

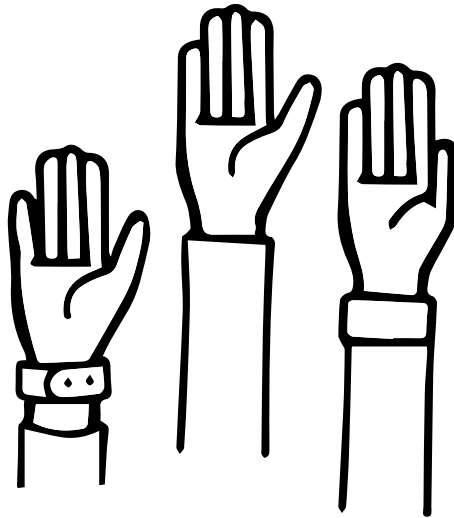
Modern Day Performance Management



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By a show of hands

How many of you love your organization's current performance management system?



25%

25% of HR leaders believe their PM system accurately reflects true performance

46%

46% said that annual performance reviews are not an accurate appraisal of an employee's work

25%

25% of employees say their supervisors discuss their strengths at all in performance conversations

14%

Companies which had eliminated evaluations judged their performance conversations 14% more negatively than those whose organizations still had performance ratings

90%

90% of managers, employees, and HR leaders feel that their performance management processes fail to deliver the results they expected, and view their processes as ineffective and/or inaccurate

13%

13% of managers and employees and 6% of CEOs thought their year-end reviews were effective

60%

60% of employees say they are not motivated to improve their performance after a poor rating

30

30 Fortune 500 companies had eliminated performance evaluations in 2017

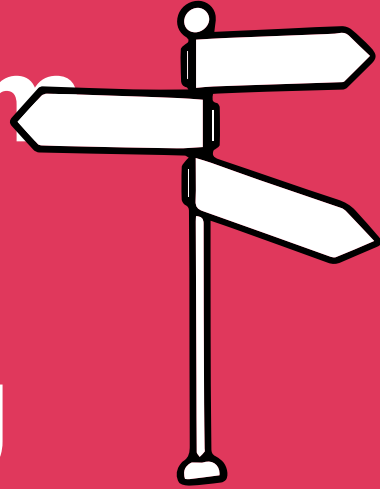
The Modern Day Performance Management System

- Maximizes output
- People-centric
- Creating high-performing organizations
- Promotes individual development
- Builds on the collective capabilities of a team
- Is a simple process

Three core concepts

- **Trust**
- **Positive feedback**
- **Customization**

Paradigm shift in thinking



EIGHT FUNDAMENTAL SHIFTS

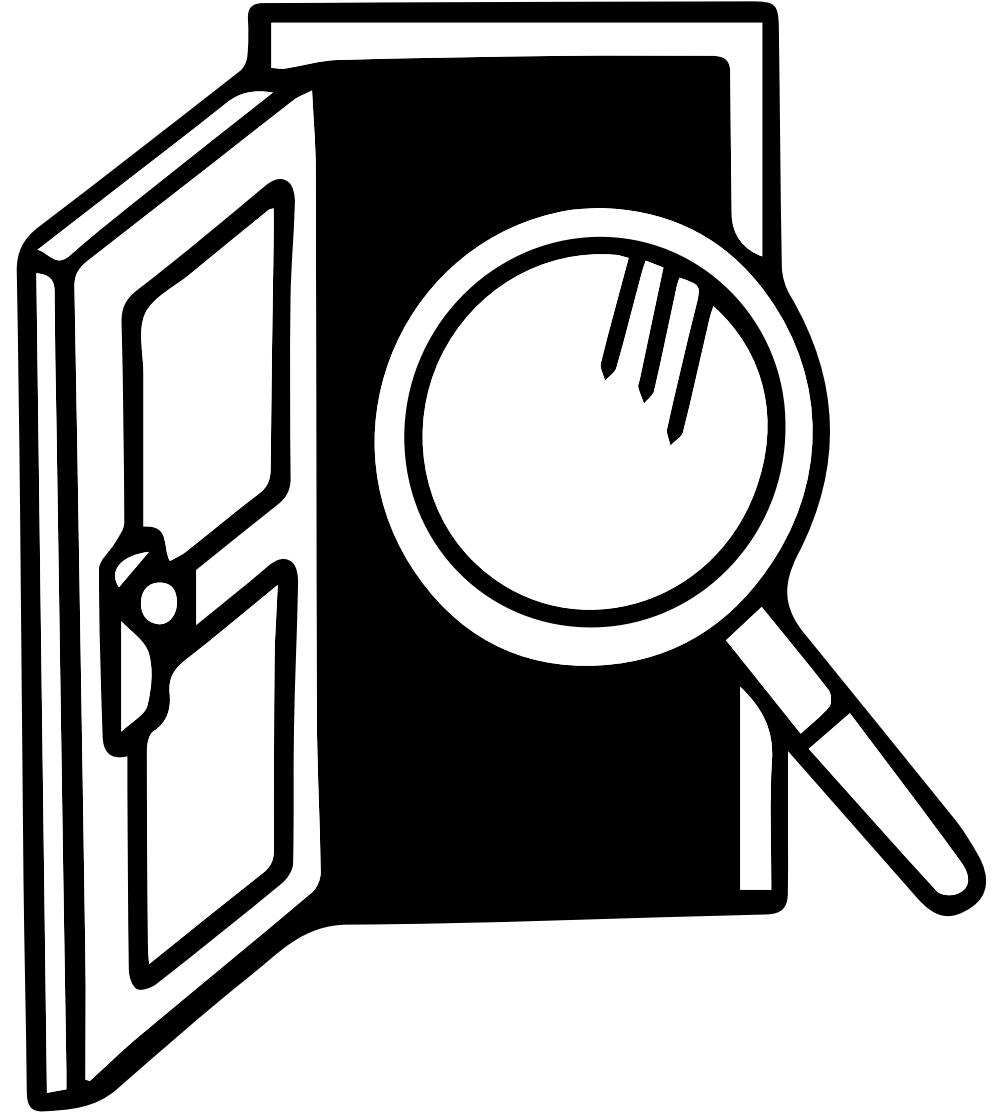
1. Transparency
2. People development
3. Forward looking
4. Diversity
5. Include and engage
6. Empower
7. Collaboration
8. Equality

The difficulty lies, not in the new ideas, but in escaping from the old ones.

—JOHN MAYNARD KEYNES

1

**Open the door
– create a culture
of transparency**





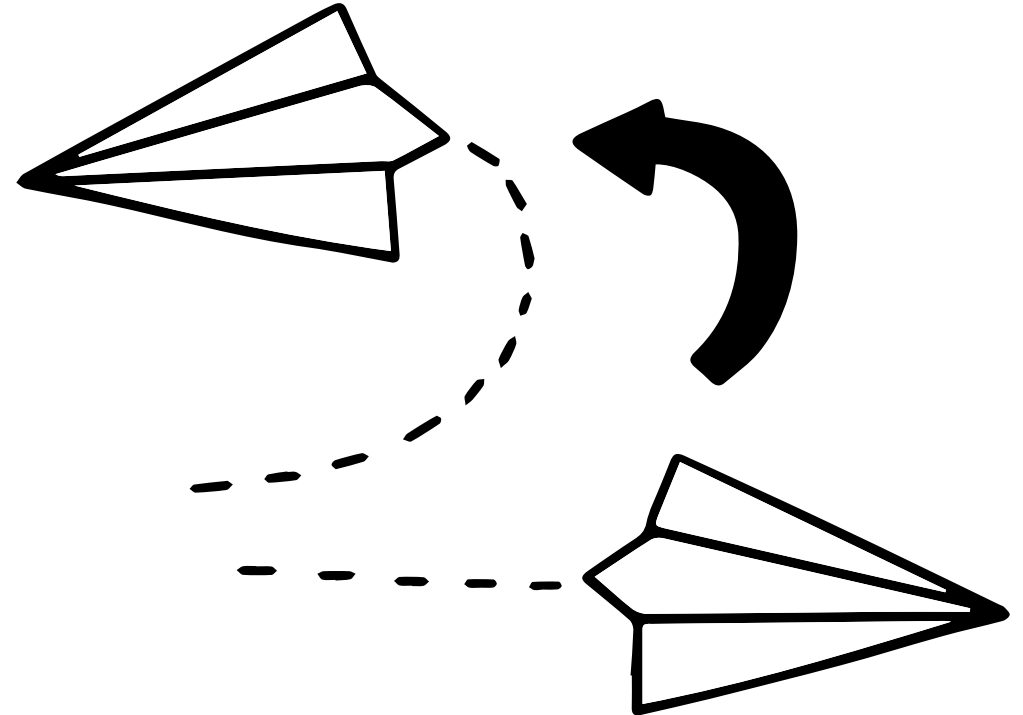
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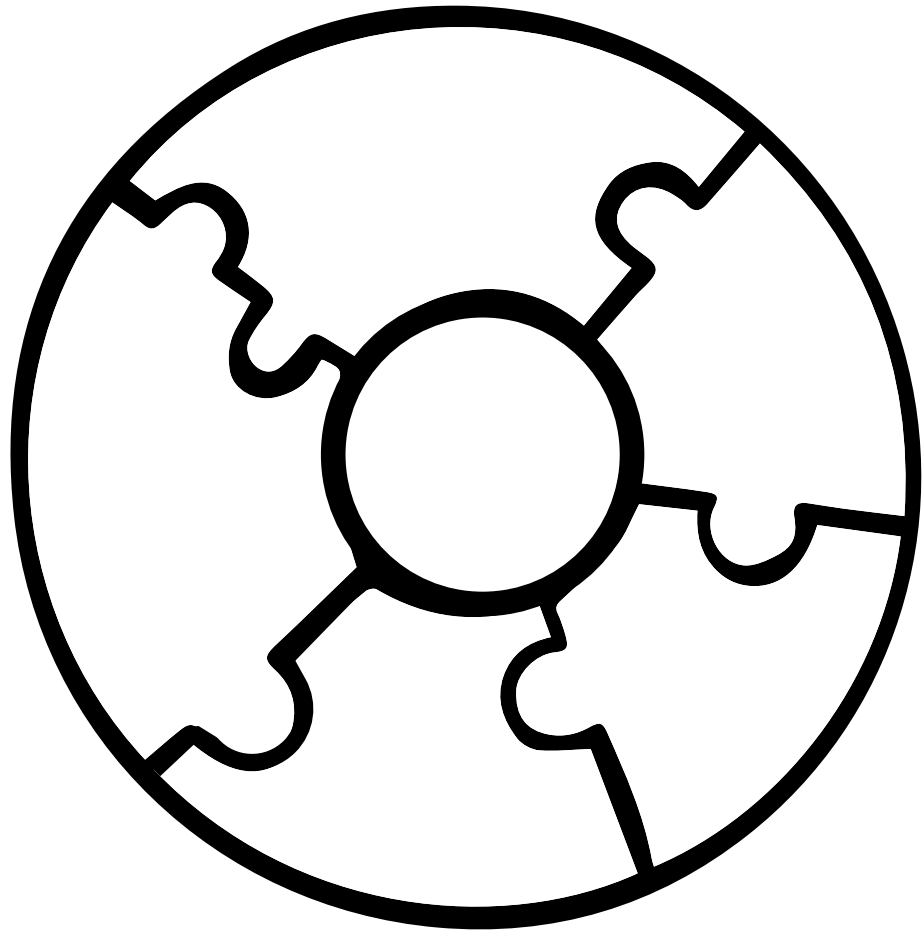
**Let them drive!
– create a culture of
growth and
development**

3

**Change the direction
– create a culture of
looking forward**

**“Performance
preview”**





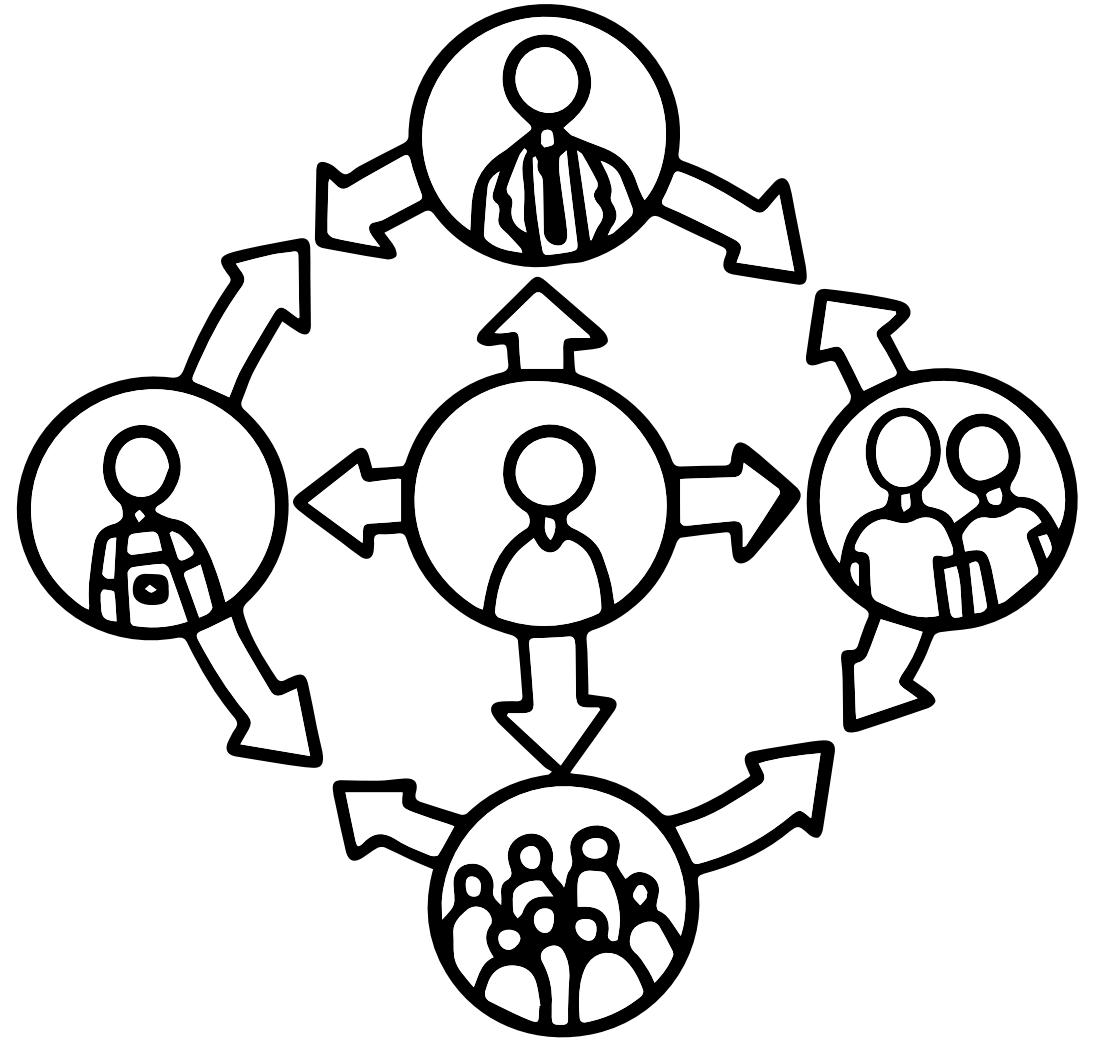
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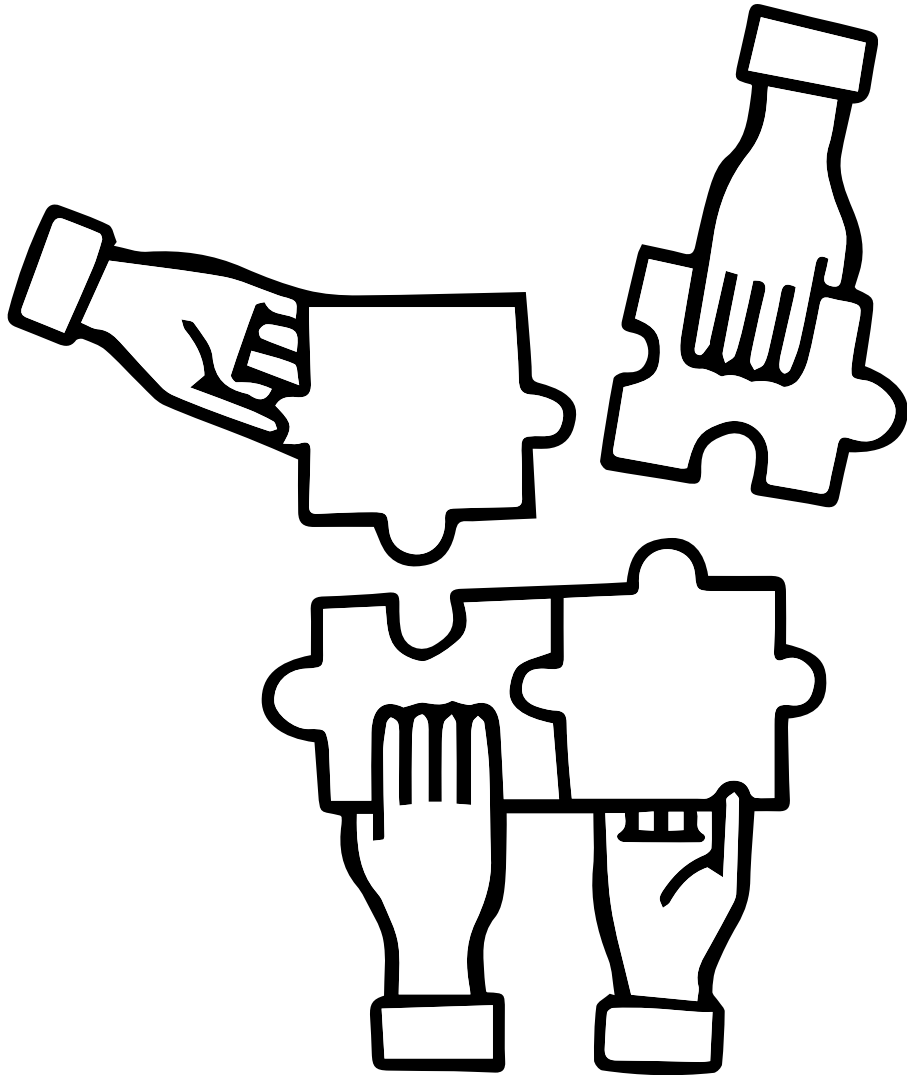
Embrace different
– create a culture that honours differences
– abandon uniformity

5

**Welcome more voices to
the conversation**

**Seek out diverse input
and rich dialogue**





6

Empower your people!
– provide oversight, but demand less control
– manage by exception



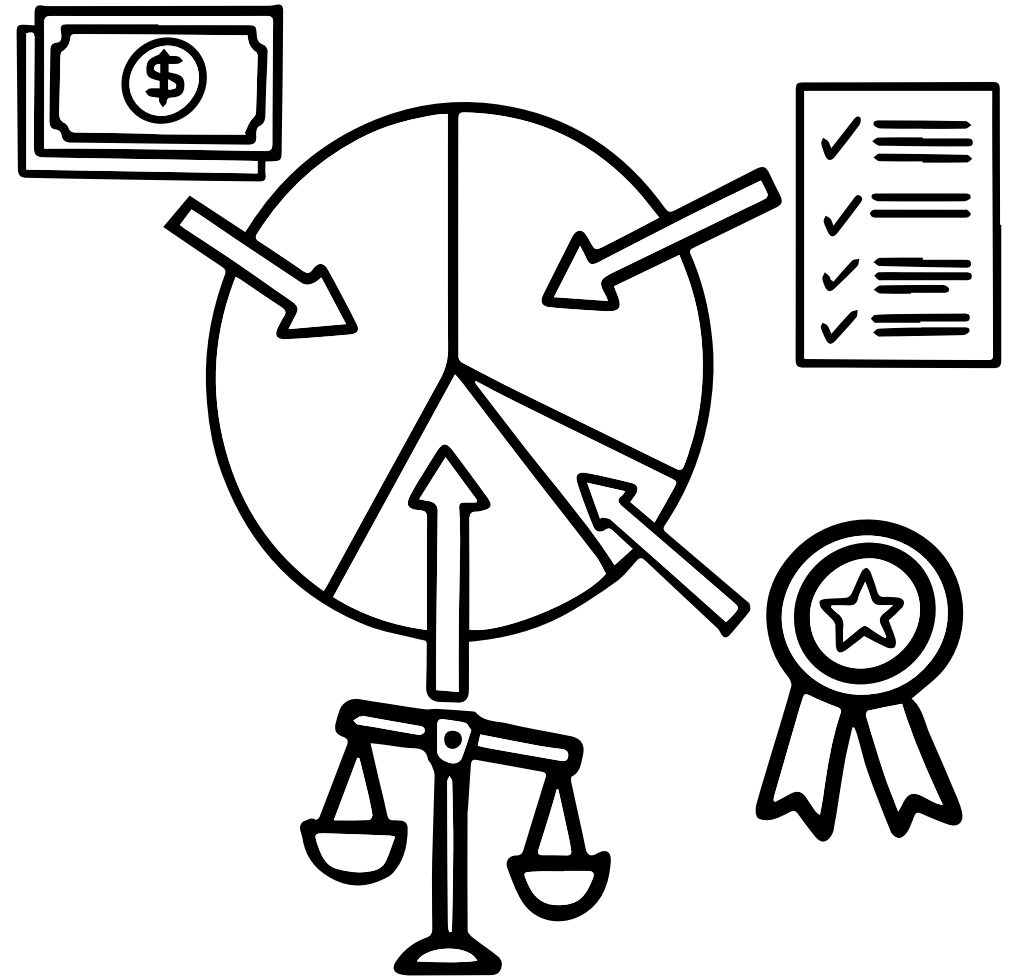
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**Foster collaboration
– fewer individual goals and
more shared commitment**

8

Reward more and differently

- create a culture of “equality”
- pay for capabilities, outcomes and reward for contributions

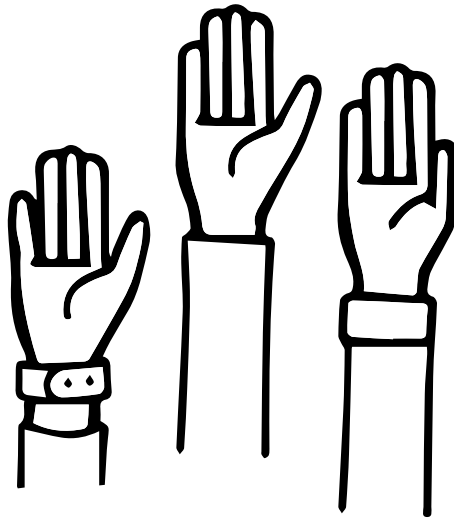




Positive feedback

By a show of hands

Who here is a great feedback giver?
Who here focuses on giving positive feedback?
Better still, who likes to get positive feedback?



Gallup Survey

2%

2% of managers provide positive feedback on a regular basis

60%

60% of employees say they haven't received any feedback on their areas of strength in a year

76%

76% of employees who said they received positive feedback felt it helped them improve their performance and grow professionally

Gallup Survey - level of engagement to feedback

**1 engaged for every 20
disengaged**

No feedback at all

**2 engaged for every 1
disengaged**

Even negative feedback focusing on fixing employees **was 40 times** more effective than no feedback

**60 engaged for every 1
disengaged**

Positive feedback focusing on employees' strengths and what they are doing right **was 30 times** more powerful than negative feedback in creating a high-performance culture

**Increasing
performance
and creating
growth with
positive
feedback are the
same thing**

Development means doing our work a little better each day.

So increasing performance and creating employee growth are the same thing.

A focus on strengths
(providing positive feedback)
increases performance.

Giving positive feedback to drive

See someone doing something that really works
improvement

1



Stop and replay what you saw to the employee and build on it.

Your highest priority

2



Share with them what you experienced when that moment of excellence caught your attention.

Your instantaneous reaction

3



Ask them questions and learn, then relay that learning back.

The employee will learn and want to get even better

Giving negative feedback to correct

See someone doing something wrong

1



Should start with the employee not with the person giving the advice.

2



Start with the present, go to the past and move to the future.
Let them tell you what needs to happen.

3



Get a commitment and give support.



Customization

**Stay true to a
few core
beliefs**

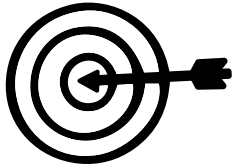
**Avoid
complexity**

Three core goals of PM

- 1** Drive organizational performance
- 2** Reward equitably
- 3** Develop people

Your PM Strategy

Questions that matter most in deciding the right PM strategy for your organization.



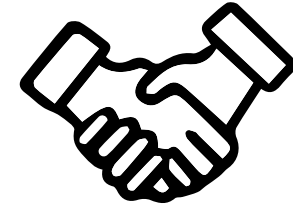
What business problem(s) are we trying to solve?

- Align and drive organizational strategy?
- Reduce low value processes and unnecessary costs?
- Raise employee engagement and performance?
- Use formal evaluations to justify people decisions?



What do we want to evaluate and reward?

- Individual or team performance (behaviors, outcomes, or both).
- How do we describe our culture?
- What is our employee value proposition?
- How much do we compete for talent?
- Do we have strong company values & behaviors that drive performance?
- Are the answers the same for all units, jobs and work in the organization?

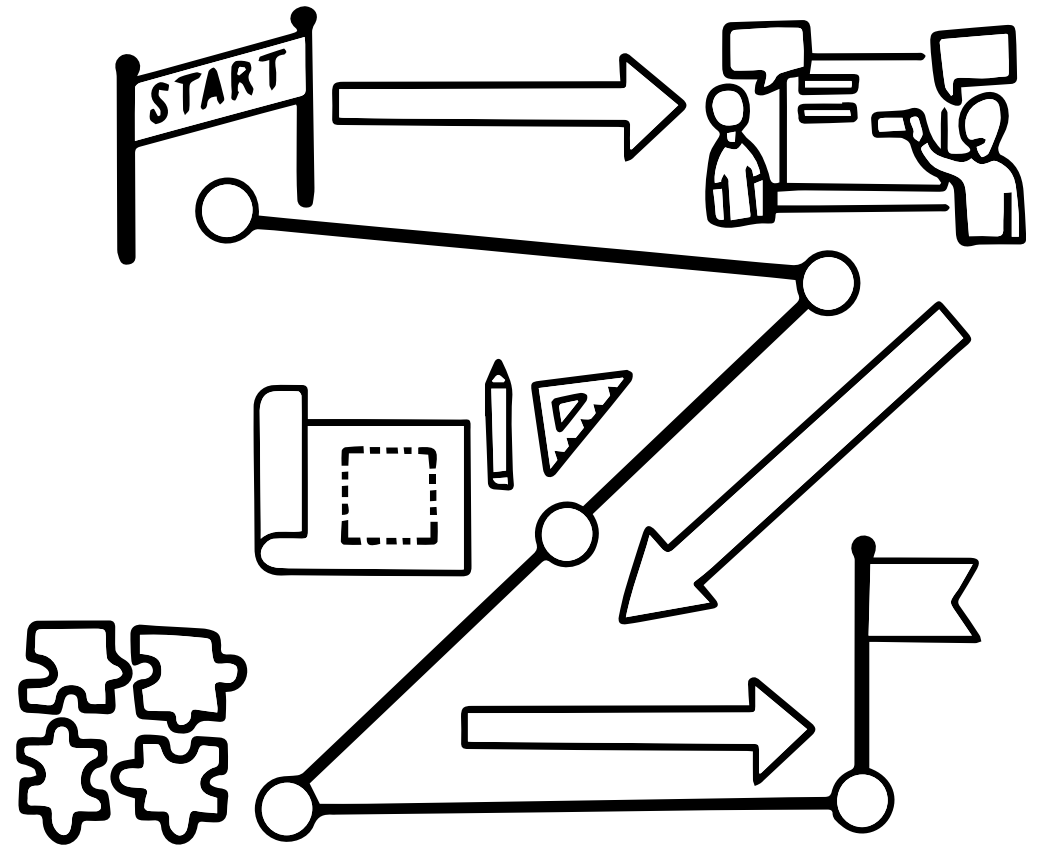


What proportion of an employee's total compensation is at risk?

- How much do we rely on the rating to make decisions?
- How often do the ratings actually align with the final outcome?
- Do we need a rating to make decisions? Yes or no, and why?
- How ready is our organization to remove formal performance management steps and process?

Plan the journey

- mobilize
- align
- build
- pilot
- implement



Questions?

