The Performance Management Facebook Uses to Develop a Happy Workforce

With a 4.5 rating and 98 percent approval rating for CEO Mark Zuckerberg on Glassdoor – making him the site's top-rated CEO – it's easy to see that something is going well at Facebook. Its stock price has more than tripled since its 2012 initial public offering. But in that same time, Facebook grew from about 3,000 employees to almost 15,000.

Where most companies outgrow their startup roots and adopt a more corporate environment at scale, Facebook exemplifies how to maintain culture through rapid growth, with defined values and a performance management system built around promoting and retaining top performers.

About Facebook

Facebook is the world's largest social network, with more than 1 billion daily active users.

Year Founded: 2004

# of Employees: 14,495

Revenue: $17.93B

Company Values

Be Bold   Focus on Impact

Move Fast   Be Open

Build Social Value

"[Employees] want real-time feedback, ongoing coaching, and stretch development opportunities sooner and more frequently than traditional corporate cultures provide."

Lori Goler, *VP, People*

Facebook's Performance Management

As Facebook grows, it's raised the stakes in the competition for talent. Meanwhile, legacy companies GE and IBM have announced drastic changes to their annual performance reviews to attract the entrepreneurial and innovative thinkers who may otherwise rush to join a younger technology startup.

Yet, Facebook finds success in a somewhat traditional bi-annual review format – with some key changes from its people operations team. The 360 review is recommended to include no more than five peers and has two questions: What was this person's impact this year, and how can he or she increase this impact? Managers give employees ratings that are used to determine compensation. A suggested curve is provided so managers don't, say, give every employee the top score, but it is not a forced curve.

After the review process, managers use ratings in calibration sessions to identify individuals for promotion. All-company surveys ensure organizations and teams are held just as accountable as each employee.

Elements Used

- Bi-annual review
- 360 review
- Calibration
- Suggested rating curve
- Compensation tied to performance assessment

Facebook's Modifications

- Real-time feedback is given via internal software
- Promotion to management is considered a lateral move
- Maximum number of peer reviewers is recommended to be 3 to 5
- Employees review company 2x/year

Results

Facebook says employees are not surprised by their reviews, because feedback is ongoing throughout the year.

> "It's a process that is designed to recognize, acknowledge, and show appreciation for people who have done really great work. And it's designed to ensure that you are getting feedback from all of the people that you work with most regularly."
> Lori Goler, *VP, People*