

HR TRENDS REPORT

REVIEWS, CALIBRATION, AND
REDUCING BIASES



Table of Contents

1. Introduction / 03
2. Review Trends / 06
3. Calibration Trends / 11
4. DEI Trends / 15
5. Looking Forward / 22
6. Conclusion / 24



1. Introduction

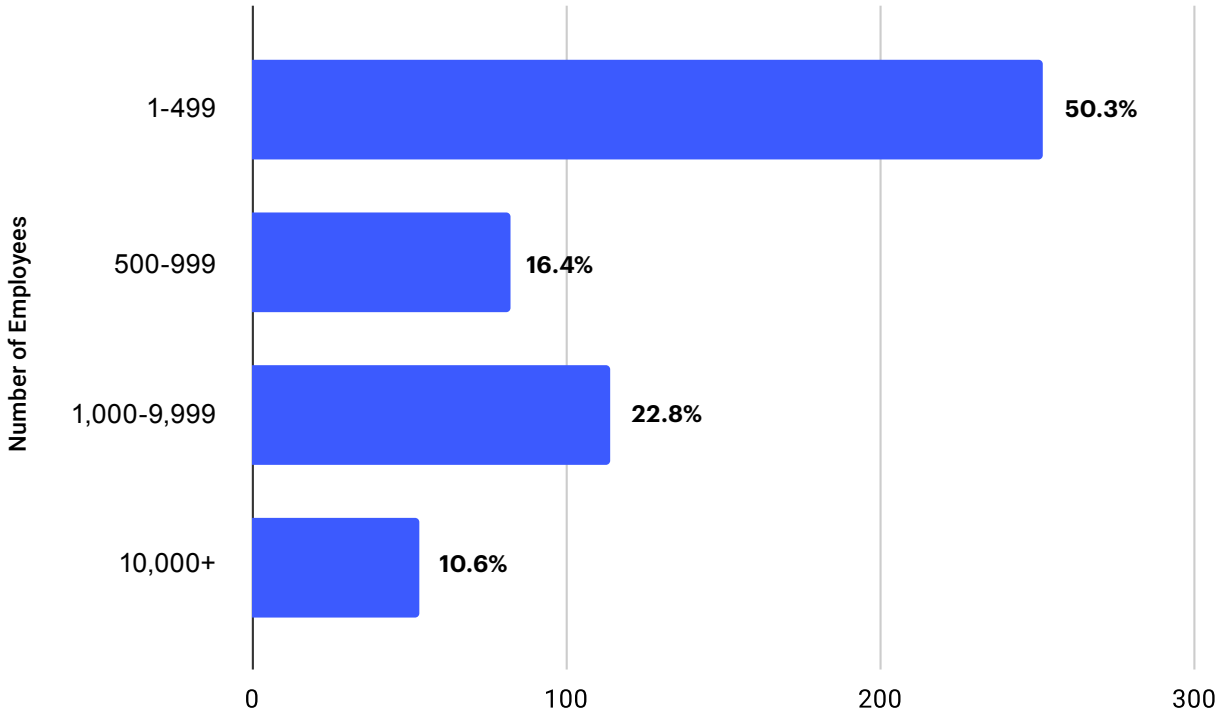
In 2020, HR professionals around the world adjusted their processes and programs based on evolving business needs. Many HR teams were unsure how to proceed with reviews and other performance programs. They could [simplify and adjust](#) their programs, or continue with “business as usual.”

Given the uncertainty around performance assessments, Reflektive launched a survey to better understand the changes that companies made to their review and calibration programs.

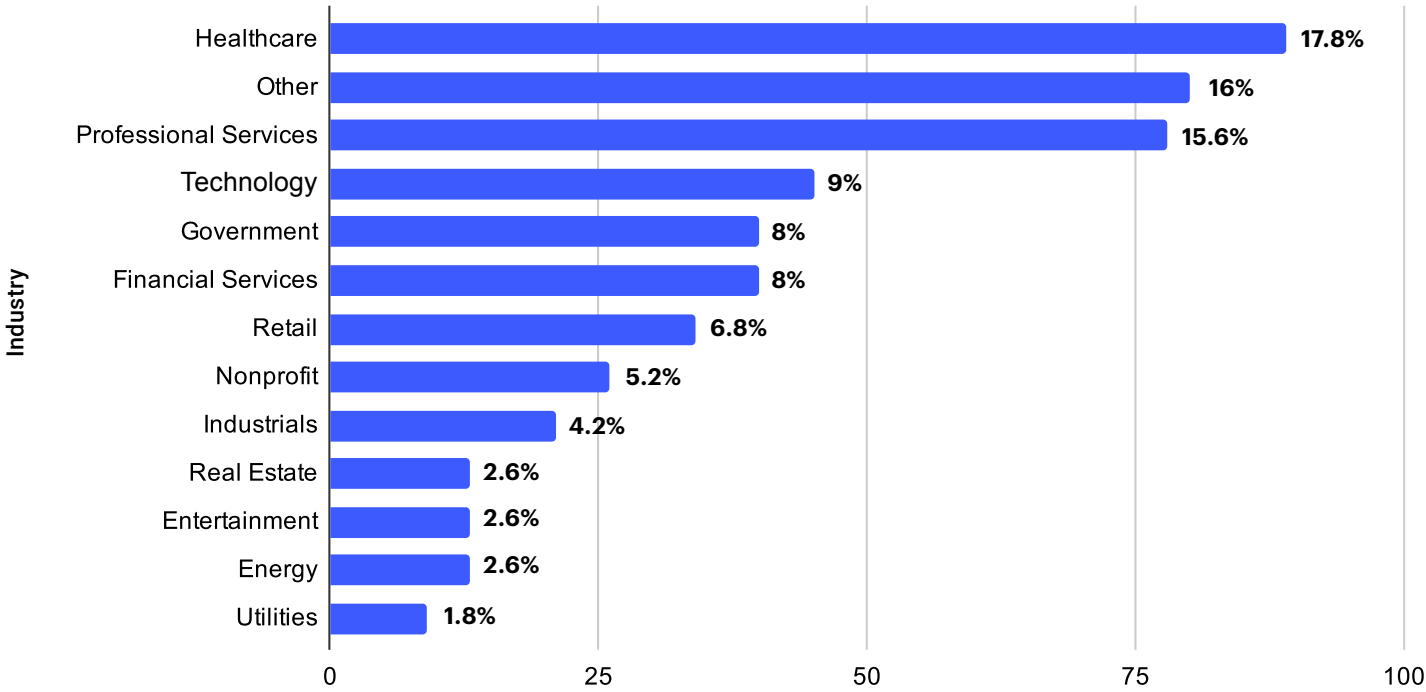
We also sought to learn how organizations are augmenting Diversity, Equity, and Inclusion (DEI) efforts and removing biases.

We surveyed 500 HR professionals and business leaders to understand the current state of their programs, and how they are planning for the future. The bright side? Many companies made changes to their reviews program to better accommodate employee needs. Even better? The vast majority (82%) like the changes they made, and expect them to continue into 2021. Read more to see how companies around the world responded to the events of 2020.

Respondent Breakdown by Company Size



Respondent Breakdown by Industry



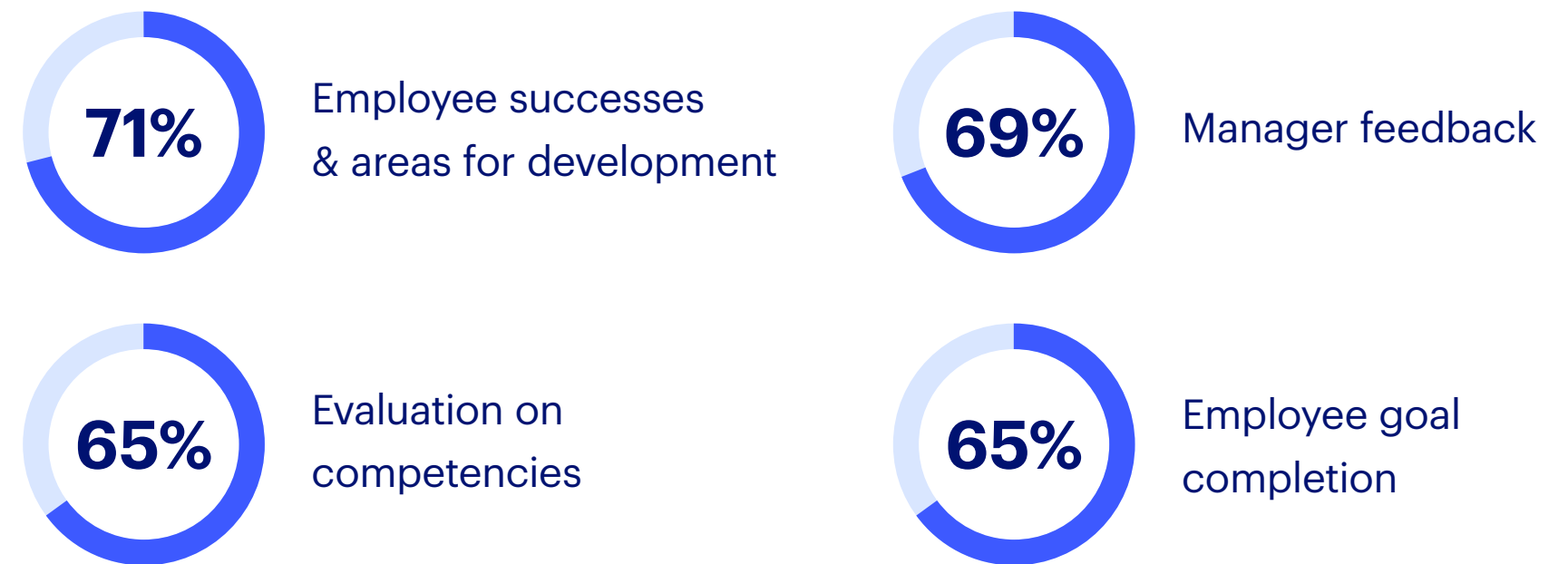
2. Review Trends

Current State of Reviews

HR teams are not running reviews for the sake of it -- performance assessments play a strategic role in accomplishing key company goals. We asked HR professionals and business leaders about the primary objective of their review cycle. The most common responses? Making promotion and pay raise decisions (35% of respondents), and better supporting company-wide objectives (22%).

Reviews also provide valuable content for the business and the employee, with insights on development, competencies, and goal statuses.

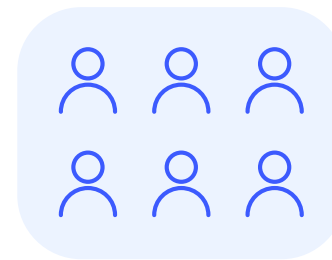
Most popular content to include in review forms:



2. Review Trends

Employees are also receiving performance feedback from multiple colleagues. Twenty-three percent of survey respondents said that three people, on average, provide feedback in review cycles. Another 23% of respondents said that six colleagues provide feedback on average. “This data speaks to the prevalence of 360 reviews,” says Rachel Ernst, CHRO at Reflektive. “Data from multiple coworkers helps employees better understand how they are perceived, and how aligned perceptions are across peers. With this information, employees can better develop thoughtful plans to improve their performance. Additionally, 360’s help managers get a holistic view of the employee’s skillsets.”

Most common # of feedback providers for reviews:



6 or more
(**23%** of respondents)



3
(**23%** of respondents)



2
(**20%** of respondents)

2. Review Trends

Higher Completion Rates Among 30% of Respondents

Thirty percent of respondents said that the completion rate for their most recent review cycle was higher than before. Only 18% of respondents said that the completion rate was lower. A contributing factor to the higher completion rates may be education efforts from HR. Respondents leveraged a variety of tactics to inform employees about upcoming performance reviews.

Most common ways that companies educate employees on performance reviews:





BEST PRACTICE

Continuously optimize your review process.

Looking for additional ways to improve the completion rates for your review cycles? Reflektive customer HoganTaylor achieved 100% completion rates by continuously optimizing their process. Some of their tactics include automated nudge emails sent via Reflektive, as well as debrief sessions to assess and improve their review forms.

[More review best practices from HoganTaylor >>](#)

3. Calibration Trends

3. Calibration Trends

While performance review adoption is trending favorably, challenges still exist. Forty percent of respondents feel that bias is present in their company's performance reviews.

Performance calibration is one way to address biases, and it is often used by companies.

Sixty-three percent of respondents calibrate performance ratings. Additionally, over $\frac{3}{4}$ of respondents said calibration was an 8, 9, or 10 out of 10 in importance.

INDUSTRY INSIGHT

Only 20% of variance in performance ratings can be attributed to actual performance; 80% is due to biases.

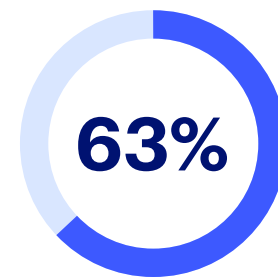
Per [Frontiers in Psychology](#)

3. Calibration Trends

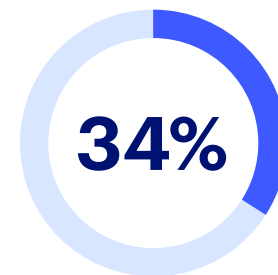
Pain Points

While many respondents identify performance calibration as an important part of their review process, that doesn't mean it's a perfect experience for HR teams, leaders, and managers.

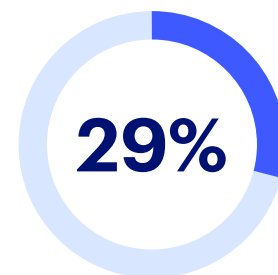
The most common pain points of calibration are:



Employee performance data is **not comprehensive enough** to make accurate assessments



The **facilitation** of calibration sessions can be improved



The process takes **too much time**



BEST PRACTICE

For more productive calibration sessions, set ground rules.

If facilitating calibration sessions is challenging at your company, share some ground rules before you get started. Some ideas include, “Everyone will have a turn to speak and no one will be interrupted”, and “We will focus only on promotion decisions during this session”.

[More calibration ideas and best practices >>](#)



4. DEI Trends

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Diversity, Equity, and Inclusion Is a Key Priority for Companies

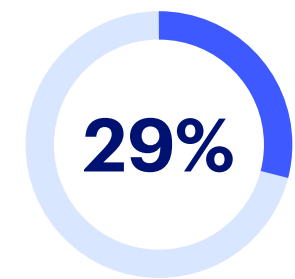
Respondent interest in performance calibration is indicative of another positive trend: more than 90% of companies are making DEI a priority.

INDUSTRY INSIGHT

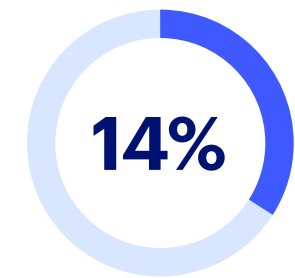
Inclusive leaders increase employee motivation and productivity by over 80%. However, only 31% of employees agree their leaders promote an inclusive team environment.

Per [Gallup](#)

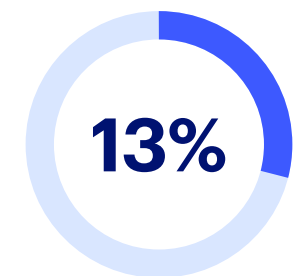
Highest-priority DEI Initiatives:



Improving **workplace culture** to foster belonging and inclusivity



Ensuring **advancement opportunities** for employees from underrepresented groups



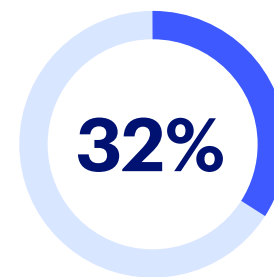
Improving employee sentiment on **inclusion**

4. DEI Trends

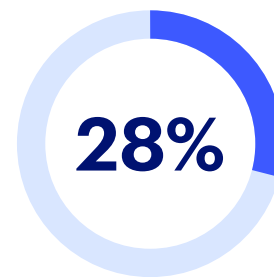
Companies Take Multi-Pronged Approach to Improve DEI

Given the importance of DEI, executives and HR professionals are leveraging a variety of tactics to improve inclusivity. The most common activities to promote DEI include inclusion training (adopted by 42% of respondents) and manager development training (39% of respondents). Many respondents look specifically to their performance reviews to boost inclusivity too.

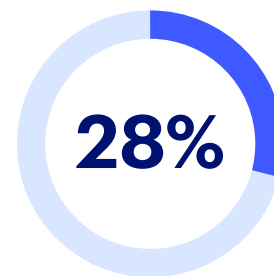
Popular modifications to performance reviews include:



Adding employee **goal statuses** into the review form



Including **multiple reviewers**



Adding **peer feedback** into the review form



BEST PRACTICE

Include goal statuses in review forms.

This helps managers rate performance objectively. By including actual progress on key projects, companies can help remove some biases that managers may exhibit.

[More DEI best practices >>](#)



4. DEI Trends

However, 28% of respondents are **not** making changes to performance reviews to boost inclusivity. Rachel Ernst believes that this is an opportunity that many companies can leverage to make promotions and pay raises more equitable.

“Simple things like pulling in goals, feedback, and recognition can really provide a holistic view of employee performance, and remove some of the unconscious biases that occur in the review process.”

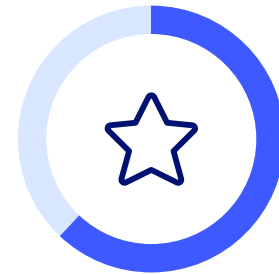
Data Analysis Used to Understand Biases

A commonly used strategy to understand biases is looking at company data -- 67% of respondents said that they do this. In terms of the specific data that is analyzed:



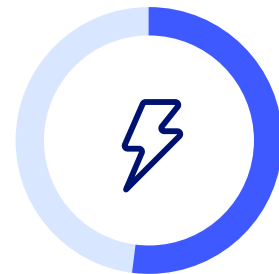
67%

analyze **feedback received** by employee demographic



62%

analyze **performance ratings** by employee demographic



52%

analyze **engagement scores** by employee demographic



BEST PRACTICE

Use engagement survey data for DEI insights.

Companies can better understand workforce sentiment on DEI by taking a deeper dive into their engagement survey data. Specifically, understanding the highest-impact questions, and the most frequent comment themes, will help HR teams prioritize their DEI activities.

[More DEI best practices >>](#)



5. Looking Forward

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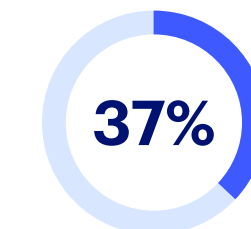
Continuity for Performance Reviews and Other Programs

We asked respondents how they were thinking about reviews and other performance programs for 2021. Seventy-four percent of respondents made changes to their performance evaluations this year, and the vast majority of those (82%) like the changes they made, and expect them to continue into 2021.

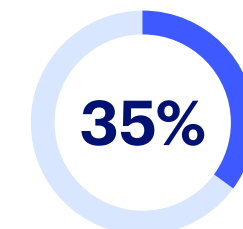
Similarly, the majority of respondents expect their other performance programs to stay consistent in 2021.

Per Rachel Ernst, “2020 has been an unprecedented year for companies around the world. The good news is that events have driven HR professionals to think about the right structure and cadence for their performance programs.”

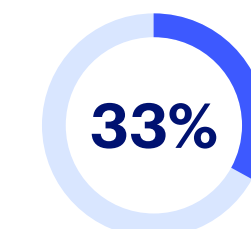
The most common performance programs that are expected to change include:



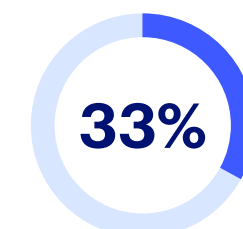
Goal-setting



Feedback



L&D



Check-ins

6. Conclusion

6. Conclusion

HR teams and business leaders believe that performance reviews provide strategic value to their organizations, and are looking to drive adoption of them. They use performance assessments to make informed talent planning decisions and support company-wide objectives. It's crucial for companies to get a holistic view of employee performance, and remove as many biases as possible.

However, bias is oftentimes difficult to remove. While organizations are adopting numerous tactics to address this issue, more needs to be done to improve inclusion, equity, and belonging.

Per Rachel Ernst, "We're still at the beginning of the journey. Many companies are taking action, but it remains to be seen how organizations will follow through on their commitments to their initiatives, and make them part of their daily behavior. Dedicated performance solutions like Reflektive help, as do improved processes around hiring, networking, and L&D. I'm looking forward to the insights that 2021 will bring."