

5 Essential Elements of a Modern Performance Review

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Executive Summary

This article, published by Leapsome, addresses the perceived ineffectiveness of traditional performance reviews and proposes five principles for modernizing the process. The central argument is that conventional appraisals are retrospective, organization-centric, and demotivating, and that a redesigned review process emphasizing development, forward-looking goals, empathy, frequency, and multi-perspective feedback produces better outcomes. Evidence cited includes a 2023 SHRM statistic that only 20% of employees leave reviews feeling inspired, a McKinsey finding that lack of development opportunities is a top driver of employee attrition, and a brief case study from Bolt, a mobility company that scaled from 1,000 to 4,000 employees across 45 countries. The article draws on commentary from HR practitioners including SHRM's Rose Mueller-Hanson and leadership advisor Mark Nevins. The conclusions position Leapsome's own platform as the enabling technology for implementing these principles. The article implies that automating administrative review tasks, incorporating 360-degree feedback, and separating compensation discussions from development conversations produce more equitable and motivating review experiences.

Key Insights

1. Only 20% of employees report feeling inspired after performance reviews, according to a 2023 SHRM statistic cited in the article.
2. The article argues that separating compensation discussions from development-focused review conversations allows employees to absorb feedback more effectively without financial anxiety interfering.
3. Multi-perspective feedback structures — including manager reviews, peer reviews, and self-assessments — are presented as producing fairer and more accurate performance data than single-source manager evaluations.

Practical Takeaways

- Conducting reviews twice a year or quarterly, rather than annually, is presented as creating more manageable review cycles and more frequent opportunities for development-focused dialogue.
- Sending written evaluations to employees before the review meeting is described as a method for reducing anxiety and enabling more constructive feedback conversations.

Frameworks Mentioned

360-Degree Review — A multi-rater feedback process in which performance input is gathered from managers, peers, and the employee themselves, described in the article as producing more comprehensive and factual assessments.

Critical Analysis

Strengths: The article references two external data points (SHRM 2023, McKinsey) and includes named practitioner voices, lending partial credibility. The five-element framework is internally coherent and aligns with established HR literature on developmental feedback. The Bolt case study provides a concrete organizational context. **Limitations:** The article is produced by Leapsome, a performance management software vendor, creating a clear conflict of interest. Every principle outlined is tied, explicitly or implicitly, to Leapsome product features. The McKinsey and SHRM citations lack full sourcing details, making independent verification difficult. The Bolt case study is anecdotal and does not include measurable outcome data. The article does not engage with any counterarguments or alternative approaches to performance management. The writing conflates a practitioner guide with product marketing, which limits its value as an objective resource.

Organizational Practice

Bolt, a mobility company, is described as having transitioned from fragmented, manager-dependent performance tracking processes to a unified 360-degree review cycle using a single platform, following rapid headcount growth from 1,000 to 4,000 employees across 45 countries. The company runs retrospective review cycles and iterates on its process based on user feedback from managers and employees.

Strategic Implications

The article reflects a broader trend toward continuous, development-centered performance management that decouples compensation conversations from feedback cycles. The emphasis on automation and multi-rater feedback suggests organizations at scale face standardization challenges that technology is increasingly positioned to address. The Bolt case illustrates how rapid organizational growth can expose fragmentation in performance processes, pointing to scalability as a recurring design consideration in PMS architecture.

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