

Khosla Ventures

Guide for Performance Management

Why do Performance Reviews?

- Most managers complain about having to do performance reviews - so why do them? Performance reviews are not required by law. However, they are important tools to ensure you and your employees are on track re: performance expectations.
- It is important to decide how you will provide employees feedback and assess performance in a way that is fair, sound and consistent. Even if you decide to not conduct a formal performance management process, you do want to provide regular on-going feedback and avoid situations where the employee is surprised at how their performance is viewed.
- Feedback (both positive and course correction) is an important part of managing the performance of individuals and/or the team. It's how you reinforce the desired behaviors and provide course corrections for the behaviors you want to improve.
- The goal is to create an environment of continuous feedback - up, down and across the organization.
- The purpose of a formal performance review is as a “forcing mechanism” to ensure feedback is happening and to be at a point in time to review overall performance for a specific period.
 - It's an opportunity to recognize and reinforce great performance
 - It can (but doesn't have to be) be tied to determining compensation

Who provides feedback?

- The manager is responsible for setting direction and providing feedback
- Feedback should also come from other critical stakeholders (peers, direct reports and cross functional staff)
- What is “360” feedback?
 - The process of providing “360” feedback is when you gather feedback from all the employee's critical stakeholders (boss, peers, direct reports, other staff)
 - Boss provides feedback on performance to expectations
 - Peers/Staff provide feedback on cross organization interaction and support
 - Direct Reports provide feedback on management effectiveness
 - The value of 360 feedback is that it gives the individual a more complete picture of how they are working within the organization.
 - Feedback can be gathered through email, in person or through a quick on-line survey. Input should be consolidated (and preferably non-attributable) and presented as themes vs. individually attributed comments

- Self reviews
 - Self reviews are just that – the individual’s point of view on their performance
 - It can be a helpful way to inform the manager about what the employee believes they have accomplished and what they want to work on. It can point out areas of agreement or disagreement between the manager and the employee

When?

- Feedback should be happening all the time. The closer the feedback is to the behavior, the more actionable and effective
- Formal performance reviews are typically done once or twice per year. In some cases, quarterly is appropriate. Typically companies either distribute reviews throughout the year by using Anniversary reviews or they concentrate the effort once or twice per year in Focal reviews.
 - Anniversary reviews are conducted on the anniversary date of employment
 - Pros: Distributes the time involved in executing performance reviews across a group of employees
 - Cons: Distributed reviews are much harder to form comparisons in performance of employees.
 - Focal reviews are when all reviews are done at a specific time
 - Pros: The entire company is focused on performance reviews at one time. Allows for comparisons between employee performance
 - Cons: Difficult to identify the right time to take on this large task. Involves a larger amount of manager’s time in a compressed time period.
- What’s best for your organization? To answer this, determine the purpose of your reviews – is it to set goals and expectations, determine compensation, to focus activity, to provide development focus or monitor progress?

Format

- Format is a matter of purpose and style – the key is that the feedback happens and is meaningful to the manager and to the employee
- It can be outline or paragraph; key points or detail descriptions; employee driven or manager driven
- A simple template is attached

Two way street

- Feedback should be a two way street – it can be useful in a performance review (or anytime) not only to give feedback but to also solicit feedback. What can you do differently to better support the employee? What should you continue to do – what’s working?

(Sample)
PERFORMANCE REVIEW TEMPLATE

Employee Name:

Review Period:

Reviewing Manager:

Accomplishment Highlights:

-
-
-
-

Performance of Critical Skills: *Provide examples of how the job is performed. (i.e. teamwork, communication, technical skill, time management, conflict resolution, etc.)*

-
-
-
-

Areas for Improvement: *Focus on current role, use examples.*

-
-
-

Development Goals: *Focus on 1-2 growth areas.*

-
-
-
-

Employee Signature/Date

Manager Signature/Date

(Acknowledges receipt not necessarily agreement)