

Purpose, Process & Impact.

A Guide To Mastering
Continuous Feedback.



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Introduction

This white paper explores the future of performance review and why you should adopt a more innovative approach to improve employee performance, engagement and loyalty. Many companies still use outdated performance processes that gained a foothold during the post world war 2 era, but have little or no relevance in today's times.

Emerging industry practices have clearly identified how obsolete it is to wait until the predefined timelines for performance appraisals. Instead, capturing employee feedback real-time enables a greater context and diligent promptness towards corrective action.

Research reports that annual reviews are astonishingly time-consuming, with managers spending an average of 210 hours a year and employees each taking 40 hours a year on these activities.

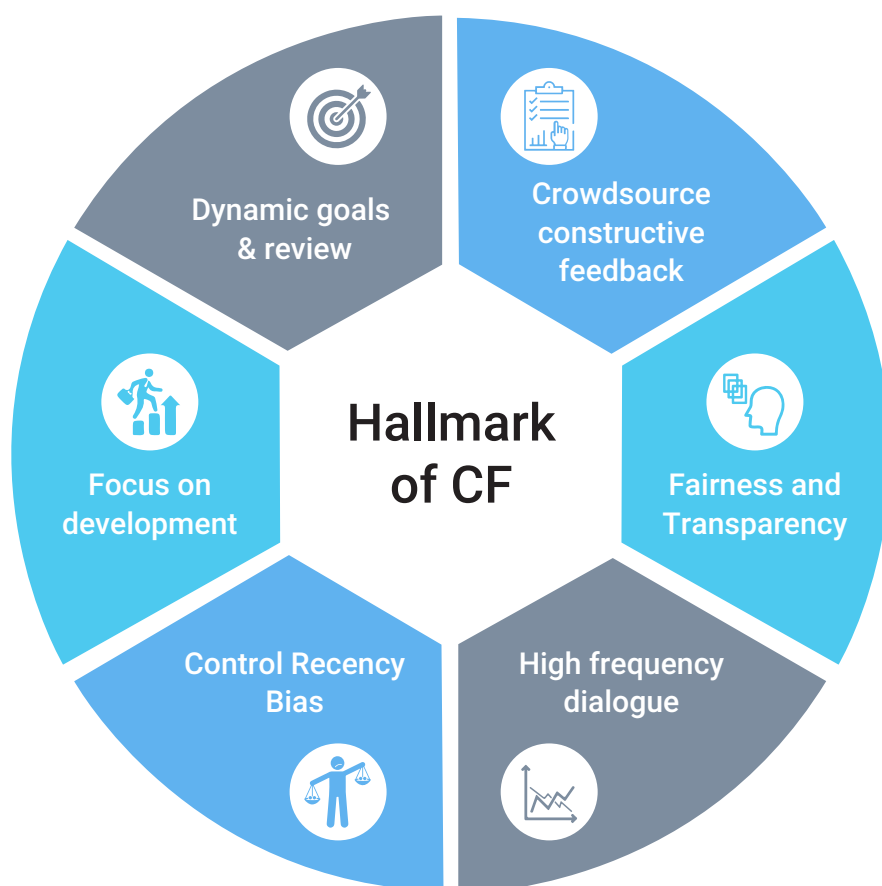
Considering these problems at hand, the need of the hour is definitely a more continuous and holistic approach to performance evaluation, one that makes the employees more accountable and engaged through the process, thus arresting attrition.

Among the most recommended industry practices for performance management that include Continuous Feedback, Multi Stakeholder Feedback, Periodical Check-ins and Goal Cascading, this whitepaper will doubleclick on Continuous Feedback to set a clear direction of when it can be an ideal solution for your organisation, what's the best practice to follow and how to go about leveraging it to engage and retain your best employees.

Chapter-1 ►

What is Continuous Feedback?

It is an approach that fosters continuous dialogue between managers, direct reportees, HODs, peers, and teams about goals, work progress and performance of an employee. Continuous feedback emphasises on providing ongoing feedback and coaching to an employee by openly discussing his/her strengths and weaknesses on a regular basis.



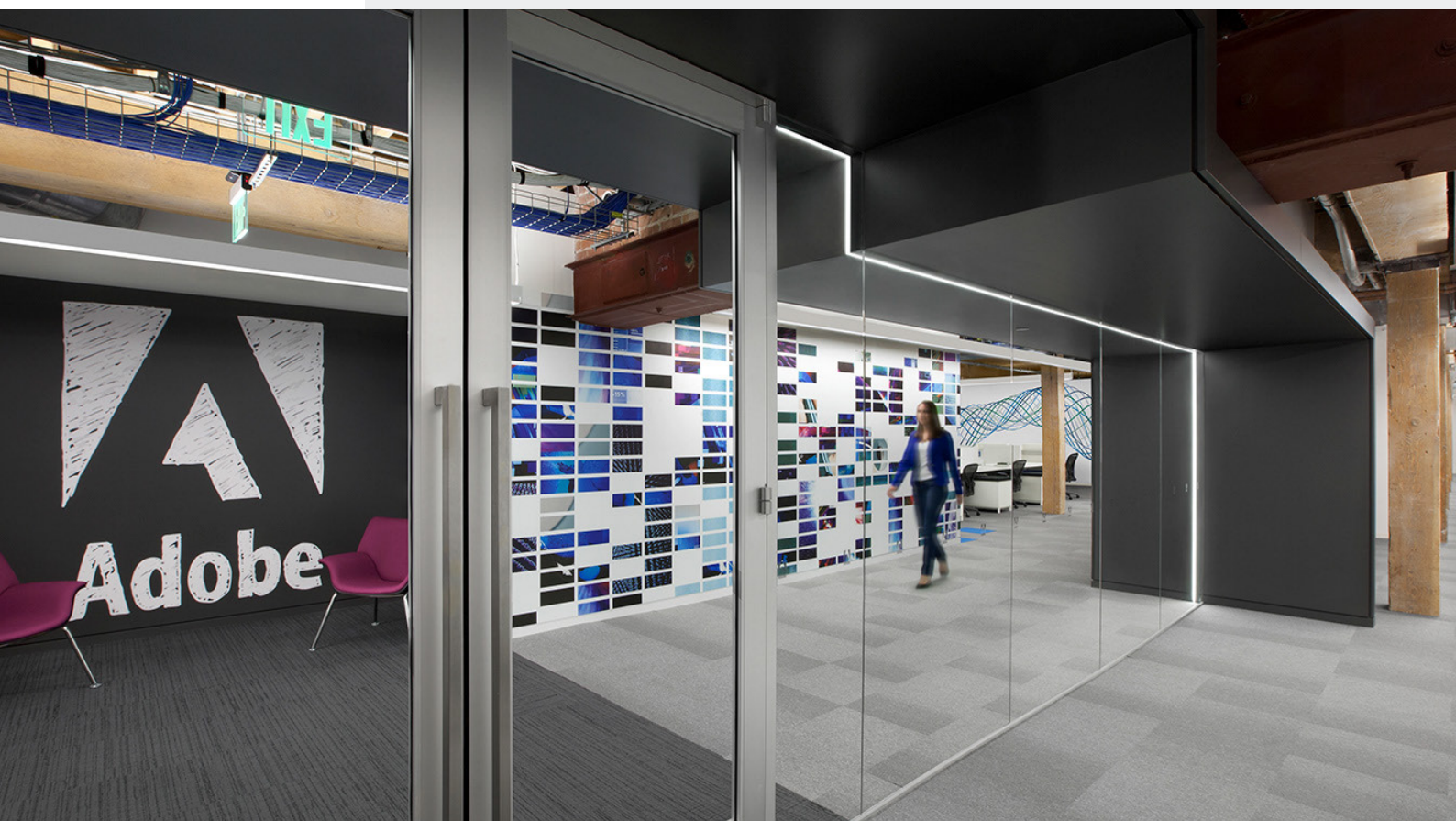
According to a Gartner Report ^[1] more than 80% of organisations are considering making a major change to their performance management approach. There are few organizations which are in the pilot stage and are still waiting for the results, while few others have already started reporting the benefits they are experiencing.

While the whole conversation on continuous feedback is really catching up rooms there are few big players in the market who have implemented it and have achieved major transformation towards continuous feedback system. One such leading player is Adobe.

Story of Adobe:

^[2]
Adobe has reported a drop in voluntary attrition rate by 30% and an increase in involuntary attrition rate by 50%. This has been possible after Adobe rolled out its frequent feedback and development processes through its system named as 'Check-in.' This allows managers to have discussions with their team members, be it on a monthly or a quarterly basis. And the whole idea behind this new introduction was to make the employees and the managers interact on a much more frequent basis than before. Adobe have also gained the scope for managers to coach their employees and set regular, realistic and achievable goals for them through this new practice.

As we talk about some of the big names that have taken up this practice for the sake of various immeasurable benefit that it provides, the next big question that turns up is why only continuous feedback? Is it the only solution? Or it is the best solution?



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Why Continuous Feedback?

In case of continuous feedback, a number of factors explain why more companies are adopting it, either in addition to the traditional annual review or as a complete replacement.

Today's companies are more prone to transformation and oscillation than they've been before, which also means that there is a constant re-prioritization in terms of goals. The goals that is set up at the starting of the year often shifts as the year unfolds. However, continuous feedback looks forward rather than backward. The approach is based on what you're doing today, what areas of development would make you better tomorrow based on what you're trying to achieve.

Benefits of Continuous Feedback:



Empowerment:

Direct reportees, peers and teams feel more empowered because feedback is given and received by more than just the manager. Everyone gets to influence performance expectations through periodic discussions throughout the year, instead of waiting for the annual process to realise where they stand. Frequent conversations also helps in building stronger relationship and greater engagement across the organisation.



Course correction

Involves discussions on goals and priorities, how to approach a project, and assessment of progress happen more frequently, which allows for more rapid course correction. This can keep the reportees more on track, and allow managers to identify and respond to low performance more quickly.



Deeper Transparency

Transparency and the sense of 'equals' amongst employees is ensured in this structure, because anyone can ask/request for feedback at any given point in time, enabling the culture of dialogue and faster resolution of conflicts.



“ Performance is an ongoing activity. It’s every day, after any client interaction or business interaction or corporate interaction. It’s much more fluid. People want to know on an ongoing basis, am I doing right? Am I moving in the right direction? Do you think I’m progressing? Nobody’s going to wait for an annual cycle to get that feedback. Now it’s all about instant performance management.

Credit: The Washington Post [\[3\]](#)

Pierre Nanterme
CEO, Accenture

After looking into the success stories of continuous feedback approach the next big question is does it fit all kinds of companies and roles? And how to evaluate if Continuous Feedback is for you?

Chapter-3 ►

Is it the best fit for your company?

After GE, Adobe, Accenture and Netflix scrapped their age-old rules of performance management processes in favor of continuous feedback systems, many others also followed the track. But is it the right move for everyone?

While most practitioners recommend continuous feedback, it is important to critically assess if this is the ideal fit for the organization by considering factors like the workforce demographic, nature of work, organizational culture in terms of power distance and openness to share feedback. Above all, one needs to evaluate the ideal fit not at a pan-organization level but for each individual team or function as well. Here are a few guidelines to assess if continuous feedback is the right approach for your team/organization.

Criteria for Adoption:

- If your organization has **dynamic work roles** (example: project based) and goals owing to the external market conditions or rapid expansion, then continuous feedback is a great fit for you to performance on real-time goals.
- If majority of your work roles are **cross-functional** in nature, then continuous feedback is apt to capture performance data from multiple stakeholders other than just the manager.
- If **millennials** constitute a majority of your workforce, then they would seek feedback on a much frequent and regular basis to stay engaged.
- If you experience high attrition and employee turnover owing to a highly **competitive talent market** (example: technology industry), then continuous feedback can help in identifying, engaging and retaining the top performers early in their journey.

Story of Deloitte:

One of the leading brand across the globe, **Deloitte** have identified three ways of addressing performance.i.e: **Recognising**, **Seeing** and **Fueling** performance. The most important action that Deloitte has taken is to ask immediate team leaders to evaluate their future potential of team members instead of their skills. Deloitte have constructed their Check-in conversations to be a key part of managers job role which is required to be conducted once every week to review latest projects. Managers are asked to set expectations for their employees and provide mentoring for the upcoming weeks keeping the project deadlines in mind. In order to help managers save more time, check-in conversations are initiated by employees themselves. This way, employees are also given ownership of their own course of development.

Credit: LinkedIn Pulse ^[4]



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Methods of Implementation of Continuous Feedback

After evaluating if Continuous Feedback is the right fit for you, the most obvious question that arise is what are the different aspects of continuous feedback and how can one configure it using technology at place. This chapter will help you understand different variants that you can use to implement and adopt continuous feedback in your organisation.

	● Performance	● Developmental	● Any
What you can give feedback on?	Goals	Competencies	Skills
	Custom questions		
Who you can receive feedback From?	Manager	Immediate Team	Organization
Who can see your feedback?	Manager	Employee (self)	Both
When can you receive feedback?	On Request	Unsolicited	Trigger based (project, predefined timelines)

The above table shows you different aspects that you can use to implement Continuous Feedback. Here is how you can configure it using Darwinbox.

What You Can Give Feedback On?

A HRMS system enables you to define and personalise the entire structure of your feedback. The list of parameters - **goals and competencies** - under which feedback can be given can be configured. One can choose if **ratings** are to be made mandatory for every **Feedback Provider**, or can they even be **qualitative** comments. One can even choose to customise **Specific Questions** mapped them to Competencies or have a setting **General Feedback**.

Who You Can Give Or Receive Feedback From?

Whether employees can be rated by only their **Immediate Network** (managers, HODs, bosses), or **can everyone give and receive feedback** to and from everyone in the organisation can be configured. Through the configurations possible on Darwinbox, everyone can feel **empowered** and get a chance to **influence performance expectations**, because feedback is given and received by **more than just the manager**.

Who Can See Your Feedback?

There are a gamut of configurations possible when it comes to who can see a particular employee's feedback. Feedback can be given with anonymity. Managers can be **restricted from viewing** their reportees feedback before or during the performance review. Managers can also be **given access to view all feedback**, as well as the power to **request feedback for their reportees from various stakeholders** and **have a conversational feedback** to gain deeper context of a specific event.



Chapter-5 ►

How HR can make Continuous Feedback a reality?

As organisations starts creating a culture of continuous feedback they would have to embrace multiple challenges. Therefore, one of the major focuses should be on how HR can make this a reality by ensuring smooth implementation and adoption of continuous feedback approach across the organisation. Below are few steps that can help in aligning the organisation culture towards continuous feedback.





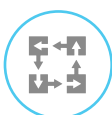
Communicate the vision:

Transparency is better achieved together. It helps employees to feel more connected to each other and bond together as an organisation. Once the plan is in place for implementing continuous feedback, communicate it to employees which will help them understand organisations expectation from them to fulfil goals of implementing continuous feedback.



Get senior leaders involved:

This is one of the most critical part in the complete process. Having the leaders involved in the complete process of performance management can make the process more agile, ensure early stage buy-in's and thus help in achieving better results.



Simplify the process:

It is important to keep the process of giving and receiving feedback simple and accessible to keep the conversation real-time. Also, ensure that the process of requesting and nudging for feedback is easy and user-centric making employee the owner of the process.



Use Technology to communicate:

In an ever-evolving landscape, technology has become the hot spot and can be leveraged to enable employees to share feedback instantly and anonymously. In instances where there is reservation to share critical feedback they can securely do so by using systems which can be highly configurable.



Make people accountable for giving & receiving feedback:

The objective of implementing continuous feedback should focus on being committed to the culture of continuous feedback in the longer run. Empowering employees with the ability to take control of the process like requesting and sharing feedback will bring accountability to each individual. It's important to make the employees a part of system that changed their organisation for the better.



Educate employees about best practices of continuous feedback:

You cannot introduce the concept of continuous feedback and expect everyone to implement it overnight. Educating the employees as well as the managers to attain best practices in giving and receiving feedback and validating them with relevant real-time examples will help achieve better adoption across the organisation for the system in place.



Measure and Improve Adoption:

As for the HR teams, having more accurate and timely data about adoption of continuous feedback will help them reinforce and improve their efforts towards driving this as a culture. Setting goals in terms of adoption percentages or employee satisfaction scores can help measure if the organization has truly adopted the new approach.

Best Practices & Industry Examples of Continuous Feedback



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- **Objective:** One of the world's largest internet companies believe in the fact that people can handle anything as long as they're told the truth. As a result this online media firm takes a radical, 'no holds barred' approach to performance management. People are thus encouraged to have performance conversations across the organisation.
- **Result:** Everyone in the company undergoes a 360-degree performance review where they're able to provide feedback to everyone else across the organisation.

Credit: ets^[5]

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- **Objective:** One of India's largest logistics player wanted to leverages Continuous Feedback exclusively for their technology team. In a highly competitive talent zone such as technology talent, it is essential that the high performers are retained by appreciating and sharing feedback on time. Their technology team often works on multiple projects in a year and interfaces with various teams. So, to be able to analyze and evaluate their performance on dynamic projects with multiple stakeholders, it was imperative to adopt continuous feedback.
- **Result:** With the new performance approach employee satisfaction score for the PMS process has increased from 2.5 to 4 (according to an internal survey conducted 6 months after implementing continuous feedback)

*[Organization implemented continuous feedback on Darwinbox]





*3

- **Objective:** India's largest e-commerce payments player as an organization was experiencing rapid growth and their leadership was working on extremely dynamic & cross functional projects where annual KPIs as a concept were not relevant. The organization wanted to adopt Continuous Feedback specifically to evaluate the performance of their sr. leadership, hi-po employees and help their perform better by giving constructive feedback on a timely basis.
- **Result:** 60% of their employees have engaged in continuous feedback on the system for either giving or receiving feedback within the first year of implementation.

**[Organization implemented continuous feedback on Darwinbox]*

*4

- **Objective:** One of the leading pharma players extended the design of Continuous feedback allowing employees to engage in a conversation on top of any feedback received. This encouraged employees to share constructive feedback. It also allowed the recipients to clarify, defend their part of the story along with seeking further information or needed expertise from the reviewer to work on the areas of improvement highlighted in the feedback.
- **Result:** It helped them facilitate a frequent dialogue among the employees thus increasing the rate of engagement and adoption of continuous feedback.

**[Organization implemented continuous feedback on Darwinbox]*



Checklist to design your ideal Continuous Feedback (CF) process

Ready to upgrade your performance management system? You can use this checklist to structure and design continuous feedback in a way that it suits your organization's needs and expectations.

1. Who will use CF in your org?

- ☐ Entire Org
- ☐ Department specific

2. Who can request feedback?

- ☐ Employees
- ☐ Managers
- ☐ HR Manager

3. Who can give feedback?

- ☐ Entire Org
- ☐ Immediate Network

4. Should feedback be shared anonymously?

- ☐ Yes
- ☐ No

5. Who can view the feedback?

- ☐ Employee
- ☐ Manager
- ☐ HR Manager

6. What's preferred method of giving feedback?

- ☐ Web interface
- ☐ Mobile App
- ☐ Voice enabled feedback

7. What is the context for feedback?

- ☐ General
- ☐ Specific-Goals
- ☐ Competencies
- ☐ Skills

8. Purpose of implementing CF?

- ☐ Developmental
- ☐ Performance
- ☐ Potential/Promotions
- ☐ Employee engagement

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