- **FAST COMPANY 10-01-20**
- **THE SHAPE OF TOMORROW**

# 4 experts on why performance reviews may be a thing of the past

The annual performance review may finally be dead. Executives at Intel, Udemy, Nintex, and Keystone Partners on how their companies have shifted away from this formality and embraced processes that work now.

**BY LYDIA DISHMAN** 8 MINUTE READ

*For* Fast Company's *Shape of Tomorrow series, we're asking business leaders to share their inside perspective on how the COVID-19 era is transforming their industries. Here's what's been lost—and what could be gained—in the new world order.*

---

*Julie Ann Overcash, vice president of human resources and director of global rewards and talent retention at Intel*

Before the pandemic, thankfully, we were already [realizing] that the workforce is changing, and we went from an [annual] performance evaluation review system with ratings to one that measured your results in a conversation-based program. We wanted our performance management strategy to be about conversations connecting managers and employees throughout the year. We got rid of ratings and focused on where we could appreciate and coach our employees around three core elements, which are results, culture, and learning.

Why those three? Because results is actually what you're doing every day. We obviously want to ensure that we're continuing to deliver for our customers. But we want to ensure that we are creating the culture that we want to have for the future. We know that when you have a more inclusive culture, you're getting more ideas across the table, you're going to be more productive. And so we measure it within those conversations. How we work together is just as important as the results. The last element was [about] caring for our employees, not just for today, but the future. How do they grow in their career? How do we help our employees continue to learn and be more agile during COVID? How do they work from home? How do they connect?

When we developed the system, we wanted a quick and easy tool so that all of the leaders can share the things that they appreciate [about an employee, and] areas where they want to coach under results, culture, and learning. Then we take a snapshot of [the review] three times a year so that the employee can carry that [with them if they transfer departments or get promoted]. We were able to leverage that platform for [the COVID-19 era] so that we could give [employees] tools on how to have conversations around the things that they were maybe concerned about—working from home, or coming on-site, or how they need to care for themselves, and how the work changes for them.

Most leaders are having those [talks] either monthly or sometimes biweekly with their employees. And also in the moment. We know those conversations were happening with 97% of our [110,000] employees. To us, that's great success. We continue to focus on not just the acceptance of the new program, but also the quality of the conversation.

---

*Vadim Tabakman, director of presales at Nintex*

Before the pandemic, we were probably doing a [formal] performance evaluation roughly every six months or so [for all 500 employees]. We officially measured things like: How many demos did you work on? Did you build any different types of demos? Were you involved in any other events, speaking events? There also has to be a discussion around how many of those opportunities actually [led to a sale].

When it comes to presales, we're constantly learning so that we can provide a better service to the sales team and our customers. Part of that is going out on-site and presenting, doing events with the partners, or technical enablement sessions in person. So a lot of that has essentially stopped.

Everything is now virtual. I think what's happened since we all went remote is that the communication has increased. [Our presales team has] way more calls, way more discussions, way more enablement sessions, and they're getting way more organized because you want to make sure you're not overlapping and doing and talking about the same thing over and over again.

[Earlier this year] we started to do quarterly reviews. We set monthly goals, and then every quarter we're meant to meet up with our employees and go through them [and set new ones]. What I found is, although the performance reviews are important, it's really come down to a slightly different tack in the way that I communicate with my teams. I have a lot of one-on-ones, essentially every week. And I think it's important to catch [performance issues] early on rather than wait three to six months. It's important to make sure that you're honest, that you tell your employees, "This is where we feel like you need to improve. Let's put together a plan on how we can improve that." It's not about putting somebody down. It's actually saying, "I want you to be successful. Because if you're successful, the company is successful, so what can we do to make it easier?"

It's important to have a centralized place where you write this stuff down, and that employees have access to it. We have a new system for that. And now it's a global policy that all managers have to go through quality check-ins with their employees, set goals, and do regular reviews. The system that we use also allows managers all the way up to our CEO to say, "This is what I want to achieve over the next 3 months, next 6 months, next 12 months." Everybody can see everybody's goals. This is critical now because it lets me see what my goals are and what I can do to help my boss. It's a way to feel like you're actually contributing to the bigger picture.

I don't think that a lot of the stuff that we've now learned and implemented is going to change. We're going to continue having this more regular communication. We will still do the performance reviews, but I think a lot of [the conversation] is going to happen earlier.

---

*Elaine Varelas, managing partner at Keystone Partners*

We did have a very formal annual review process. We had some managers who were very insightful, and performance indicators were very clear. Accounting, finance, those [departments] have very clear metrics, very clear deliverables. Business development, account management, same thing. There were other roles where managers were less comfortable identifying what the performance metrics are that they need to see out of a job.

Now we've become more adept at seeing what it is that we're really trying to accomplish, what it is that we're trying to increase. Communication has increased dramatically. The town hall meeting takes place every two weeks.

[Another thing] that we're paying attention to is flexibility. We have people who are working 7 a.m. to noon and then taking three hours off for childcare and then coming back to work. And not everybody needs that, but the people who do are able to get that because it's about outcome. Your responsibilities here are the things that we need to see accomplished. And we need to see those accomplished in, you know, a 24-hour time frame. So we don't really care [which hours].

Something that we've also done is [gather] feedback from colleagues [about each other]. It's called "cause for applause," where colleagues can provide positive feedback [when someone goes] above and beyond their job responsibilities for a greater contribution. I think that's particularly important when you don't see people face to face on a regular basis and can't informally say, "Wow, you did a great job on that." Employees have a much higher need for recognition in this remote workforce.

Trying hard is not enough. It's your deliverable. The feedback needs to be there to help you improve that performance. It can't just be about employees [being] at their desks or the fact that, you know, politically astute employees get in before their boss and leave after their boss. That has nothing to do with anything anymore.

---

Cara Brennan Allamano, SVP of people, places and learning at Udemy

For the last two to three years, I would say we've moved into a formal performance management process. Twice a year, we share feedback, both from the manager and from employees and colleagues. We also have what we call a total rewards view, which is a compensation review. We have 900 employees globally and went fully remote in March.

A big part of what's different now is how we've set goals for the company. We have to look at the actual capability of the human resources that we have. We can see through our goal-setting process if people are feeling like they're able to be really productive.

And people are feeling very productive at home. But there are definitely individuals who have had their own challenges personally. If they're taking care of kids [in] school, family members, we want to adjust their goals—goals that they can meet and achieve, and even overachieve. We have had, for example, parents reduce their schedules in order to accommodate their family needs. And of course in that scenario you would reduce the objectives. So what follows from there is that they are being evaluated differently. Depending on the role and where they are in the world [their compensation] might be [reduced].

Our real concern is around innovation and creativity. Research says that productivity can increase when people go home but it hasn't really identified specifically how you really innovate in an environment where there isn't a lot of that informal connection time. So that's our bigger concern for the future. And right now we are committed to having an office presence because of that. But the slow degradation of our efforts and a lessening of our ability to innovate is something that happens over time and you may not see it until it's really a challenge for your business.

**More from *Fast Company*'s *Shape of Tomorrow* series:**

- The leaders of the Mayo Clinic, Cleveland Clinic, Doctors Without Borders, and more tell us how healthcare is being transformed by the COVID-19 pandemic.
- Is advertising really dead? Here's how the leaders of Droga5, TBWA, Wieden+Kennedy, and more are inching forward.
- The retail Armageddon may have finally arrived. Here's what top executives at Nike, Athleta, and more believe it will take for stores and brands to make it through.
- Insiders at LinkedIn, Glassdoor, and Jobcase tell us which companies will be hiring, what skills will be important, and how the workplace of the future will change.
- How COVID-19 has changed investing, according to VCs at Sequoia, Insight, Forerunner, 500 Startups, and more
- Architects and urban planners from Gensler, Harvard, and Bloomberg Associates explain the changes coming to our shared spaces.
- Insiders at Burning Man, Broadway, Meow Wolf, and more describe how the live events industry will emerge onto a new stage.

## ABOUT THE AUTHOR

Lydia Dishman is a reporter writing about the intersection of tech, leadership, and innovation. She is a regular contributor to Fast Company and has written for CBS Moneywatch, Fortune, The Guardian, Popular Science, and the New York Times, among others.
More