

NEW TRENDS IN PERFORMANCE MANAGEMENT - GEN Y AND Z
THE PERFORMANCE MANAGEMENT REVOLUTION - HARVARD BUSINESS REVIEW

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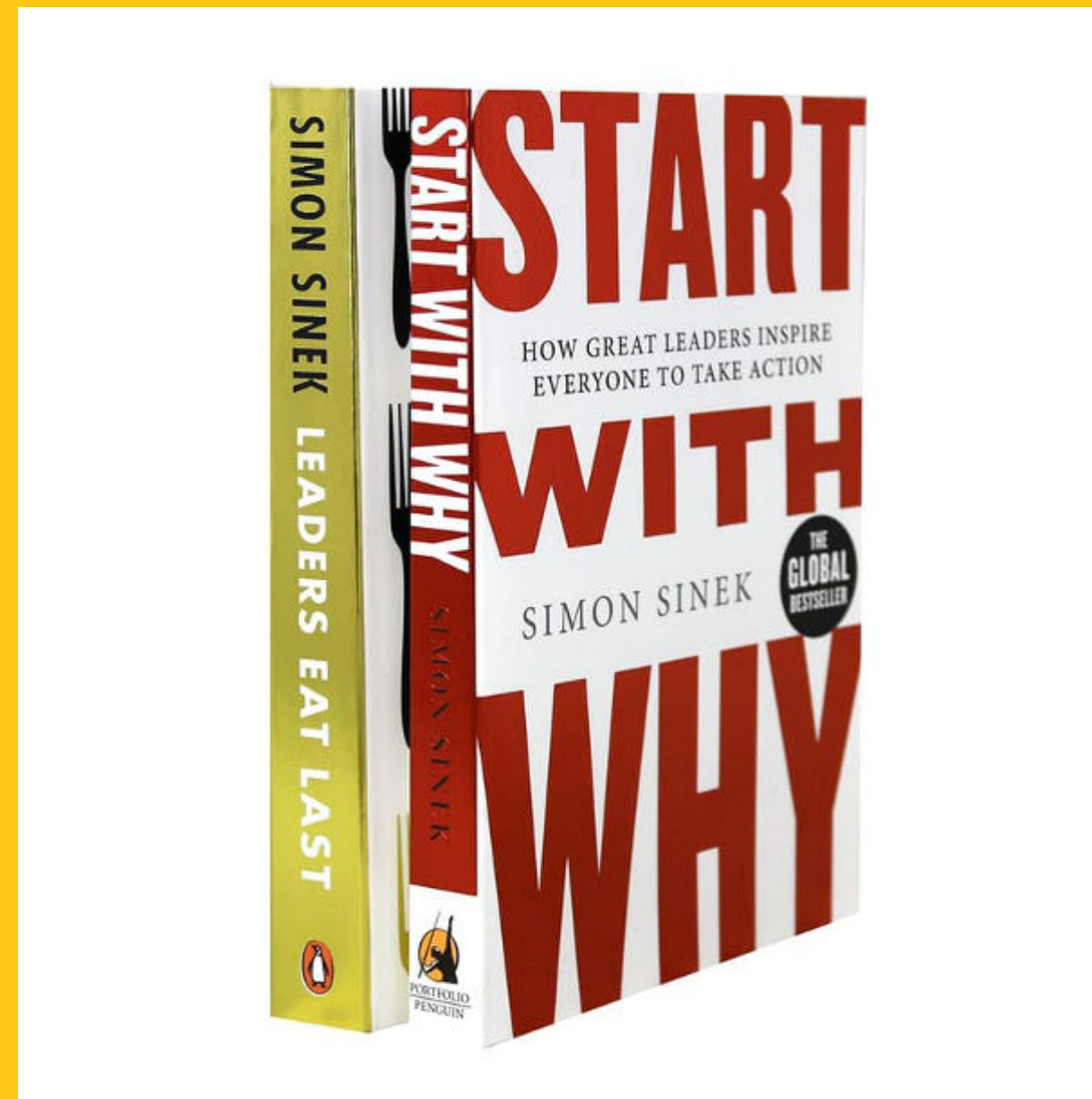
TRADITIONAL ANNUAL APPRAISALS

65% of companies are still using annual appraisals over a continuous performance management system. This traditional approach of annual performance reviews entails a time-consuming formal review that takes place once or twice a year. During this review, an employee's performance over the last six to twelve months is assessed and future targets or objectives are set. Although they remain fairly prevalent, annual performance appraisals are not an effective performance management process.

START WITH WHY :)

Here are a few key statistics to consider.

- 83% of employees working in an environment with good reward and recognition structures say they are **content in their position**.
- 69% of workers will work harder if they know their work is **valued and appreciated**.
- Businesses that have effective reward structures enjoy an almost **50% rise in employee engagement**.



WHY DO PERFORMANCE MANAGEMENT SYSTEMS FAIL?

- 1. Lack of Communication**
- 2. They Set Ineffective Goals**
- 3. Your Managers Aren't Engaged with the Process**
- 4. Many Companies Collect the Wrong Performance Management Data**
- 5. Focusing on outdated performance review methods**
- 6. Pleasing the boss instead of improving performance.**
- 7. Depending too much on technology.**

PERFORMANCE MANAGEMENT BEST PRACTICES

- 1. Frequency is key.**
- 2. Maintain a balanced approach.**
- 3. Automation paves the way.**
- 4. Better follow-up leads to improvement.**
- 5. Focus on people and relationships.**

MILLENNIALS WILL TAKE THE LEAD

According to a [study](#) commissioned by Mark Emmons & Millennial Branding, 27% of millennials are already managers, 5% are in senior management, 2% are executives.

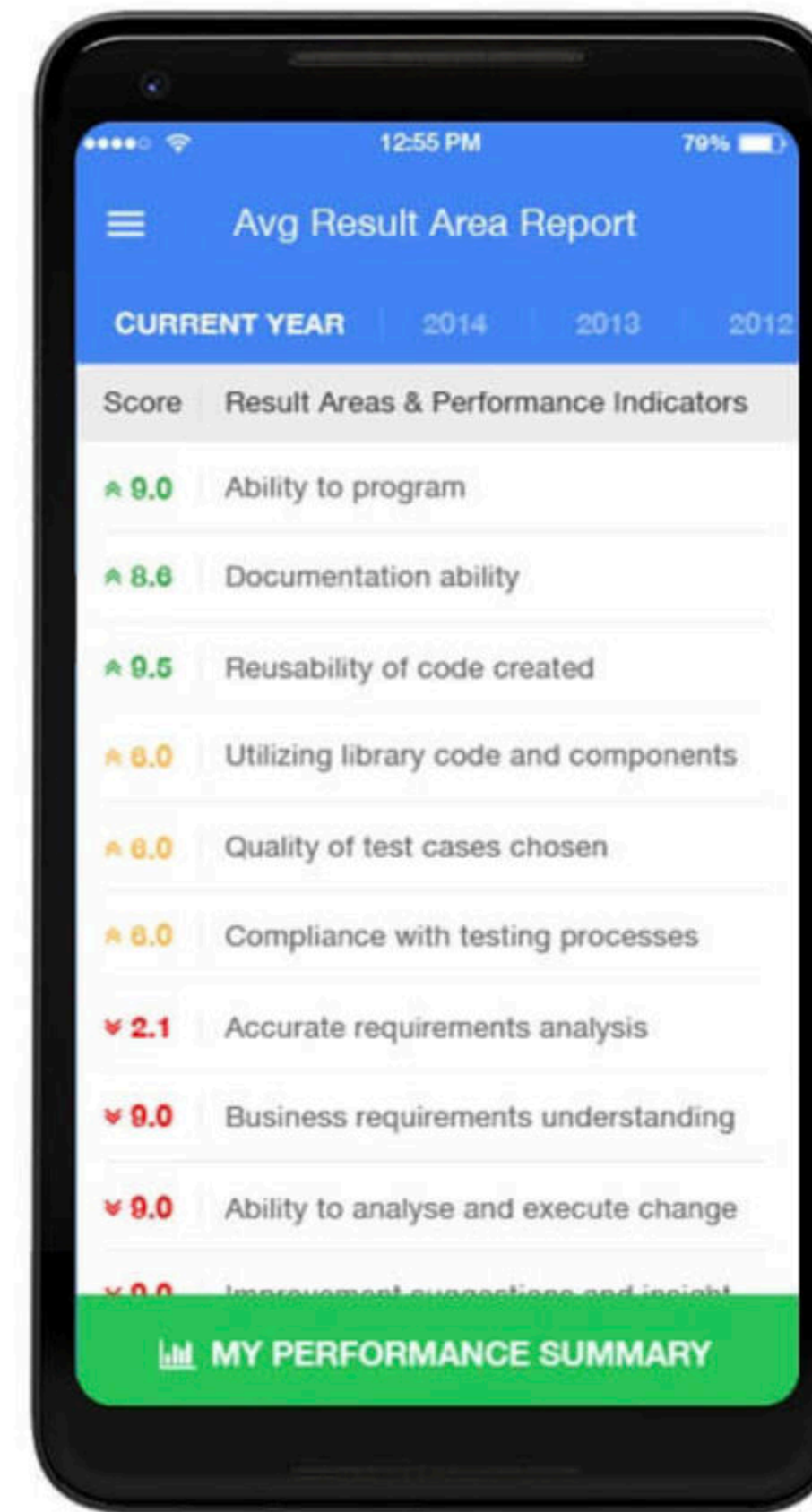
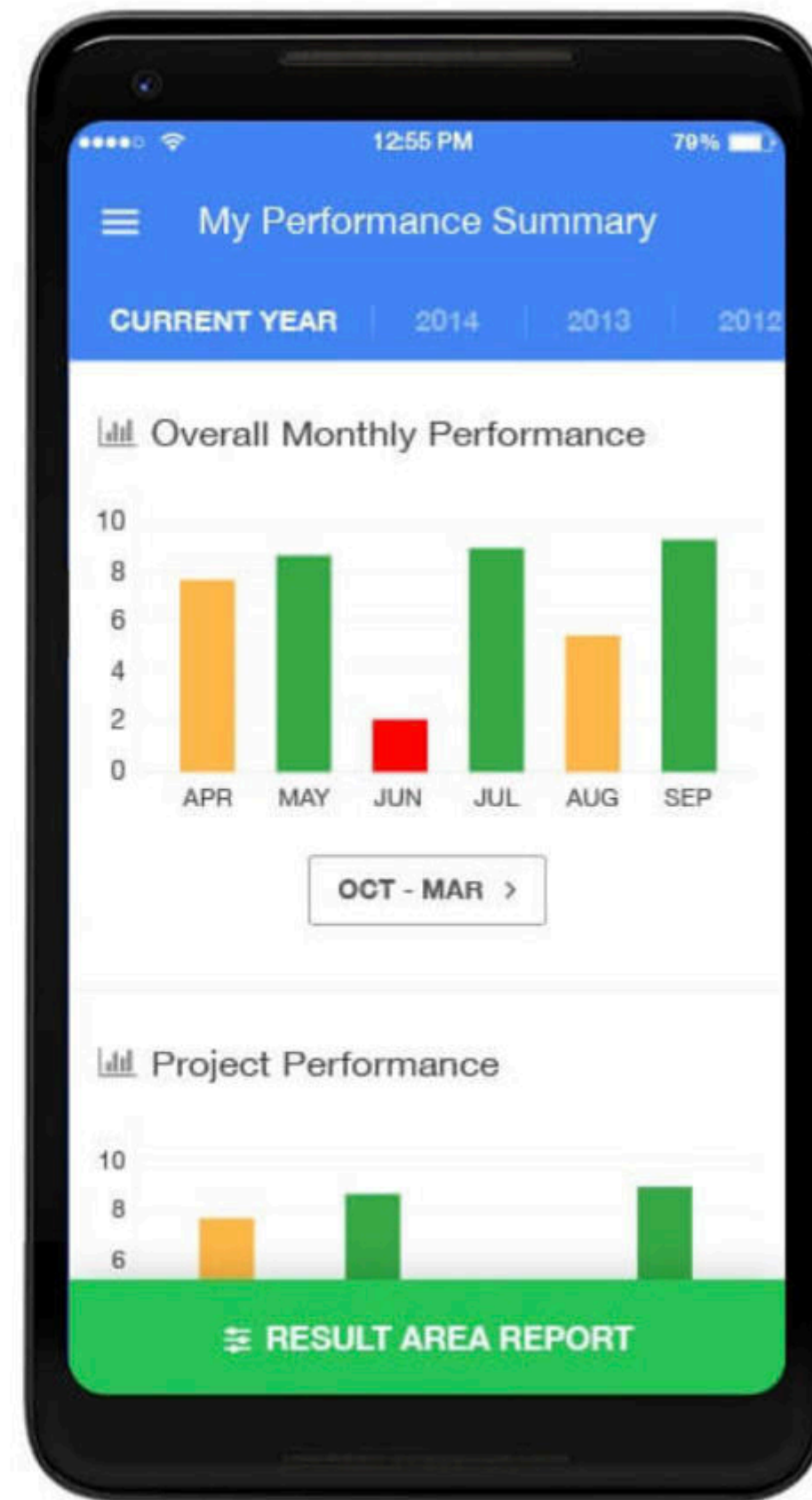
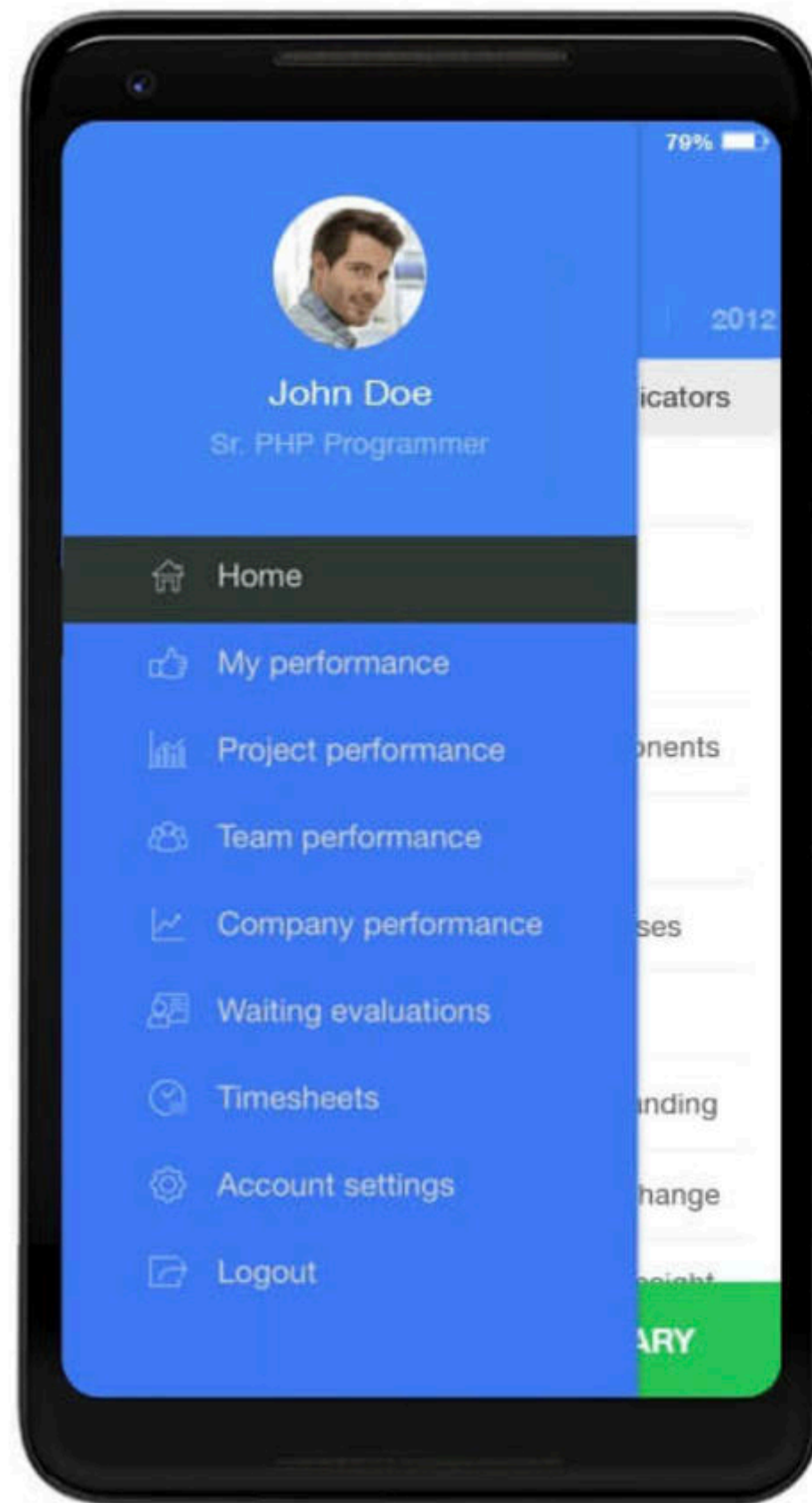
In 10 years 47% want to be managers, 7% want to be executives and 15% want to be business owners.

GEN Z

- 1. Why do I have to wait the entire year?**
- 2. How will my evaluation be accurate?**
- 3. How can I improve?**

NEW TRENDS IN PERFORMANCE MANAGEMENT

Mobile takes over



The 'Timesheets' screen shows a list of entries for the period '31st Jan - 6th Feb'. The entries are: Truck Driver (Start Date: 3-Jan-2016), Wells Fargo (Start Date: 10-Jan-2016), SpiceWorks (Start Date: 13-Jan-2016), Custom Software Lab (Start Date: 23-Jan-2016), Grey Wolf Host (Start Date: 3-Dec-2015), Truck Driver (Start Date: 3-Nov-2015), Loadwatcher (Start Date: 14-Jun-2015), and Teen Engine. The screen also has filters for 'BY DAY', 'BY MONTH', and 'BY PROJECT'.

MORE EMPHASIZE ON GOAL ALIGNMENT

In 2021 we'll see a growth in companies experimenting with the OKR, Objectives and Key Results methodology. As people are putting more emphasis on linking personal plans and the growth of company goals, the OKR is a great technique for goal alignment.

The new generation of tools helps managers set goals, connect these with personal, team and company objectives and track their progress. The technique is already used all across Google. It has also helped LinkedIn propel to a \$20 billion company.

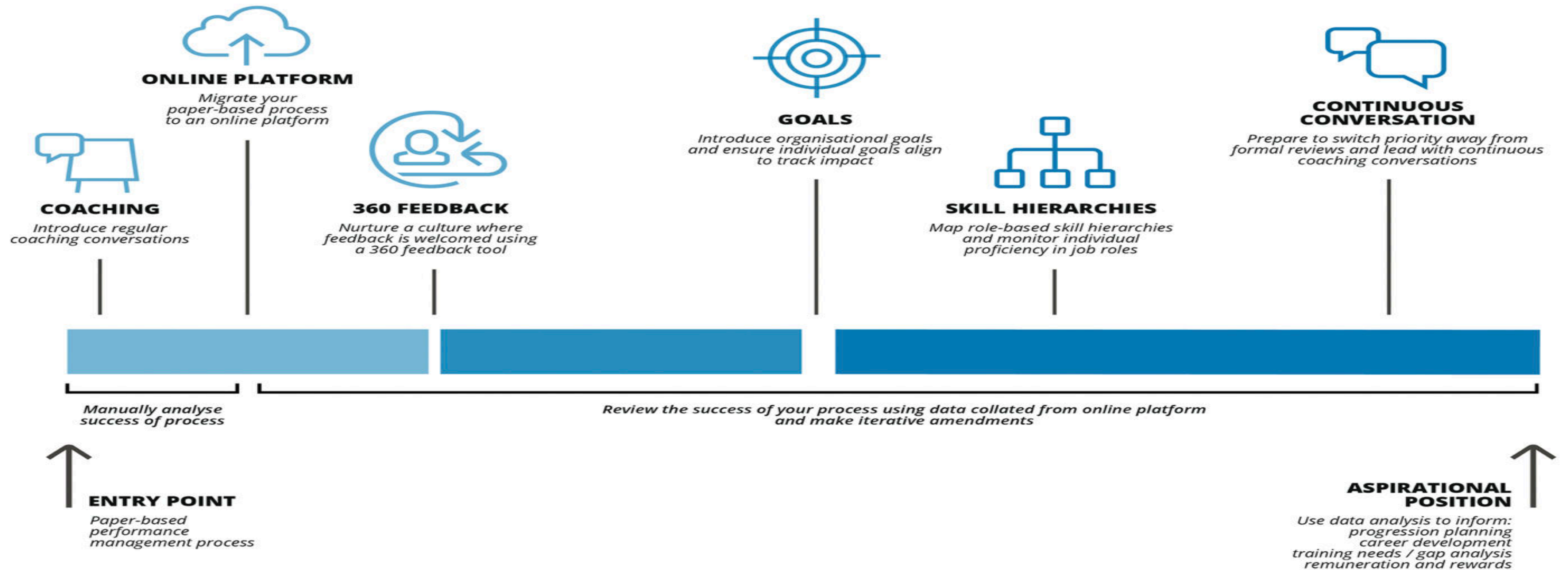
TRANSPARENCY IN LEADERSHIP

Transparency has been growing as a performance management trend over a couple of years now. So polish your skills of honesty and **transparency**, which will be the most valued leadership traits in 2021 and onward. 52% of Gen Z's and Gen Y's state that the most important quality for being a good leader is honesty and transparency. Therefore, companies need to start embracing these qualities more.

Take for example the **Whole Foods** and Buffer. These are great examples of transparent company culture. Among other modifications, they've implemented an open salary system. While this might be a bit extreme for many companies, you can start by making your own **weekly progress, plans, and problems** public. It gives a great opportunity for the whole team to see what you've been working on and what you have planned next.

AGILE PROCESS

The Key Stages Of Agile Performance Management (With Examples)



MORE COMPANIES ARE DITCHING PERFORMANCE RATINGS

The 2019 Gartner Performance Management Benchmarking Survey showed 81% of HR leaders are making changes to performance management, and some companies have even considered eliminating altogether the numeric or qualitative labels they use to grade employees or rank them against each other.

1. Improved manager conversations. Managers can spend more time discussing past and future performance, and less time defending ratings.
2. Additional time for informal feedback. Managers have more time to provide informal feedback because the bureaucracy around deciding the right rating has been simplified.
3. More differentiated pay decisions. This occurs when managers have discretion to differentiate pay on their teams without being tied to assigned ratings.
4. Increased employee engagement. Employees are more engaged when anxiety around the ratings process is removed.

THANK YOU

A yellow speech bubble with rounded corners and a tail pointing towards the bottom right. The words "THANK YOU" are cut out of the bubble in a bold, sans-serif font. The bubble is placed on a blue rectangular background, which is itself centered on a larger yellow background.