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### Ultimate Guides by Reflektive

In our Ultimate Guide series, you’ll learn how to navigate the changing world of performance management. These comprehensive guides cover topics vital to HR leaders and senior executives committed to innovation in today’s workforce.
Feedback has long been a key to performance management, as managers leverage performance reviews to provide feedback to employees. However, these annual reviews prove to be too late to effect the necessary improvements in behavior. As a result of accelerating business objectives, real-time feedback is rising as a required process in modern workforces.

Real-time feedback is a an element of continuous performance management that enables employees and managers to record feedback recognition or constructive feedback for each other in the moment rather than waiting for a once-per-year performance evaluation.

In traditional performance management, managers save their feedback for the annual review or one-on-one, but don’t remember the specific examples necessary for effective performance feedback. Employees don’t get enough feedback, and they stagnate or look elsewhere for a new challenge.

Real-time feedback has emerged as companies look for ways to fix the challenges associated with the traditional annual review, improve talent development and drive retention.

But, real-time feedback is not adopted in a vacuum. It is a facet of performance management that can support existing processes, including annual or bi-annual performance appraisals, ongoing check-ins and/or goal management. Companies successful with real-time feedback use it to empower managers to become better coaches for their reports, and apply the best practices for strong leadership in their daily interactions.
To ensure real-time feedback is effective, it needs to be easy to use and accessible to employees in their daily workflows. Feedback should also be recorded so HR administrators and managers can see trends and get a big picture of an employee’s performance at the end of a cycle.

In this e-book, we’ll cover the rise of real-time feedback inside the bigger picture of performance management, the benefits of a feedback-driven culture and how you can effectively launch real-time feedback in your organization, based on real-world examples.

**What is Feedback?**
Benefits of Real-Time Feedback

The advances in technology mean knowledge workers are always on. Remote working and teams collaborating across regions means employees increasingly rely on digital communication tools. The fluid nature of digital communication is in stark contrast to long performance review cycles. Real-time feedback aligns with the way employees access information today.

**Ongoing Learning**
Real-time feedback creates opportunities for learning and improvement. A culture of feedback allows managers to recognize top performers and provide course correction early. This way, employees get immediate feedback and can improve more quickly. It’s a lightweight format of learning and development that fits into their existing workflow.

**Removes Recency Bias**
With real-time feedback, employee evaluations improve the inaccuracies from the recency bias. It’s important to celebrate wins in the moment so they are not forgotten many months later. A failed project that takes place immediately before the review cycle also should not detract from an employee’s overall performance. Collecting data throughout the year ensures managers are evaluating the employee in context.

**Increases Utility of Competencies**
Role-based competencies or company values can be affirmed through real-time feedback. A company may identify risk-taking, teamwork, leadership or integrity as values to emphasize in the organization. Real-time feedback enables peers and managers to recognize those attributes in employees. These softer skills are often forgotten alongside technical expertise but an effective workforce requires development of individuals as team members and leaders.

**Aligns With Evolving Goals**
Real-time feedback also aligns employee goals with evolving business goals. A company’s objectives may pivot at some point during the year, and evaluations should be nimble enough so employees are incentivized to reach goals that align with the company-wide objectives. But, real-time feedback does not need to replace an annual review completely.

**Future of Performance Reviews**
Some companies continue an annual review with real-time feedback, and others may pair real-time feedback with goals or quarterly check-ins. Using real-time feedback enables each of these methods to benefit from reliable data. Employees know what to expect at review time because they’ve been getting consistent feedback from their manager, so there are no surprises or anxiety. Because feedback is spread throughout the year, less time is wasted on reviews.
Performance Management is Changing

What we call performance management was first introduced in the 1970s, following the dawn of scientific management. Performance management emerged when it was discovered that worker satisfaction drives efficiency — the beginning of an emphasis on workplace happiness. But by 1992, 20 percent of companies were satisfied with their performance review systems, and in 1997, that number dropped to 5 percent.

Performance reviews were built for a workplace where output was easily quantifiable and workers could be evaluated on the same scale. Today’s knowledge workers bring talent and adaptability that cannot be evaluated in the traditional way. Millennials say they want more feedback, and research of all generations shows ongoing feedback improves engagement and motivation, an important driver of performance at today’s top companies. In a modern business, real-time feedback is the solution to fixing the broken performance management system we’ve used for years.

Deloitte, GE and Accenture are among organizations that recently overhauled their performance management programs. Some choose to remove annual reviews completely, while others complement annual reviews with real-time feedback so the once-per-year meetings are more effective.
The streaming company found performance reviews, and as an extension, performance improvement plans, did nothing to benefit the company, but did cause awkward or painful conversations for employees. The company replaced them with 360 reviews, saying: If you talk simply and honestly about performance on a regular basis, you can get good results—probably better ones than a company that grades everyone on a five-point scale.

- HBR

Donna Morris, senior vice president of global people resources at Adobe, said the software company’s annual review process facilitated by her team wasn’t delivering on its goals. If performance reviews were supposed to provide employees with valuable feedback, why did voluntary attrition always spike in the months after review time? In an interview with a publication in India, Morris announced she was going to abolish the performance review format.

- Adobe

A public survey showed more than half the executives questioned (58%) believe that their current performance management approach drives neither employee engagement nor high performance. The consulting firm found that completing the forms, holding the meetings, and creating the ratings consumed close to 2 million hours a year.

- HBR

Now, 96 percent of organizations say they’ve either recently changed or plan to change their performance management programs in the next 12-18 months, according to a PwC survey.

58% of managers stated that traditional performance reviews do not serve their purpose - Deloitte

79% of millennials say that they want their bosses to serve as a coach or a mentor - Intelligence Group

90% of HR leaders feel the annual performance review process does not yield accurate information - CEB

8% of global organizations believe their performance management system is worth the time put into it - Deloitte

46% see talent management as a goal of reviews; 66 percent say the objective is compensation - Sibson Consulting
The Anatomy of Continuous Performance Management

If performance reviews are out, then continuous performance management is in. Real-time feedback is one element in the larger system. Here are some examples of companies that moved away from traditional performance reviews, and how they’ve replaced it:

**OLD:** Annual performance appraisal with numerical rating, 5 percent of workforce culled

**NEW:** Ongoing feedback in web tool, reviews held in summer to give employees time to improve before end-of-year compensation discussions.

**OLD:** Performance evaluations two times each year

**NEW:** Reflektive’s Real-Time Feedback including Quarterly Check-Ins, 1x1s and goal management, with 93 percent goal-setting participation.

**OLD:** Annual performance review

**NEW:** Monthly coaching sessions to facilitate an employee-manager relationship built on goals and continuous feedback.

**OLD:** Annual review with stack ranking

**NEW:** Application for real-time 360 feedback and manager feedback given at least once per quarter.

As you can see, the cycle of feedback may vary based on the company’s size and culture, but there is a stark move towards making manager-employee discussions happen more frequently.
Real-time feedback is useless if employees aren’t giving it. That’s why it’s important to have the tools and systems in place for your employees to provide feedback in the course of their daily workflows. It can be complemented with goal management and employee-manager one-on-ones. These elements add structure, and when used with real-time feedback, they enable managers to act as coaches, giving constructive feedback for improvement, rather than as evaluators, bringing up past failings which demotivate employees.
Peer Feedback
In organizations that are increasingly flat, peer feedback offers clear value as managers can no longer track what each employee is accomplishing. Real-time peer feedback ensures managers can check in any time and access data on each employee’s performance. Peer feedback paves the way for employee recognition, and gives teams ownership of their work, encouraging them to build strong connections in the workplace and driving better retention.

Anonymous Feedback
The objective of anonymous feedback is often an appetite for honesty. Anonymous feedback gives reserved personalities a chance to be heard, and allows subordinates to report weaknesses of their managers without impacting the relationship. Research shows anonymous feedback also increases participation.

But, the risks include enabling petty or personal criticism without personal responsibility. A culture of real-time feedback paves the way for greater transparency. When feedback is constant, employees develop a comfort for giving and receiving difficult messages and will not need the veil of anonymity.

Constructive Feedback
Due to negativity bias, the brain remembers criticism more intensely than praise. The 3:1 feedback model suggests delivering three positive messages to each one piece of constructive feedback. With training and a good example set by managers, teams can learn to deliver effective feedback. Best practices include always including a specific example with any corrective message, which happens naturally when feedback is delivered and in real time.

Coaching
The shift from annual appraisals to continuous performance management is not just a change in schedule. Real-time feedback allows managers to act as coaches, stepping in to course-correct in the moment, instead of calling out a mistake after it’s too late to fix.

Feedback should be framed as opportunities to learn and improve, which empowers employees and inspires them to be more engaged. A football coach doesn’t wait until the end of the game to tell players where they’re failing. Performance will rise when coaching takes place throughout the year.

Recognition
Employee recognition is consistently linked with retention, especially as talent becomes increasingly mobile. Around 50 percent of employees have been with their current employer less than four years, according to the Bureau of Labor Statistics. Pay increases and manager recognition contribute to employees’ feeling appreciated, but often miss out on day-to-day wins. Real-time feedback ensures employees are recognized for their work frequently, and those wins are surfaced for their superiors to be considered in compensation discussions.
Frameworks for Effective Real-Time Feedback

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| **Google** | Facebook, Google 360's | • Provide comprehensive feedback on performance, strengths, and development  
• Create a culture of feedback and recognition |

| **Deloitte.** | Deloitte Performance Check-In | • Keep a pulse on who are top and bottom performers  
• Give frequent feedback on performance and competencies |

| **Pinterest** | Pinterest Goal Check-In | • Deliver frequent, structured feedback on goals  
• Enable agile alignment on goal performance and progress |

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Real Time Feedback

- Performance Reviews
- Check-Ins
- Goals Management
- 1x1 Coaching
How to Introduce Real-Time Feedback

You’ve determined Real-Time Feedback can positively impact your organization’s performance management goals. Now it’s time to customize tools fit your culture and introduce employees to this new way of interacting as a team. Here are three steps to ensure long-term success with real-time feedback.

01 PRODUCT CONFIGURATION

Every company culture is different. You’ll want to select a performance management software that is flexible enough to meet your needs. Real-time feedback should be integrated into an employee’s workflow in order to guarantee employee participation. You’ll also want the option to run performance reviews and manage goals in order to maximize engagement with the product across your team.

Our best practices include using peer-to-peer positive feedback, limiting constructive feedback to be between managers and their direct reports, and implementing a peer bonus feature, to drive engagement and behavior.

Use Points for Visibility

Rewards are a powerful engagement tool for employees, since they aren’t given out as frequently as regular recognition. A peer bonus feature can be used to further increase the visibility of standout work across your organization. This helps differentiate employees who are reaching important milestones, giving your team a better understanding of who to promote.

Measure Success With Polls

Polls are useful to get a quick pulse on employee satisfaction and engagement. It allows your organization to measure and track the effectiveness of talent management initiatives over time, and can be used to track data around what’s working and what’s not. A poll should take less than a minute to create and sent out, and be even easier for your employees to respond to.
We recommend these two common polls:

1. Net Promoter Score poll, or eNPS. This is a great way to measure employee satisfaction.
2. Poll your employees on whether they feel they’re receiving enough feedback. This can help you tweak your communication around your performance management process, prompting you to nudge your leadership teams if necessary.

### 02 LEADERSHIP TRAINING

Once you’ve decided on the right configurations, you’ll want to focus on adoption. To ensure widespread use of real-time feedback, it’s crucial that leaders within your organization are fully behind the initiative. They’ll need to be the most active users in order to maximize the value your team can get out of our tool.

To get your managers on board, we recommend organizing and leading a workshop on the purpose of the tool, how it will add value to them, and how best to give feedback. It will help to communicate the fact that the tool will help them with performance reviews down the line—the more feedback they share, the more data they’ll have at their disposal when it’s performance review season.

It’ll be important for managers to immediately begin sending feedback once you launch real-time feedback – this will confirm the importance and value to the rest of the organization.

Ask managers to give one piece of feedback to each of their direct reports once the tool is launched. This will ensure that every individual contributor will immediately begin interacting with the tool by receiving feedback. Employees will in turn become more comfortable and likely to send feedback of their own.

### 03 EMPLOYEE TRAINING

Now that you have the support of your leaders and managers, we recommend holding a company-wide meeting to discuss why you’re launching the tool and how it can be used. Communicate how this tool will have a positive impact on their professional development, since this will increase employee buy-in.

Employees will better recognize which attributes and values to continue striving towards, how to emulate other over achievers, and course-correct more frequently with the increased constructive feedback they’ll receive from their managers.
Conclusion

Performance management is evolving towards real-time feedback. Historically, performance reviews were designed for procedural workers whose productivity could be easily measured by output. Evaluating performance of knowledge workers in today’s business climate is more qualitative, and individuals require more frequent feedback. Companies such as IBM, Adobe and Deloitte are abandoning performance reviews because they are backward-facing, suffer from recency bias, are perceived to be inaccurate and proven to demotivate employees.

Real-time feedback is an element of continuous performance management that also includes quarterly check-ins, one-on-ones and performance reviews. When used alongside an annual or bi-annual performance review, real-time feedback reduces recency bias to make reviews more accurate, and saves managers time by keeping performance data easily accessible.

Some companies choose to shift to real-time feedback, ending their formal performance review processes completely. Other companies split compensation decisions from performance reviews, so that reviews can be developmental instead of evaluative. With real-time feedback, employees are able to access the learning and talent development they need to stay engaged and build better relationships with managers.

As millennials enter the workforce, they seek additional feedback and opportunities for learning and growth. All generations benefit from feedback from peers and managers, when it is actionable and timely. Real-time feedback is an essential piece in talent development that ensures all employees are given a chance to perform at their best, and the most talented employees remain engaged in the workplace.

Get Started With Real-Time Feedback

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