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People Ops Council

4 Steps for Driving Results with Performance Reviews

October 24, 2024

Today's Agenda

- Welcome, introductions (15 min)

- 4 Steps for Driving Results with Performance Reviews (45 min)

- Discussion: What challenges are you facing with performance reviews currently? (30 min)

We help our portfolio build and optimize hyper-growth GTM machines

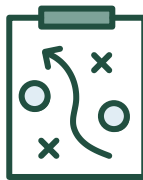# What is the GTM Advisory?

Advisory

Been-to-market expertise

Advising over 55% of the portfolio with bespoke GTM consulting

Content

Step-by-step guides

Distilling decades of experience into 80+ practical tools and frameworks

Events

The power of community

Connecting EIRs, advisors, and portcos at 40+ events per year

Today's workshop leader

Shane McCauley

VP of People Ops
Motive

Introductions

1. Name
2. Title
3. Company

4 Steps for Driving Results for Performance Reviews

Improving Performance Improvement

1. Understand your intent
   a. Impactful development
   b. Informed investment
2. Diagnose process problems
3. The why
4. Effective design concepts

Common problems with performance reviews

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6 common problems with performance reviews

1

Poorly understood standards

Employees do not understand the criteria against which they are being evaluated

2

Inconsistent standards

Performance standards differ widely across managers / departments

3

Lack of specific growth feedback

Employees do not receive specific feedback on development opportunities

4

Overly burdensome process

Process of giving feedback is overly time-consuming for managers

5

Variance in workload

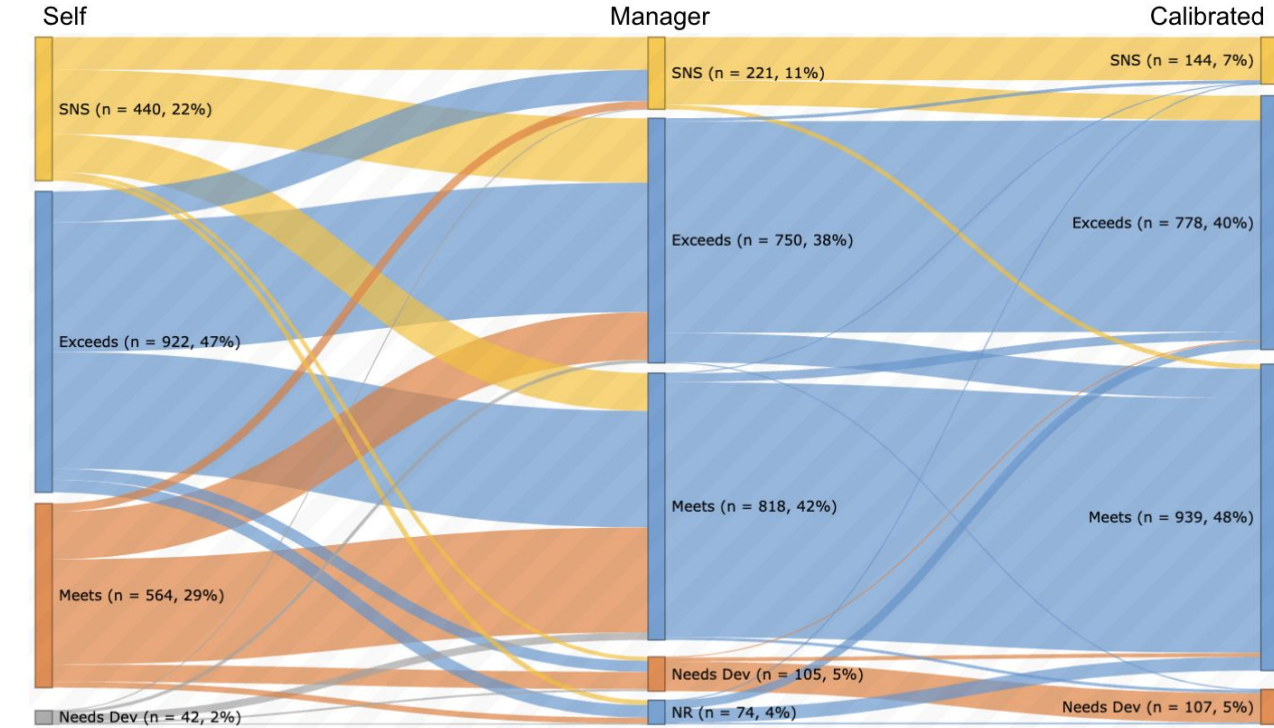Number of reviews managers are asked to complete varies widely

6

Gap between period & feedback

Large time gap between the performance period and feedback conversations

Diagnosing issues: Miscalibrated/Inconsistent Standards

- Collect self-reported data, manager-reported data, and calibrated data

- Analyze the % accuracy of ratings across each process node

Self | Manager | Calibrated

SNS (n = 440, 22%)

SNS (n = 221, 11%)

SNS (n = 144, 7%)

Exceeds (n = 922, 47%)

Exceeds (n = 750, 38%)

Exceeds (n = 778, 40%)

Meets (n = 564, 29%)

Meets (n = 818, 42%)

Meets (n = 939, 48%)

Needs Dev (n = 42, 2%)

Needs Dev (n = 105, 5%)

NR (n = 74, 4%)

Needs Dev (n = 107, 5%)

Diagnosing issues: Process Burden -> Time

Time-to-complete:
- Calculate the average number of performance-review words written at each managerial level

- Make an assumption about the time to write 1000 words

- Analyze variance in time spent by level

Reviewer level	Total hours
VP	15.7
Sr Director	15.2
Director	15.3
Sr Manager	13.6
Manager	13.2
Assoc Manager	10.2

Diagnosing issues: Process Burden -> Review Quality

Review Length:

- Group managers into buckets based on number of reviews written

- Calculate the average word count per review among managers in each bucket

- Analyze how word count per review varies with the number of assigned reviews

Review Count	Word Count per Review
0-2	666
3-5	548
6-10	484
11-20	344
21-50	305

Diagnosing issues: Process Burden -> Org Investment

Total / Average Time:

- Review total and average time spent by persona and feedback task

- Is this investment providing a return?

- How can we optimize this investment?

Role	Feedback Type	Total Time (hrs)	Average (hrs)
Manager	Direct Report	3,172	7.2
	Stakeholder	1,456	3.3
IC	Stakeholder	3,512	1.8
All	Upward	1,034	0.4
	Self	3,884	1.6
	Total	13,058	

# Diagnosing issues: Workload Variance -> Process Complexity

Reviews-per-manager:

- Calculate the number of reviews written by each manager

- Group managers into buckets based on number of reviews written
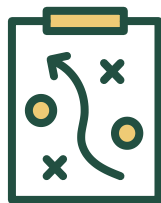
- Analyze variance in distribution of work

Review Count	Mgr Count
0-2	130
3-5	163
6-10	104
11-20	36
21-50	12

Why fixing these problems is important

Fixing these problems is important for...
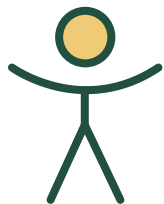
Improving employee retention

Developing talent for leadership roles

Cultivating a culture of teamwork

Effective review processes in 4 steps

Step 1: Define Feedback Landscape

Why it's important

Identifying reviewers from many perspectives with **direct visibility** into an employee's work ensures reviews provide detailed, accurate feedback

Best practices

- Give employees one week to **nominate reviewers** from any cross-functional teams (stakeholders)

- Set a **maximum** on the number of nominations to limit excess work

- Ask managers to **approve or add** to the list before feedback collection begins

- Ask employees to provide **upward** feedback

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Step 2: Collecting level (or competency)-specific feedback

Why it's important

Level-specific competency assessments provide a **standardized**, **research-based**, **easily understood** rubric for reviews

Best practices

- Develop a level-specific framework that different functions can use **off-the-shelf**, aligning ratings to above level, below level, or at level

- Require reviewers to provide context **only** for "above" or "below" ratings

- Provide **"prefer not to say"** option for overall ratings in self-feedback forms

- Permit functions to utilize **existing** competency definitions where available

Level-based feedback rubric template

Competency Type	Competency	L1	L2	L3	L4	L5	L6	L7
General (function-defined KPIs)	Execution	Correctly executes routine tasks and follows instruction. Escalates issues that are outside of skillset.	Correctly executes moderately complicated tasks. Uses judgment in making recommendations and escalating issues.	Reliably executes projects and responsibilities of significant complexity. Understands significance of work and prioritizes effort accordingly.	Takes ownership over components of larger projects or full responsibility for more straightforward projects. Decisions may influence success of team OKRs.	Identifies and executes many projects independently. Decisions influence the success of team OKRs.	Plans and executes projects of diverse scope, takes a new perspective on existing solutions. Decisions impact the achievement of departmental OKRs and objectives.	Leads the design and execution of complex projects involving multiple or cross-functional teams. Decisions impact the achievement of functional OKRs and objectives.
General (function-defined domain)	Domain Expertise	Has knowledge required to execute routine tasks. Asks questions and escalates unknown issues.	Has knowledge required to execute more complicated responsibilities. Begins to understand and learn skills more broadly relevant to the function.	Expert understanding of responsibilities and processes related to role. Deepening knowledge of other skills relevant to the function.	Broad knowledge of the function and relevant skills, alongside deep understanding of role responsibilities. Able to flexibly learn new skills or subject matters.	Conceptual and practical expertise in own discipline. Developing analytic skill to guide decision-making and planning.	Deep and/or broad expertise in own discipline. Acts as subject matter expertise on the team in one or more areas. Thorough analytical skillset to guide problem-solving.	Depth and/or broad expertise in own discipline, alongside broad knowledge of other disciplines within the function. Expertise and analytical skills to drive projects to successful execution.
General (function-defined users)	User Focus	Is aware of end user of work product and has basic understanding of user's priorities and perspective.	Understands the end user of work product and their priorities and perspective. Considers problems from user perspective.	Deep knowledge of user perspective and priorities. Prioritizes effort to best support user.	Understands key user perspective and priorities for own and adjacent teams. Drives solutions when executing responsibilities with user in mind	Thorough understanding of user priorities relevant to the function. Begins to evaluate trade-offs and conflicting priorities using nuanced understanding of user priorities.	Broad understanding of user and stakeholder landscape relevant to the function. Can effectively direct high-level projects with awareness of end user impact and relevant tradeoffs.	Broad understanding of user and stakeholder landscape relevant to the company. Manages complex initiatives and balances priorities to best support complex user needs.
General	Collaboration	Understands how work product affects adjacent teams. Works to meet expectations of internal stakeholders and communicate progress and issues proactively.	Understands how work product relates to coworkers' responsibilities and seeks improvements that benefit the broader team. Communicates status, output, and issues effectively.	Builds connections with upstream and downstream teams to drive improvements. Can effectively communicate work and build consensus at a team-level.	Understands role within department processes and priorities and seeks opportunities to contribute. Communicates relevant information to facilitate decision-making.	Develops strong working relationships with adjacent teams and acts as trusted partner in problem-solving. Can present case for decision-making and build consensus at team level.	Develops strong working relationship across department and acts as a trusted advisor. Can build consensus across department and communicate recommendations effectively.	Proactively builds relationships across interdependent departments and drives process and communications improvements. Educates relevant teams on issues and topics in own discipline and drives decision-making.
General	Problem-Solving (or Innovation)	Provides initial thinking about potential solution when escalating problems.	Seeks to solve issues independently before escalating.	Identifies and resolves many issues independently. Makes recommendations to the team based on experience and observations.	Proactively identifies issues and considers root causes. Can drive complex issues to solution.	Effectively synthesizes team issues and works to resolve root causes. Can drive complex issues to solution within teams and in partnership with adjacent teams.	Identifies problems in the context of departmental priorities. Uses rigorous logic and methods to solve difficult problems with effective solutions. Thinks broadly and partners with other departmental groups to execute solutions.	Uses functional expertise to identify problems and opportunities of strategic importance to the department and function. Leverages talent across the org to ideate and execute solutions.
Manager-Only	Setting Direction				Receives team OKRs. Works within financial and headcount plan set by manager. Helps resolve issues and answer questions in the team.	May provide input on team OKRs. Forecasts resource needs and manages allocated budget. Resolves higher level issues in the team.	Partners with management to define OKRs and financial and headcount plan. Manages resources to ensure OKRs are met. Resolves dynamic/complex issues in the team.	Identifies problems of importance to the department and/or function. Leverages talent across the function to execute solutions.
Manager-Only	Building Effective Teams				Demonstrates desired behaviors by example. Provides first-line support for job tasks in which employees need assistance.	Works with management to plan performance & development strategy for immediate team. Provides first-line support for job tasks and may provide initial mentoring.	Creates performance & development strategy for team. Provides support for job tasks and acts a mentor for team members. Works with department management to proactively plan for personnel changes	Advises junior managers on performance & development strategies for their teams. Responsible for mentoring and developing leaders at a departmental level. Proactively plans for personnel changes.

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Level-based feedback collection template

Self Feedback Form

Please take a moment to reflect on your experiences during the review period for yourself. Consider all interactions and provide feedback on your contributions in relation to expectations for each competency.

Additional context is required for each competency.

Execution

Definition: Able to carry out tasks and projects effectively, follows instructions, uses judgment, and makes decisions that impact various levels of organizational goals. Range of impact includes performing routine tasks to leading complex, cross-functional projects. Influences individual, team, departmental, or company-wide objectives.

Please select an option that most closely reflects your interactions relative to the competency definition:

Contributing as expected ▾

Context

Provide an example that clearly articulates your rationale for the level of contribution you observed in H1. When providing your feedback, clearly describe what you experienced, and the impact of the employee's actions. If you need help structuring your feedback, click this job aid.

Domain Expertise

Definition: Specialized knowledge and skills in a particular area, enables the individual to perform tasks, solve problems, and guide decisions effectively. Expertise ranges from basic understanding necessary for routine tasks to advanced, leading-edge knowledge that influences broader organizational goals and initiatives.

Step 3: Calibrating ratings

Why it's important

Calibration ensures different reviewers are using **similar rationale** for "above", "below", and "at" ratings by competency

Best practices

- Use calibration process to **identify bias** by analyzing correlations between ratings and demographic variables

- Document any rating ranges to ensure **development feedback loop** is closed with employee

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Step 4: Holding live feedback conversations

Why it's important

Live conversations *should be* a **low-lift**, **high-impact** means of aligning managers and employees on a shared growth trajectory

Best practices

- Present written feedback **by reviewer** and **skill type** to provide richer context

- Provide managers with a **standard set of questions** to ask in their feedback conversations

- Ensure feedback conversations happen as close as possible to the **end of performance periods**

Finalized feedback report template

Execution

Definition: Able to carry out tasks and projects effectively, follows instructions, uses judgment, and makes decisions that impact various levels of organizational goals. Range of impact includes performing routine tasks to leading complex, cross-functional projects. Influences individual, team, departmental, or company-wide objectives.
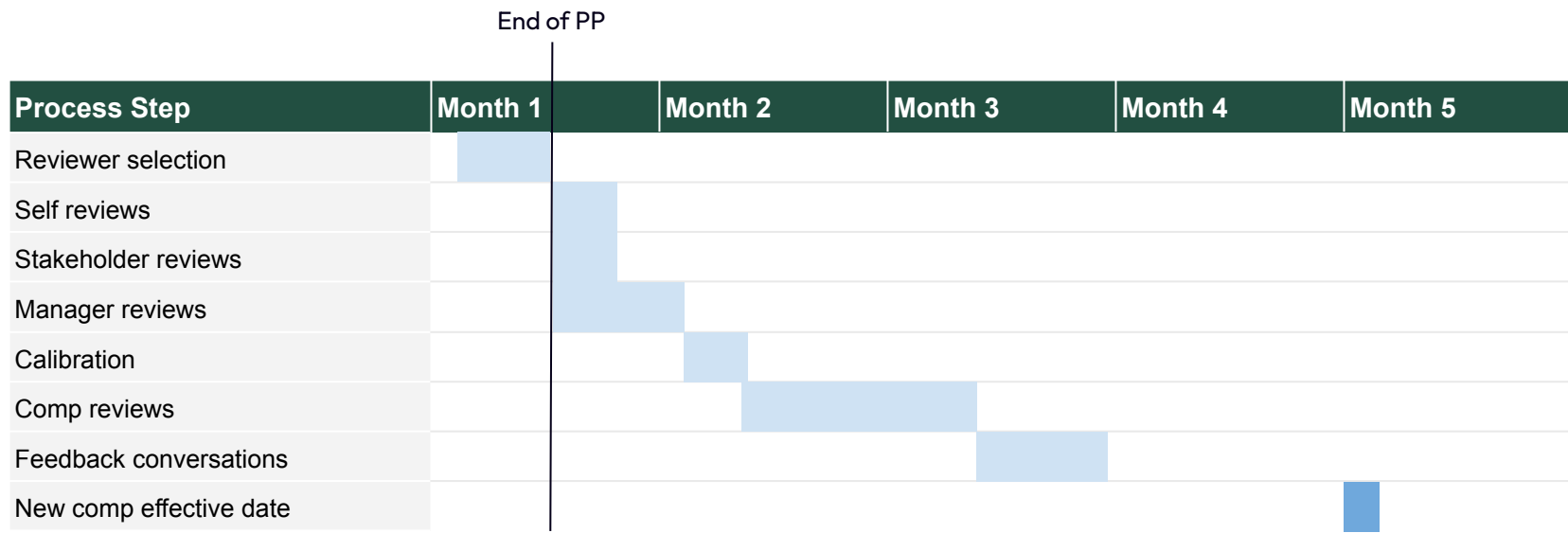
	Rating	Feedback
Self	Contributing as expected	
Manager	Contributing as expected	
Stakeholder 1	Above expectations	
Stakeholder 2	Contributing as expected	*N/A*
Stakeholder 3	Contributing as expected	*N/A*
Stakeholder 4	Above expectations	

Standard topics for live feedback conversations

1a. Here is the **contribution** we <company> need from you.

1b. What **growth experience/opportunity** are you **looking for** from us <company>?

2a. Here are the **most important skills** for you to demonstrate in the next performance period.

2b. **How** can we work together to master the these skills?

3a. Here is level of **currently being exhibited** by competency.

3b. How can we work together to **close the gap** between the skills needed and skills exhibited to achieve our desired end state?

Sample timeline for the review process

~8 weeks between end of performance period and end of feedback conversations

End of PP

Process Step	Month 1		Month 2	Month 3	Month 4	Month 5
Reviewer selection	▓					
Self reviews		▓				
Stakeholder reviews		▓				
Manager reviews		▓▓				
Calibration			▓			
Comp reviews			▓▓▓			
Feedback conversations				▓▓		
New comp effective date						▓

Additional topics

Making promotion & compensation decisions

Promotion

- Use a consistent framework that defines expectations by level

- Require documentation to support performance has been consistently exhibited at the next level (typically for at least 6 months)

- For managerial promotions, document business need for role at higher level

Compensation

- Use ratings from this process as direct inputs into compensation decisions.

- Compensation should reflect performance trajectory – calibrate compensation based on historical and expected performance

- Compensation and performance should tell the same story – ensure messages are aligned

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Discussion: Current review challenges