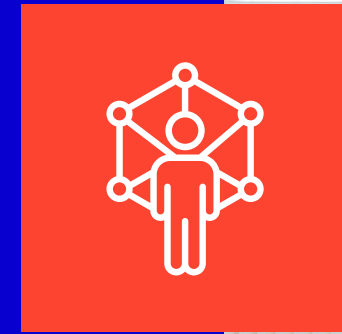


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# Employee Performance Review In A Modern Era

🗨️ Your guide to continuous feedback



Employee performance reviews are in desperate need of an update. According to Gallup, only 14% of employees believe that the performance reviews they receive actually help them improve. And CEB reports that nine out of ten HR leaders don't even believe the process results in accurate information.

CEB's white paper boldly claims, "Nobody enjoys performance reviews." Companies struggle so much with them that in 2015, Accenture decided to completely drop the annual performance review —and many other companies have done the same in the years since then.

The Chartered Institute of Personnel and Development (CIPD) shares that "given well, and at the right moment, feedback can be invaluable; but given poorly, it can feel devastating."

Gallup polls have found that employees whose managers regularly communicate with them are three times more engaged than those whose managers rarely interact with them.

That's why many HR managers have turned to **continuous feedback reviews** instead of saving all their feedback for a stressful yearly performance review. These frequent reviews have been found to increase employee engagement, reduce turnover & improve employee satisfaction.

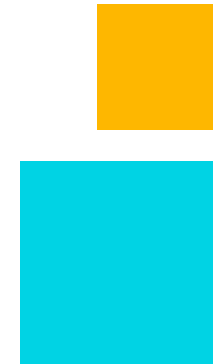
If you're one of many companies ready to make the switch, read on: we're sharing our best tips to help you implement a continuous feedback review system that's actually effective and pleasant to navigate.



# Navigating the new normal

Conducting performance reviews once or twice a year is akin to going to couple's therapy a year after the divorce. So much has changed since then, and yet you're stuck bringing up and discussing things that happened in the past.

Still, feedback is necessary to maintain an organisation's health, and that of its employees. This has become even more relevant during the Covid-19 pandemic. Businesses are relying on remote working arrangements to survive travel restrictions and quarantines, and they need some way to measure the pulse of the organization and ensure that everything is running smoothly.



Companies that wish to remain relevant and competitive post-pandemic must transform and become quick, agile, and flexible. This requires external client-facing activities to become much more customer-centric and efficient; however, many organizations neglect to similarly revitalize their outdated internal processes.

The best way to conduct performance reviews in an increasingly digital world is to switch to tech-enabled continuous feedback mechanisms. Tech-powered continuous feedback allows companies to iterate and improve on a daily basis, unlocking long-term success and allowing businesses to evolve to meet ever-changing customer needs.



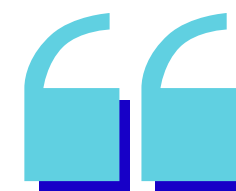
## Ideal outcomes of feedback

Before designing your continuous feedback review system, you must determine your objectives. Feedback can achieve a number of goals, such as helping employees make their job easier and improving a company's overall performance. What do you want your continuous feedback review system to measure?

Feedback should empower employees with the knowledge they need to provide exceptional results. It should also offer them a space to give criticism and advice. But traditional feedback mechanisms do not provide the right features or channels to facilitate deep connections between employees and the managers chosen to guide them.

Progress is cyclical and incremental. One-time or static feedback in sparse intervals is not effective. Gallup found that by simply giving more continuous strength-based feedback, companies can reduce turnover by 14.9%.

Take a look at the big picture.



To ensure a successful long-term working relationship, acknowledge that your employees are individuals with their own thoughts, ideas, and motivations.



If guided correctly and nurtured to their full potential, they can become strong, capable leaders poised to lead the organization further than it's ever been before.

# The Continuous Feedback Review (CFR) model

A continuous feedback review (CFR) model swaps out traditional yearly reviews with more frequent feedback—supported by monthly, half-yearly, or annual reviews.

Rather than treating feedback as a once-in-a-blue-moon event, organizations that adopt CFR understand that structured feedback can significantly improve performance, satisfaction, productivity, and efficiency among employees of all levels.

One of the benefits of a continuous feedback system is that it offers you a frictionless way to provide this feedback. That’s because in a continuous feedback response model, employees and other members of the organization can give feedback to anyone, instantly, and at any time. This feedback could be a compliment, or it could be a critique, highlighting areas where the employee needs to improve. The cyclical nature of this model allows improvements to be made daily, rather than once a year or once every few months.

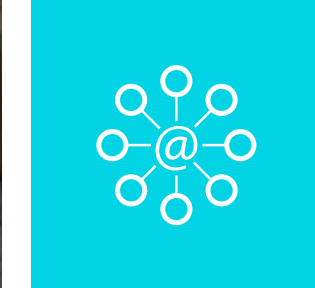
Traditional feedback	Ideal feedback models
<ul style="list-style-type: none"><li>■ Lengthy delays between event &amp; feedback</li><li>■ Top-down communication</li><li>■ Done infrequently</li><li>■ Static</li><li>■ Improvements are inconsistent</li></ul>	<ul style="list-style-type: none"><li>■ Feedback is given as soon as possible after the event</li><li>■ 360 communication- vertical &amp; horizontal</li><li>■ Catch-ups are more regular-monthly or quarterly</li><li>■ Cyclical</li><li>■ Improvements can be made daily</li></ul>

# CFR as a digitalisation Initiative

As early as 2016, McKinsey was already emphasizing the disruptive “power of digital.” One survey they conducted found that less than 10% of businesses would remain economically viable if disruption continued as it had. It’s now 2022, and it’s clear that the future is incompatible with traditional economic, strategic, and operating models.

The Covid-19 pandemic has permanently increased the popularity of remote teams and flexible working arrangements around the world—companies are looking for new, innovative ways to keep their teams connected and productive despite a lack of face-to-face interaction. This is where digital tools and Software-as-a-Service (SaaS) solutions come in.

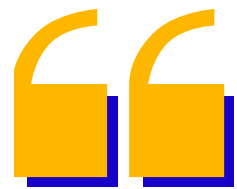
Regardless of whether your digital transformation is happening at large scale or piecemeal, your human resources (HR) department is one area of the business that has much to gain from digitalization.



In fact, 80% of HR professionals believe that incorporating HR technology into their processes improves employee attitudes toward the company. CFR is a great place to start.

One survey found that 64% of employees wished to have a CFR system rather than the feedback model their office was currently using. Within the context of the global digital transformation and increased need for HR insights, switching to an online CFR model is a great digital initiative that can provide immediate benefits.

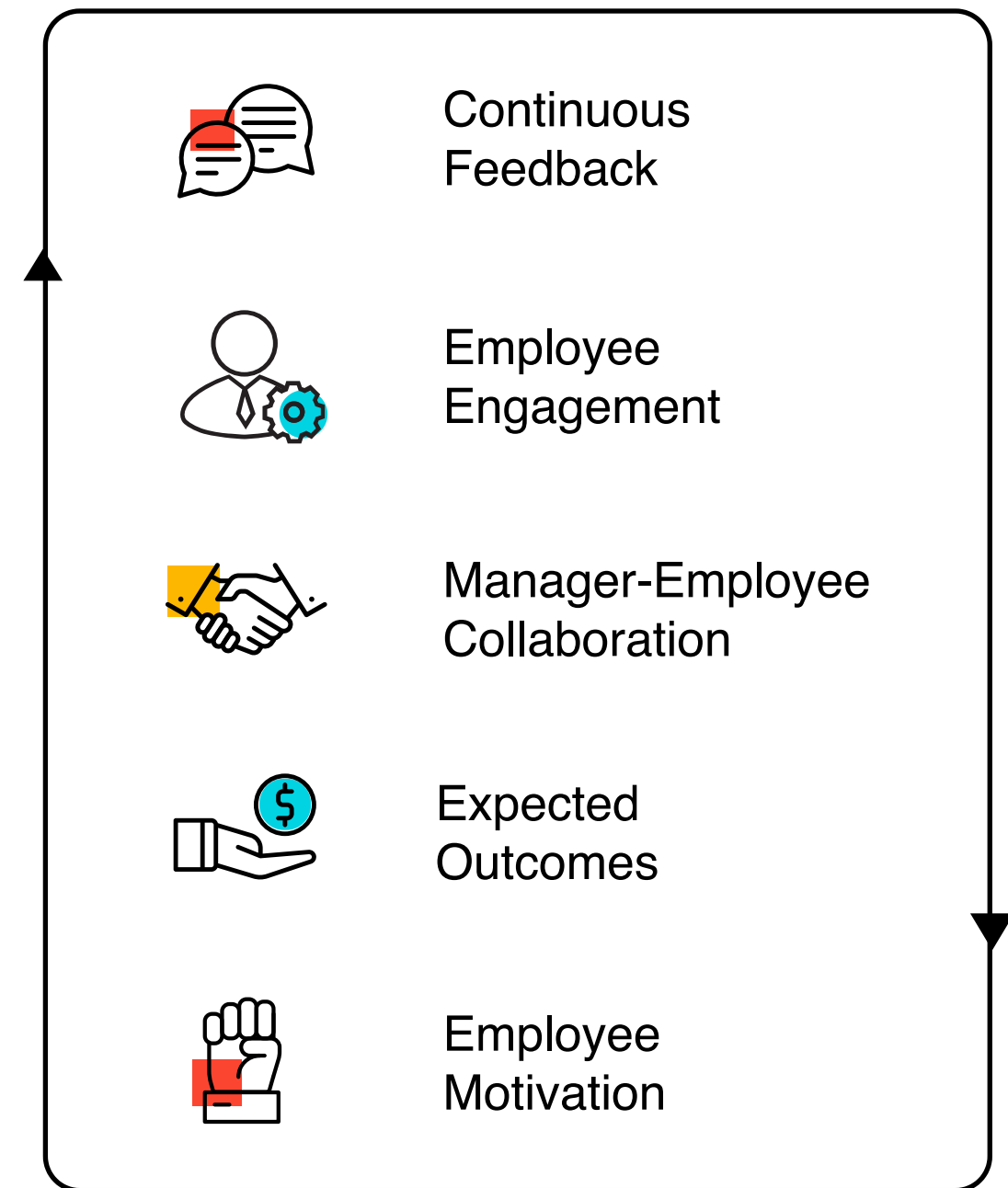
Continuous feedback systems are difficult to implement manually. Making the most of CFR involves analyzing feedback data, and that requires speed, integration of data sources, and automation of processes like analysis and pattern recognition.



CFR is best done with an automated online portal - one strong enough to manage feedback from employees at scale. ”

Without digital CFR tools, it would be difficult to interpret and analyze in real-time the sheer amount of feedback produced by managers, colleagues, and team members. Aside from that, CFR tools use big data analytics and AI to help improve HR outcomes. They'll give you the boost you need to transform feedback into actionable analytics.

## Continuous Feedback



# How to implement CFR in your organization

There are a number of key guidelines to follow when implementing CFR in your organization.

## 1. STRENGTHEN YOUR COMPANY CULTURE

CFR requires that managers and employees be open to sharing feedback “in the moment”. Everyone in the organization should understand that feedback is necessary for personal development and growth.

Remind your employees that feedback doesn’t just consist of constructive criticism. It can come in the form of praise, reassurance, congratulations, suggestions, and more. Successful CFR necessitates a more open company culture, where both employees and managers are open and responsive to all types of feedback. Reassure employees that they will not be punished for giving feedback that isn’t always positive.

Encourage honesty and criticism—openness is key to successful CFR.

## 2. DEFINE MEASURABLE GOALS & TIMELINES

Before you start implementing CFR, you must know what you want to accomplish from switching to such a system. Adopting a digital tool simply for the sake of it or to keep up with trends is highly detrimental to your organization. After all, unsuccessful digital initiatives waste both money and time.

McKinsey reports that 70% of complex digitalization programs don’t reach their stated goals. The most common pitfalls include a lack of employee engagement, inadequate management support, poor or nonexistent cross-functional collaboration, & a lack of accountability. To ensure a successful transformation, you need a clear, measurable strategy.

You could measure your initiative’s success in several ways— such as through objectives and key results (OKRs), organizational-health assessments, value-capture models, and benchmarks.



Every key person involved in the switch to CFR should be able to access these initiative-tracking tools.)

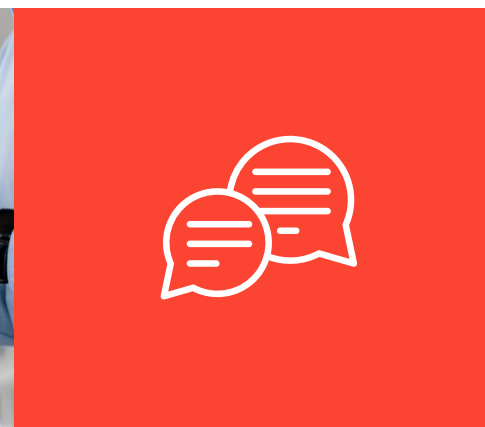
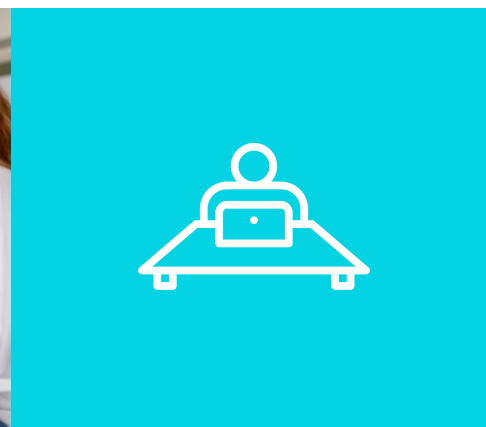
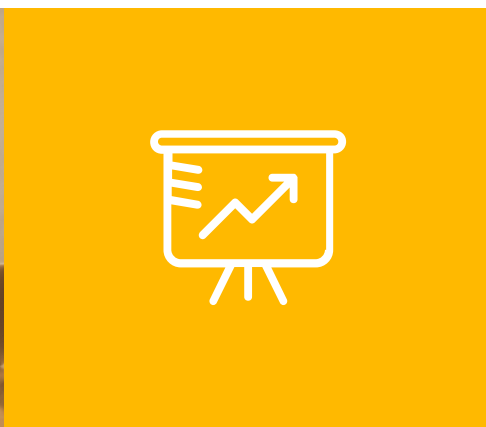
### 3. UNDERSTAND WHAT “EFFECTIVE FEEDBACK” LOOKS LIKE FOR YOU

Thanks to the rise of remote working, effective feedback has become essential to keeping teams compact and connected. But giving effective feedback isn't as easy as one might assume. Only a third of people believe that the feedback they receive is helpful. The type of feedback you collect is equally as important as the method you use to collect and deliver it.

It can be qualitative or quantitative, or a mix of both. If the purpose of feedback is to make a critique, then be specific about what changes need to be made and how the employee can improve.

# Feedback should be clear, insightful, and to-the-point.

If it's to commend, then be specific about what was done well and what you'd like to see more of. You can identify requirements for acceptable and unacceptable feedback and get everyone aligned before you begin using the CFR system. Include examples of actionable feedback, and how employees can receive and apply it.



## What should good feedback look like?

Specific and goal-referenced

Transparent and tangible

Actionable; can be used to improve on one's own

User-friendly—not overly technical or vague

Timely—as soon as possible

User-friendly—not overly technical or vague

Consistent, accurate, and trustworthy

Designed to assist and guide, not to punish or insult

## 4. ENSURE THAT EMPLOYEES ARE ALIGNED

Involve employees in the process of switching from traditional feedback mechanisms to a CFR tool—they will be the ones working with the new tools on a near-daily basis. In fact, it's best practice to ensure that all employees—not just key leaders—understand the 5W's (Who, What, When, Where, Why, How) of a digitalization project.

Have conversations with your employees about why the change is being made. Get them excited about it. It'll be much easier to drive adoption and acceptance of the tool if they know how they are expected to use it.

Take this time to consider the role of feedback in an employee's career development, too. The possibility of career progression is a great motivator—employees who feel they can grow in their company are twice as likely to stay loyal. Investing in employees can lead to up to 24% higher profit margins.

# Top 10 benefits of a CFR system

- Helps employees understand what needs to improve
- Provides reassurance & helps employees feel positive about what they're doing well
- Reduces friction between employees & managers
- Improves communication across the organization by increasing touch points
- Allows employees to continually gain momentum
- Fosters in-depth discussions on employee strengths, concerns, passions
- Consolidates feedback data in a straight forward, easy-to-understand process
- Offers employees feedback at any time to discuss concerns, issues, and ideas without having to wait for an arbitrary meeting date
- Increases productivity & reduces confusion
- Allows for more effective use of the limited time in an HR manager's day



# Ideal features in a CFR system

The tool you choose to adopt can make or break your digitization initiative. If your tool is conducive and supportive, then you could begin seeing benefits soon after adoption. But if you select the wrong tool or fail to implement it correctly, you risk leaving employees frustrated and confused.

Here are the top features to look for in a digital CFR system

## **360 FEEDBACK**

Top-down feedback does not help the organization improve. In an ideal CFR system, feedback goes all ways. Upward feedback is especially important for sustaining managerial capabilities.

## **SUPPORTS STRATEGIC GOALS**

Goal setting should be a data-driven, business-centric process. Employees are an invaluable factor in achieving your goals; as a result, your CFR tool should be able to contribute by offering insightful data on your human resources.

Look for a CFR tool that allows you to create employee action plans and customized tracking views. Visualization tools are another handy feature—they allow you to view, compare, and share feedback ratings from a single portal.

## **INSTANTANEOUS FEEDBACK AND RECOGNITION**

Continuous feedback reviews should be quick and easy to complete. Therefore, select a tool that enables instantaneous feedback in several different forms- including messages and ratings.

Another crucial feature that boosts team morale is recognition. Positive reinforcement is much more effective than punishment, and it's also less damaging to the manager-employee relationship. Employees should be recognized and appreciated whenever they excel at a specific aspect of their role. Make sure your CFR tool supports this.

## **INTELLIGENT AI AND DATA ANALYSIS**

Hundreds of employees and managers sending their feedback quickly adds up to a lot of data and information. Done manually, CFR involves a lot of emails and spreadsheets to ensure that everyone is on the same page.

Look for a CFR system that can intelligently and efficiently consolidate all of this information into a single portal. Rather than trying to copy-and-paste feedback from one table to another, you should be able to view an automatic data analysis of each employee's given and received feedback.

Other intelligent features to look for are AI support and algorithmic analysis. Big data algorithms can spot patterns that humans might not. Artificial intelligence capabilities can help take you to the next step and help employees quickly view the steps they need to take to improve.

## **CUSTOMIZABLE/FLEXIBLE**

After you've designed the types of feedback you want to enable in

your organization, you'll need to make sure your CFR tool is capable of collecting it. Different organizations use different frameworks to track progress—such as Management by Objectives (MBO), Balanced Scorecard (BSC), or OKRs. Choose a CFR tool that can be configured for a wide variety of management workflows.

## **ENJOYABLE USER INTERFACE AND USER EXPERIENCE**

Even in their personal lives, no one wants to use apps that are sluggish, poorly designed, and difficult to use. The same goes for your business. Digital tools are supposed to help, not hinder your organization—so if a UI/UX seems unpleasant or clunky, then keep looking for alternatives.

Your CFR tool is an investment that, executed correctly, will pay for itself in terms of gained productivity, clarity, and employee satisfaction. You can address this challenge by asking the CFR tool provider if they provide demonstrations or free trials. Test several different tools with a small group of people at your organization, then compare the feedback.

## DEDICATED SUPPORT

CFR tools are designed to help you succeed. The people who create and maintain these tools are also invested in your success. Choose a provider that's willing to help you design a solution that works best for your business. They should play a strategic and collaborative role in your CFR digitalization initiative.



CFR Do's	CFR Don'ts
<ul style="list-style-type: none"><li>✓ Do position the CFR system as a beneficial tool that will help employees &amp; create a sense of safety</li></ul>	<ul style="list-style-type: none"><li>✗ Do not threaten employees with a CFR system</li></ul>
<ul style="list-style-type: none"><li>✓ Do define a clear plan and timeline for implementation</li></ul>	<ul style="list-style-type: none"><li>✗ Do not be biased when giving CFR feedback</li></ul>
<ul style="list-style-type: none"><li>✓ Do consult with your provider to help that everyone knows how to use and interact with the tool</li></ul>	<ul style="list-style-type: none"><li>✗ Do not implement CFR without a clear goal in mind—changes should not be done simply for the sake of digitalization</li></ul>
<ul style="list-style-type: none"><li>✓ Do tailor your CFR system based on your own employees and unique work culture</li></ul>	<ul style="list-style-type: none"><li>✗ Do not implement a CFR system unless you are completely familiar with it</li></ul>
<ul style="list-style-type: none"><li>✓ Do strive to offer insightful, meaningful feedback that can help your employees grow</li></ul>	
<ul style="list-style-type: none"><li>✓ Do involve everyone in CFRs—not just managers</li></ul>	

# CFR is the future of company feedback

Adopting a CFR system is one of the best decisions you can make for your organization. It will save endless hours, improve morale, and ultimately lead to a stronger team. The most crucial key to CFR success is to adopt a strategic mindset and develop a clear execution plan.

Continuous feedback is an integral part of a business transformation to become more modular, flexible, and agile— all key traits that you'll need to succeed in a rapidly-changing business world. Adaptable agile governance is one of six key traits that BCG found contributed to long-term business success.

PeopleStrong is Asia Pacific's leading, and the most comprehensive Human Capital Management SaaS platform. Our technology focuses on delivering a unique employee experience, drives data-driven decisions and agility for businesses.

**Let's Talk**

