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Long Live Real-Time Feedback

As you'd expect, it's our business to know why people are looking to move on from their current employer. One of the most regularly cited reasons is that they want a new challenge, yet when we strip away the platitude, often they are looking for better, more meaningful feedback about their work performance and their contribution to the business. Annual reviews, whilst designed to provide meaningful feedback, are often the least popular time of the year among employees and managers. So, if the crucial method of delivering feedback in an organisation doesn't work - is there a better way to manage these conversations?

Why Annual Reviews Aren't Enough

In many companies, annual performance reviews remain the only thorough one-on-one discussion employees have with their managers throughout the year. So is it little wonder that they often become one-sided with the manager dominating the conversation, because they are more prepared with more to say, as they focus on reviewing the KPIs they've been tracking. If the annual performance review is also linked to annual pay reviews, don't expect your employees to offer up too much in the way of areas they need to develop. They've too much riding on them presenting themselves in the best possible light to have honest and frank conversations about performance, job satisfaction and future development.

Another problem is that performance reviews are usually set for the specific time of year for all employees which can exacerbate the pressure to just get through the process if you have a large number of direct reports. It's not uncommon that managers lack the performance data from the whole year, or that the data is inconsistent or irrelevant due to the fact that the business strategy has changed. Even if they have the evidence needed, it can be skewed due to the effect of primacy and recency. Having a discussion about year-old performance keeps the focus of the review in the past,

instead of the future. Because of a lack of feedback during the year, some of the conclusions (and usually it's not appreciating the employee's accomplishments) can come as a surprise and leave a bitter taste with both managers and their team members.

As an industry, we've been talking for years about why, despite the best of intentions, annual reviews don't work. Research from Deloitte, conducted in 2014, states that 58% of companies don't see annual reviews as an effective use of time and research from CEB (now Gartner) suggests that 95% of managers aren't satisfied with the way performance management is done in their organisation.

Adobe, Microsoft, Dell and Juniper Systems, are a few examples of the businesses who have substituted annual performance reviews for more frequent informal sessions. Following the principles their IT teams applied at work, these changes have made them more agile and responsive to change, while it has also encouraged greater collaboration and efficiency of work.

Implementing Real-time Feedback into Your Business

As annual reviews fail to deliver the constructive feedback employees have been longing for, more frequent conversations on performance could be the way to encourage a trusting and coaching environment within teams. Moving away from annual appraisals to having more regular performance conversations may seem counterintuitive and it isn't easy, however, once regular appraisal sessions become a natural part of work, they quickly pay dividends. After all, companies that did away with performance reviews entirely saw a 28% drop in the performance of their top performers, and the quality of management conversations fell by 14%. Here are a few points that may help you begin your ad-hoc feedback journey.

Focus on the Discussion

Keep your ad-hoc feedback sessions informal. Focus on the discussion rather than the process of how the review should be done. The conversation must feel natural and aim to help the employee to develop their competencies. The session doesn't always have to be based on the hard data. Sometimes, it's more checking how they are doing and getting them comfortable in discussing their performance with you.

Run Them when Needed

It's good practice to have feedback sessions as soon as there's a need. This helps to avoid the feedback being based on a lack of evidence or when the most recent (excellent or terrible) performance overshadows the overall yearly results. Link your feedback discussion to the recent situation and make it feed forward - focus on what to keep and what to leave in the future.

Be Available

Setting a regular time for individual feedback keeps the door open for your employees when they need it, so they play an equal role in driving the performance discussions.

Consider Group Feedback

Group feedback works especially well in project based work. Stepping back and facilitating the discussion, rather than leading it, helps the managers to promote open feedback where the team members come up with their own new ideas and suggestions. The insights managers gain from these discussions work as the valuable points that they can build on during the individual review they will have with each team member.

Embrace Technology

In the past few years, we've seen a boom of the technology tools that enable feedback

collection. Some companies use online apps for ad-hoc reviews or even develop their own. At GE, they started using their own PD@GE app in 2015 and IBM launched their own ACE (Appreciation, Coaching, Evaluation) app for their internal use in 2016. There are many off-the-shelf tools that vary in complexity - some enable simple polls for quick feedback (Polly for Slack), others are fully featured feedback tools (Impraise, Reflektive). Make the most of the reporting functionality of any technology you use; dive into the analytics to look for trends across your team, and your business. Is there a predictive element to this? Are there times of the year when your team is under more pressure, where adding an extra resource could help lift performance and improve engagement as well as results.

Summary

Back in the days when talent was in abundant supply and you had to decide which employees to keep, reward or let go, the process of rating and ranking employees in terms of their performance may have had a place. In the tech sector, where having the best people and keeping them is a key source of competitive advantage, listening to and developing your people is the overriding objective. Although granular feedback is a great idea, formal reviews (at the end of the quarter, biannual or annual) still have their place. Ad-hoc reviews significantly help to collect enough evidence along the way, support continuous conversations and ensure negative feedback doesn't come as an unwanted surprise.