

# Performance Management and the Employee Experience

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Metrus Group

ATD Webcast  
September 2017

# Things We Hope You Will Take Away!

- **Context:** Why traditional PM approaches are struggling
- **Evidence:** What research says about Performance Management (PM)—what's working or not!
- **Approach:** How you can take a more holistic approach to PM
- **Ideas** you can apply in your organization

# Metrus Institute: Talent Research

## Metrus Group: Cases and Application

- ◆ Research with over 2,000 organizations on talent optimization, resulting in *The ACE Advantage* (2012)
- ◆ Generational Surveys and Interviews for *Fulfilled! Critical Choices* (2016)
- ◆ HR Study (ASQ, 2000) & Cases in over 2000 organizations
- ◆ Executive/HR Interviews for *Reinventing Talent Management* (2009)
- ◆ Leading Survey Benchmarking for *Hidden Drivers of Success* (2014)
- ◆ Many more (see [www.metrus.com/institute](http://www.metrus.com/institute))



# The Winning Game is Value Creation



How does your company or organization create value?



How does your function or team add value?



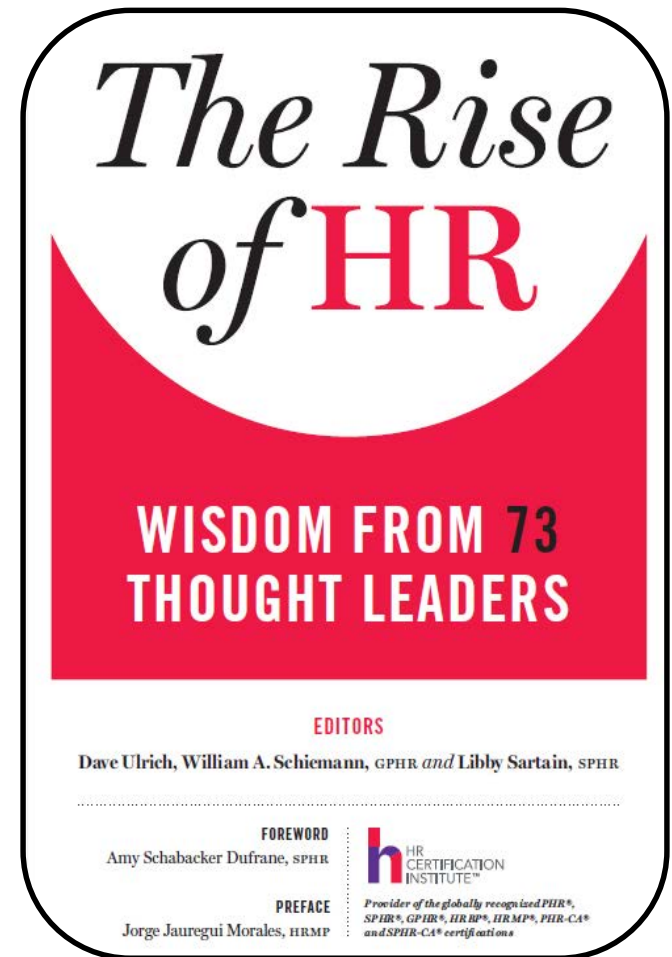
How do you add value?

# The Pressing Question:

“What do HR professionals need to know or do to be effective in today’s and tomorrow’s business world?”

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Study sponsored by: HR Certification Institute



# HR as Orchestra Conductor



# Rise of HR: Seven Themes

Strategy



Organization



Talent Supply



Talent Optimization



Info & Analytics



HR Governance



HR Professionals



# Rise of HR: Seven Themes

## Talent Optimization





# Talent Optimization

- ◆ Fewer EMPLOYEES—more CONTRIBUTORS
- ◆ STRATEGIC, PIVOTAL ROLES
  - ◇ Are “A” players in those roles?
- ◆ ALIGNMENT of talent with business strategy, goals, values, operating style
  - ◇ Horizontal Alignment continues to plague organizations
- ◆ Pace of CHANGE, Stress, Burnout plague most industries and jobs at increasing rates
  - ◇ Is organization helping contributors increase resilience?
- ◆ EMPLOYEE ENGAGEMENT & PERFORMANCE #1 (*HR Executive Poll*)—What is limiting it?
  - ◇ Role of work in career & life fulfillment? Balance?

# Talent Optimization



# Talent Optimization



# Definition from ATD Talent Management Handbook

“Performance management is the **collaborative dialogue** used by leaders and contributors to design, monitor, and review **shared objectives** and ensure alignment with business strategy **and personal goals**, together with management of the elements required to maximize individual and collective performance.”

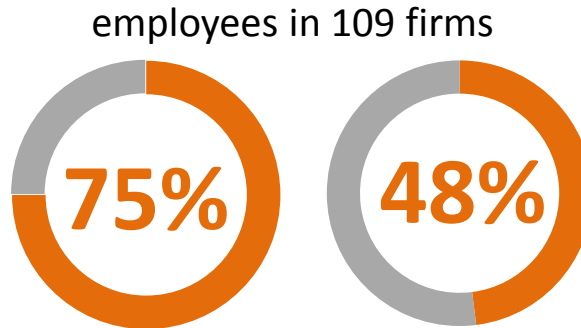
Schiemann, W.A. and Dinsell, C., “Performance Management: What Is It Good For?” *ATD Talent Management Handbook*, edited by Terry Bickham, Association for Talent Development, 2015.

# Fast Facts – Research

**2/3**  
of employees  
in 119 firms  
favorably rated clear  
communication of vision,  
direction, strategy



\*Metrus Institute

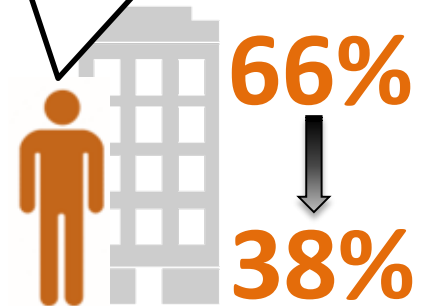


Performance  
goals are  
clear

Performance  
goals are  
linked to dept,  
company or  
individual  
goals

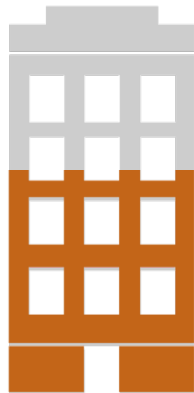
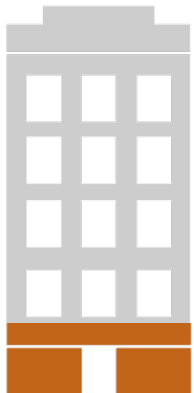
\*Metrus Institute

Feedback helped me  
improve performance



employees in 69 firms

\*Metrus Institute



**8%**  
PM process  
drives high  
levels of value

**58%**  
PM process  
not effective  
use of time

\*Barry, Garr and Liakopoulos 2014



Our PM process  
accurately  
reflects employee  
contributions

HR executives

**23%**

\*Corporate Executive Board 2014

Only  
**14%**

of organizations are  
happy with PM System

# Optimizing Your Talent Investments?

## Performance Management is central to optimizing talent investments

1. Are you managing talent risk—Optimal performance? Innovation? Knowledge transfer? Who's leaving—or staying?
2. Why do you deserve to get and keep good talent?
3. Are managers ready, willing, able to deliver the PM behaviors needed to optimize talent?
4. Are you designing/assessing PM system & behaviors against talent optimization criteria?

# Talent Optimization Ingredients

## ALIGNMENT

Goals

Brand

Customer

## CAPABILITIES

Competencies

Information

Resources

## ENGAGEMENT

Advocacy

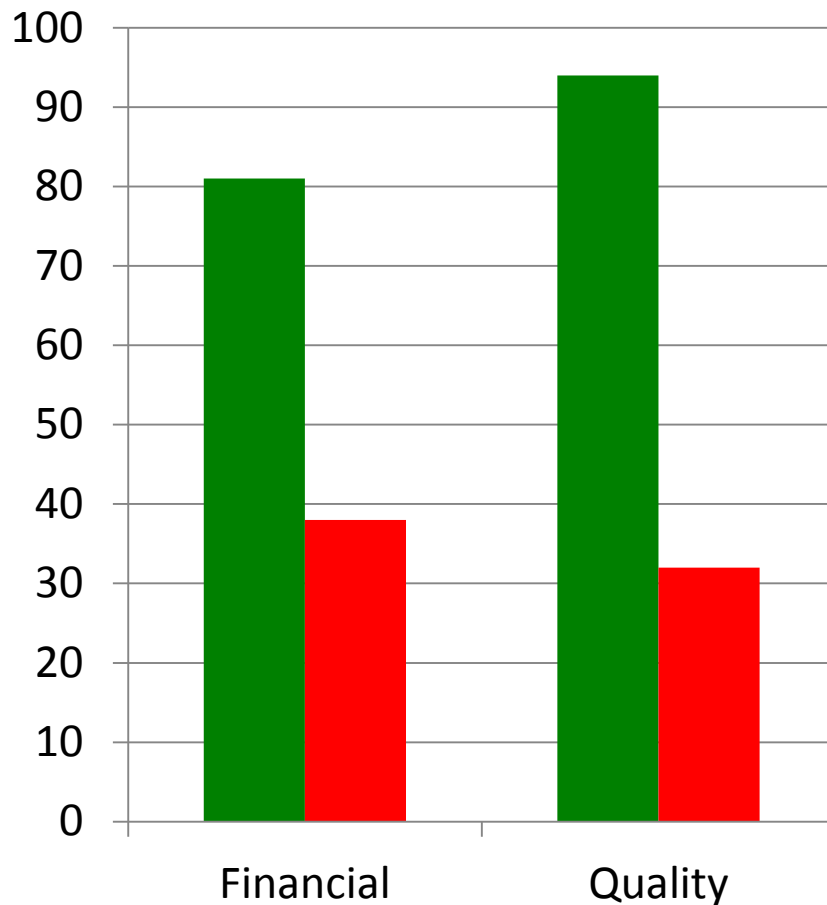
Commitment

Satisfiers

# Why ACE is Critical to Success?

Metrus Institute/ASQ Research

- Top Quartile PE Organizations
- Bottom Quartile PE Organizations



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## Organizations with high ACE

- ✓ Were **2x** more likely to be financial leaders
- ✓ Were **3x** more likely to be quality leaders
- ✓ Averaged half the turnover of low ACE organizations

Sources:

Kostman & Schiemann, *People Equity: The Hidden Driver*, *Quality Progress*, 2005

Schiemann & Seibert, *Optimizing Human Capital: Moving Beyond Engagement*, *People & Strategy*, 2013

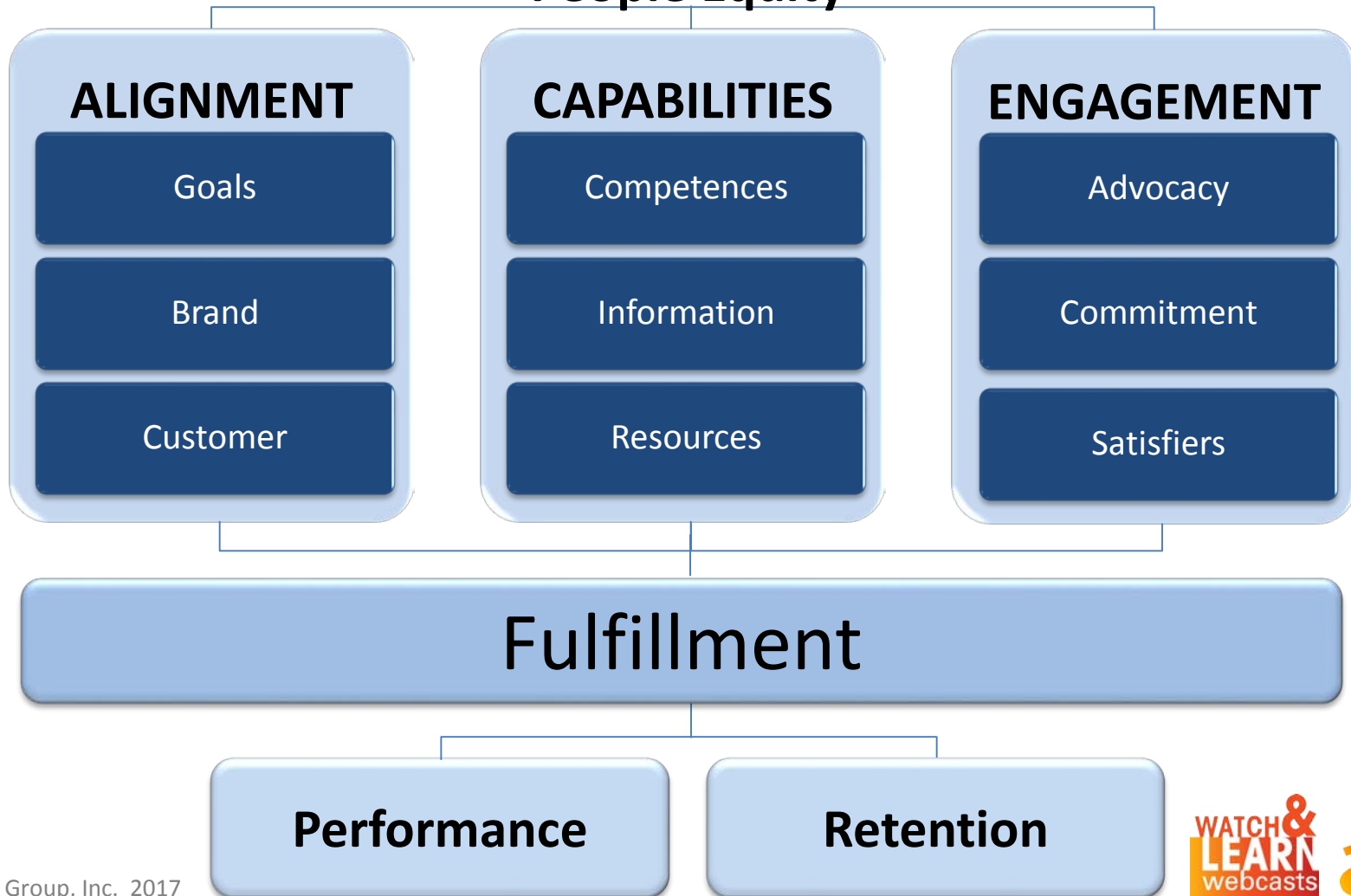
Seibert & Lingle, *Internal Customer Service: Has it Improved*, *Quality Progress*, 2007



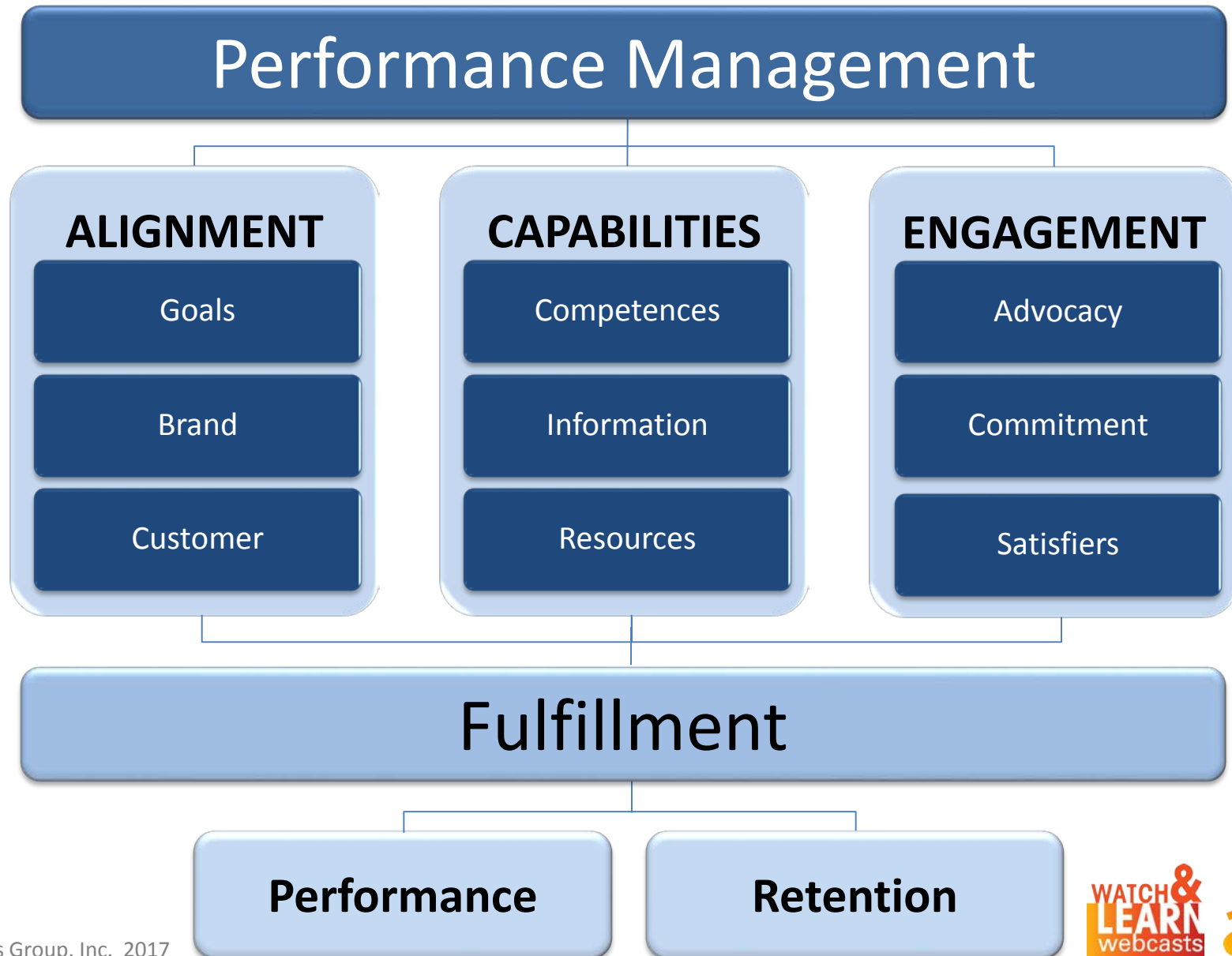


# Effective ACE leads to Performance & Fulfillment

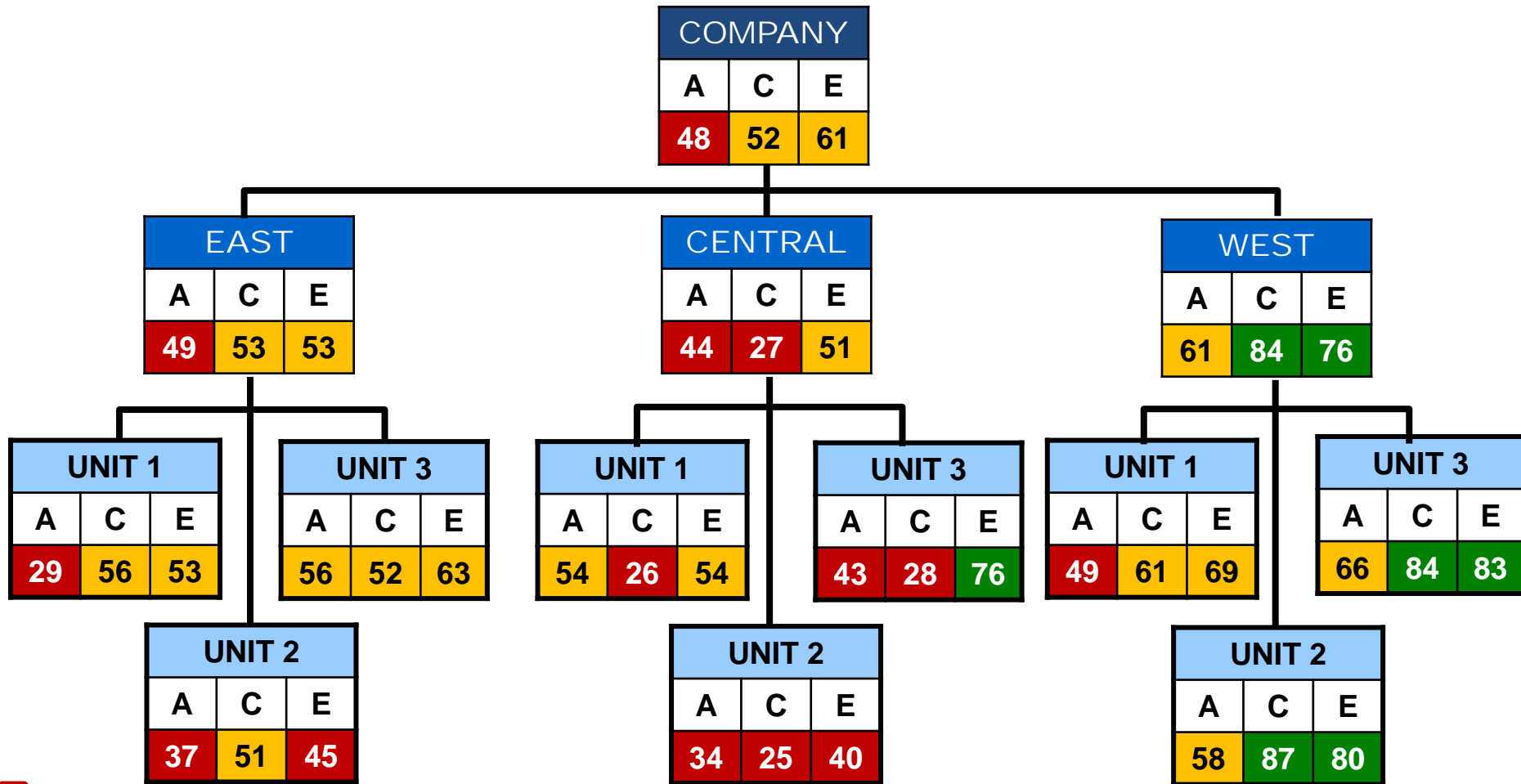
## People Equity



# Performance Management a Key Driver of ACE



# ACE Profiles in Retail Organization— Performance Management is Key Driver



■ Weak  
■ Intermediate  
■ Strength

ACE Scorecard®

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# Rethinking Performance Management

## ◇ Performance Appraisals often create more damage than value

- ◇ Conflict of Alignment and Engagement?
- ◇ Too complex, rigid
- ◇ Connection to development weak
- ◇ Feedback and Coaching biggest weakness
- ◇ Pay rarely differentiates

## ◇ Key Question:

- ◆ How do you create Alignment, grow Capabilities while preserving Engagement?



# Key Requirements of High Performance

1 Clear agreed upon & aligned vision, values and strategy

2 Aligned organizational & personal goals, roles, balance

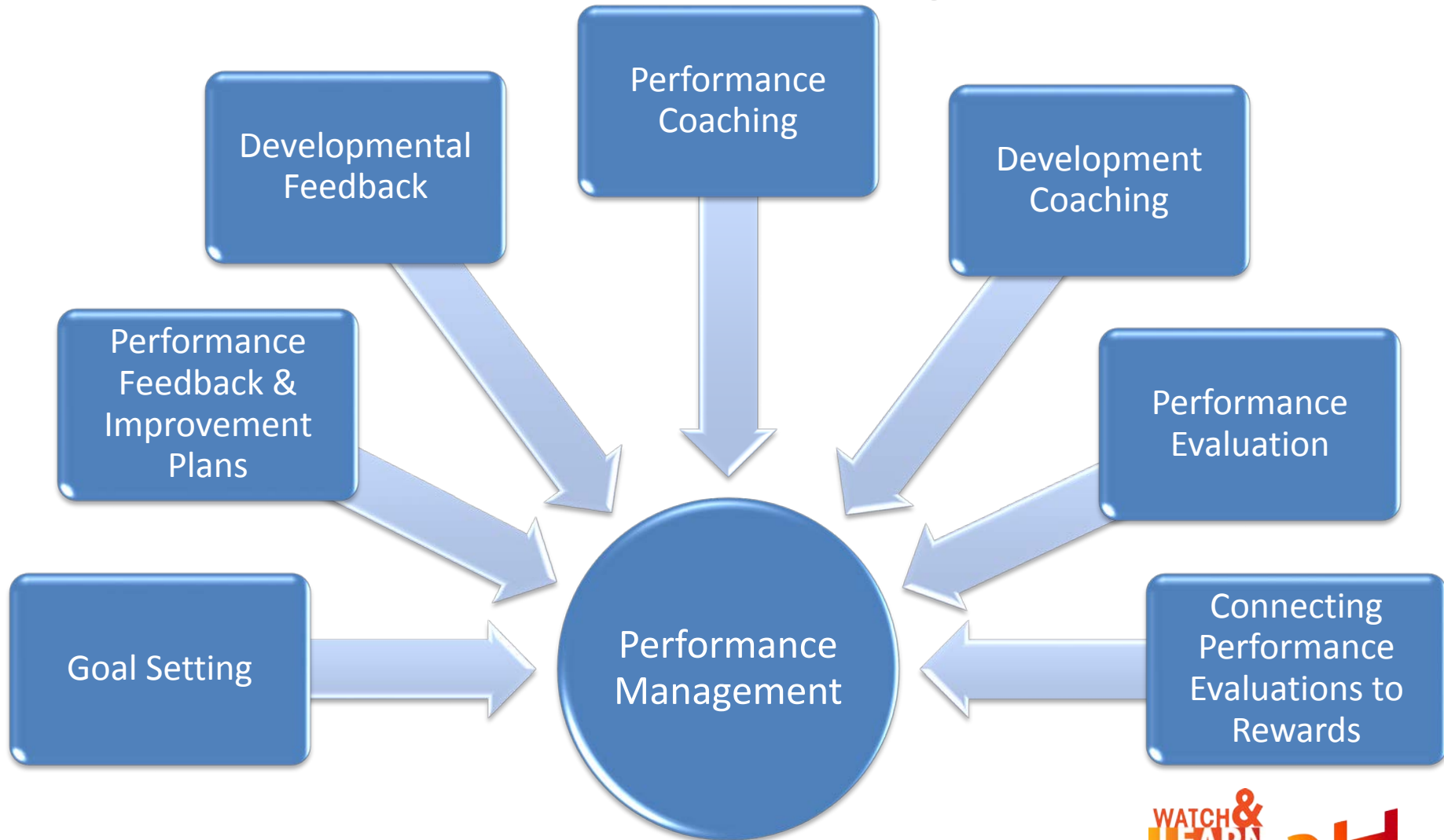
3 Sufficient capabilities to hit co. & personal goals

4 Passion for vision, goals, tasks, culture

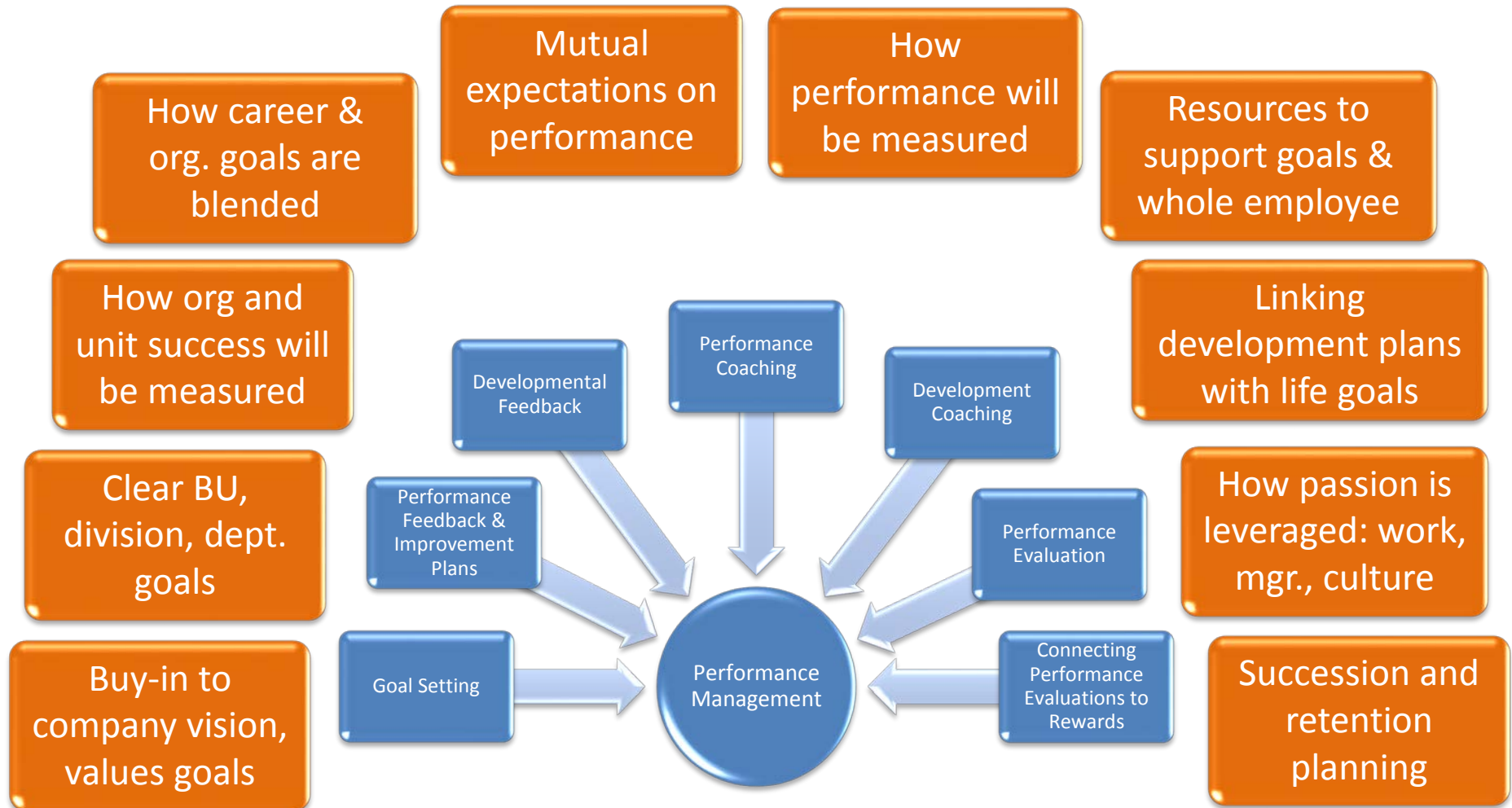
5 Timely feedback and measures on goal attainment


6 Meaningful incentives (growth, rewards, recognition)

# Key Elements Usually Included In Performance Management



# Key Elements Not Always Included In Performance Management



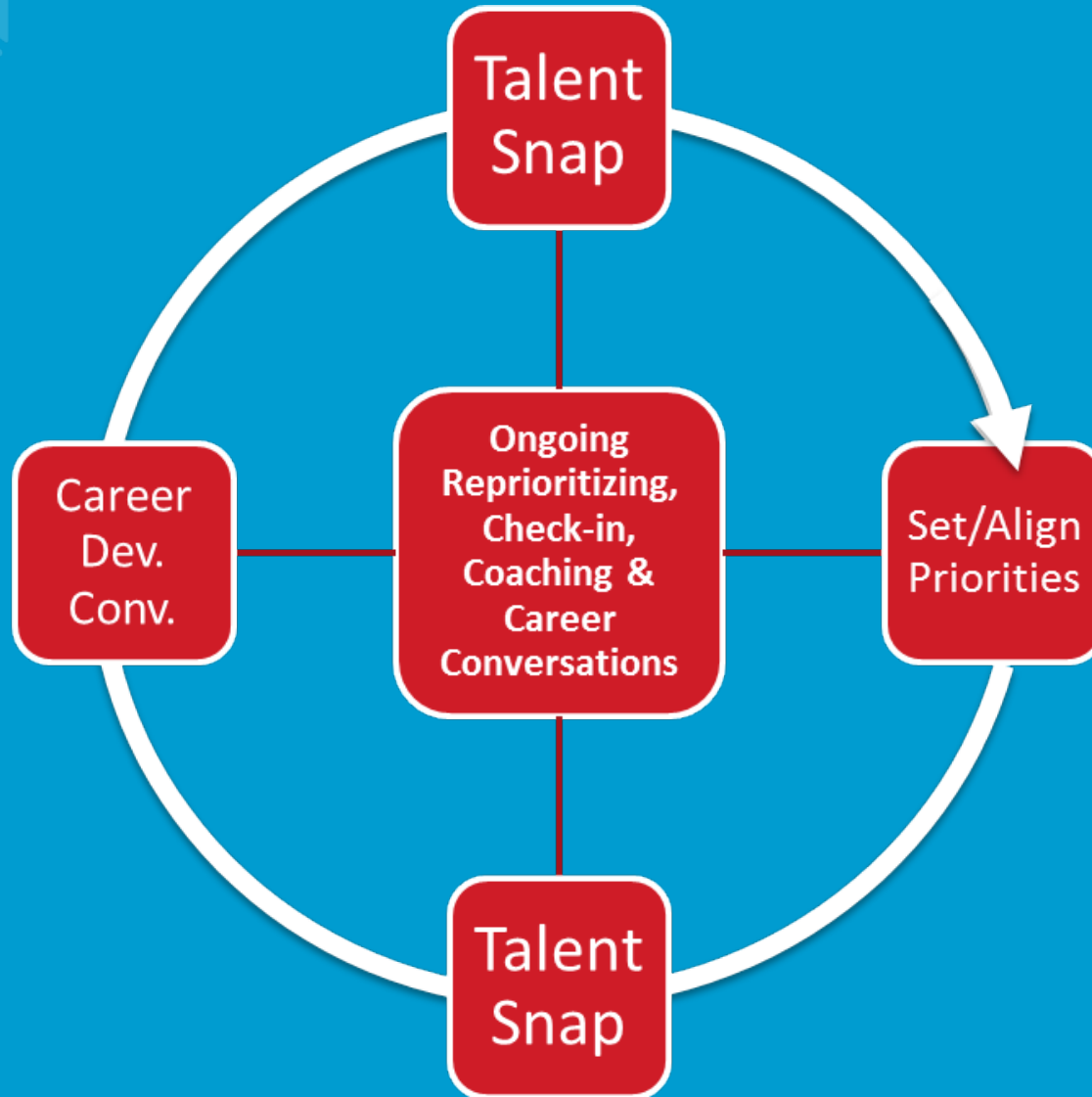


▶ Unlocking Potential —  
*Commvault's Continuous Talent  
Development Model*

▶ Jesper Helt & Joe Ilvento



# What the Unlocking Potential Cadence Looks Like in Action...Simple and Easy



# Moved from a Review Process to an Unlocking Potential Mindset

- *'Whatever we do it must add value to the individual and to the company'* NRH

## What stays the same

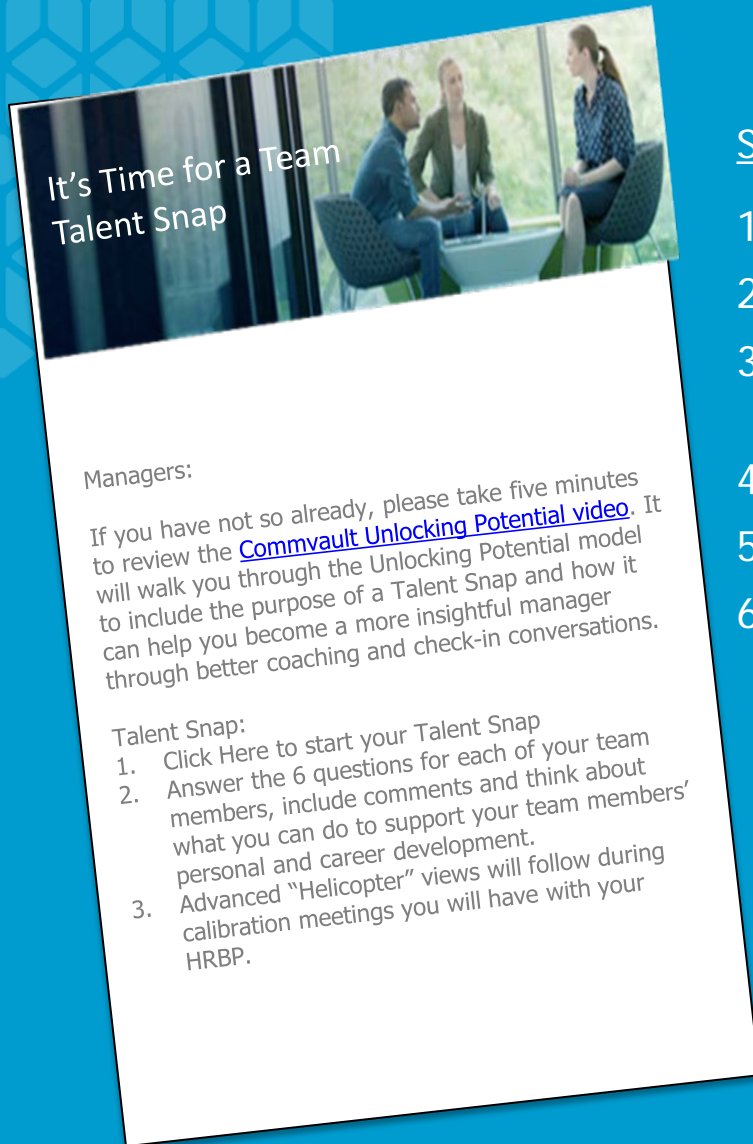
- Objective of motivating, driving high performance and ongoing development
- Ongoing cycle requiring manager/employee conversations, stakeholder input and mutual time investment
- The need for business execution: Set, revise, review achievement against priorities
- The need for learning: Plan for career development and growth
- Importance of ongoing feedback/coaching conversations on both the WHAT and the HOW
- Aim of identifying and rewarding strongest contributors and highest potentials

## What's different

- De-emphasize the annual review in favor of ongoing process with multiple check-ins aligned with annual total reward touchpoints
- Semi-annual talent snaps that provide visual talent maps vs talent rank/distribution; fast
- No forced ranking/distribution and formulaic link to total reward but manager calibrations and discretion to differentiate
- Less gap fixing; more strength building; Less judgment; more coaching; more early indicators
- Less documentation; more (inter)action; Less look back/reactive; more look forward/proactive

A Talent Snap of My Team  
Takes 5 Minutes...  
It Starts with What  
Successful Results Look Like  
& Soliciting Feedback from  
Stakeholders

# Talent Snap: 6 Questions for the Manager



## Six Questions Managers Answer About Their Team Members

1. Vaulter delivers high impact results/contributions  
(Scale: Descriptors - Emerging, Solid, Strong or Exceptional)
2. Vaulter lives and breathes the Commvault values.
3. Vaulter exhibits high potential  
(Scale: Descriptors - Emerging, Solid, Strong or Exceptional)
4. Vaulter is at Risk for Low Performance (Yes No)
5. Vaulter is a Flight Risk (Low Medium High)
6. Vaulter is ready for an Expanded Role/Promotion.  
Ready Now (0-12 months), Ready (12-24 months), Ready (24 +months), New/Stable in role.

In Commvault meeting with Deloitte and current research, simple questions asked of manager yield more accurate talent views and strategic insights than formal, heavy process annual performance reviews.



# Talent Fundamentals: What Every Manager Must Bring to the Game

Manager's commitment to their team includes:

- **Priorities:** Clear, ideally written, up to date vision and priorities aligned with company, function, department priorities; **how results and contributions are measured**
- **Career Development:** Action/Development plans for how to grow and scale in role and beyond
- **Regular Feedback and Coaching:** Conversations to map progress against priorities, projects, and overall performance – to include recognition for great work and stretch activities.

**Commvault**

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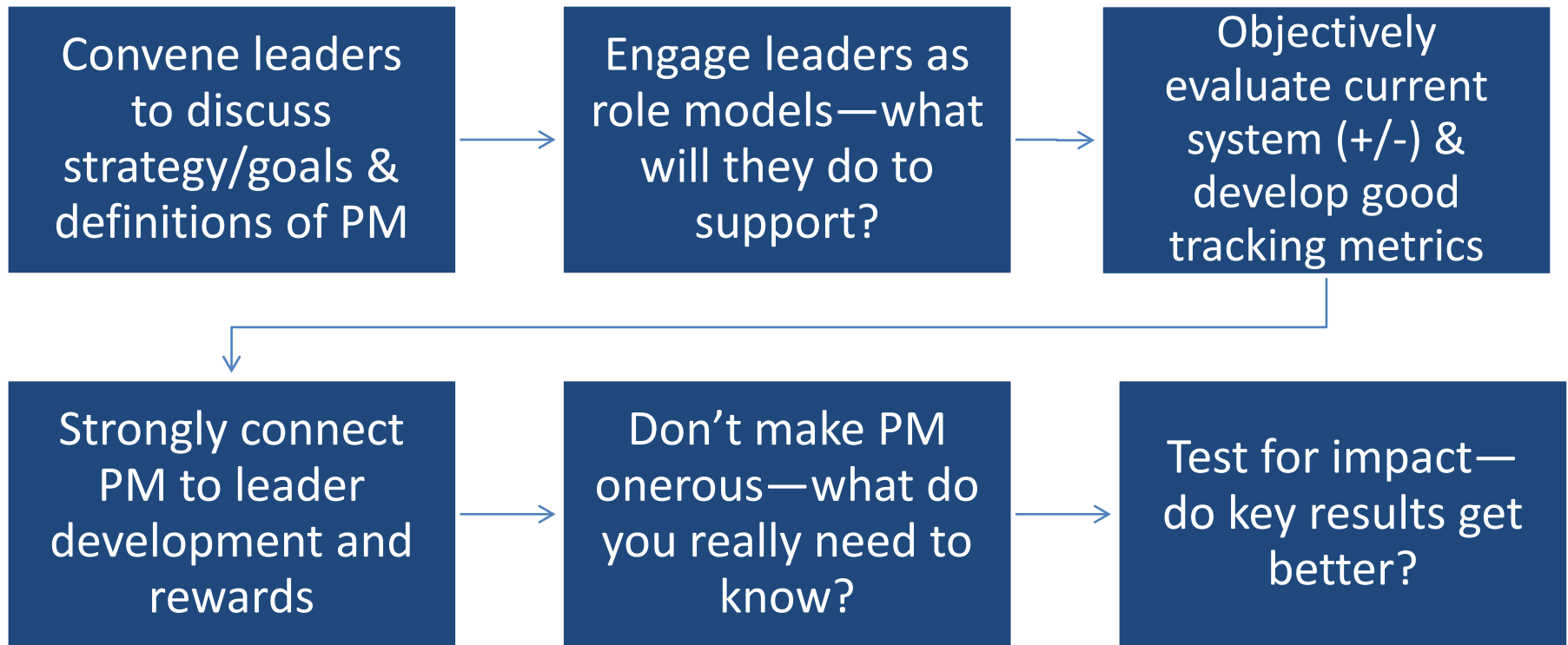
# Rethinking Performance Management

## ◆ Beyond Basics:

- ◆ Are you measuring the **'right' criteria**. If **ACE** and **Fulfillment** do not improve, then PM will not deliver results
- ◆ Are senior leaders visibly **modeling** desired behaviors?
- ◆ Are all people managers truly **equipped** to guide the spirit and processes of PM? Contributors?
- ◆ Are performance **dialogues** part of daily life?
- ◆ Is your PM system **easy to use**? Do you use information?
- ◆ Do you **measure** PM impact?
- ◆ Are **incentives** meaningful?



# The Road to Effective Performance Management



# Great Sources for Additional Information

## ◆ *Performance Management: What Is It Good For?*

- ◆ Schiemann & Dinsell, *ATD Talent Management Handbook*, 2015

## ◆ *Aligning Performance Management*

- ◆ Schiemann, *Performance Management: Putting Research Into Action*, Jossey-Bass 2009

## ◆ *Hidden Drivers of Success*

- ◆ Schiemann, Seibert & Morgan, *SHRM* 2013

## ◆ *The ACE Advantage*

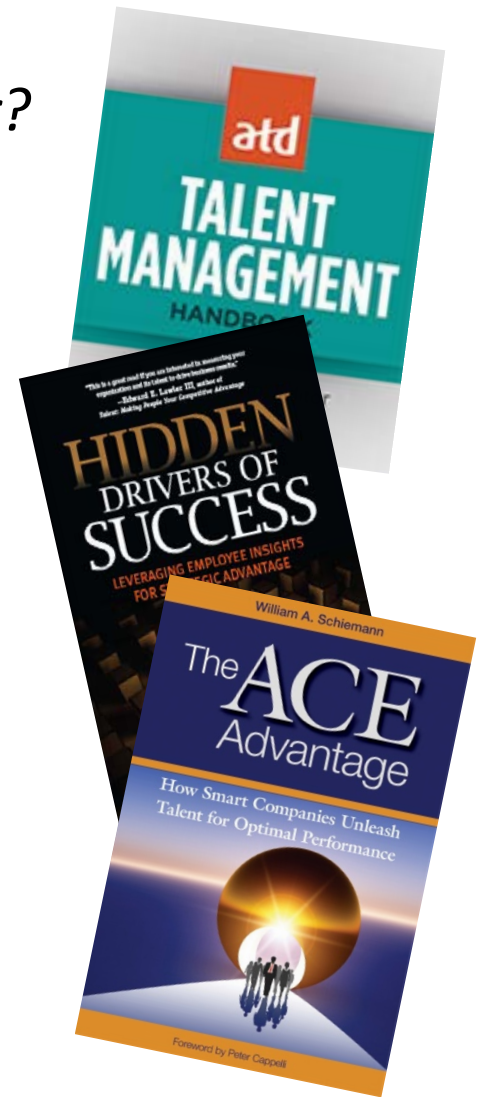
- ◆ Schiemann, *SHRM* 2012

## ◆ *Bullseye: Hitting Your Strategic Targets*

- ◆ Schiemann & Lingle, Free Press, 1999

## ◆ *The Differentiated Workforce*

- ◆ Becker, Huselid & Beatty, Harvard Publishing, 2009





# Questions



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