12 questions you can use now to improve performance management

If you feel like your approach to performance management needs improvement, but you don't know where to start, we're here to help. Using the twelve questions featured in this document to gather feedback on your performance management process is a great first step.

The questions that follow are split into two main categories – outcome questions and factor questions.

The outcome questions represent our goal for performance management - achieving a process that is fair, motivating, something people want to use, and something that retains top performers. How people respond to the overall outcome questions shows how effective your performance

management approach is overall but isn't directly actionable. For example, it's useful to know how many people at your company are thinking about looking for a job somewhere else, but it doesn't help you decide exactly what to change to keep those people.

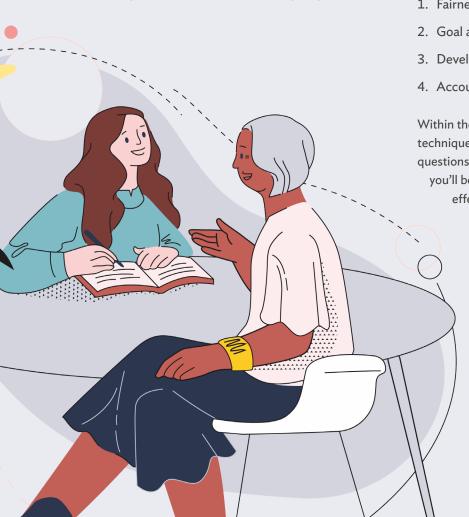
Taking action is where the factor questions come in. We consulted academic literature, industry research, and good practice in Organizational Psychology to determine what factors are most important to measure when gathering feedback to create a better performance management process.

Ultimately, we identified four factors that are found in successful approaches to performance:

- 1. Fairness, transparency, accuracy
- 2. Goal alignment and tracking
- 3. Development, coaching, and feedback culture
- 4. Accountability and recognition

Within the Culture Amp platform, we use a statistical technique called driver analysis to connect the factor questions to the outcome questions. This means that you'll be able to see what factors are driving the effectiveness of your organization's approach to performance management.

Survey your employees with these questions to assess what's working and what isn't with your company's performance management process and create a process that supports everyone.



Overall outcome questions

Organizations with employees who are more satisfied with their company's approach to performance management are 1.3 times more likely to reach financial targets, 3 times more likely to manage change, and 2.5 times more likely to engage their workforce.¹

Unfortunately, research has found that most employees dislike their company's approach to performance and see it as demotivating, uninspiring, and even a reason to quit. This is driven by the fact that less than 50% of employees feel like the way they're evaluated is fair or transparent.

According to a review of employee polls, only 20% of employees strongly agree that their performance is managed in a way that motivates them to do outstanding work.

That's why we evaluate the effectiveness of performance with outcomes of fairness, motivation, satisfaction, and retention in mind. We want to help you make performance something people will love.

Use these questions to understand employee perception of the effectiveness of your performance management approach.

01

My job performance is evaluated fairly

OVERALL FAIRNESS

This item measures how fair individuals at your company feel your company's approach is for them. In the Culture Amp platform you can compare this question to benchmarks based upon the results of our <u>Inclusion survey</u> template so you can see how fair your approach is perceived to be compared to others.

02

I would recommend my company's approach to performance management to other companies like ours

RECOMMENDATION

This item measures whether people feel like your company's approach to performance is something similar organizations would want to use. This is our version of the Net Promoter Score (NPS) for performance. Recent research has shown that the Net Promoter score for Performance Management is negative sixty (-60%).² The results of this question will show how you compare.

03

At my company, my performance is managed in a way that motivates me to do excellent work

MOTIVATION

This question taps into how motivating your approach to managing performance is and whether it's energizing people to try their best. For some people, this is the most important question we can ask. Focusing on key drivers surfaced by the Culture Amp platform will tell you what is most important here – with common causes being poor development opportunities, lack of recognition, and lack of actionable feedback.

04

I rarely think about looking for a job at another company

RETENTION

This is often referred to as a commitment or intent to stay question. This question can be used to assess whether your performance management approach is driving your people to stay or look for other jobs.

Factor questions

Use the responses to these questions to build your action plan towards a better performance management process and impact employee perception of the effectiveness of your performance management approach.

FAIRNESS TRANSPARENCY AND ACCURACY

05

I was treated with respect during my last performance review Even when people do not receive the outcomes they expect, they still deserve to be treated with respect, compassion, and dignity. By measuring this item directly, it sends a signal that the way people interact is an important component of managing performance.

06

The people I work with regularly give each other constructive feedback

In the research article, "How to make performance management less hated," Kathi Enderes, PhD, Vice President, Talent & Workforce Leader at Human Capital Consulting firm, Deloitte, found that when organizations collect feedback from multiple sources and at multiple points in time they have 67% more people recommending their performance management system to others.

GOAL ALIGNMENT AND TRACKING

07

I understand how my role contributes to the organizational goals of my company <u>Studies</u> have shown that employees are 56% more productive, on average, when they align their goals with the needs of their company's. In the Culture Amp platform this item also has up-to-date benchmarks based on data from thousands of companies so you can see how your scores compare.

80

My manager (or someone in leadership) collaborates with me in setting my goals at work

Deloitte's performance management study also found that companies that provide goal setting autonomy to workers have 39% more people promoting and recommending their approach to performance than average. Recent <u>polling data</u> found that while just 30% of employees strongly agree that their manager involves them in setting their goals at work, those who do strongly agree with this statement are 3.6 times more likely than other employees to be engaged.

DEVELOPMENT, COACHING AND FEEDBACK

09

Even when I get critical feedback on my performance, I don't question whether or not I belong at my company Workplaces are becoming more diverse, and performance management processes need to keep up with this change. Geoff Cohen and Greg Walton's research around "Belonging Uncertainty" shows that majority group members do not question their belonging when they encounter difficulties or setbacks. Minority group members, often the subject of negative stereotypes, are vigilant for cues that they belong. When their belonging is doubted, rather than assumed, critical feedback and other business interactions present specific challenges for employees that are underrepresented.

10

Our culture encourages giving candid, honest feedback even when it may be difficult In a 2018 <u>study</u> by the Institute for Corporate Productivity, researchers explored data from 234 organizations to better understand which performance management practices drive business impact. They found that creating a culture of feedback was the most critical driver of positive organizational and financial outcomes.

ACCOUNTABILITY AND RECOGNITION

<u>11</u>

When it is clear that someone is not delivering in their role we do something about it

12

I have talked about my accomplishments with my manager in the last [length of performance cycle] months Recent polls have found that employees who strongly agree they have had conversations with their manager in the past six months about their goals and successes are 2.8 times more likely to be engaged. Deloitte's performance management study found that companies that offer quarterly (or more frequent) reviews have 40% more people promoting and recommending their approach to performance than average.

C Culture Amp

Culture Amp can help you build and implement the best performance management process for your organization.

Get feedback on your performance management process, take action, and launch better performance reviews all from the same platform.

Contact us