

Member's Quarterly

Winter 2018 Edition

Feature

Improve Your Performance Management System

Top 10 tools for success

A performance management system (PMS) is, in essence, a toolkit. Its purpose is to set, measure, track, and – ultimately – improve performance of individuals and groups of employees. Some toolkits are manual and some are electronic, just as some PMS programs are paper vs. online.

In this two-part series, we will look at the Top 10 “tools” you should consider having in your toolbox. In this issue, let’s examine the first five.

1. The Central Tool

The most important mechanism in a PMS is the “job description.” Call it a position profile, an accountability agreement, a position description. Regardless of what you call it, it should be at the center of almost all of your HR functions. This set of knowledge, skills, abilities and other attributes (KSAOs) is what the employee has agreed legally to do for your organization in exchange for pay/total rewards. Managers should be trained to know that the job description document should be part of every:

- recruitment/selection interview
- new employee orientation process
- job classification/compensation discussion
- annual PMS review meeting
- exit interview and “stay interview”

This is to ensure it still captures the core contributions that position makes to your organization. If the role’s tasks, duties or responsibilities change more than 20% from what was agreed to, there may be a case for reviewing and updating the description and/or compensation.

Key Points:

- Make sure you have developed job descriptions for all roles in your organization. Ensure they represent an accurate reflection of the role they describe and are updated annually.
- Train managers to use this tool when a new employee enters your workplace (week one) and throughout the employee’s life cycle with you. It’s your primary HR communication tool between management and employees.

2. KISS – Keep it Super Simple

Keep your review process as streamlined and intuitive as possible. Employees and managers both dread a heavy administrative process. A performance review “form” that is longer than two pages will feel bureaucratic by most users. Can you streamline what you are measuring? Whether you have a manual/paper program or an online HRIS/ERP system, you need to make the process easy to use. If it takes users longer than an hour to complete, they will lose sight of the value of it.

Key Points:

- Review both the results (what was achieved/not achieved) AND how they got there (behaviours). Depending on your corporate culture and what you said you value, you may want to weight these equally or differently.
- Use the “windshield” principle... 25% of the formal review process should be looking at last year’s accomplishments/challenges (rearview mirror, looking behind) and 75% of the meeting should be focused on the future (car windshield, looking ahead) – where you’re going and why.



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3. Frequent Touch Points

If your organization only has an annual review... well, consider scrapping it! An annual performance review once a year, and only once a year, is dreadful. It is also riddled with rater biases (especially the "recency effect"). If you cannot get rid of it altogether, then implement bi-annual – or even better – quarterly reviews. In a 3-month timeframe, business priorities can change. This regular "casual conversation" between manager and employee ensures that healthy performance dialogue continues.

Key Points:

- Train and follow up with managers (diarize in your calendars to check in with them) to ensure they are scheduling and holding brief conversations with each of their direct reports on a regular basis.
- Consider providing them with \$5 coffee cards to help them hold these meetings and set the tone for a more informal touch base.
- Teach managers how to have these meetings: SHARING positive (+) feedback and constructive (▲) feedback. Also, they should be ASKING employees what is working for them (+) and what should change (▲) to make them more effective.

4. Train `em, Train `em, Train `em

For a PMS program to hit the mark, everyone has to own it! Do whatever you can do to make sure people do not see performance management as a Human Resources initiative. This usually requires a lot of communication and training.

Key Points:

- Train from the top-down: Educate your executive leaders on the key elements and benefits of the PMS program. Ensure they are modeling the way. This is probably THE most important part of the whole system.
- Train from the bottom-up: Provide just-in-time (JIT) training workshops about 4–6 weeks ahead of the annual review process to front-line employees so they understand their role in the whole thing. Be clear about the WIIFM? ("What's in it for me?") message so that they take advantage of the opportunity to have a voice in how their performance is measured and managed. Teach them to keep a proverbial "shoebox" of accomplishments throughout the year so they are prepared when the time comes to demonstrate how they did over the last 12 months. Teach their supervisors to do the same thing. Create paper or electronic "working files" to provide a balanced view of performance throughout the year.
- Train the managers: Statistics from exit interviews tell us that the #1 reason why people leave your organization is due to conflicts with their supervisors. Teach your managers how to have constructive coaching conversations throughout the year, as well as during that annual review.

5. Goal Setting should be Experiential

Although it is not "easy," it can be done. Workshops provided to employees on how to create well-defined goals for personal and professional development are a worthy investment of your HR time and budget dollars. Managers can provide targeted coaching to employees (which becomes a welcome, collaborative process in your PMS) when employees have articulated clearly what they want to accomplish short-term (1 year) and long-term (3-5 years).

Key Points:

- Make your PMS training hands-on. Adult learning principles teach us to offer 10–20 minutes of theory/information, followed by practical application. Your workshops should be approx. 80% practice by the participants. In other words, have them create goals and coach them on what is effective and what could be improved.
- Start goal setting training with the managers, then the frontline staff. Managers should be able to also COACH their direct reports in effective goal setting. They can learn this from you.

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