Performance management made simple



There's a lot of buzz about recognition and its importance in the workplace. We agree – recognition is absolutely important. But we have a different view on what recognition should look like. High fives and good jobs are great, but they are almost never helpful. This is where you should think about feedback.

Feedback is fundamentally a great tool for people managers. It helps motivate employees, clarifies expectations and objectives, and drives performance. For the majority of employees, they want more feedback regardless if it's positive or negative. For employees in professional services firms, such as consulting firms, accounting firms, and law firms, feedback is especially critical, because it is the main method of assessing their performance.

Why feedback is so important to employees

In all organizations and roles, performance can be defined by two things:

1. Objectives/metrics

These are typically clearly measurable data points that employees are held accountable for. Effectively, objectives/metricachieve. KPIs and OKRs are typical frameworks that organizations use. One example of an objective is sales quota for salespeople – the sales figures are the performance data.

2. Competencies/values

These are the skills and behaviors you want your employees to practice and live by on a daily basis in your organization. Effectively, it's the "how" these employees achieve their objectives and goals. Typically, feedback is your "data" for assessing competencies and values.

Depending on the role of the employee, one may matter more than the other. For example, salespeople have clear metrics to hit. Their performance assessments rely heavily on metrics like sales figures, emails sent, deals closed, etc. For employees in professional service firms, it's a different story. The majority of them do not have meaningful metrics that can be tracked or can be under their control. Their performance is heavily dependent on feedback on their competencies and values. And in order for this data (feedback) to be as accurate as possible, you need to make sure it's real-time, 360/multi-rater, and effective.

The problem with "good job"

Fostering a continuous <u>feedback culture</u> is critical. You can't accurately assess your employees' performance if you're stuck with traditional review cadences, in which you document feedback once or twice a year (how will you accurately remember how one of your employees did on a project 4 projects ago? I bet you don't even remember the color of the shirt you were wearing last Tuesday). Continuous feedback is important ("quantity"), but quality of feedback is equally important. A "Good job!" is an easy piece of "feedback" to give. While it is important to recognize and encourage strong performance, "feedback" like "good job" can actually have the opposite effect.

First, "Good job" isn't particularly helpful. What was good? Was it the way the employee handled the research, the client interaction, or the tone and pace of their presentation? "Good job" doesn't give any meaningful information about the employee's input (behaviors or efforts of the employee).

Secondly, <u>numerous studies</u> conducted by Dr. Carol Dweck have shown the unintended negative consequences of praising results (or inherent traits), instead of praising efforts (or behaviors). In one study with a group of students, Dweck noticed that kids who were praised for "being smart" stopped making an effort much earlier than kids praised for "working hard". The kids praised for "being smart" didn't know what made them smart. However, the kids that were praised for "working hard" could correlate their behaviors and actions to the feedback.

The same goes for employees. Behaviors and efforts need to be praised over traits and results. This is how employees learn, develop, and ultimately improve their performance.

What does effective feedback look like?

<u>Effective feedback</u> is constructive, objective, continuous, relevant, and direct and kind.

- 1. Constructive feedback is focused on behaviors and efforts (not traits) and is forward-looking, not backward-looking.
- **2. Objective** feedback is focused on objective observations, not subjective ones.
- 3. Continuous effective feedback is given frequently
- **4. Relevant** feedback is related to the receivers' goals, objectives, and career path.
- **5. Direct and kind** feedback is as direct as possible. No sugar coating. No feedback sandwich.

All professional service firms need a culture of effective feedback. They needed it yesterday, employees are ambitious – they want to learn and develop. "Good job" isn't good enough.

Pavestep is a <u>performance management solution designed for professional services</u>. Explore our solution today.

