The science

- Traditional end-of-year performance ratings throw the brain into a threat state that impairs the ability to think clearly about how to improve.
- By removing ratings, organizations can create a culture of constructive communication — which studies show increases employee motivation and engagement.

“This approach allows managers to have more open dialogue about their employee’s performance, shifting their focus from a threat to a reward state, and ultimately increasing their engagement.”

- Karla Shores, Performance Management Director at Cigna

The challenge

In 2014, after five years of rapid growth — and projecting even faster growth ahead — the global health service company Cigna decided to revisit its HR policies, starting with its performance management system.

Up to that point, Cigna’s approach to performance management had been fairly traditional: end-of-year performance reviews with numerical ratings. And as they began to evaluate the system, they didn’t assume they’d necessarily need to make changes.

But when Cigna surveyed its people, it found that nearly half of employees felt the performance management process did not benefit them. And when asked to describe their experience with the existing performance management system, the most common words they used were "frustrating," "inconsistent," and "unfair."
The solution

Cigna realized that its existing performance management system was focused on past performance instead of future results. Emphasis was placed more on deficits rather than on strengths, assuming that an employee’s current performance represented the best they could do, explains Karla Shores, Director of Performance Management.

Realizing a change was necessary, Cigna engaged the NeuroLeadership Institute to overhaul its performance management system — abolishing performance ratings, teaching managers the skills of constructive communication, and equipping all employees with a brain-based framework for giving and receiving feedback.

The results

When Cigna rolled out its new performance management system, the goal was 80 percent voluntary participation. By the end of one year, 92 percent of managers had participated — 94 percent of whom said their leadership skills had improved.

Surveys found that once employees were able to discuss their performance without the threat state triggered by traditional ratings, they felt more comfortable communicating their feelings, concerns, and ideas to their managers. In turn, the new system empowered managers to understand and engage with employees, improving the frequency and quality of performance conversations. Employee motivation and engagement rose.

“Ultimately, as we considered our approach to performance management, our priority was to identify how we can help our employees thrive,” says Shores. “Following NLI’s approach demonstrates our desire to put employees first and has consistently resulted in positive outcomes.”

2. Completion records from Cigna Internal Learning Management System.