Employee Performance Management

How to align goals, leverage talent, and avoid an organizational train wreck

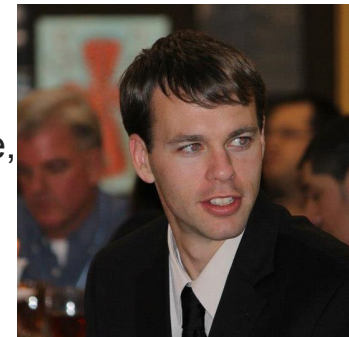upstartHR

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Acknowledgements

Many thanks to the smart, talented authors who contributed to this guide. It's going to be a valuable tool for many managers, HR professionals, and business leaders for years to come. Keep up the great work!

About the editor

My name is Ben Eubanks and I am… Well, I'm a lot of things. During the day, I'm an HR manager for a government contractor in Huntsville, AL. I handle recruiting, benefits, training, and just about everything else in the HR world.

When I get off work, I have a few things that take up my time. I enjoy writing upstartHR-a blog about HR, leadership, culture, and passion. I cofounded an unconference event called HRevolution. I've developed half a dozen eBooks and courses to help HR professionals get better at what they do every day.

All that aside, the top three "labels"I'm most proud of: Christian, Husband, and Father. I'm truly blessed.

Want to connect? I'm on Twitter, LinkedIn, and you can always hit me via email.

What to Expect from this Guide

Performance. It's such a small word, but it is one of the biggest ways HR professionals, managers, and business leaders can leverage people to impact their organizations.

In the next twenty pages you'll learn tips, tools, and techniques for how to manage employee performance. You'll think about it differently than before. You'll come away with new insights from a brilliant collection of talent management professionals.

I purposely made the margins of this guide pretty wide in the event that you would like to make notes or comments. That's how you get the most out of a tool like this.

Reading is nice. Action is better.

If you are looking for ways to improve your performance management process, you've come to the right place. I'm going to step out of the way and let the other contributors speak for themselves. Here we go...

Can Music Impact Employee Performance?

I read an interesting article about music, "Music as medicine: Docs use tunes as treatment", and I began thinking about what impact, if any, that music has on our work performance. The article shares research that hospitals are compiling on how music affects patient recovery time following surgery. They have found that certain types of music speed recovery time for patients.

According to the article, "Sound waves travel through the air into the ears and buzz the eardrums and bones in the middle ears. To decode the vibration, your brain transforms that mechanical energy into electrical energy, sending the signal to its cerebral cortex — a hub for thought, perception and memory. Within that control tower, the auditory cortex forwards the message on to brain centers that direct emotion, arousal, anxiety, pleasure and creativity. And there's another stop upstairs: that electrical cue hits the hypothalamus which controls heart rate and respiration, plus your stomach and skin nerves, explaining why a melody may give you butterflies or goose bumps. Of course, all this communication happens far faster than a single drum beat."

I'm wondering how this applies to our lives at work. There are work environments that incorporate music and some that don't. Some have harsh, loud music (often found in retail stores like Hollister and Abercrombie) and others play soft Muzak (doctor's offices, dentists, etc.) Office work

environments may allow employees to play music softly at their desk or in their office.

Effects On Daily Performance

The fact that certain types of music can stimulate areas of our brain that affect perception and memory is fascinating. There are so many companies that struggle with ways to improve employee performance, yet not once in my career have I ever thought about how incorporating music into the work environment may positively impact employee performance.

Think of the possibilities. If you have a design company where creativity is valued, playing music to stimulate that attribute could be very beneficial. Perhaps in a professional services firm you would want to play music to relieve anxiety and send positive messages that improve memory and attention to detail. The opportunity seems endless.

How many of you play music at work? What kind and how do you think it affects your performance?

Trish McFarlane writes at HRRingleader.com

Imagine there are no 'A' Players; it's easy if you try

Peter Cappelli, Professor of Management at the Wharton School, delivered the closing keynote, '*Managing Performance in a Post-Recession Workspace*' at the end of the first day of the Human Resource Executive Forum.

The presentation was equal parts entertaining, engaging, and challenging; in particular the preliminary results that Professor Cappelli shared around his analysis of the consistency of employee performance over time.
Essentially the question that Cappelli's research aimed to answer was this?

How much does last year's performance appraisal tell you about what this year's will be?

Here is the basic methodology - obtain the performance review scores and results over a period of years from a large, established organization, thousands of performance reviews, and examine these reviews and scores to see if there is consistency and predictability in individual's performance reviews over time.
So back to the question - How much does last year's performance appraisal tell you about what this year's will be?

If you are like most of the audience, I'll bet you'd say that last year's review would tell you quite a bit about this year's review, most of the attendees felt like

about 75% of the time performance results would remain predictive and consistent; i.e., last year's best performers would almost certainly be this year's best performers, and middle of the road performers tend to plod along year after year.

But according to the research, Cappelli indicated that only 25% of this year's performance review could be predicted from last year's results. The data set suggests that performance fluctuates much more widely over time that we tend to believe, and that he has found no evidence to indicate otherwise.

Cappelli elaborated on the implications of these findings, offering a series of smart, common-sense approaches to managing performance that would, if skillfully implemented, tend to improve performance over time, particularly performance for so-called 'troubled employees'.

But the most interesting observation was this - if performance does indeed vary widely over time, the entire idea of 'A' players and 'B' and 'C' players is overblown, if perhaps almost irrelevant.

If the data suggest that this year's top performers, those 'A' players that we constantly talk about, turn over every rock in the recuiting process to uncover, attempt to nurture and coach up through our organizations with 'special status' and development plans, might only be 25% of next year's 'A' players, well then, the entire notion of 'A' players doesn't make any sense at all.

If performance is highly variable, highly situational, and difficult to predict based on prior year data, then what does that mean for talent and performance management?

Is recruiting 'A' players highly overrated?

Are there really 'A' players and 'C' players?

What do you think?

Steve Boese writes at [Steve's HR Technology](#)

9 Questions to Help Your Team Create Vision for Improved Performance

Think back to the last project you led. How did you begin? Were you successful getting people on board, or was it more ~~like herding cats~~ challenging than you'd planned? No matter what you're leading, getting people to line up behind a vision is the first order of business when you take on a new leadership role.

Satirist and author of Gulliver's Travels <u>Jonathan Swift</u> once said, "Vision is the art of seeing the invisible." Because "vision" is an imagined future state, it is indeed invisible. For a compelling vision to work, <u>all</u> people must see what's possible for the team. Here's the tough part—if everyone is looking at something invisible, and using their imagination to create it, you're going to get an output that looks something like this:

Vision = Ideas + X (where X = the number of people on the team)
So, 15 people on the team yields 15 different potential versions of the vision. How's a newly appointed leader to navigate through that?

Three ideas to consider:

Explore. As the leader, it's perfectly fine to put your ideas on the table, as long as you invite your team members to do so as well. In this part of the process,

you want to encourage people to engage in divergent thinking, which open possibilities, not closes them. Invite people into the conversation with questions like:

- "If we had no constraints in resources, what would we want to do?"
- "What is the best possible outcome for this project?"
- "As we look as this project, what do you see as the big picture?"

Be Bold. At work, many factors conspire to keep people from acting boldly. Resist the impulse to "edit" at this stage of the process. This is about stretching, not acting rashly. Show your team you are excited to be leading them and figure out together where the boundaries of "what's possible" lie.

- "How can we kick this idea up a notch?"
- "Where is the edge of our comfort zone on this?"
- "I think we can even better than we are right now. Will you join me?"

Test Assumptions. This is where you seek counsel outside of your immediate team to determine the feasibility of your co-created vision. Check in with trusted peers and opinion leaders within your organization—people who have your best interest in mind <u>and</u> will tell you like it is.

- "What are the implications of this vision?"
- "Where are the gaps—what have we missed?"
- "Who else should I talk to that would have a perspective on this?"

Exploring your team's reality gets all ideas on the table. **Boldness** in the right

measure helps create excitement. **Testing assumptions** helps keep you out of the weeds. Try these three tactics and see if you can create a vision that is a beacon that guides your team to project success.

Jennifer V. Miller is the author of [The People Equation](#)

Performance Evaluations: "The GREAT EVIL"?

Periodically performance evaluations/appraisals/reviews get demonized. We have another round of that demonization going on currently. A new book **"**Get Rid of the Performance Review! How Companies Can Stop Intimidating, Start Managing — and Focus on What Really Matters**."** by Samual A. Culbert and Lawerence Rout is receiving media attention. Culbert wrote an article,*Yes, Everyone Really Does Hate Performance Reviews*, that appeared in the Wall Street Journal and has been talked about in MSNBC.com's article *Want to improve performance? Cancel reviews.* Culbert's premise is

"This corporate sham is one of the most insidious, most damaging, and yet most ubiquitous of corporate activities. Everybody does it, and almost everyone who's evaluated hates it. It's a pretentious, bogus practice that produces absolutely nothing that any thinking executive should call a corporate plus." He goes on further to state that it is all about whether the boss likes you or not and that performance reviews damage people psychologically and ruin productivity for the organization.

He also states that *"Proponents of performance reviews say that the problem isn't the review itself, but poorly trained reviewers. Sorry, but that doesn't fly: The performance review done exactly as intended is just as horribly flawed*

as the review done "poorly." You can't bake a great cake with rotten milk, no matter how skilled the chef. They also say you need performance reviews to protect against lawsuits by laid-off workers. Nonsense: Most performance reviews hurt a company's case because they aren't honest assessments of a worker's performance."

His solution? Review performance everyday by having conversations.

That is all well and good. I agree with Culbert on a couple of areas. "Reviews" should be done all the time. The world changes too fast not to be doing "course corrections" to avoid surprises. And I think "conversations" are important. And the tools could be improved substantially in many cases.

But I disagree with Culbert on several areas as well. I disagree that the problem is just the tool. You will indeed have problems if you use some crappy check box format that is bought "off the shelf." But you can, through interaction with your employees, design a meaningful review tool that measures performance, updates the job description and provides improvement plans as needed. The problem is that most companies are too lazy to spend the time to do so.

Secondly, I disagree that training is not an issue. It is a major issue. American companies do a notoriously bad job of training supervisors and managers in ANYTHING. Culbert calls for "conversations" around work performance. Asking

questions and listening to answers. Well hate to wake you up Mr. Culbert that requires training too. In case you haven't notice most people are not good listeners and don't know how to ask the proper questions. So "conversation" is not the simple solution.

Thirdly, paperwork is necessary in this world. The governments require that you document your decisions. If you do not YOU LOSE! Poor documents can get you in trouble too, no doubt. But NO DOCUMENTS are even worse.

Culbert's arguments almost sound like "sour grapes" from someone who has never gotten a good review. But I think there is a dash of sensationalism tossed in there in order to sell a book. Hmmm.. I wonder, will Culbert be paying attention to the book reviews? Or will he ignore them as poor mechanisms produced by untrained reviewers who are only judging his personality?

Michael Haberman is the author of HR Observations

Laying the foundation for workforce planning with talent management best practices

The folks at Bersin & Associates define workforce planning as the: "…set of business processes for analyzing the supply and demand of talent within an organization, and how that supply and demand might change over time."

However the Bersin team also say it's one of the least defined HR functions. Wikipedia says it's: "a continual process used to align the needs and priorities of the organization with those of its workforce to ensure it can meet its legislative, regulatory, service and production requirements and organizational objectives. Workforce planning enables evidence based workforce development strategies."

Further, Wikipedia states workforce planning is: "the business process for ensuring that an organization has suitable access to talent (potential candidates that have the ability to undertake required activities including decisions making) to ensure future business success."

So why should you care about strategic workforce planning?

In their April 2011 research bulletin, *The Value of Advanced Workforce Planning Capabilities*, Bersin & Associates identified "Developing advanced

workforce planning capabilities" as #2 in The Top 10 Best Practices among High-Impact HR Functions (from highest impact to lowest). Doing so can make HR 28% more efficient, effective and aligned.

And when you consider it, it really is a vital activity to ensure the ongoing health and competitiveness of your organization. Yet according to Bersin & Associates, only 36% of all companies conduct advanced workforce planning.

So where do you start? *With a solid talent management foundation.*

The first step to workforce planning is to get a clear picture of your current workforce. And that's where your talent management processes come in. To truly understand the skills, experience, credentials, performance and potential of your workforce you need things like:

- Up to date employee profiles that include details like education, experience, credentials/certification, skills, interests, etc.
- Up to date job descriptions that include the job accountabilities, competencies, education and experience required to perform a role
- The performance history of every employee (e.g. performance ratings from regular performance appraisals over several years)
- An understanding of the career interests of your employees
- An assessment of the career potential of each of your employees
- An understanding of who and how many employees are at risk of

leaving, why and when (e.g., retirement, no career path, etc.)

- A clear understanding of your workforce's strengths and gaps relative to core, leadership, job-specific and key competencies
- A view of which hiring sources are the best for particular skills/areas

All of this information, gathered in performance appraisals, talent assessments, employee profiles, and talent acquisition reports gives you a good basic understanding of your workforce today. It can help you identify areas of strength that can be capitalized on, as well as areas where strength is lacking that you need to address.

So gather it up. Start to analyze it. Look for trends. That's the first step to creating an effective strategic workforce planning program. If you need to, get help from someone in the organization who's experienced at data analysis, or sign up for a course at your local college and sharpen your skills. Then put plans in place to ensure your organization has the talent it needs to achieve its goals.

Aligning your workforce with organizational needs

Once you have a solid understanding of the makeup of your current workforce, you need to sync your HR plans and programs with your organization's strategic plan; you need to understand how you need to manage and adapt your workforce going forward to support that plan and address environmental

changes. That requires supporting both the immediate strategic plan, and the long term 5-10 year plan.

You may need to adapt or extend some of your current talent management programs, evolve your competency model, develop organizational strengths in key areas, shift some employees in the organization, do some strategic hiring, etc. Looking at the makeup of your current workforce and understanding what talent the organization needs to support its strategic plan will make the required actions clear.

Workforce planning isn't something you can master in a month, or even a year. It takes time, tools and often a new skill set for HR. But the rewards for HR and the organization are significant. So why not add creating a workforce plan to your list of goals for this year?

Sean Conrad writes for the [Halogen Software blog](#)

Reports of the Performance Review's Death Have Been Greatly Exaggerated

There's a lot of handwringing and kvetching in the business/HR world about the value of employee performance appraisals. Good? Bad? A necessary evil? The spawn of Satan? Some folks say we should toss out the whole mess while others valiantly try to maintain control.

I fall somewhere in the middle. Obviously it's important to ensure that managers are having regular conversations with their staff members and the old-school performance appraisal, for all its faults, ensures that happens – at least sporadically. Plus, the reality is that we need to have records of hits/misses in performance during an employee's life cycle – woe to the company rep who arrives sans documentation at an unemployment hearing. And while there's moaning and groaning over the use of subjective/arbitrary rating scales, we look for some sort of numerical system when correlating pay to performance.

The cry for the end to performance appraisals is, IMO, a call for an end to the horrible manner in which the process has been handled. Many existing processes treat performance management as a one-stop destination – not as the continuous ongoing cycle that it is. And no one, least of all managers, enjoys completing what they see as yet another chore mandated by the ninnies in HR.

Nope – what people want is a meaningful, understandable and SANE way of reviewing performance.

So how do we do that? How can we, as HR professionals, ensure that everyone realizes the value that can be found in a performance appraisal? If the time has come to re-vamp, re-design or even just re-communicate your process here are a few key STEPs:

- Strategy – It's critical to outline WHY you believe formally appraising performance is important. While the focus should always be on continual feedback, coaching and helping employees identify next steps you may, for example, define a need to correlate individual goals to organizational strategies/goals and KPIs. If, however, your strategy is merely to have a record/piece of paper – you're doing it wrong.
- Tools – You want to examine what will work best for your organization. A snazzy new collaborative channel with peer reviews and 360 degree components? Or, based on your industry, IS a paper form appropriate? Because it just might be – no kidding.
- Engagement – Performance feedback is all about conversation – talking with people instead of talking to them. If your employees are accustomed to merely being given a written review, being told how they're doing and then 'signing off,' you'll need to devise a plan to tackle user adoption and employee/manager training. How can you ensure conversations are occurring and ideas are being exchanged?

- Planning – It's critical to determine how you'll track and measure performance by identifying the metrics/deliverables that are important. Widgets produced? Competencies/behaviors demonstrated? Goals met? Does a rating scale make sense – and – is the one you're using conveying the appropriate message?

I recently attended a program where the presenter mentioned an HR Department that developed an appraisal system using a 100-point rating scale; managers were expected to differentiate, by this level of minutiae, the performance of their direct reports. *"I'm going to give Bob a 73 on Building Relationships but Susie – meh – she only warrants a 71!"*

Death by HR – no wonder people want to put an end to performance appraisals.

Robin Schooling writes at HR Schoolhouse

Hiring the Superstar-Shortcut to Improved Performance?

Steve Martin, in his stand-up routine, had great advice on how to become a millionaire. First, you get a million dollars.

There are times when a hiring manager adjusts that advice on how to get improved performance from your teams. First, you hire a superstar leader. I've seen this work, sort-of, and I have seen it fail in a big way.

Imagine there has been some good succession planning, and your top talent knows who is a likely internal candidate, but you choose to hire externally this time. Or the hiring manager knows he wants someone who can "shake things up" but doesn't understand that "shaking" is just part one. The new leader needs to be able to re-organize the chaos he or she may bring about with all that "shaking".

Your job is not to convince the hiring manager that he has a bad idea here. But you do need to get him to think about the end result he is looking for, and shaking things up is not a good result. How do you do that? You challenge the leader with questions to help them see the bigger picture.

● In your initial discussion with the hiring manager, bring any succession plans that have been discussed. If you have labeled anyone as "ready now", you

should challenge why they are no longer ready. What's really changed?

- Get at the real desired outcome. Is it improved department performance? Everyone achieving 20% more than they have historically? Or is it a single performance metric like cost reduction?
- Are you trying to redefine workplace culture with this new hire? What will be the key components of that culture?
- Are you looking for a leader who is a great coach, or someone who will set a new standard of performance? Who will act as coach if the superstar is too busy shaking things up?
- If this person succeeds, what is their next role? Will it be clear to them that we do or do not have an idea about that?
- How do you want to approach the two internal candidates that have prepared themselves for this job? What is their role in helping create the new performance? Are you prepared to see them leave?

I'm sure you can think of other questions or concerns that would apply in your situation. But just hiring LeBron isn't enough, you have to get the team aligned and ready for this change.

Tim Gardner is the author of [The HR Introvert](#)

The Most Dangerous Word in Performance

What is the one thing you can count on a supervisor saying in 99% of all performance evaluations? Try. It probably comes in the form of: "You can 'try' harder" or "Maybe you should 'try' to do…" or "Give this a 'try'…" But that little 3 letter word – Try – is a very dangerous word. Remember Yoda from Star Wars - *"Do or do not--there is no 'try.'"*

Fortune had a great article on the use of the word 'try' recently:

"Whether in a job interview, on a resume, or in the office, try simply shows a lack of belief, passion, commitment, and confidence — all the qualities you need to succeed in today's tight job market. Grammarly's contextual thesaurus has a whopping 66 different synonyms for try, yet none of them are as convincing as words like do, believe, act, tackle, accomplish, or succeed. While try might get you 10%, or even halfway there, employers are looking for strong problem solving skills and unwavering dedication.

I cringe when I hear, "I'll give it a try," because the phrase suggests failure. "I'll do it" inspires confidence every time."

When I coach supervisors on delivering performance feedback this is a concept

I work hard on getting them to understand – the words you choose to use have great impact. Also, the words they allow the employee to respond with, sets them up for future success or failure. One thing I've always done with performance feedback is allow the employee to give me their performance objectives, instead of dictating what performance I expect. How I coach the performance, though, is to frequently help in rewording their objectives with the words that is going to ensure they go after the performance they want – not to 'try' and get the performance they want.

This might seem a bit nit-picky to some – but using words the convey conviction of a goal do wonders for setting someone off on the right track to reaching that goal. I can't say it any better than the Yoda, Jedi Master, "Do, Or do not. There is no Try."

Tim Sackett writes at TimSackett.com

What now?

Hopefully you have made some good notes based on concepts you learned in this guide. What now?

You have a few things to do.

First, **share this book** with anyone who might find some value in its contents. It doesn't help anyone if it's not being read, digested, and put into action! Second, look back through any notes you might have made while reading and **see what ideas you can start exploring in your own organization**. I'd enjoy hearing if you were able to put some of these ideas in motion!

And finally, keep your eyes peeled for more great resources coming your way. The easiest way to do that is to subscribe for free email updates so you never miss a thing.

If you enjoyed this guide at all, I'd love to hear about it. My email address is below. Have a topic you'd like to see covered a future guide? Let me know!

Rock it,

Ben Eubanks (ben@upstarthr.com)