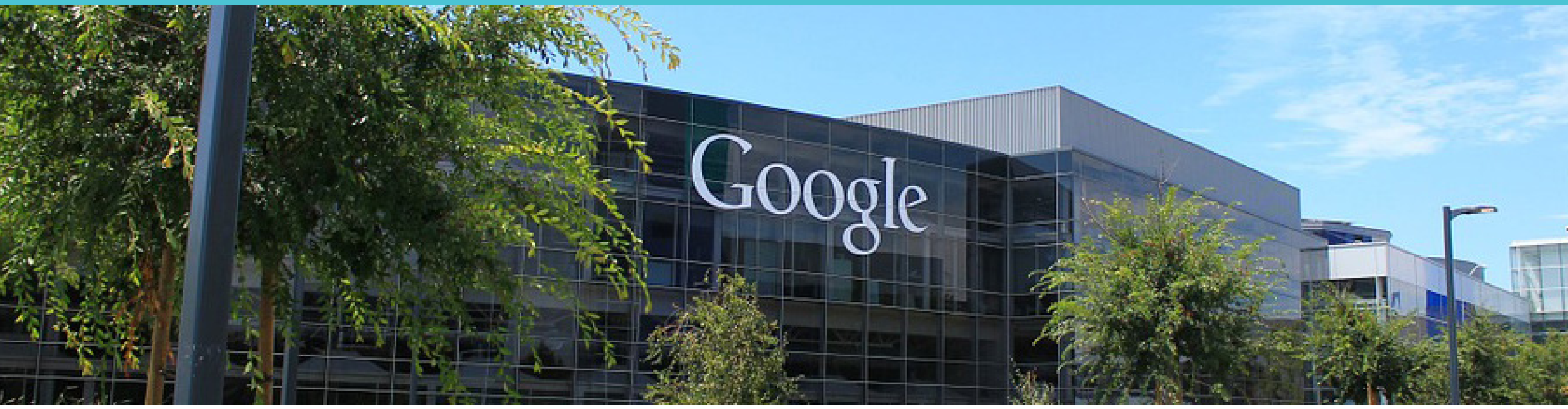

Why Google Made Managers the Kingpin of Performance Management

Workplace collaboration matters at Google – that's why the company has been so successful with Google Docs, its cloud-based document system that allows teams to work in tandem, from anywhere in the world. From becoming an expert for its business customers to scaling its own workforce, Google has every reason to research how to optimize performance.

Google's Project Oxygen studied correlations between manager behaviors and team performance, and determined the behaviors that drove statistically significant results in effectiveness and performance. Managers – and optimizing management – thus became the foundation of Google's performance management.

About Google

Google, now called Alphabet, is a conglomerate with portfolio companies in technology, life sciences, investment capital and research.

Year Founded: 1998

# of Employees: 61k

Revenue: $74.98B

Company Values

- Focus On The User
- Do 1 Thing Really, Really Well
- Fast Is Better Than Slow
- Democracy On The Web Works

Laszlo Bock,
SVP

"A [negative] dynamics exists when managers sit down to give employees their annual review and salary increase. The employees focus on the extrinsic reward – a raise, higher rating – and learning shuts down…. We have an embarrassingly simple solution. Never have the [pay and feedback] conversations at the same time. Annual reviews happen in November, and pay discussions happen a month later."

Google's Performance Management

At Google, performance management is built around frequent feedback and coaching by managers. In a bi-annual 360 review, 3-8 peer reviewers chosen by the employee answer what the employee should keep doing, and what to do in a different way, also rating the employee on a scale ranging from "never demonstrates" to "always demonstrates" in conjunction with behaviors.

Calibration helps managers avoid recency bias and score employees on a five-point scale that ranges from "needs improvement" to "superb." Employees must build their own case for promotion, and in assessing a promotion, the manager assesses both the results of the employee and the "how" related to these results. Quarterly goal-setting ensures employees stay on track, and manager-employee one-on-ones are held in between appraisal cycles.

Elements Used

- Bi-annual review
- Quarterly goals (OKRs)
- 360 reviews
- Calibration

Google's Modifications

- Peer reviews have limited text field (512 characters)
- Compensation discussion held a month after feedback discussion
- Employees must build own case for promotions
- Eliminated forced curve in 2014

Results

The annual Googlegeist employee feedback survey has a response rate of more than 88 percent.

"I don't give a promotion based on what you did — how you did it matters, too."

Peter Scocimara, *Senior Director*