The newest business necessity:

Effective remote employee performance management and feedback

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Executive Summary

The coronavirus pandemic (COVID-19) has triggered epic sea changes in the economy and the workplace, not only in Canada, but also across the globe. It has transformed the way we think, operate our enterprises and manage our employees, especially as more employers allow employees to work remotely, away from their offices and workstations.[1]

According to Statistics Canada, 40 percent of Canadian workers have shifted to remote work locations following COVID-19 pandemic lockdowns.[2] Another report indicates that "the concept of working from anywhere is gaining traction" with the Caribbean island of Barbados offering a 12-month work visa for visitors who are looking to work remotely.[3] Furthermore, even after the tide of the pandemic's ravages have ebbed, employees with remote work arrangements could see even more opportunities working from their homes.[4]

The almost overnight presence of a huge remote workforce has prompted HR professionals in Canada to refocus, reevaluate and innovate. This is especially apparent when it comes to *performance management and remote employee feedback*. As the pandemic trudges on, performance management is strategically evolving. Increasingly, it is less about identifying and weeding out poor performers and more about making empathetic assessments that help to strengthen employees, fortify the organisation's culture and reinforce its values.

Moreover, the traditional annual performance review, a decades-old model, continues to rapidly lose its already fading luster in the COVID-19 era. Online platforms powered by digital technology are making it easier than ever to engage new performance evaluation models such as 360-Degree Reviews, Check-Ins, Continuous Feedback and Strength-Based Reviews. Managers and their remote employees can now communicate more frequently, causing more favourable outcomes for employees, managers and their organisations.

Technology provides the tools to achieve objectives more efficiently. Remote work can produce significant benefits for employers and employees. However, managing a remote workforce involves greater focus on skills like coaching, stress management and active listening. Remote workers need to feel supported, recognized and understood. Managers/team leaders are clearly the lynchpins of successful employee engagement.

New ways to achieve goals in a remote environment — shaped by rapid change — are testing the mettle of managers, HR professionals and their organisations. As they reset goals to adjust to change, the objective for all stakeholders remains constant — to thrive not merely survive.

Introduction

The lingering refrain from many employers and employees in virtually every business and industry is that COVID-19 changed everything. The pandemic's impact touched lives and livelihoods from coast-to-coast-to-coast. Retail stores, restaurants and bars, personal care businesses (among many others) were closed and/or had restricted capacities. Many businesses deemed to be nonessential just ceased to operate.

Businesses that remained open during the pandemic shifted employees, whenever possible, from official company offices to remote working locations, primarily workers' homes. As this major shift took place, unseen impacts of the remote work environment emerged. Employees began struggling with feelings of isolation, loneliness and anxiety. Teamwork took on an extra degree of difficulty as video-conferencing calls replaced the togetherness around a conference room table. Conducting employee evaluations — performance reviews — continued as one of the least favourite tasks of employees and managers alike.

In the throes of the COVID-19 pandemic, managers rarely, if ever, provided feedback remotely much less conducted formal performance evaluations. Pre-populated forms made the process less desirable and less effective. Providing feedback and conducting employee evaluations — practices already dreaded by most managers and employees — often were put on hold indefinitely. In essence, current feedback and evaluation processes had not adapted to changing times, evolving technology and the unavoidable need to perform tasks remotely. Businesses required employee feedback to continue to improve the business. Change brought considerable pain before there was much appreciable gain.

Communications especially suffered serious setbacks, as managers moved from "a management culture where leaders are steps away from an employee's desk to a scenario where leadership isn't physically present."[5] Many managers may have been unaccustomed to supervising employees in a remote work environment and potentially lacked employee evaluation tools that were motivational.

What are we seeing in the workplace?

Managers, HR professionals and employees seem to universally dislike annual performance appraisals

95%

of managers are not satisfied with their company's performance approval process[i]

77%

of HR professionals feel performance reviews don't reflect employee contributions[ii]

14%

of HR professionals feel performance reviews don't reflect employee contributions[iii]

i "Is It Time to Put the Performance Review Process on PIP?" Dori Meinert, Society for Human Resource Management, April 1, 2015.

ii "Agile Performance Management (APM): HR's Next Big Move," Human Capital Institute, 2017.

iii "More Harm Than Good: The Truth About Performance Reviews,' Robert Sutton and Ben Wigert, Workplace, May 6, 2019.

Employees and employers may have felt distant, discouraged or disengaged and in the dubious position of unintentionally "turning off." Anecdotal evidence suggests some postponed performance reviews until the pandemic is over while others have chosen to simply eliminate traditional annual performance reviews for their front-line employees altogether. Some companies have made strides to align tools and processes with COVID-era realities — including the adoption of fast-tracking feedback and evaluation processes that are more frequent and "in the moment."[6]

Bottom line? While COVID-19 was not the primary cause for aggressively sunsetting traditional (a.k.a. "annual") performance reviews, the pandemic has clearly provided a tipping point. Studies show that a growing dissatisfaction with traditional, annual performance appraisals was brewing well before COVID-19 was upon us. COVID-19 simply helped to put the issue center-stage, as employers scrambled to successfully support their teams in remote work environments.

8 out of 10 companies have reported that performance evaluations were not worth their time.

Source: Deloitte Global Human Capital Trends, 2015.

Understanding the remote work environment

As COVID-19 literally closed the doors of some employers, it also opened doors for others who had the vision and resources to change.
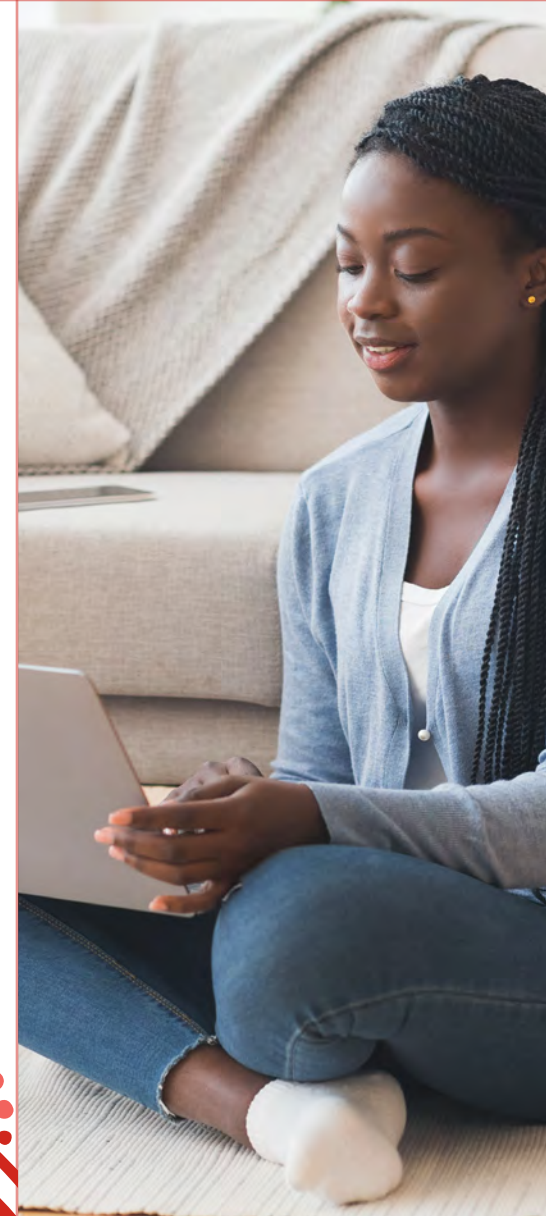
How can you help employees in a remote work environment become as strong as possible? How do you evaluate their contributions in such a challenging time? Clearly with a different mindset. In the era of COVID-19, performance reviews are not strictly about identifying poor performers and deciding who gets a raise. Equally important, it's about strengthening the organisation's culture and acknowledging the vastly different circumstances team members are operating under when home and workspace overlap.

Some employees may be juggling client calls while watching toddlers. Others may be overseeing projects while caring for elderly family members. Still others might be hard at work while struggling with feelings of isolation caused by the remote work environment.

Over the course of a manager's career, he or she may have conducted hundreds of performance reviews. But with COVID-19, everything is different and the secret sauce to succeeding in the environment of remote work lies in how well we understand, manage and support employees outside of the regular office setting.

The turnkey to making all stakeholders a winner is *engaging employees through effective feedback*.

What is engagement?

" ... the emotional state of mind that causes people to do their best work, sustainably."

Source: "The Definitive Series: Employee Engagement Full Research Report," Dr. Mary Hayes and Marcus Buckingham, ADP Research Institute, 2020.

What effective remote employee feedback means to the organisation

1. Better employee engagement

Engagement matters because it drives performance and is a predictor of performance-related behaviours such as productivity, innovation and voluntary turnover. Studies show there is a correlation between employee engagement and business metrics.[7] Bottom line? Good processes and culture drive good engagement which, in turn, drives good business.

2. A positive work culture

Employees prefer to work in a positive and fun workplace that can affect their well-being in a positive way. A negative work atmosphere results in more than drudgery. It can demotivate employees and affect their performance — which, in turn, can impact the well-being of the organisation. "Those (workers) who report belonging to a team are 2X more likely to be fully engaged than those who don't."[8]

3. Reduced turnover rates

Companies with high employee turnover rates tend to be less effective and less productive compared to organisations with lower employee turnover. Instilling a responsive feedback culture helps employees to share and address their issues openly. This helps to build employee loyalty, improve retention of quality workers and mitigate voluntary attrition replacement costs that can amount to about a third of a worker's annual salary.[9]

4. Improved communication

A healthy feedback culture helps organisations improve their communication with employees. Good communication enables the sharing of views, identifying goals that need to be achieved and pinpointing areas for improvement. As individuals and teams exchange ideas and insights, employees, managers and companies perform better.

When the team leader is fully engaged

65%

of team members are fully engaged

When the team leader is **not** engaged

99.9%

of team members are **not** fully engaged

Source: "The Definitive Series: Employee Engagement Full Research Report," Dr. Mary Hayes and Marcus Buckingham, ADP Research Institute, 2020.

What remote employee feedback means for the employee

1. Visibility

There is a risk of feeling overlooked, underappreciated and misunderstood in a remote work environment. Every opportunity for feedback provides remote workers with an occasion to not only be part of a team but *also* feel that he or she is part of *the* team.

2. Social lifeline

Context and "reality" can easily be lost in a remote work setting. Feedback sessions provide opportunities for remote employees to converse with peers, exchange ideas and benefit from the reactions of team members.

3. Public recognition

This is an excellent tool, especially for those who aren't high achievers yet. On a remote team, there are fewer opportunities to observe the work of coworkers. So drawing attention to excellent work gives everyone a chance to learn, improve and feel recognized.

36%

of fully engaged individuals in the bottom quartile of performance

52%

of fully engaged individuals in the top quartile of performance

Source: "The Definitive Series: Employee Engagement Full Research Report," Dr. Mary Hayes and Marcus Buckingham, ADP Research Institute, 2020.

Which performance feedback model works for you?

Even in the upside-down world created by COVID-19, organisations must still evaluate talent that will strengthen teams and the overall organisation.

Of the four major performance review models, which one best fits the needs of your company?

Traditional annual performance review with evolution:

Your existing annual performance review process may work well for your organisation. It may be well established and accepted by managers and workers in normal times. But the advent of remote work environments should cause you to review what will work remotely and what will not.

> **Tip:**
>
> Consider ways to "evolve" the present system to best meet your current needs. Perhaps conduct more than one review per year.

360-degree performance review:

Get more input — 360-degree feedback — multiple times each year from more people who will provide a broad set of perspectives. Try to hold 360-degree reviews face-to-face. If an employee is remote, try the "face time" feature on your mobile phone.

> **Tip:**
>
> Keep the structure of the conversation simple and on-message. For example, you might identify actions that employees should **stop, start or continue.**

Strength-based review:

Focusing on employee strengths and what is working for them will help to deliver more positive effects than zeroing in on an individual's weaknesses. Discuss weaknesses in terms of an employee's knowledge and skills. The thought process: improving skills that are lacking should help to improve the employee's performance related to those skills.

> **Tip:**
>
> You can apply a strength-based appraisal strategy to the teams you manage as well as individual employees.

Continuous feedback and check-ins:

"Check-ins" are meant to empower and engage employees. Instead of a yearly performance review, check-ins encourage managers to have multiple conversations with employees about performance. The benefits are significant, especially in a remote work environment.

Tip:

Coaching an employee in real-time allows managers to identify and resolve performance issues in a much more timely way than trying to recall mistakes and successes from months earlier.

How can you best deliver remote feedback?

Constructive feedback helps employees improve and organisations grow. Employers and managers can gain the best insights from remote feedback by effectively communicating with remote employees — keeping in mind several "do's" and "don'ts" for successful remote workplace conversations.

The "Do's" of delivering remote feedback

DO …

- Approach evaluations with more flexibility, leniency, empathy and compassion
- Recognize and show special appreciation for employees who are engaged and working hard
- If possible, use video or "face time" on your phone for remote feedback sessions, especially when there may be discord or the potential for misunderstanding

The "Don'ts" of delivering remote feedback

DON'T …

- Be hard-hearted toward poor performers
- Allow old positive or negative biases to influence your conversations
- Revert to business as usual by just focusing on the now and the past
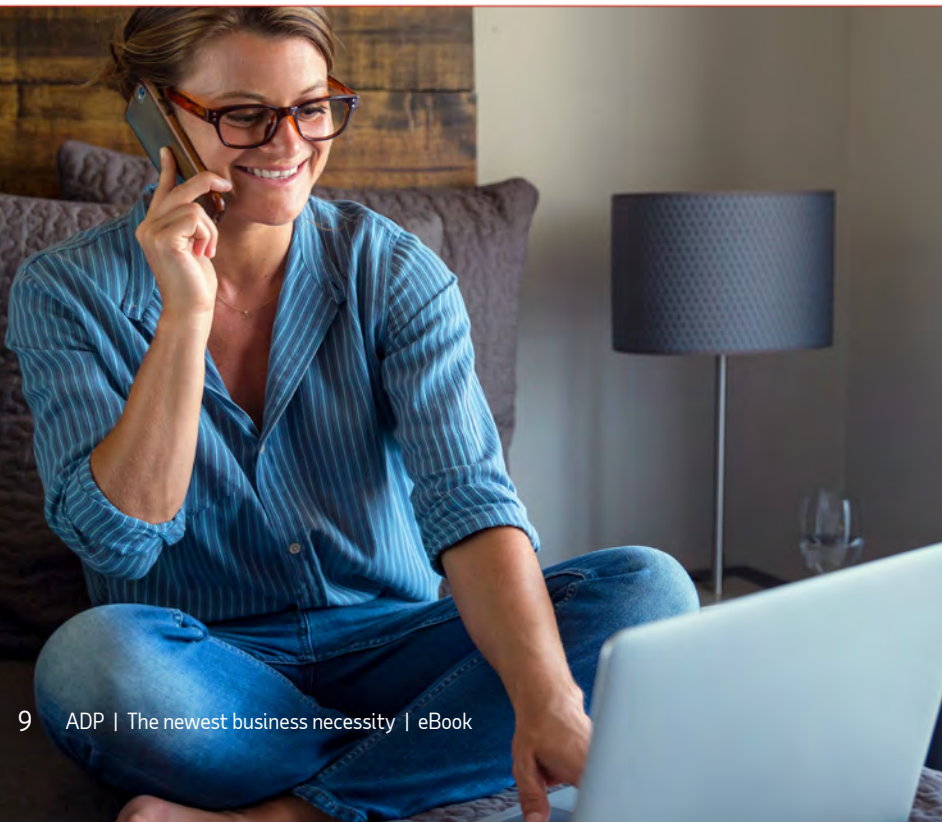
Remote feedback processes and tools

With proper communication, planning and tools it's probably easier than you think to make remote feedback part of your organisation's everyday environment. Use these processes and tools to gain a greater understanding of your remote workforce:

Focus groups and staff forums

In a virtual setting, set up focus groups to discuss company policies and create permanent staff forums for ongoing discussions. These groups are an excellent way to foster the sharing of ideas and insights.

Engagement pulses

Assess the employee experience through quick snapshots of employee feedback. The "pulse" measures the health of an organisation's culture at a point in time. Employees typically provide responses using their mobile devices.

Engagement apps

Use apps to track engagement levels, survey employees for their feedback and ask for their ideas. Always aim to incorporate anonymity whenever possible to encourage maximum participation.

Engagement surveys

Create your own employee internal feedback surveys with something as simple as SurveyMonkey or Typeform. Again, anonymity will help to boost employee participation and help managers understand more fully how employees feel.

Frequent coaching

Being an effective leader means coaching employees. Like good sports coaches, managers should give frequent feedback to their teams. Coaching empowers employees to innovate, experiment and grow in many ways — like transforming areas that need improvement into positive lessons learned.[10]

69% of full-time workers, age 18 to 34, find the performance review process flawed.

Source: Wakefield Research, April 2018.

Engage tech-driven assistance from proven, platform-based feedback solutions

Easy-to-use, proven solutions, like StandOut® Powered by ADP, enable companies to holistically focus on talent strengths, engagement and performance in a single system.

Conduct strength assessments —
What are my people's strengths?[11]

Employees are more productive and better engaged in their work when they leverage their best strengths. Teams succeed when managers can leverage these individual strengths for the benefit of the organisation.

The StandOut Assessment reveals an employee's top "Strength Roles" — the combination of traits that helps a worker stand out. This assessment asks you what you would do in certain situations. StandOut ranks employees on nine Strength Roles to provide employees with a good perspective about their own strengths and helps them be more aware of when they are at their best.

Assessment results provide practical strategies for how to win at work.

Strength Roles: Advisor, Connector, Creator, Equalizer, Influencer, Pioneer, Provider, Stimulator, Teacher.

Half a million individuals have begun or are continuing their strengths-based journey using the StandOut assessment.

Engage pulse surveys —
How are they doing?[12]

The Engagement Pulse survey was designed to provide a snapshot of an employee's or a team's perception of how the team or organisation is doing, and understand both employee engagement and leader effectiveness through the eyes of team members. The survey is built upon **eight engagement pulse statements across four actionable areas of focus**. Sample statements that team members are asked to rate how they feel are:

Focus areas	Eight actionable engagement pulse statements
Purpose	1. I am really enthusiastic about the mission of my company. 2. At work, I clearly understand what is expected of me.
Excellence	3. In my team, I am surrounded by people who share my values. 4. I have a chance to use my strengths every day at work.
Support	5. My teammates have my back. 6. I know I will be recognized for excellent work.
Future	7. I have great confidence in my company's future. 8. In my work, I am always challenged to grow.

Schedule weekly conversations and coaching sessions — What are they focused on?[13]

A team leader's ability to draw out qualities in an employee can have an enduring impact on an organisation. An effective way to achieve this is through frequent check-ins.

1. Check-ins are one-on-one, strengths-based conversations about near-term future work.

2. Team leaders typically hold these conversations weekly to enable employees to perform their assigned tasks and self-evaluate their work.

3. The StandOut platform enables managers and employees to prepare for the one-on-one sessions by automating the weekly process — making it easier for the approach to become a habit.

4. Questions identify what the employee is working on, how they are feeling, what they may need help with and what future work they have planned.

Open, honest and anonymous feedback helps teams communicate and succeed ...

- **Employee comment #1:** "When we launched StandOut on a global basis, we had 90%+ adoption in the first two weeks."

- **Employee comment #2:** "Our team loves the ability to confidentially share their ideas with our leader."

- **Employee comment #3:** "Pulse surveys are well received. My team can quickly review, take action and improve areas."

- **Employee comment #4:** "It's great to have honest conversations with my manager outside the performance review cycle."[14]

Questions help to activate and energize

Remote feedback success

Ask remote employees these 10 questions to help keep them engaged and motivated.

Asking questions is how businesspeople form deeper bonds and build mutual trust, particularly in a remote work environment. One of the best ways to overcome the challenges of the remote work environment is to engage remote employees with the right questions to open meaningful conversations and build a strong connection between them and their teams.

1. **How are you feeling and what's your energy level?** Asking this question often lets workers know that their employer cares about them as humans, not just employees.

2. **What challenges are you facing?** Asking this question will help you to celebrate the positives more often and remedy negatives more swiftly.

3. **What do you think could help us improve daily communication?** Learning the preferences of your remote employees can help make your one-on-one meetings more impactful.

4. **What part of your role is the most energizing and purposeful — or draining?** Make it a habit to ask remote employees what parts of the day give them the most energy. This will help you understand what is driving their performance.

5. **What skill would you like to develop or improve?** Employees have a desire to grow their skillsets and it's the job of the manager to help them achieve their goals. Know their interests and empower employees to grow alongside the company.

6. **Are you clear about your role and what you are working on?** Ask this question regularly to help remote employees define what success looks like for their role, so they can continually strive to achieve it.

7. **When do you thrive the most — collaborating with others or working by yourself?** Managers can use this question to learn more about an employee's collaborative style and create more cohesive relationships between them and their team.

8. **What's one personal goal that you'd feel comfortable sharing that the company can support you in achieving?** Personal and professional goals don't have to be at odds with each other. When employees feel fulfilled in both realms, they bring more energy to the workplace.

9. **What has communication been like with team members, managers and directors?** Genuine conversations and consistent human interaction have the power to bridge gaps. Helping your employees get out of their comfort zone can help teams avoid siloes.

10. **What do you do to take breaks and recharge throughout the day?** Working remotely has its perks and its challenges. By asking this question, you can ensure your employees are taking much-needed breaks throughout the day and not overextending themselves.

Who are the most successful organisations in the rapidly transformative age of the remote workplace?

Those that apply the tools, processes and technology to win in the marketplace by celebrating, strengthening and optimizing the contributions of their employees and teams.
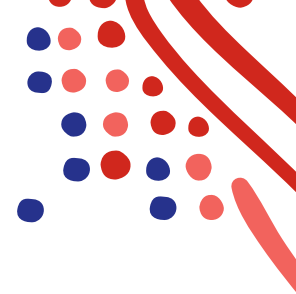
90%

of employees prefer immediate feedback from their managers instead of annual reviews.

Source: Wakefield Research, April 2018.

Conclusion

Employers are facing challenges directing, supporting and motivating talent in a business environment shaped by COVID-19 concerns. COVID prompted businesses to not just cope but innovate. One of the most significant HR-driven innovations in the era of COVID is how we now manage and review employees who work remotely.

As more employers are driven by COVID safety issues, a remote workforce is now commonplace throughout Canada and is likely to be part of the post-COVID employment landscape. Remote employee feedback is also here to stay. It will require a new mindset for performance reviews as well as an effective new tool set to help managers communicate effectively, build strong behavioural practices and reinforce a positive, healthy culture.

Performance reviews remain a powerful opportunity to build your organisation's business culture as you support employees who are working remotely due to the pandemic. These appraisals can bring people up or knock them down. The traditional, end-of-year performance review model, designed nearly 50 years ago, however, is giving way to more dynamic appraisal methods that provide more input more frequently, and predominantly look forward instead of backward.

New models and processes and best-in-class, platform-based technology are helping to bring remote employees closer to their organisation and its goals and expectations. "Check-ins" and continuous feedback are the most favoured appraisal method going into the future, enabling employees and their managers to connect more frequently to discuss priorities, support employees who are struggling and "course-correct" to achieve best results.

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