Feedback and Progress

I have yet to find the man, however exalted his station, who did not do better work and put forth greater effort under a spirit of approval than under a spirit of criticism.

Charles Schwab

Every day you may make progress. Every step may be fruitful. Yet there will stretch out before you an ever-lengthening, ever-ascending, ever-improving path. You know you will never get to the end of the journey. But this, so far from discouraging, only adds to the joy and glory of the climb.

Winston S. Churchill

In 2013 a total of 32,719 people died in motor vehicle crashes; 29% of them were speeding-related. Speed has been a factor in nearly one-third of crash deaths since 2004.¹ A number of different solutions have been tried to get motorists to slow down. Some of them are expensive, like stronger law enforcement crackdowns. Other solutions are less expensive like speed bumps, rumble strips, and more and better signage. One strategy that has gained popularity in the past 10 years is the radar speed sign that gives drivers feedback on their speed as they approach the sign. This seems like
something that couldn't possibly work—let's tell people something they already know (and distract them with a large sign). People know how fast they are going; they have a speedometer in the car. There are no explicit consequences, no one is being penalized, no carrots or sticks. It couldn't possibly work.

But it does.

Law enforcement officials in Tigard, Oregon, were concerned about the safety of the streets around the city's high school where drivers were routinely cited for exceeding the posted 20 mph speed limit by more than 20 mph. City leaders turned to radar speed displays to solve the problem since other solutions either were too expensive or simply not practical on these streets. A company who makes the displays loaned them one for a 90-day trial. At the end of the trial period, posting one radar speed sign reduced citations and speeds dropped by 66%. Even 6 months after the trial speeds were still down. Simply giving drivers feedback on their speed changed driving behavior. No one had to be pulled over, no one had to write tickets, no one had to go to court and pay tickets and fines. This simple feedback mechanism worked.

Most of you have a very a powerful feedback tool in your pocket or your purse or even on your wrist. The vast majority of American adults own a smartphone and these have become very powerful feedback devices. Many of you who have a smartphone or other similar device probably have a health or exercise app on it that counts your steps and gives you feedback against goals you set. If you are like most people, you check it regularly and quietly celebrate when you receive the signals you are making progress. Smartphones and other devices are becoming important feedback tools to help people change their behavior. In the healthcare arena for example, smartphones and health apps help patients and healthcare providers manage their health through real-time monitoring and treatment. Smart pill bottle caps with sensors let you know when you need to take your medicine, and smartphone apps let you know when your loved ones with Alzheimer's have wandered off and help you locate them instantly. The availability of low-cost technology like accelerometers, GPS sensors, and radio frequency ID (RFID) chips are enabling a wide array of devices to provide important information to help users improve many different outcomes. Its clear feedback can be a very powerful tool to help people manage and change their behavior.

The goal of feedback is the same for performance management (PM)—provide information that helps a person achieve their goals. Avi Kluger at the Hebrew University of Jerusalem has studied feedback extensively in the context of PM and he defines it as “actions taken by an external agent to
provide information regarding some aspect of one’s task performance.”⁴ I like this definition for several reasons. First, it views feedback as an intervention: an action affecting another’s affairs, a deliberate entry into a situation in order to influence events or prevent undesirable consequences. Second, feedback as an intervention is focused on affecting someone else’s affairs. An intervention is not about you, it is about them. An intervention is not about someone “getting something off their chest.” Finally, feedback is deliberate. It has a purpose. As I said in Chapter 7 that purpose should connect it to the person’s goals. This means you should give some thought to what you are trying to accomplish when you provide feedback. An intervention is also intentional; it is not something you say “in the heat of battle,” at least not if your goal is to make things better.

Most Companies Have Feedback as a Part of Their PM Systems

The majority of organizations have periodic reviews during the year where supervisors discuss with employees how they are doing against their goals.⁵

- 95% of companies conduct formal year-end feedback and review discussions
- 63% have formal midyear or quarterly progress reviews
- About two-thirds (63%) routinely conduct performance feedback sessions between official performance reviews.
- Less than half (48%) of employees are satisfied with the quality of the feedback and development coming out of the PM process.

Most companies emphasize formal feedback events that are prescribed at certain intervals (e.g., midyear and the end of the year). In these meetings supervisors tell employees how they are doing and how they can improve. While many companies report they have more regular, ongoing feedback throughout the year, it is clear the quality isn’t what employees are looking for.

Supervisors Are Not Like Radar Speed Displays

When you see your speed flash in front of you on a radar speed display, that information comes directly to you, in real time. You own it and decide if and how to take action on it. Feedback in PM 1.0 works differently than this.
We learned in Chapter 3 that monitoring and surveillance is a key principle of PM 1.0. Feedback is about catching people doing something wrong. Agency theory says people will goof off if you let them and control theory says that feedback is about “discrepancies” or “gaps” between what you want employees to do and what they actually do. The law of effect says that when these discrepancies occur, supervisors need to apply negative consequences so they don’t happen again. In organizations, feedback comes from your boss and it is something that is usually done to you.

The monitoring and surveillance of PM 1.0 is also about keeping track. PM 1.0 establishes goals that serve as contracts with reward contingencies tied to goal accomplishment. Feedback involves delivering messages about the likelihood of these contingencies paying off. Too many discrepancies and your rewards are in jeopardy. In organizations feedback comes with consequences: the threat of poor performance ratings and meager year-end rewards. The mark of a good PM 1.0 supervisor is having the courage to deliver transparent and honest messages about poor performance and the consequences that come along with it (while making employees feel good about it). Under PM 1.0, feedback is less like a radar speed sign and more like the police. They sit on the side of the road waiting for you to make a mistake, and when you do they write you a ticket and your insurance company raises your insurance rates. Feedback is about telling you what you are doing wrong and explaining what will happen to you if things don’t improve. How many of you have been pulled over for not speeding to be congratulated and told to keep up the good work? We need something different for PM 2.0, something more like the simplicity and elegance of the radar speed signs.

Feedback Doesn’t Always Work

Many writers who argue that PM should be blown up or abolished, propose replacing it with continuous feedback and coaching. Several books have taken this perspective. These authors assume feedback improves performance—it’s a “no-brainer.” There are hundreds if not thousands of books, articles, workshops, and training programs on how to provide feedback effectively. There have been several summaries of this research, including a handful of meta-analysis studies in the psychology and education literatures looking at the effectiveness of feedback in improving performance. Fabri-cio Balcazar and his colleagues did the earliest of these reviews in 1985. They reviewed 126 applications of feedback in organizations and looked at the consistency of its effects in improving performance. They conclud-ed, “The results of this review indicated that feedback does not uniformly
improve performance…and some characteristics of feedback are more consistently associated with improved performance than others.”

This means we have known at least since 1985 that the effectiveness of feedback in improving performance is not a no-brainer. There have been other reviews since then, the latest by psychologists Avi Kluger and Angelo DeNisi in 1996 reviewing the psychology literature and John Hattie in 1999 reviewing the education literature. They came to similar conclusions. Kluger and DeNisi summarized the state of the feedback research literature this way:

Several feedback intervention (FI) researchers have recently recognized that FIs have highly variable effects on performance, such that in some conditions FIs improve performance, in other conditions FIs have no apparent effects on performance, and in yet others FIs debilitate performance.

It is not as simple as give feedback and performance improves. As was the case with the benefits of setting goals, there are certain factors that help feedback drive high performance and other factors get in the way and actually interfere with performance. A closer look at this research reveals PM 1.0 thinking is the problem with feedback.

Feedback Must Be About Goals

The first thing we learn about effective feedback takes us back to a critical point we made in Chapter 7. Feedback relative to a specific goal has a positive impact on performance. Goal-setting is at the center of PM 2.0 and feedback is only important insofar as it provides information on how we are doing against our goals. We don’t get on the scale every morning because it’s fun to see what we weigh. We get on the scale every morning to see how close we are to our goal of losing 20 pounds before our 30th high school reunion. Feedback should not be disconnected from goals. It is goals and progress against goals that motivate people, not feedback. This may seem like a subtle point, but it is frequently the root cause of how and why feedback fails to support high performance. I have participated in a lot of feedback training over the years, and I can’t recall a single program that focused on providing feedback in the context of goals. Feedback training is mostly about delivery, and especially delivery of negative feedback. When a supervisor meets with an employee to discuss their work, they should focus on the employee’s goals, what’s getting in the way of progress, or celebrating the progress being made and the factors that are facilitating it. PM 2.0 positions feedback in the context of goals.
It’s Not about Feedback, It’s About Progress

Most of us probably hear leaders and HR professionals say, “Employees want feedback... they want to know where they stand.” As I said in Chapter 7, this reflects a common misunderstanding of why feedback is important and how it works. Employees don’t want feedback, they want to make progress and feedback gives them information on progress. It is progress that motivates not feedback.

Researchers Hanna Klug and Gunter Maier from Bielefeld University in Germany reviewed a number of studies investigating the relationship between goals and the pursuit of goals, and on the measures of how happy people are (something researchers call “subjective well-being”). They found people who achieve their goals are happier than people who don’t (not a big surprise). Interestingly, they also found that progress toward their goals was more important than actually achieving goals in driving happiness. The relationship between goal progress and happiness is stronger than the relationship between goal achievement and happiness. It is progress that really matters for happiness. On the face of it this makes sense. People can experience a letdown after they achieve their goals before they set their sights on something new. Research by psychologist Gabrielle Oettingen reinforces this point. Her research suggests that thinking about goal achievement can actually lower your motivation. In a sense, thinking about goal achievement mentally transports you to the point where you have achieved your goal and can decrease your energy levels as if you’ve already achieved it.8

Other researchers have also identified progress as a key contributor to happiness, engagement, and performance. Researchers who study affect in organizations (e.g., emotions, mood) find that people’s emotional responses to events that happen to them (for example positive or negative affect) are determined by how they see these events affecting their progress toward their desired goals. Goal progress leads to a positive affect and goal blockages lead to a negative affect.9 This is important because affect drives success. People who display more frequent positive affect are more successful in work and in life—happier people tend to be more successful.10 I know what you’re thinking. Doesn’t the causal arrow go the other way? Doesn’t success (and all the trappings that come with it) make people happier? Research by Sonja Lyubomirsky and her colleagues show that happiness is associated with and precedes many successful outcomes. Many researchers see this as a kind of virtuous cycle where progress against our goals makes us happier and more engaged, and these positive emotions then in turn give us the energy to work harder and take on more goals all leading to success in both work and life.11
A focus on progress is the whole premise behind Teresa Amabile’s research described in her book *The Progress Principle*. She and her colleagues studied employees working in 26 different project teams in seven different organizations over a period of several months. She was interested in the psychological experiences of employees as they went about their daily work life, something she called “inner work life.” Her hypothesis was that inner work life had a lot to do with the success people experienced in organizations. Employees completed diaries describing how they felt on a day-to-day basis and made ratings on how engaged they were each day. She asked them to describe their daily work activities and the emotions, perceptions, and motivations associated with these activities. When she compared employees’ best and worst days, she found that when employees described their best days they tended to talk about progress they had made, and when they described their worst days they tended to describe the setbacks they experienced. She discovered the experience of progress was an important element of inner work life. She found other inner work life triggers that also contributed to best days and worst days. On their best days, people received the support, help, and encouragement they needed from others (which she called catalysts and nourishers). In contrast, on their worst days not only didn’t people get the support they needed, but they frequently experienced events that actively hindered, blocked, or undermined their work (she called these inhibitors and toxins).

Like other researchers she found that simply making progress—even if it was small—affected all aspects of inner work life. When people made progress they reported more positive emotions, were motivated by the work itself, and saw the work and their teams in a more favorable light. The last point she made in her research, which reinforces a key message from Chapter 7, was these effects were more pronounced when employees were working on something meaningful. Employees were most engaged when they “made progress in meaningful work.” Progress and meaning are a powerful combination. Unfortunately, her research also showed that progress was not on the radar screen of most managers in thinking about what motivated employees. Amabile and her team asked managers to rank the importance of five different factors that drove motivation, one of which was making progress on the work they were doing. Only 5% of managers ranked that factor number one and most ranked it last.

This research adds an important element to the emerging picture of PM 2.0: PM 2.0 emphasizes progress not feedback and feedback is in the service of progress. Supervisors don’t just need to provide feedback, they also need to provide the information, resources, help, and encouragement that employees need. When we combine a focus on progress with a focus
on goals, purpose, and meaning from Chapter 7 we have a powerful motivational combination. Amabile’s tagline is an apt characterization of PM 2.0 to this point: The key to motivating high performance is ensuring employees make progress in meaningful work.

Feedback Must Be About the Work

I want to revisit the meta-analysis study done by Avi Kluger and Angelo DeNisi to illustrate another problem with feedback. Their study is one of the best reviews available on the impact of feedback on performance. They assembled more than 3,000 studies and narrowed their review down to 131 high-quality studies where solid conclusions could be drawn (this gives you an indication of how much poor research is out there potentially misinforming leaders and HR professionals). As I mentioned earlier, it was surprising to find that in one-third of these studies, feedback actually made things worse. When they took a deeper look at the studies to understand why they found it had a lot to do with the focus of the feedback.

Kluger and DiNisi described a hierarchy of feedback loops. The loops at the top were more fundamental and related to how people looked at themselves, their personal identity, and their overall goals. The loops at the bottom were more tactical and related to the tasks and work people were doing at the moment. They found when feedback was focused at the bottom of this hierarchy, feedback was more effective; when it was focused higher in this hierarchy it was less effective. This was especially true when the feedback was negative, critical, or discouraging. When feedback gets personal (focused higher in the hierarchy) employees stop thinking about the work and start thinking about themselves, how they relate to the work, and how the goals of the work relate to their own goals. We know from Chapter 7 that self-efficacy is essential for goals to lead to higher performance. Feedback that is more personal in nature, especially if it is critical, can threaten a person’s self-esteem and damage self-efficacy, which will severely limit its effectiveness for improving performance.

Recent neuroscience research may provide clues as to why this happens. People’s brains respond to various stimuli from the environment, including feedback. There are two primary regions of the brain that are of interest: the prefrontal cortex and the limbic system. The prefrontal cortex is evolutionarily more recent and represents the thinking and reasoning centers of the brain. This region operates mostly at the conscious level as you attempt to reason and think through issues. The limbic system is evolutionarily more distant and tracks your emotional relationships to thoughts, objects, people, and events. The limbic system very often operates unconsciously. The
brain classifies the world around us into two categories: things that might hurt us and things that might help us. As a result, everything we do is based on the idea of minimizing danger or maximizing reward. Our limbic system tells us to move toward the rewards and move away from threats. When the limbic system is engaged the prefrontal cortex is disengaged. When we are threatened (think of a bear chasing you in the woods) our limbic system kicks in immediately and we take action unconsciously without having to consciously think and reason through what we are seeing and feeling. Our ability to think, reason, and analyze is disabled. Our view is narrowed and we use fewer cognitive resources.

Research reviewed by David Rock and others suggest that when people receive feedback the brain perceives it as a threat. This could help explain how and why feedback can hurt performance. Feedback that is more personal or critical is more likely to be perceived as a threat. Improving performance requires thinking and reasoning. If the brain believes it is responding to a threat, these centers of the brain have been disabled and people may not learn what they need in order to improve. This may also help explain why feedback that is delivered by less personal channels (e.g., email, audio, and video) is more likely to improve performance and achievement since it mitigates the personal impact and may be less likely to activate the threat centers of the brain. This research also suggests many of the newer social media and crowdsourced feedback applications may be useful since they are less personally charged. The key to PM 2.0 is to focus feedback on the work and the task at hand, not make it seem personal.

**Positive Is Better Than Negative**

I’m sure many of you in management roles have heard of the “feedback sandwich.” This is a popular guideline for giving feedback. It says that if you want to deliver negative feedback you should set it up with some initial positive feedback and then follow it up with more positive feedback; so the sequence goes +/–/+-. This guideline says a lot about how we see feedback: It is negative. Using a surgical metaphor, positive feedback serves as both the “anesthesia” and the “dressing,” preparing a patient for the scalpel and then applying the salve to make the patient feel better after the cut. This rule represents the essence of PM 1.0 thinking; we think of feedback as primarily negative, catching people doing something wrong and correcting them. If you don’t believe this do a quick Google search on feedback and look at the lists of tips for giving and receiving feedback. Most of them assume you are dropping a bomb on someone (prepare yourself, set the stage, objectively state the behavior, communicate the significance
of the situation, talk about possible solutions). This is my experience having participated in countless feedback and coaching programs and having sat in on numerous discussions about problems with PM. These programs would have you believe the biggest problem we face in PM is that negative feedback doesn’t get delivered and supervisors are too weak and soft to deliver them. Line managers and HR professionals invariably point to positively skewed performance distributions to support this point.

Like many areas of PM, the feedback sandwich and our obsession with the need for negative feedback isn’t supported by scientific evidence. Researcher Emily Heapy from the University of Michigan and her colleague Marcel Losada looked at the impact of positive and negative feedback on the performance of leadership teams. They studied 60 strategic business unit leadership teams from a large information processing company. They sat with these teams and coded the verbal communication among team members along three dimensions: positivity/negativity, inquiry/advocacy, and other/self. They hypothesized that positivity and negativity interact to create different “emotional spaces” for individuals, reflected by the ratio of positive to negative (P/N) comments. They hypothesized that high ratios (more positive feedback than negative feedback, also called a “positive feedback offset”) created expansive emotional spaces that opened possibilities for action, while low ratios (more negative feedback than positive feedback) created restrictive emotional spaces that closed possibilities for action.

They measured the performance of these teams using financial performance, customer satisfaction ratings, and 360-degree feedback ratings among team members. Using these performance measures they grouped the teams into high, medium, and low performance groups. Interestingly, of the three dimensions they investigated they found that the P/N feedback ratio was the strongest differentiator between high and low performing teams. In contrast to the feedback sandwich, the average P/N ratio for high-performance teams was 5.6 (nearly six positive comments for every one negative comment). The P/N ratio for medium-performance teams was 1.9 (nearly two positive comments for every one negative comment) and .36 for low-performance teams (almost three negative comments for every positive comment). Heapy characterized the interactions of the teams this way:

High performance teams were characterized by an atmosphere of buoyancy that lasted during the whole meeting. By showing appreciation and encouragement to other members in the team, they created emotional spaces that were expansive and opened possibilities for action and creativity. They were also fun to watch and there was rarely a dull moment during their meetings. In addition, they accomplished their tasks with ease and grace. In stark
contrast, low performance teams struggled with their tasks, operated in very restrictive emotional spaces created by lack of mutual support and enthusiasm, often in an atmosphere charged with distrust and cynicism.

Clearly a little negativity goes a long way. So it seems the rule for successful feedback should look more like (+++++/-) than (+/-/+). Not only do these findings contradict the feedback sandwich rule, they also seem to defy the conventional wisdom of seasoned line managers and HR practitioners. While I can’t be definitive about what conventional wisdom is, it probably doesn’t say we should be overly positive with employees. If anything, conventional wisdom probably favors a more critical approach to dealing with employees: “iron sharpens iron,” “no pressure, no diamonds,” “hold their feet to the fire.” The archetype conjured up for conventional wisdom in feedback is more like Donald Trump or Simon Cowell, than Mr. Rogers.

But these results should not come as a surprise. There is ample research that suggests being positive is better than being negative. For example, researchers Barbara Fredrickson and Marcial Losada find that a higher ratio of positivity to negativity is more typical of the human experience in general and is associated with optimal mental health and human functioning.\textsuperscript{15} Research from positive psychology reaches similar conclusions showing positive interventions increase satisfaction, fulfillment, motivation, well-being, and performance, and can provide a reservoir of energy to draw on under more difficult circumstances.\textsuperscript{16} Research on marriages from counseling psychology also supports a positive offset for feedback, and marriage isn’t a bad metaphor for the relationship between an employee and a workgroup or organization. Psychologist and marriage guru Jon Gottman has done extensive research on marriages and what explains their success or failure. His research puts the magic ratio of positive to negative interactions at five to one. Marriages that hit this ratio are more successful over the long term, and those that don’t are more likely to end in divorce.\textsuperscript{17}

The impact of positive or negative feedback can also depend on the goal. Is your goal to achieve something good or to prevent something bad from happening? Research by psychologists Dina Van-Dijk and Avi Kluger showed that negative feedback is more effective where prevention is the goal (e.g., safety, compliance) and in cases where accuracy and adherence to rules, policies, and procedures are important. When the goal is to avoid punishment negative feedback increases motivation and performance, while positive feedback can actually hurt performance. This may explain the success of radar speed signs; they mostly provide negative feedback preventing us from becoming lighter in our wallets. In contrast, for more traditional tasks and goals where individuals hope to achieve something
good and are looking for rewards, positive feedback helps motivation and performance and negative feedback hurts motivation and performance.\textsuperscript{18} 

Other researchers like Richard Boyatzis and Daniel Goleman are combining research from positive psychology, leadership, and neuroscience to study not just the impact of positive and negative feedback on productivity and well-being, but the impact of positive and negative leaders.\textsuperscript{19} Their research shows that more positive leaders (he calls them “resonant”) activate areas of the brain associated with being open to new ideas and other people, and more negative leaders (he calls them “dissonant”) deactivate these areas and activate areas associated with narrowed attention, decreased compassion, and negative emotion.\textsuperscript{20} What is fascinating about this research is these effects happen very quickly and occur at the emotional level first, mostly below the level of conscious awareness. This means employees begin to react emotionally to the actions of their positive or negative leader before they have had an opportunity to think through and understand the implications or impact of those actions.\textsuperscript{21}

The benefit of this positive feedback offset can also be explained by research on the potency of negative versus positive feedback. Responses to negative feedback, experiences, and emotions are far stronger than their positive counterparts. We know intuitively that leaders who approach employees critically ignite stronger neural responses from them, and as we discussed previously activate areas of the brain that impair thinking and perceiving, and inhibit learning.\textsuperscript{22} Research by Roy Baumeister and his colleagues confirmed this asymmetry across many different events: life events, relationship outcomes, social network patterns, interpersonal interactions (including feedback), and learning processes. In nearly every case, Baumeister’s research showed bad events were more potent than good events.\textsuperscript{23} Teresa Amabile reached similar conclusions in her research. She found negative experiences (setbacks) were two to three times more potent than positive experiences in affecting engagement and the quality of inner work life.\textsuperscript{24} The loss-aversion bias we discussed in Chapter 3 also reinforces this point: the pain of losing is more than twice the pleasure of winning.

I realize this discussion about positive feedback can feel very idealistic—almost “utopian”—especially to “old-school” business leaders who were taught to “kick ass and take names.” I don’t mean to imply that feedback should never be negative. The important point of this discussion is the evidence favors a more positive, compassionate, and encouraging approach for improving well-being, satisfaction, and performance, and that a predominantly negative approach to feedback will likely have costs and unintended consequences. Negative feedback should be used sparingly. It
should be used when the circumstances (and consequences) are more serious or urgent and/or when prevention is the goal.

The last point I will make on this topic is that feedback isn’t necessarily something you do to someone else or that someone else does to you. People get their own feedback. Most people know how their work is going or can get there very quickly with a few good questions and a little coaching. The best advice I received with respect to giving feedback was “turn the volume up just loud enough for them to hear it.” If they already know the meeting with the customer went badly, you don’t need to tell them again. You may be irritated that you lost a good customer, but unloading on your employee again is meeting your own needs not the needs of your employee. If they know it already no need to say it again. Focus on why it went badly and how to improve the next time.

Who Is Doing It Differently?

There are several companies moving to a more continuous model of PM, focusing on employee-supervisor conversations, feedback, and coaching instead of discrete PM events. Many of these companies are moving in this direction in conjunction with a move away from performance ratings.

**Gap, Inc.: Twelve Performance Conversations**

Gap moved from a traditional PM process focused on ratings and annual reviews to a process with more regular, ongoing conversations. Supervisor feedback and coaching were critical elements to their process. They had already made a significant investment in educating their leaders about Carol Dweck’s research on fixed versus growth mindset, so providing feedback and coaching from a growth mindset became an important part of their approach. Their process included 12 performance conversations throughout the year, initiated primarily by employees as they needed input, advice, and help with their work. They also trained supervisors and created guides to help supervisors facilitate these conversations with employees.

**Cargill: Everyday Performance Management**

Cargill made a fundamental shift in their thinking about PM from what they describe as an over-engineered formal system with cyclical, intermittent activities to an ongoing process with a set of day-to-day behaviors to be developed and maximized (e.g., ongoing communication, feedback and
coaching, ongoing development). At Cargill they called this an “everyday PM mindset,” defined by the several principles consistent with PM 2.0.

- Effective PM is an ongoing process not an annual meeting and a form to fill out.
- Day-to-day activities and practices predict PM quality rather than forms and ratings.
- Employee-manager relationships are at the heart of effective PM.
- PM needs to be flexible to address different business needs.

To reinforce this new mindset, they focused PM around the daily work not as a separate process marked as semiannual or annual events and requirements. Accordingly, their new approach emphasized employees and supervisors having ongoing, effective conversations, and de-emphasized and simplified administrative requirements. Ongoing employee-manager discussions was the mechanism to define and align expectations, build trust, seek and provide feedback and coaching, and develop and engage employees. They developed innovative PM training to help employees and supervisors learn and practice the new behaviors, and packaged the training in an innovative, automated tool. While it is still early, this everyday PM approach has shown promising results in improving the quality and frequency of feedback and the perceptions of the value of the PM process.27

Other companies are making similar moves. Medtronic abandoned performance ratings in 2011 and moved to a system providing more real-time feedback, coaching, and development for employees. Under their old system, employees spent far too much time making their self-appraisals stand out by documenting everything they did. In their new process, managers become coaches who support employees in achieving their objectives and pursuing their individual career goals and development. Performance coaching sessions were no longer about managers giving a rating on past behaviors; they were about improving on future behaviors and results. Motorola also moved away from traditional PM ratings in 2012 toward a more continuous feedback model. They made the change because supervisors and employees were too focused on the year-end rating and not focused enough on giving people helpful feedback, especially to millennials who wanted more feedback.

Adobe has made similar changes that focus heavily on feedback, coaching, and development discussions. They have formal quarterly reviews but expect informal “check-ins” during the year and they provide flexibility as to how frequently employees and supervisors need to check in. Netflix also eliminated performance reviews several years ago and instead expects
supervisors to have conversations about performance as an organic part of their work. They also instituted informal 360-degree feedback asking what employees should stop, start, and continue. Finally, Atlassian abandoned performance reviews and evaluations in 2010. They replaced PM with continuous feedback and coaching and a focus on strengths. Employees and supervisors have weekly one-on-one conversations, and once a month they focus on different coaching topics. They created conversation guides and training for supervisors to help them with these monthly conversations.28

**PM 2.0: New Paradigms and New Practices**

Just like with goals, PM 2.0 represents a paradigm shift in the way organizations think about feedback. PM 1.0 relies on monitoring and surveillance, and catching people doing something wrong. It also relies on keeping score during the year in order to evaluate performance and deliver rewards and other consequences. PM 2.0 focuses on progress, connecting with employees, and giving them what they need to make progress on their most important objectives. It focuses less on feedback and more on support by providing whatever is necessary to ensure goals are achieved. Table 8.1 shows the shift in paradigms from PM 1.0 to PM 2.0.

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<th>From PM 1.0 to PM 2.0</th>
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<tr>
<td>Monitoring and surveillance is necessary to hold employees accountable and ensure they are fulfilling the terms of the contract</td>
<td>Feedback is focused on helping employees achieve their goals</td>
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<tr>
<td>Keeping score is important and employees need to know the score and where they stand</td>
<td>Feedback is in the service of progress, helping employees make progress against their goals</td>
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<td>Feedback is primarily negative, correcting employees when they get off track</td>
<td>Feedback is primarily positive and work/task-related; negative feedback is used sparingly</td>
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Key Messages

- While feedback can be powerful for changing behavior, it doesn’t always improve performance.
- Feedback is important because it tells employees about the progress they are making against their goals. Feedback should not be disconnected from goals.
- Feedback should be focused on the day-to-day work employees are doing.
- Feedback is not enough. Employees are motivated by progress against their goals.
- Positive feedback is more powerful in motivating high performance than negative feedback.