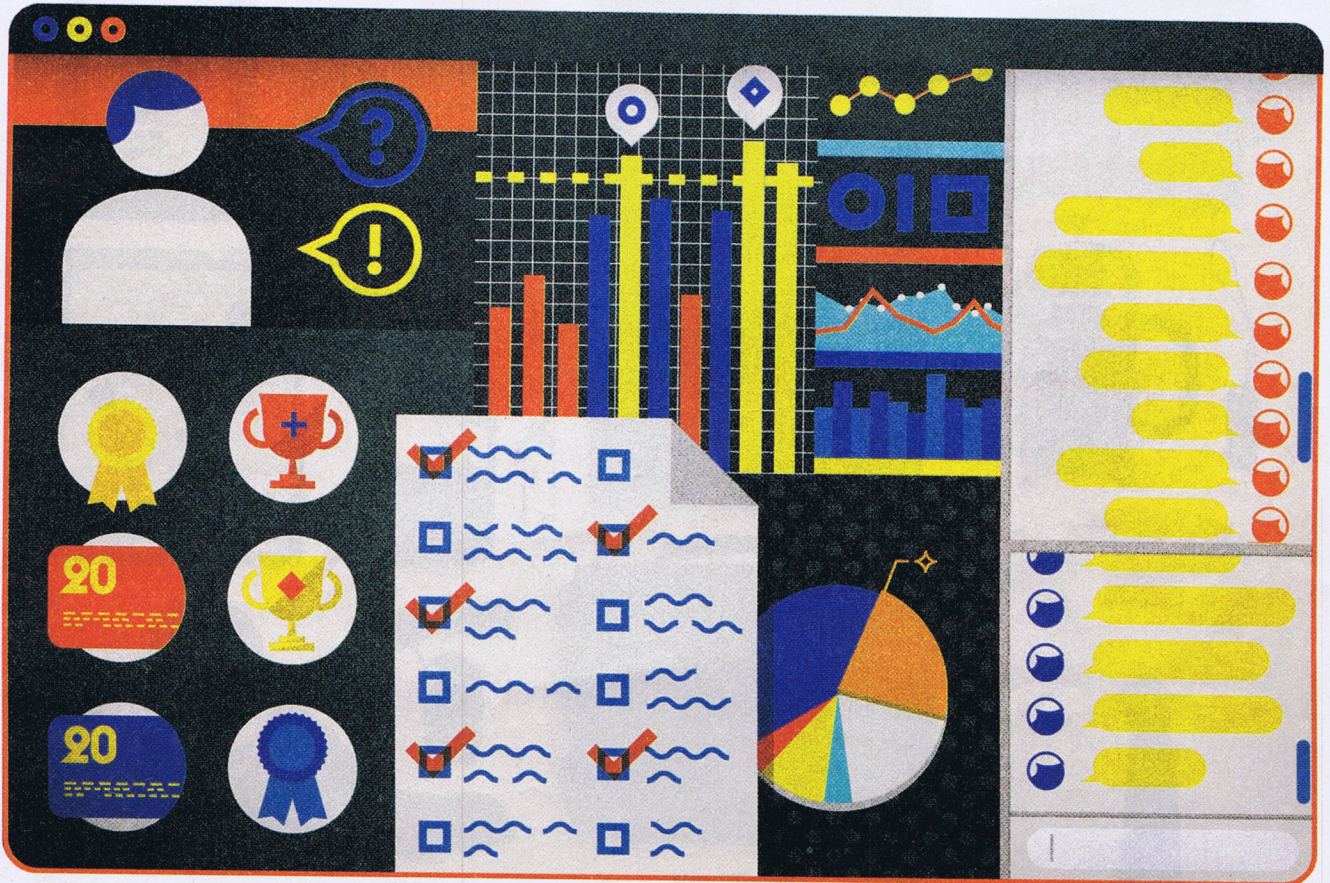




Performance Reviews Remade

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STODGY HUMAN RESOURCES SOFTWARE is getting a reboot. Over the past year enterprise giants IBM, Oracle, and SAP have collectively shelled out some \$6 billion to acquire companies that make recruitment and compensation tools. Salesforce's new Work.com product lets managers and employees track their goals. "Most performance-management systems are built around a framework that's all about HR compliance," says John Wookey, Salesforce's executive VP of social apps. "But they haven't solved how to actually get people to work on the *right* things." To fix that, a new generation of software is web-based and, naturally, incorporates social networking. It also rewards employees with prizes both real and virtual. The biggest change? The annual performance review process becomes a year-round activity. [Clients typically pay a monthly subscription for such services, instead of a one-time price.] Whether all the bells and whistles could actually hurt productivity, rather than improve it, remains to be seen. —Michal Lev-Ram

OLD TASK, NEW HOPE

The annual performance review will live on. But managers and employees now have a slew of new tools to chart and reward workers' progress.

YEAR-ROUND GOALS
Instead of scrambling to come up with goals at the end of the year, workers can create them with their teams on a rolling basis as projects dictate.

VIRTUAL REWARDS
The adult equivalent of scout merit badges. Managers can create awards such as "most deals closed" or "products shipped," posting them to an employee's profile.

QUICKER FEEDBACK
Instead of logging in to cumbersome HR software, users give and receive feedback inside the applications they use every day, like posting a comment on a website.

REAL REWARDS
The old spot bonus is being reimaged. Salesforce, for instance, partners with Amazon to reward high-performing employees with gift cards.

STATUS UPDATES
Think Facebook's status updates. But instead of posting daily musings or funny photos, employees can request feedback from their managers and peers.