager 1:1s
- 1 360 review
- An annual full engagement survey, and two follow-up pulse surveys
- 1 traditional performance review

Recommended Annual Performance Management Calendar 2019

	Q1			Q2			Q3			Q4		
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Talent Management												
Workforce Planning & Talent Review									Workforce Planning & Talent Review			
Goals	Q1 Goal Setting			Q2 Goal Setting			Q3 Goal Setting			Q4 Goal Setting		
Recognition	Recognition											
Performance Management												
Reviews		360 Review								Traditional Performance Review		
Calibration	Calibration											
Merit		Merit Planning										
Continuous 1:1s	Continuous 1:1s											
Surveys												
Engagement			Annual			Pulse			Pulse			
Onboarding and Exit Surveys	Onboarding / Exit											

However, companies are encouraged to make adjustments to this calendar based on their business needs. For instance, if your organization has more frequent goal-setting, or a less frequent 1:1 cadence, it should be reflected in their performance management program.

Conclusion



There are many things to keep in mind when you build out your next-generation performance management program. However, the key takeaway is that your program should focus on **growing and developing employees**, rather than continuing initiatives because they've always been done.

Enabling ongoing, productive conversations helps drive employee development and engagement, as employees feel that they are valued at your company. With an employee-centric lens, your performance management program can help boost productivity and retention, and drive positive change throughout your company.

Vendor Comparison



The table below will help you evaluate vendors and ensure you have all the crucial components for a successful performance management program.

VENDOR	REFLEKTIVE				
1:1S	✓				
PUBLIC RECOGNITION WALL	✓				
DYNAMIC FEEDBACK	✓				
SUPPORTS YOUR GOAL METHODOLOGY	✓				
TEAM TOOLS	✓				
ENGAGEMENT SURVEY	✓				
ONBOARDING SURVEY	✓				
EXIT SURVEY	✓				

Notes