

Enabling performance through continuous feedback

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Abstract

Think back to your childhood for just a minute, back to when you were learning things like spelling and maths. Now, imagine you spelled out a bunch of words or solved a series of maths problems, and then you had to wait six months to a year to find out how well you did. If this were the case, you'd still be learning how to spell and solve simple addition or subtraction problems to this day. It's obvious why this wouldn't work.

So, why do so many companies do exactly this?

On the other hand, some companies are giving their people regular feedback and tracking progress. And guess what, they're seeing the impact in their employees' performance, in their managers' performance, and in the loyalty of both.

State of the review

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This shouldn't come as a surprise considering the average manager spends nearly 210 hours a year on annual review related activities. Now add in the cost of supporting systems for a 10,000 employee company, and the annual review is costing that organisation £27 million per year.

These kinds of costs would be tolerable if they yielded results, but eight in 10 managers don't believe the process is worth their time, or that it actually improves performance. That's in addition to 58 percent of executives who believe their current performance management approach doesn't drive employee engagement or performance. When it comes to employees, the numbers are even worse; 95 percent detest their company's annual review process.¹

Influences for change

The attitudes of the rapidly changing workforce make re-evaluation of status quo processes much more critical. Considering that six in 10 millennials believe opportunities for learning are "extremely important" (compared to roughly four in 10 Gen Xers or baby boomers), the performance management processes your company uses must resonate strongly with learning, development and feedback. The cadence of feedback can increase engagement threefold, but only if it's meaningful and based on the individual.

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The unrelenting pace of technological innovation empowers HR to respond to the preferences of an evolving workforce, but it also enables HR to develop valuable workforces through tailored processes, which is critical for business outcomes. As Jack Welch put it, "If we don't get the people thing right, we lose. It's the most important thing in all our businesses."

Methods & design

Bridge by Instructure, with the help of Qualtrics, conducted this research in the summer of 2017. We surveyed more than one thousand (1,050) employees and managers.

Though most employees express dissatisfaction with their company's evaluation process, significant differences surfaced when it came to the frequency of evaluation and the tools used to facilitate them. The research further explored different evaluation processes and asked about:

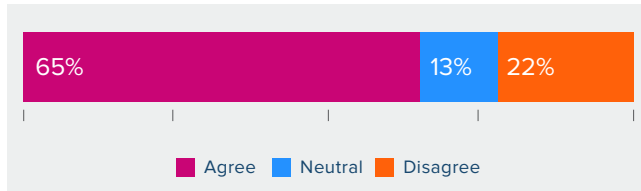
- Employee performance
- Manager performance
- Opportunities for advancement
- Employee retention

¹ <https://venturefizz.com/blog/annual-performance-review-dead>

Managers & development

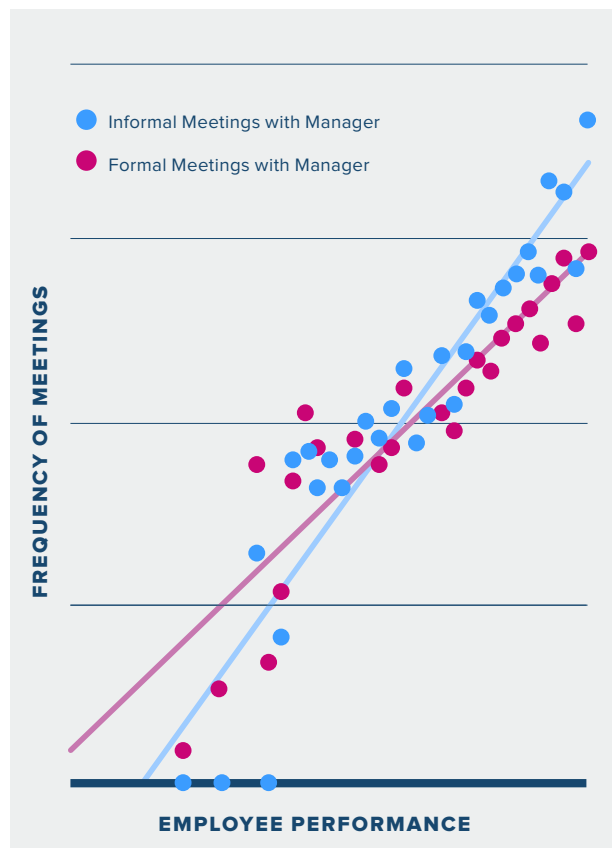
Employees believe managers can have an important role in developing their performance. A majority (65 percent) agree that just meeting with managers about performance can have an impact.

A MAJORITY OF EMPLOYEES BELIEVE MEETING WITH THEIR MANAGERS IMPACTS THEIR PERFORMANCE



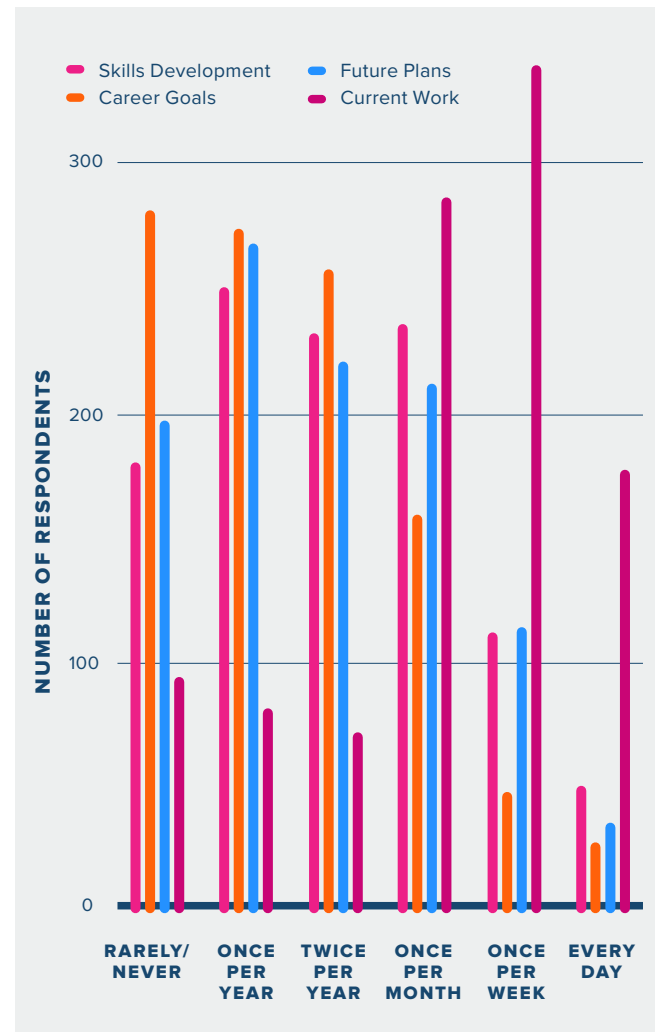
Additionally, there are moderate correlations between reported levels of performance and the frequency of catch-ups, showing higher performing employees meet between once a week and once a month.²

MEETING WITH MANAGERS MORE FREQUENTLY IS POSITIVELY RELATED TO GREATER EMPLOYEE PERFORMANCE



There is a healthy disagreement, however, from some employees on whether manager meetings improve performance (22 percent disagreed that managers aid performance), for good reason. When we dive into what is actually discussed on a formal and informal basis between managers and employees, a majority of the airtime is taken by “current work” but topics that strongly lead to improved performance (future plans, skills development, recognition, and job performance) take a back seat or are only discussed in annual and semi-annual reviews.

FORMAL MEETINGS ARE MORE ABOUT CURRENT WORK & LESS ABOUT THE TOPICS THAT REALLY MATTER



Comparing this to other arenas, it’s hard to imagine a successful team only reviewing the performance of a professional dancer, athlete, or musician once a year. Yet this has been the norm in the corporate world.

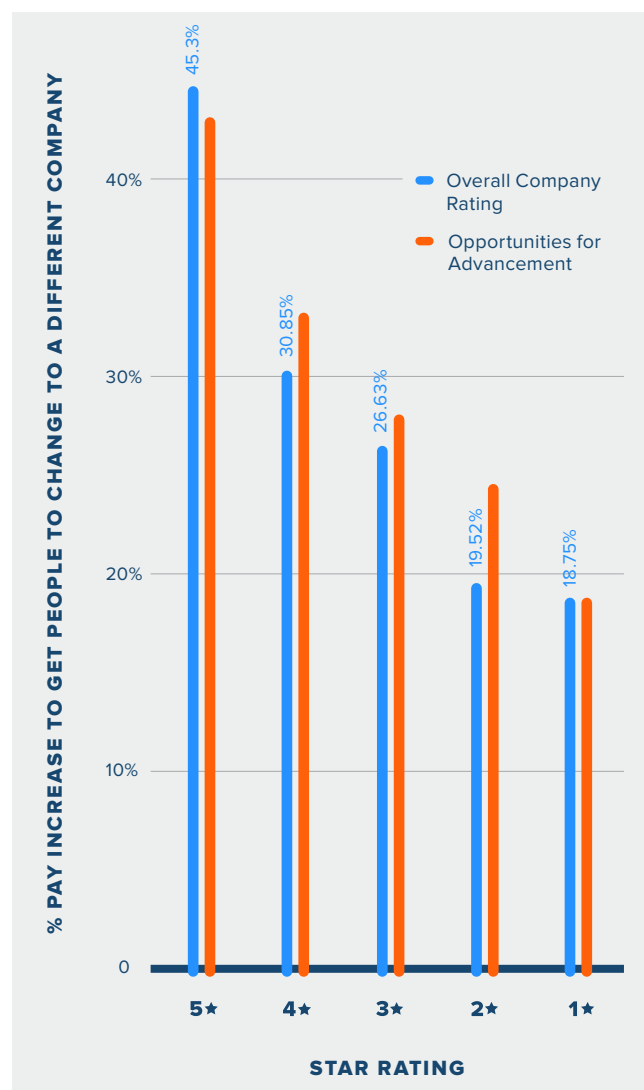
² Frequency of informal meetings and employee performance is moderately correlated, $r(1,048) = 0.346, p < 0.001$, frequency of formal meetings and employee performance is moderately correlated, $r(1,048) = 0.264, p < 0.001$.

The case for more guidance & frequency

In addition to the benefits of career development and succession, steering conversations away from managing and toward consistent leadership benefits the employee and the organisation. The frequency of meaningful and genuine feedback can increase the engagement of an employee by three-fold.³

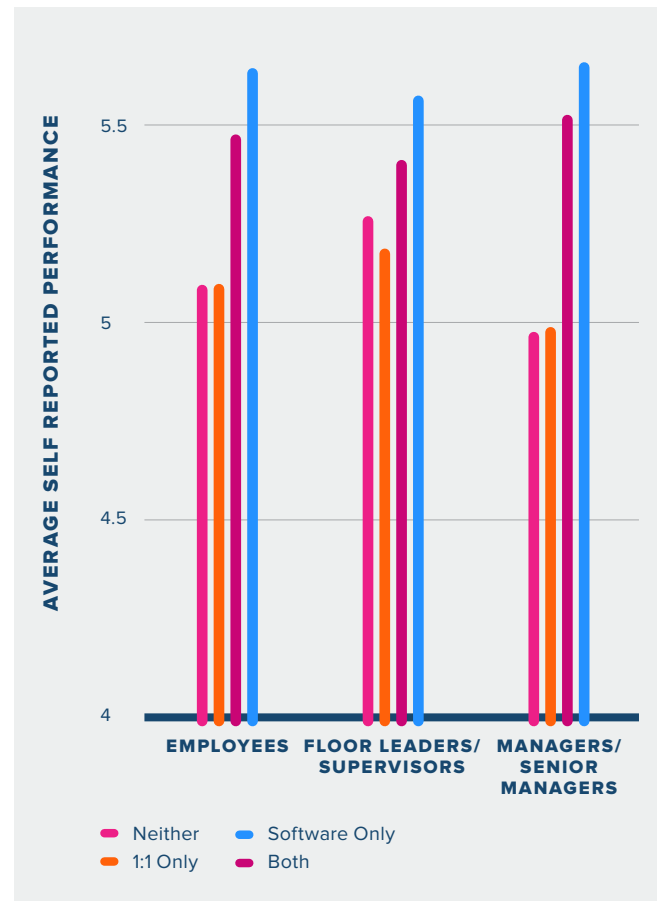
When employees perceive that they have strong opportunities to advance, they are more likely to rate their employer higher⁴ and require more money to be tempted to move to another company. In fact, we found competitors would have to offer an increase in salary of nearly 50 percent to take your employees, all because your company has invested in its people.⁵

HOW ONE VS. FIVE STAR COMPANIES INVEST IN THEIR PEOPLE



We found just meeting weekly was on par with doing nothing at all to improve employee performance. When we evaluate performance with the methods of carrying out 1:1s, we found there needs to be more than just the 1:1. As can be seen below, 1:1s in isolation have little impact on performance. Presumably, for some of the reasons brought up previously, 1:1 conversations rarely evolve from just discussing a to-do list. The real impact on performance comes when 1:1s are facilitated by software.

IT'S NOT 1:1S OR SOFTWARE, IT'S 1:1S AND SOFTWARE



At all levels, managers felt their performance dropped when they needed to carry out 1:1s alone in comparison to not having 1:1s at all. They also felt having the assistance of software in combination with 1:1s resulted in improved performance. Front line employees, as well as second- and third- level management all agreed software was better than nothing, but 1:1s combined with software was linked to better performance.

If we continue to see more direct reports per manager (as seen jumping from six to 12 on average between 2002 and 2012⁶), scaling responsibilities for managers will become even more critical to maximising performance.

³ <http://www.gallup.com/opinion/gallup/208691/failed-performance-management-fix.aspx>

⁴ Strong positive correlation, opportunities for advancement x quality leadership, $r(1,048) = 0.624$, $p < 0.001$

⁵ Bridge 2017 Survey: 1:1s and Employees

⁶ CEB, CLC Learning and Development High Performance Survey, 2012; CEB, CLC 2002 Performance Management Survey; CEB, CLC 2008 Organisational Redesign Survey.

Best practices

Adjusting company culture from the annual review tied to reward, to a continuous cycle of feedback and development-focused catch-ups will take time. But as your organisation learns how to increase engagement and loyalty with stronger relationships, there are ways to get the most out of the time devoted to 1:1s. Here are some ideas to consider as you develop your plan to transition to more frequent feedback:



- **Expanding topics of discussion:**

It's easy to default to current work because it's critical to have a handle on and it's safe, but before employees assume 1:1 is synonymous with micro-managing, you have to help your managers know how and when to have conversations about expectations, feedback, goal setting, planning, skills development, and future roles. Effective conversations around these topics have potential to yield longer-term, powerful results.



- **Collaborative agendas:**

Empowering employees with the ability to own the direction of their careers is important to engagement. To support this, try to encourage employees to have a say in the direction of their catch-ups week-to-week. It's highly likely they will include things top of mind like future plans, opportunities for development, and stretch assignments, to name a few.



- **History and accountability:**

Insight into previous 1:1s, feedback, and recognition can be critical when making decisions about an individual's career, a team, or a workforce as a whole. Valuable data generated in these conversations helps to inform decisions, ensure development plans are moving forward, and create visibility into current work. Even better, if these can expand to company-wide levels, you can quickly identify which managers may need help in providing continuous feedback.



- **Non-hierarchical catch-ups:**

Traditional hierarchies don't represent everyone that may need support to improve performance. Multi-functional and matrix teams are seeing greater use in the workforce, and project leads may already be having regular catch-ups with members of their team. These leads may also benefit from the support you plan for your managers. Or, from another angle, help develop your mentorship programme by encouraging effective 1:1s between senior and junior employees.

Conclusion

There is already a significant case for moving toward more regular catch-ups and the benefits continue to mount. More and more, we see employees are keen to create better relationships with their managers and a better skill set for the role they have now (and will have next). Managers will continue to play a key role in enhancing the performance of their employees as they hold catch-ups frequently and effectively.

For more information about how Bridge can help improve your company's continuous feedback strategy, visit www.GetBridge.com, or reach out to us at +44 0800 098 8889.

Further information

For additional details about this study, email us at bridgeresearch@instructure.com. Special acknowledgment to Alison Irvine for her help with data collection and analysis that was used to create this paper.