

# A Step-By- Step Guide to More Effective Performance Reviews



Over the years, performance reviews have experienced a steep and steady decline in popularity. Major corporations like Adobe, GE, Deloitte, and Microsoft have all left traditional annual employee performance reviews in the dust. However, the question remains, what should now fill the gap between the old way of doing performance reviews and today's reality?

If you're an HR leader looking to boost engagement, retention, and bottom-line growth in your organization, now is the time to consider revamping your approach to performance reviews.

By adjusting your reviews to work with your organization—not against you—you'll avoid a potential million-dollar mistake and help your company achieve its most audacious objectives.

## The problem with traditional performance reviews

Performance reviews have always felt more like an unnecessary chore rather than a step towards meaningful change. They're time consuming, disrupt the flow of work, and rarely do what they were designed to do, which is maintain and increase performance.

Just take a look at the statistics:

- [95% of managers](#) are dissatisfied with formal performance reviews

- [55% of employees](#) say annual reviews don't improve their performance.
- [8% of organizations](#) say their performance management processes drive a high level of value, while 58% organizations call them a waste of time
- [Only 14% of employees](#) strongly agree their performance reviews inspire them to improve

Think of it this way: "if performance reviews were a drug, they would not meet FDA approval for efficacy," according to Gallup. It's due time that we do away with the old ways of doing performance reviews and usher in a new, more effective method.

## A better approach

A few years ago, our CEO, David Hassell, found himself in a similar predicament. He knew it was time to upgrade 15Five's performance review, but wanted something lightweight and focused on unlocking the potential of every member of the global workforce. What came as a result was what we now know as the Best-Self Review™.

Below, we break down some of the best practices from our new approach to performance reviews that is effective, scalable, and easy to implement.



## Step 1 Conduct reviews more than once a year

Let's face it, an annual performance review can only do so much. It produces limited results and employees often find that these conversations are forced if they aren't already having ongoing conversations with their manager. By moving to a quarterly cycle, companies can have more timely insight into what is going well and what isn't in their workforce, which can make for quicker pivots throughout the year.

## Step 2 Track employee performance

Managers dread the process of performance reviews because they don't have an easy way to track employee performance. They often have to rely on memory and manual processes to track a year's worth of their employee's performance. However, this doesn't present a reliable source of insights or analytics for HR leaders to assess employees' wins, strengths, and potential growth areas.

In order to create more structure, companies should empower managers to schedule frequent check-ins and 1-on-1 meetings with their reports throughout the year. These meetings are more

informal than a quarterly or biannual review, but are paramount to strengthening the manager-report relationship. The practice also makes it easier to monitor employees' day-to-day performance in between reviews.

Having the takeaways from these smaller meetings recorded also protects against recency bias. Since managers are able to get a year's worth of data at once, they won't be prone to default to analyzing what they've seen in the days leading up to a review when formal cycles occur.

## Step 3 Equip managers

Of course, having managers lead the way means they should be equipped with the right knowledge and resources to help them succeed. According to a Career Builder study, [58% of managers have never received management training](#). Companies should share best practices with managers so they can better conduct performance reviews, check-ins, and 1:1s. This can come in the form of turnkey training, coaching sessions, or informal company discussions. The key is to keep the conversations going and listen to any manager concerns that may arise.



## Step 4 Celebrate employee wins

One of the best ways to increase employee productivity is to recognize them for their hard work and achievements. Recognition feedback often also opens the door for more honest conversations about career growth and performance in the company. Over time, HR can see how often an employee is being recognized and tie their accomplishments back to specific business outcomes.

## Step 5 Offer guidance along with specific feedback

In the same way, managers should be specific when offering corrective feedback. Instead of general comments such as “Your work needs to be improved” or “I wasn’t very impressed with those reports,” you can say something like “I noticed you were late on your last two deadlines. I’d like to work with you on your time management to ensure you’re not committing to too much and completing each of your tasks on time.” This type of feedback is not only clear on what has been missed but also what you as a manager can do to support the employee.

## Step 6 Discuss career growth and goals

According to the [Design Career Index Annual Report](#), the top three reasons people leave their last role is due to poor leadership/management, lack of career path, and lack of meaning purpose.

Employees want a clear vision of their career path at a company and will leave if they don’t have one.

Performance reviews are a great opportunity for managers to understand where their employees want to be and find the right opportunities to get them there. By collaborating with employees in designing their career paths, you’ll be able to uncover your employee’s top strengths and figure out how to best align them to their role.

## Step 7 Invest in employee personal goals

It may seem out of place for employer’s to also be involved in employees’ personal goals. However, we firmly believe that high performance is a natural byproduct of an individual growing in all areas of life and becoming their Best Self. By supporting an employee’s whole self, the individual can learn and develop according to their needs as well as have an even more genuine and authentic relationship with their manager. Find out what makes your employees tick outside of work and support them in their personal goals so they can be the best versions of themselves all around.



## How 15Five can help

15Five's holistic solution eliminates much of the guesswork by structuring your performance management practices for you. Each of our research-based features, such as the 1-on-1, Check-in, Objectives, High Fives, and more, work together to help HR leaders conduct meaningful 360° review cycles using the Best-Self Review.

With the Best-Self Review, HR leaders can consistently receive accurate insights and help managers inspire their employees and teams to go above and beyond. This feature assesses a person's performance in a multi-dimensional way by leveraging self, manager, upward, and peer reviews, as well as our proprietary Private Manager Assessment and Competency Assessment. Each of these elements work to reduce the idiosyncratic rater bias, a phenomenon that ratings often reveal more about the rater than the actual performance of the person being rated, and gauge which individual skills and behaviors are driving performance.

**When organizations partner with 15Five to revamp their people and performance practices, they're able to:**

- 1.** Objectively look at employee performance against their growth plans,
- 2.** Gain visibility into engagement (and offer strategic training opportunities to improve it), and
- 3.** Leverage our tools, including the Best-Self Review, to better track employee performance over time.

**Try 15Five for free today**

15Five is a human-centered performance management platform that creates effective managers, highly engaged employees, and top-performing organizations. From engagement surveys and 1-on-1 tools to performance reviews and OKRs, 15Five is the most complete solution that combines software, education, and community to develop successful managers and unlock peak employee performance. Built using the Positive Product Design™ method, 15Five is the only platform that offers software aligned to the latest positive psychology research. More than 2,800 successful customers have developed effective managers and engaged employees thanks to 15Five, including Credit Karma, Spotify, and Pendo. Founded in 2011 in San Francisco, the company has a thriving remote-first culture with teams across the globe. Through its HR Superstars community and podcast, 15Five aims to empower every leader to create highly engaged, high-performing organizations by helping people become their best selves."

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