



small
improvements



Creating a Performance Management Process That Works

by Jason Lauritsen

Introduction

Despite the importance of individual employee performance to an organization's success, there's a surprising lack of consistency in how to manage that performance.

In recent years, the mainstay of performance management, the annual performance review, [has been exposed](#) as ineffective and abandoned by many organizations, including big organizations like [Adobe](#), [Accenture](#), [Gap](#), and many others.

If you are standing at the crossroads in your organization having recognized your current process for managing performance isn't working, but are unsure of which path to take forward, you aren't alone.

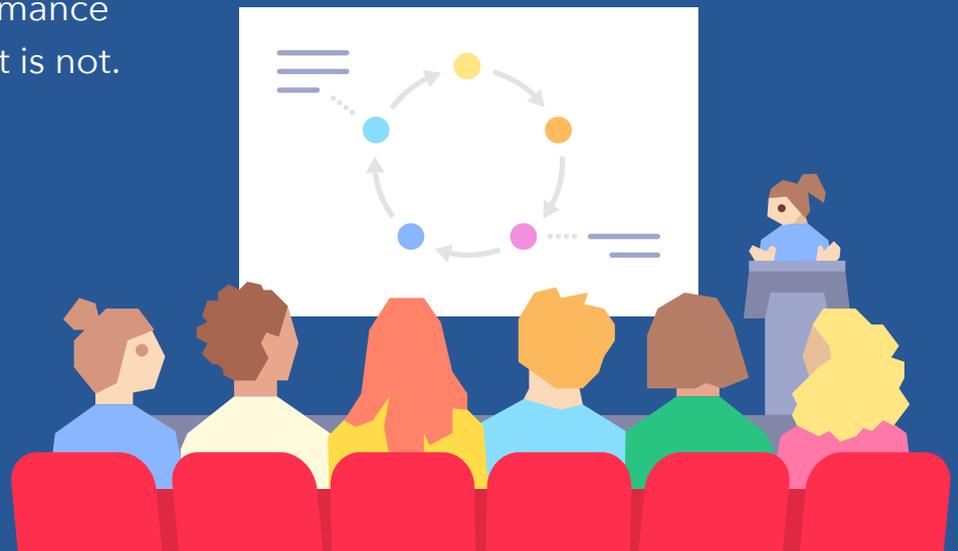
A quick search of the internet will reveal an endless list of recommendations and ideas for effective performance management. The challenge isn't finding solutions, but rather finding the solution that is right for your organization and your employees.

Within this guide, you will not find more "best practice" solutions. Instead, you'll find a framework for understanding the components of performance management, and a process to help you create a performance management strategy that's best for your organization.



Understanding Performance Management

Before we dig into creating a strategy for the future, let's make sure we're clear on what performance management is and what it is not.



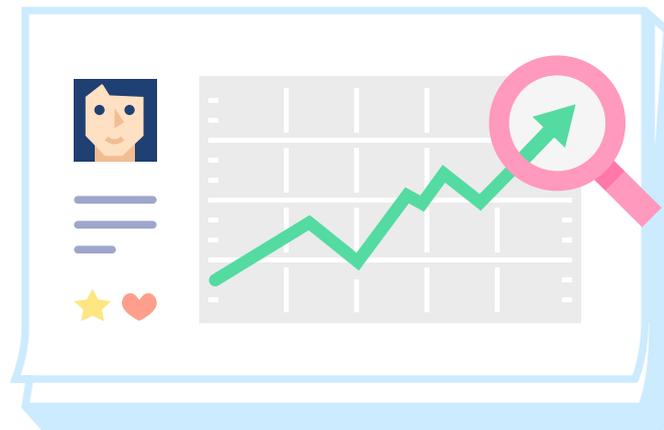
→ Performance Appraisals are NOT Performance Management

Performance management can be defined in a variety of ways. According to [CIPD](#), one of the largest HR associations in the world, "Performance management is the activity and set of processes that aim to maintain and improve employee performance in line with an organisation's objectives."

But, much of what we label as performance management within our organizations today doesn't live up to this standard. How did we end up here? And how did it go so wrong?

Organizations have historically treated work as a contract with the employee—the employer offers a salary in exchange for work from the employee. Because the employer views work this way, the primary concern related to employee performance is getting what they are paying for.

As a result, performance management is [viewed by most organizations](#) as having three parts: setting goals, monitoring progress, and evaluating results. The primary purpose underlying this approach is to create documentation of employee performance to legally support compensation and promotion decisions as well as punitive employment actions like demotions and terminations. It is a process motivated by contract compliance and risk mitigation.



With this purpose in mind, it follows that a formal “appraisal” of employee performance should be completed once per year when annual compensation decisions are made. Hence, the annual performance appraisal has become a staple of organizational management.

So, it shouldn't be terribly surprising that the annual appraisal is so unpopular with employees. It was designed, after all, almost entirely for the benefit of the organization over the employee.

→ Performance is a Process, not an Appraisal

If you are reading this, I'm guessing you've come to the same conclusion that many others have about performance management; the purpose of performance management shouldn't be compliance. We've tried that approach, and it's failed us.

The true purpose of performance management should be to enable and unlock employee potential. To accomplish this, the approach and process must be rooted in an understanding of employee motivation and how work actually gets done.

The good news is that the fundamentals of the performance appraisal—goal setting and evaluation of progress—are also important elements of performance management. But, these are only two of many parts of the process of performance management. They just aren't enough on their own.

→ The Missing Piece

I grew up in a small rural community surrounded by farmers. It could be argued that farmers are in the business of performance management. After all, their livelihood is dependent upon how well their crops grow and perform. The more successfully they manage the performance of their crops, the bigger the reward they reap at harvest time.

Obviously crops and humans are very different. But, I think there are some lessons we can learn from the farmer.

Farmers have goals for the crops they plant each year, and they also closely monitor and measure progress throughout the season. But, they will tell you that the really important work of farming is what they call “cultivation.”

Cultivation in farming is about removing obstacles and adding supportive elements that enhance the growth (i.e. performance) of the crops. They may irrigate to provide water. They likely add treatments to ward off weeds or pests that would hinder performance. And that’s just the beginning of the ongoing work they do in support of the performance of their crops.

In my opinion, cultivation is what’s missing from traditional performance management. The idea is the same: remove barriers and provide ongoing support to enable peak performance.

An effective performance management process consists of three ongoing and interrelated processes:

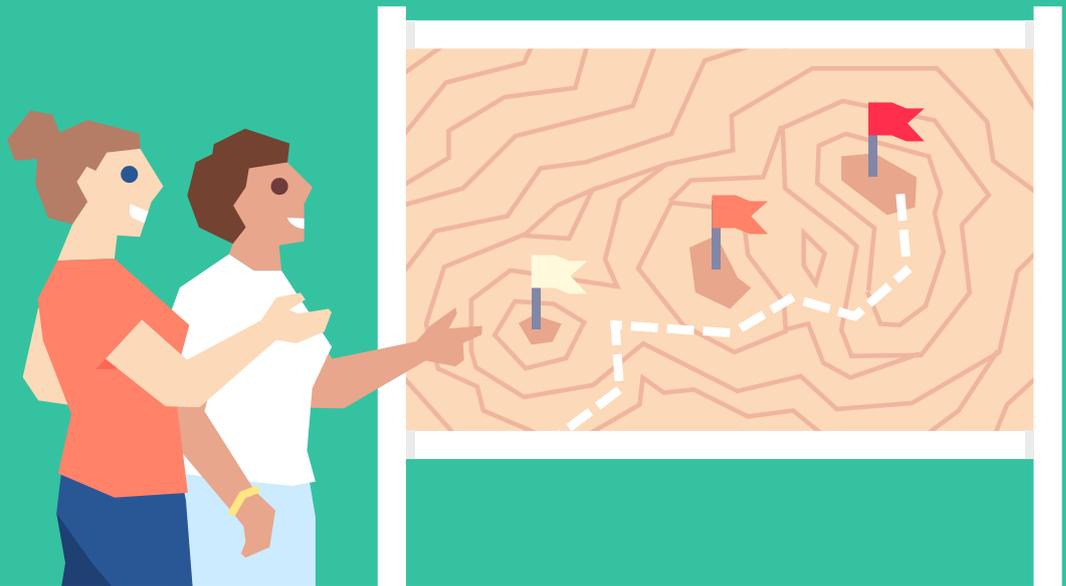


In the upcoming chapters, we will break down these three processes to understand each, and identify the tools and approaches needed to make each successful.

1 - Planning

"Planning is bringing the future into the present so that you can do something about it now."

- Alan Lakein



We would never set out on a long trip without first planning where we are going or what we need to bring along. Nor would we start building a shed without first looking at a blueprint and gathering the materials and tools needed.

In these cases, it's clear that without a plan, you are almost guaranteed to fail. The same is true for our performance at work. Without first considering what we are trying to accomplish and what we'll need to succeed, we jeopardize our chances of success. This is why planning is the foundation of any performance management process.

→ Expectation Setting

As employees, one of the first things we need to know is what's expected of us. But despite its obvious importance, many employees lack a true clear answer to this question. It's a key reason the annual performance appraisal is nerve-wracking for so many—they are unclear how they are being evaluated.

Individual Expectations

Employees crave clarity not only about which outcomes will be measured (e.g. number of complete projects, customer satisfaction percentage, etc.) but also how the work is expected to be done. Even when objective measures of performance are defined, behavioral and communication expectations that play a major role in performance are often left undiscussed.

Another reason expectations are wildly important is the level of expectations themselves can play a role in performance outcomes. This stems from a phenomenon observed in human behavior called the [Pygmalion Effect](#), which reveals that the presence of higher expectations has the effect of raising performance. Its corollary, the [Golem Effect](#), suggests that low expectations have an equally powerful effect on lowering performance. In short, people tend to live up or down to our expectations of them, so we need to take great care when setting and communicating them.

Team Expectations

The shift toward collaborative and team-based work has been underway for decades. Employees are increasingly asked to collaborate and cooperate with others, which makes their own performance dependent upon other people and their ability to work effectively with them.

Traditional performance management primarily focuses on individual performance and often overlooks the team component.

Since team-based work [is of increasing importance](#), it's critical to both create clarity and acknowledge the different dynamics of team performance. Employees should have clear answers to these questions:

- Who is my team? Who can I count on?
- Who else shares my goals?
- How are we expected to perform as a team?
- How does team performance impact my individual performance?



The Tools and Tactics

Goals and objectives: At the heart of clear expectations are well-defined goals and objectives. There are a variety of proven techniques to apply to this process. One common method is [smart goals](#), but there are many different approaches. The key is to commit to a consistent, reliable method that includes employee feedback in the process.



Articulate (and document) expected behaviors: Goals tend to communicate “what” needs to be done, but “how” things get done is often just as important to successful performance. It’s critical for leaders, managers, and teams to clearly articulate the types of behavior expected from one another. While the process to identify these behaviors may begin with a discussion, it’s important to commit them to writing to ensure everyone is on the same page. Here are some examples that I’ve used with my teams in the past:

- Forgive quickly. We don’t have time to carry baggage.
- Give and seek feedback often. Feedback is our rocket fuel.
- Work with intention. Know why we do what we do.

→ Resource Planning

Armed with clarity of expectations, it's natural to next think about resources. When we plan for a trip, we first decide where we are going and then start planning for what we need to take with us to ensure a good trip.

Employees want to feel fully equipped for what is being asked of them. It's helpful to consider this through two lenses:

1. Resources:

Do I have what I need to get the job done?
Are the tools I have the right ones?
Do they work properly?

2. Know how:

Am I trained for the task at hand?
Do I have enough information to succeed?

Resources are often overlooked in performance. To cultivate top performance, we must ensure employees have what they need to succeed. This requires ongoing feedback, because needs will change as circumstances change.

The Tools and Tactics

1:1 meetings: The discussion about needed resources and tools should be ongoing between a manager and employee. The manager's role is to continually ensure that the employee

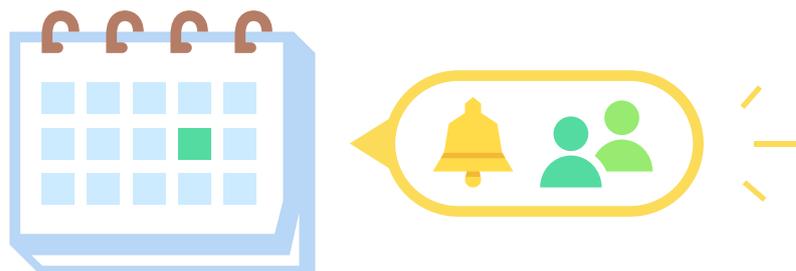
has the tools and training they need to succeed. The employee's role is to let the manager know when they encounter issues stemming from a lack of resources. Adding a question or agenda item to a regularly scheduled 1:1 meeting is a reliable way to ensure that any resources gaps are quickly identified and addressed.

→ The 1:1 Meeting

A vital tool of effective performance management is the [1:1 meeting](#) between the manager and employee.

At its most basic, an effective 1:1 should meet these criteria:

- **Frequent:**
Depending on the nature of the work, a 1:1 can range from a short weekly check-in to a longer, monthly meeting. Performance happens daily, so meeting at least monthly is important.



- **Scheduled:**
Knowing that a 1:1 meeting is scheduled provides both the manager and employee with the assurance that they will have an opportunity in the near future to discuss important issues that arise.
- **Structured:**
The best 1:1 meetings have an agenda and purpose outlined in advance. The agenda can change from meeting to meeting, but should be communicated and understood in advance.

Due to its proven impact, you will find several recommendations shared within this guide for different ways to use the 1:1 meeting to positively impact performance.



2 – Cultivation

In addition to creating and maintaining clarity of expectations, it is equally important to create the conditions that make optimal performance possible. In the same way the farmer works to optimize the crop growth, we must ensure we create an experience that optimizes human performance.



→ Motivation

Perhaps the most complex element of performance management is motivation. [Motivation is our desire to do things](#). Without motivation, even the clearest expectations will have little impact. We know from personal experience that setting a goal like getting a new job or running a marathon is hollow without a drive to do the real (often hard) work to achieve it. Effectively managing performance requires an understanding of how humans are motivated in order to move them to action towards the achievement of their goals.

Psychology tells us that we have two sources of motivation: extrinsic and intrinsic. Richard Ryan and Edward Deci at the University of Rochester [provide these definitions](#):

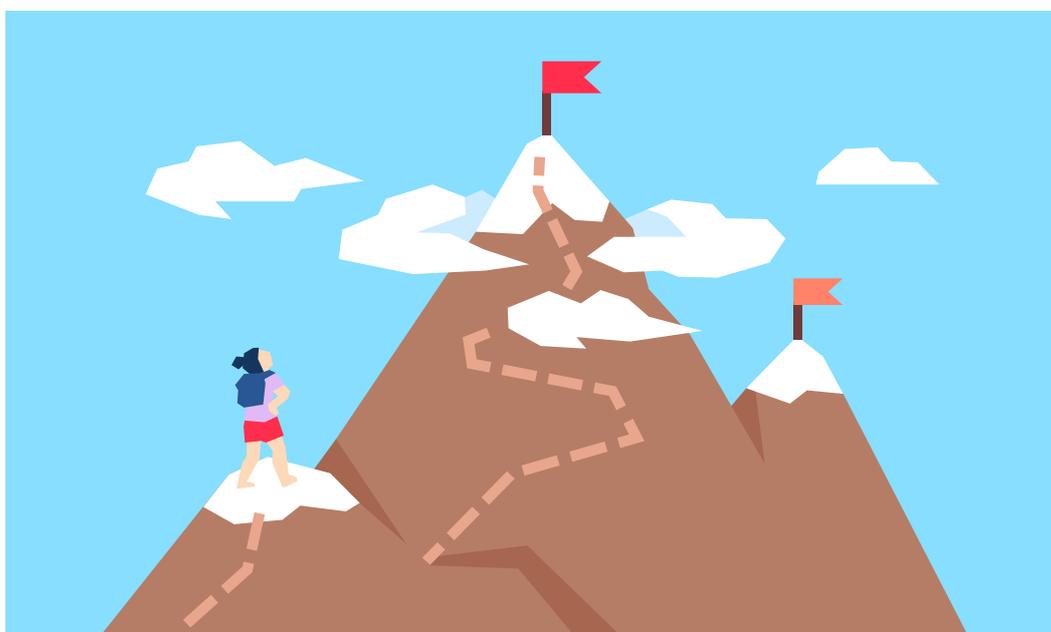
- **Intrinsic motivation**
is defined as “the doing of an activity for its inherent satisfactions rather than for some separable consequence. When intrinsically motivated a person is moved to act for the fun or challenge entailed rather than because of external prods, pressures, or rewards.”
- **Extrinsic motivation**
on the other hand, is “a construct that pertains whenever an activity is done in order to attain some separable outcome.” For example, an extrinsic motivator could be the promise of a financial reward, developmental opportunity, or promotion upon completion of a work task or project.

Organizations have historically focused on motivating employees by using extrinsic motivations such as merit increases, financial bonuses, and other “earned” incentives. Even a performance rating falls in this category since it is used traditionally to inform compensation decisions.

In recent years, many have begun to argue that the key to sustaining higher levels of employee performance is to help them find intrinsic motivation associated with their work. Intrinsic motivation occurs when we find personal satisfaction or value from the work itself, independent of any promise of reward or threat of punishment.

Author Daniel Pink researched and wrote about this shift in his influential book, [*Drive: The Surprising Truth about What Motivates Us*](#). Pink presents what he discovered by reviewing decades of research about human motivation.

According to Pink's research, humans have a complicated relationship with extrinsic financial rewards, including our salary level and incentive compensations like bonuses. The research reveals that offering a financial bonus as an incentive to increase performance works when the work is rote, routine, or mechanical like you might find in a traditional manufacturing facility. But, when the work requires problem solving or creative skills (as most jobs do in our current economy), these same incentives actually have the opposite effect.



[Pink concludes](#) that, “the best use of money as a motivator is to pay people enough to take the issue of money off the table: Pay people enough so that they’re not thinking about money and they’re thinking about the work.” Once you do this, intrinsic motivators are far more powerful for elevating performance. Pink outlines three specific motivators that research points to as most important: mastery, autonomy, and purpose. [Additional research](#) from Kenneth Thomas reinforces these and adds a fourth: progress.

- **Mastery**
is the desire to improve our skills and competence in areas that are important to us. Mastery requires that we have the ongoing opportunity to learn, grow, and find challenge in our work.
- **Autonomy**
is the desire to be self-directed and have choice in how our work gets done. Autonomy requires the opposite of micromanagement by providing people with the freedom to make decisions related to how their work gets done.
- **Purpose**
is the desire to do work that has greater meaning and a broader impact than simple task completion. Purpose can come in a variety of ways, from a dynamic company vision to a philanthropic mission. The key is that each employee has visibility to how their work has meaning and impact beyond themselves to those around them.
- **Progress**
is the desire to move forward toward an improved future. We achieve a sense of progress when we achieve meaningful milestones, recognize personal growth, or help our team succeed.

Using intrinsic motivation as the foundation for performance management can be transformative for employee performance. To achieve this, managers and leaders must become skilled at creating a work experience with the employee that aligns to their individual needs.

The Tools and Tactics

Fair compensation: Ensure compensation is fair and adequate to take it off the table as primary concern. Getting compensation right is a complex undertaking because it involves issues of fairness like [market competitiveness](#) and [living wage](#). The key is to be in regular communication with employees about their compensation to understand when concerns arise so that they can be discussed and resolved. As Daniel Pink highlighted, when we feel our compensation is unfair or inadequate, that becomes our primary focus, and it often blocks the influence of other potentially positive motivators.



Development plans: One important role a manager should play is to support the employee's learning and growth. This starts with helping them clarify their career goals and learning needs. Some organizations have formal [individual development planning](#) processes to guide this discussion. But it can be as simple as discussing and documenting answers to these questions:

- What are your career goals?
- When would you like to achieve those goals?
- What do you need to learn or master to achieve those goals?
- What specific actions can we take in the next six to 12 months to make significant progress?

Once a plan is created, it's important to follow up and check in on progress throughout the year. A good way to do this is to add it to the agenda of a regularly scheduled 1:1 meeting.

Connect individual work with its impact on others:

For many employees, it can be difficult to understand the purpose and impact of their work. As a manager, engage the employee in an exercise to think through how their work impacts others. Ask the employee to list out the impact on others (co-workers, customers, etc.) when they do good work. When possible, allowing employees to hear directly from customers is incredibly powerful. Then, ask them to list out how it might impact others if they didn't do their job or did it poorly. For example, when I stocked shelves in a grocery store as a teen, had I done this exercise I would have discovered that my job made shopping easier and more pleasant for the customer. And when I did it poorly, it caused customers frustration because they couldn't find what they wanted. Had my manager helped me recognize the importance of my role on the customer, I may have found my job much more fulfilling and done a better job. Every job has impact on others. Helping an employee find that connection can change how they feel about the work they do in a positive way.

→ Removing Obstacles

Like farming, cultivation of human performance is as much about removing obstacles as it is about motivating performance.

For example, I recently conducted a series of employee focus groups for a client who was struggling to address employee performance and retention challenges. One of the clear findings of this research was that employees were spending so much time sitting in meetings during the day that they lacked time to complete their work. The result was long hours for employees, poor work-life balance, and decreased performance due to rushed work.

This client could significantly improve performance by reducing the time employees spend in meetings every day. Meetings had become a major obstacle that needed to be addressed.



The Tools and Tactics

1:1 meeting: To identify obstacles, managers should regularly ask employees what kind of challenges they are facing. Make this question a part of regular 1:1 meetings to elevate issues that are impacting performance before they become major obstacles.

Daily stand-up: The daily stand-up meeting (sometimes called a Scrum meeting) is a tool frequently used by software development teams to accelerate and align their work as a team. It's a simple daily ritual that can be adapted to any team. Here are the general guidelines for [holding an effective daily stand-up](#):

- Everyone stands, no sitting.
- The meeting is 15 minutes maximum, It always starts on time at the same time every day.
- Each person provides a quick update on three things:
 1. What did you accomplish since the last meeting?
 2. What are you working on until the next meeting?
 3. What is getting in your way or keeping you from doing your job?

This last question creates a daily opportunity to raise up challenges being faced or areas where help is needed. When these issues are made visible to the team, they can be addressed immediately and removed as obstacles.

Pulse surveys: Thanks to advances in technology, it's become relatively easy to field a survey to employees as a way to check the "pulse" of the team and gain valuable feedback. Employee surveys often reveal where broad obstacles exist and where resources are lacking. These surveys can be simple and short. To get the most valuable insights, use creative open-ended questions. For example:

- If you were the CEO for a day and could change one thing about the organization, what would it be?
- What is the biggest obstacle you face each day in your work?



The goal with a survey isn't to try to uncover and fix every single complaint, but rather to get a sense of issues that might be affecting many employees so that you can give those priority.

→ Coaching



In a [massive study](#) of leadership effectiveness conducted by Dr. Steve Stowell and Dr. Matt Starcevich, they found support to be one of the most important behaviors of those who were effective coaches to their employees.

They further identified which factors are critical to creating a supporting relationship. The most important of these factors was flexibility and collaboration. As a manager, partnering with each employee to define and craft an experience that enables them to do their best is an ideal form of supportive behavior.

Another factor on Stowell's list of support factors is "recognition of employee's value." This is reinforced by decades of research data about employee engagement. Ensuring employees feel valued and appreciated is core to creating an engaging employee experience. Cultivating performance requires intentional efforts to ensure a feeling of appreciation and acknowledgement for efforts.



The Tools and Tactics

Use feedforward instead of feedback: If you've ever played sports, you'll probably agree that being "coached" feels a lot different than being "managed." Managers traditionally provide feedback that criticizes past performance—they tell you what you did wrong. Coaches, on the other hand, tend to focus their efforts on helping you learn from experience to perform better on the next play or in the next match—they show you how to get better. This approach has been labeled by some as "[feedforward](#)". In short, it shifts the conversation between manager and employee from, "here's how you did last year" to, "here are some ideas for how you can perform better in the future." It represents a shift from critique to coaching.

1:1 Meetings: A few years ago, I asked my then 7-year-old daughter how she knows if someone loves her. One of the first things she said was, "They spend time with me." Even as children, we understand that adults make time for what's most important to them. Having a regularly scheduled 1:1 meeting for each employee is a critical step toward showing your support and commitment. Beyond just setting aside the time, it's important that as a manager, you make yourself fully available to the employee during this time. Here are a few tips:

- Get away from your office to a neutral spot with fewer distractions.
- Turn-off and put away your phone and other devices.
- Practice active listening.
- Ask questions.
- Pause before offering advice. First ask, “What do you think?” to prompt some critical thinking.

→ Showing Appreciation

One often overlooked element of performance management is appreciation. Traditional performance management only focuses recognition on those who perform above and beyond what’s expected. And, while providing acknowledgement of top performers is a good idea, that means a vast majority of employees—who are performing as expected—are going without positive reinforcement.

Gallup founder Don Clifton published the book, [*How Full Is Your Bucket?*](#), to present some simple tools to address this issue. The research shared in the book found that nearly 65 percent of the workforce believed they received no positive recognition during the past year. None.

Our own experience reminds us how hard it is to stay motivated when no one seems to notice or care. To rectify this, our performance process must actively foster moments of appreciation and acknowledgement—not just for top employees, but for all employees who are applying the effort to succeed.

This shouldn't be complicated. It can be as simple as hearing a thank you or receiving a high-five from a colleague. To effectively foster appreciation requires that it be an intentional part of how work gets done. Meetings can start with a moment for people to express appreciation of one another. Managers can begin a 1:1 meeting by sharing a few things they appreciate about the individual. Peers can share notes of kudos and thanks with one another.

The more we feel appreciated, the more engaged and positive we are likely to feel about work.





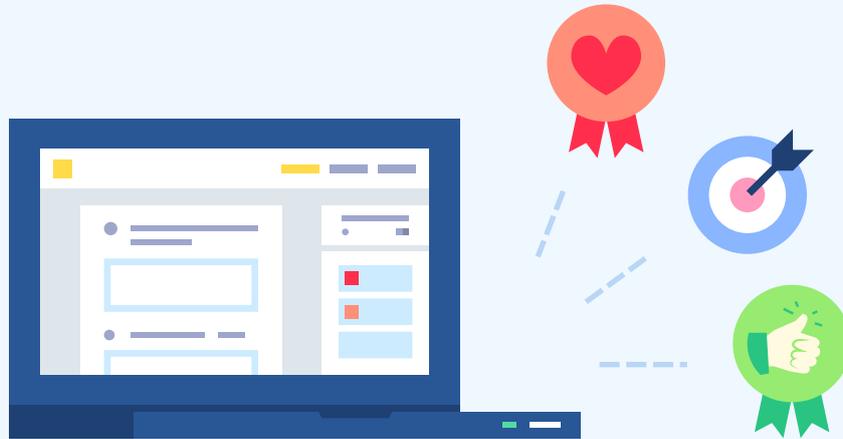
The Tools and Tactics

Encourage appreciation through process: Feedback processes like performance reviews and 360s often overlook the opportunity to make the employee feel appreciated and valued. This can be as simple as adding this question to the process: “What are three things you appreciate about this person?” The same approach can be used as a dedicated “appreciation review” or a one-off exercise for a retreat where everyone prepares and then shares what they appreciate about their colleagues. This can be very powerful.

Create more positive moments: At an even more foundational level, it can be powerful to simply focus on the creation of more positive moments for every employee, every day. This can start with setting expectations for all employees and managers that they be a source of positive moments for others. Provide simple examples like:

- Say “thank you”
- Smile
- Say hello and greet people warmly
- Give high fives (it’s hard not to smile when someone gives you a high five)

Positivity is contagious. Once you start to encourage, reward, and demonstrate these behaviors, it will start to become part of how you do things naturally.



Peer-to-peer praise and recognition: The book [*How Full is Your Bucket?*](#) made popular the practice of having a formal process for peer-to-peer recognition with its handwritten “drops in the bucket.” Recipients of these “drops” would pin them up to the wall of their cubicle or keep them in their drawer for future encouragement. Today, technology has taken this process and made it easier and more powerful than ever. Social recognition platforms have converted the idea of “drops” to “badges” and “kudos” and amplified them with social network technology. This makes it simple for peers to praise and express appreciation to one another while also sharing those positive moments with others, Facebook-style.

3 – Accountability

The third process of performance management is accountability. When you think of accountability, you likely bring to mind experiences of being “held accountable” for mistakes or failures. Sadly, many have turned accountability into a punitive process. But, it is about far more than that.

Accountability is how a manager and employee take shared responsibility for achieving results. When accountability is treated as a proactive process rather than an event, it is far more about empowering the employee to succeed than punishing them when they fail.



→ Measurement and Feedback

It seems pretty obvious that measurement of performance should be a vital component of performance measurement. Each employee performs in a variety of ways including the tasks of their job and their interactions with peers.

Accurately and consistently measuring all of these contributions can be complex and overwhelming. This is a challenge that traditional performance has failed to meet.

Before exploring how to better measure employee performance, let's first address the most common method for performance measurement today: the performance rating. As with most HR processes, the intentions behind the use of performance ratings are noble. It's meant to simplify the evaluation process and add clarity for the employee about how they are performing. It's also meant to help align compensation decisions to performance. Reducing employee performance to a single number may seem like a good idea from an HR process perspective, but it's a bad idea when viewed from a human perspective.

First, [one major research study](#) revealed that when analyzing the accuracy of a subjective rating of one person by another in the workplace, more than half of the variance (up to 62 percent) had nothing to do with the person being rated. Rather, the rating variance had everything to do with the person doing the rating. They described this as "[idiosyncratic rater effects](#)," which means for performance ratings, your rating has more to do with who's rating you than it does with your actual performance.

In addition, trying to reduce something as complex as employee performance down to a single number is a questionable practice. The authors of an April 2015 *Harvard Business Review* article, "[Reinventing Performance Management](#)", describe why:

“But what, in fact, is that truth? What do we see when we try to quantify a person? In the world of sports, we have pages of statistics for each player; in medicine, a three-page report each time we get blood work done; in psychometric evaluations, a battery of tests and percentiles. At work, however, at least when it comes to quantifying performance, we try to express the infinite variety and nuance of a human being in a single number.”



Measurement of performance is important, but we must be diligent and robust in our thinking about how to accurately measure performance. Here are some guidelines to follow as you consider creating measures of performance:

1. Use measures that align to the employee’s key objectives, goals, and other communicated expectations. If a measure or metric is important to an employee’s performance, it should always be connected back to an explicitly communicated expectation.

2. Use objective measures wherever possible. Try to avoid subjective or arbitrary measures of performance like manager or peer “ratings.” Use quantifiable and reliable data sources (e.g. customers service ratings, projects finished, new clients added, etc.).
3. Use multiple measures and data sources to paint a broad and more complete picture of performance. A single number almost never tells the whole story of performance.

The Role of Feedback

One of the things that makes the measurement of performance so challenging is that many aspects of performance are relational (they happen between humans) and difficult to quantify. For example, if one of my expectations is to “be a team player,” this can’t be quantified by running a report. It requires collecting the perceptions and experiences of those who work with me about how well I am being a teammate for each of them.

To create a well-rounded view of an employee’s performance, the use of feedback from peers and supervisors in performance measurement is a necessity. But feedback doesn’t have a great reputation among many employees. Most of what passes as feedback within our organizations today would be more accurately called criticism. It emphasizes deficiencies in past performance. Most people dislike this type of feedback because it leaves them feeling defeated rather than empowered.

Critical feedback triggers defensiveness, which does nothing positive for performance or learning. Since the goal of performance management is to improve performance, we must ensure we use feedback in a way that minimizes defensiveness and other negative emotions.



To make feedback a healthy and positive part of performance measurement, provide some structure and guidance to both those giving and receiving feedback. Consider the following:

- [Train employees and managers on feedforward.](#)
Use this approach to orient feedback towards ideas for improvement rather than criticism of the past.
- [Teach people how to receive and make sense of feedback.](#)
Despite our best efforts, some feedback is going to be delivered poorly. By helping people to become skilled at receiving feedback, even when it's not delivered well, we can take some of the burden off those giving the feedback.

- **Ask for suggestions instead of ratings.**

If I am asked to rate someone on their communication skills, my rating will likely be based on my standard of what “good” looks like instead of some standard definition. This can lead to skewed ratings and feedback that isn’t particularly helpful. If I am asked instead for three ideas for how a person might improve their communication in the future, that would yield far more interesting and useful feedback.
- **Provide questions and templates.**

Make the process of giving and requesting feedback as simple as possible. One way to do this is by making templates (e.g. a project feedback form) and a list of effective questions available for employees and managers to use. These could be provided as part of a training resource or built directly into your online HR or performance management system.
- **Make feedback part of the work process.**

Instead of making feedback an event, consider making it a part of how work gets done. At the end of each project or fixed period of time (e.g. each week or month), add the step of requesting feedback as part of closing out that work effort. In other words, the last step before wrapping up a project (or the week) is to request feedback on how to make future projects more successful.

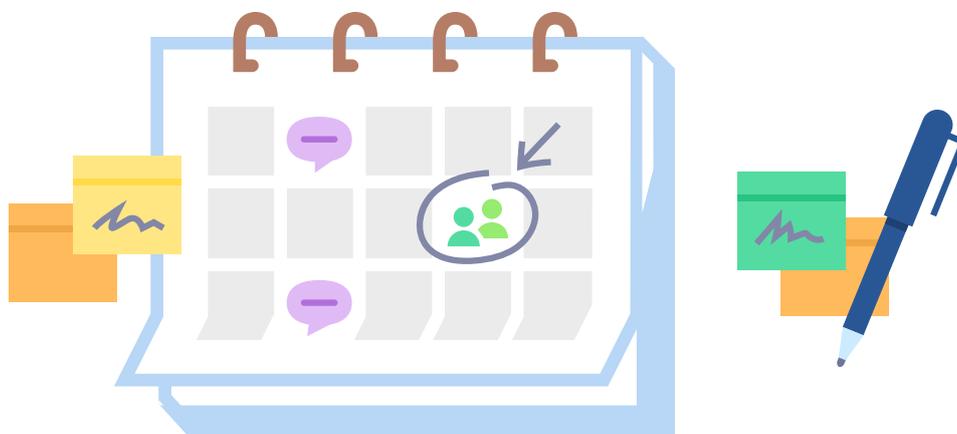
Frequency of Measurement and Feedback

One common complaint about the annual performance appraisal is that it's become the only time some employees receive feedback about how they are performing against expectations. Considering most full-time employees work more than 2,000 hours per year, receiving feedback on their performance only once is clearly inadequate.

As employees, we are constantly wondering:

- How am I doing?
- Am I on the right track?
- Is there anything I should be doing differently?

Most employees want to do a good job. We all want to be successful. To do so requires some feedback regarding our progress against expectations. Since work happens daily and weekly, feedback and measurement against expectations should also be available on similar frequencies—daily, weekly, monthly.





The Tools and Tactics

Goal check-ins: Too often, we invest the time to create solid goals but then neglect to revisit those goals throughout the year to align our efforts and track progress. When goals are created, agree to when and how you will check in on goal progress.

This could be an agenda item for your 1:1 meeting or it could be a separate activity. A goal check-in should include the following information (usually prepared by the employee):

- Where should I be to be on track?
- Where am I? (actual progress to date)
- If there are gaps, what actions are needed to get back on track?

Enable peer and 360 feedback: As described earlier, it is often critical to collect feedback from others to measure and track performance. There are a variety of ways to facilitate this kind of feedback. I once read about an organization where employees are required to convene a group of peers quarterly to be given feedback on their job performance in a face-to-face group setting. While your culture might not be ready for that kind of approach, there are other ways to enable this type of feedback. Technology can help you make the process both positive and simple. Create simple forms or use a performance management platform to facilitate online peer-to-peer and 360 feedback processes. Then, set an expectation for how often an employee should be collecting feedback through the process as part of their performance. Feedback can be helpful or hurtful, depending on how it's done. By providing the right framework, you can make sure it's a positive tool for supporting performance.

→ Taking Ownership and Learning from Experience

When expectations are clear and there is good visibility of progress, it should be easy for employees and managers to understand when performance is good and when it is lagging. Ownership involves helping employees appreciate their success, learn from their experience, and take actions to improve.

To support employees in taking ownership of their results, make time for them to reflect on their results. In our fast-paced world today, we bounce from one task to the next without really stopping to take stock of what's happening. Reflection is a powerful way to pause and learn from our experience, identifying both what contributed to success and what got in the way. It also allows us to consider what we would chose to do differently in the future if presented with the same challenges.

Prompting reflection starts with posing the right questions. For example:

- What went really well?
- What did you do differently this cycle to ensure success?
- What didn't go so well?
- What would you like to do over? How would you do it differently next time?
- What obstacles did you encounter this cycle? How would you tackle those next time?
- What are the most important things you learned this cycle?
- How will you apply your learning in the future?

The important ingredient of reflection is that the employee takes time to process this on their own. When a manager answers these questions for employees, it takes away the opportunity for ownership and robs them of the learning experience. Managers can prepare and share thoughts on these questions, but only after the employee has completed their reflection first.



Once reflection is complete, the next step is to decide what actions need to be taken next to continue progress or to address any gaps. This can be as simple as asking, “What are we going to focus on in the next 30 days?”

To get the most out of this process, ask that the employee capture and document all agreements made. Putting things in writing ensures clarity and helps avoid any misunderstandings.

Finally, taking full ownership of our own performance requires clarity on the consequences of our actions, both good and bad. This generally comes into sharp focus when things aren't going well or performance is lacking. It is critical to make sure employees understand the stakes that might be involved when their performance needs to change or improve.

One thing many managers dread is confronting poor performance with employees. To motivate improved performance, it's critical to be clear about what behavior needs to change and the consequences of not doing so. Here are some tips for how to make these conversations meaningful and effective:

- **Use plain language and speak candidly.**
Don't sugar coat things. For example, "Your performance recently hasn't been as good as I've come to expect from you. Something needs to change because this can't continue."
- **Write everything down.**
Often, critical feedback and consequences are hard to hear and digest in the moment. Emotions can interfere with our ability to truly understand what is being communicated. By writing it down, you ensure that the employee can return to it later to review and internalize.
- **Emphasize your commitment to them.**
It can feel pretty scary to be on the receiving end of some tough feedback. As managers, we must keep in mind that our goal is to motivate improved performance, not make things worse. The employee needs to know that you are committed to supporting them as they work to make improvements.



The Tools and Tactics

Career planning discussions: One positive consequence of sustained high performance is often career opportunity. To help employees take ownership for their performance, engage them in conversations about how their performance supports their career motivations. This starts with gaining some clarity regarding the individual's career goals. From there, use these questions to prompt the discussion:

- How does performance in your current job prepare you for the next step?
- What else do you need to learn to be ready for the next step?
- How much extra effort are you willing to invest to get to that next step?
- How can we ensure that you are doing everything you can to be ready for the next step?

Start the performance review with self-reflection: Create a template using the questions outlined in this section for employees to use for reflection during performance review cycles. Allow employees at least a week to complete their self-reflection prior to initiating a formal review of performance. This step will both help employees take ownership for their results and identify what they are learning. It also reveals for the manager how the employee views their own performance to allow for calibration when needed. For example, if an employee's reflection is overly critical of their performance, it's likely that the employee isn't getting enough appreciation. Alternatively, an employee might feel like they performed adequately despite missing their agreed-upon goals. In both cases, a conversation to create greater clarity with the employee is warranted.

Creating and Implementing a New Approach

Understanding performance management is only useful if we can convert that into action and better results. In this last section, we will focus on how to map out a new process for your organization and then put it into action.



→ Creating Support for a New Approach

Even when it seems everyone agrees that a new approach to performance management is needed, it can be surprisingly difficult to rally the support to abandon what you've always done. The resistance to change is powerful, even when the thing we are changing is universally disliked.

To help your organization evolve to become a place that cultivates great performance requires an inclusive and

participative approach that includes the voices of all involved: employees, managers, and leaders.

One reason many HR processes meet resistance is that they are viewed as “HR processes” instead of helpful tools to facilitate work. The perception is that HR procedures are forced upon the organization as opposed to meeting a need or enabling an outcome.

In order for a new performance approach to be widely embraced, it must be viewed as emerging from the organization for the good of the organization. To accomplish this, it’s valuable to create a temporary “task force” or “steering committee” to guide and inform the process. Recruit the leaders and managers across your organization who are most supportive of change to join the effort.



As you construct your task force, ensure it is diverse and representative of a broad range of experiences and perspectives. This should include diversity of gender, ethnicity, tenure, management level, etc.

It is critical to set the expectation early that task force members are there to represent the organization, not simply their own opinions. Throughout the process, they will be

expected to share the work of the task force to both solicit feedback and generate support for the ultimate solution.

Once your task force is formed, a powerful first step is to give them an assignment to get them grounded in an understanding of the problem. In the past, I've asked task force members to do some information gathering interviews about the current performance process with employees and managers at all levels. Sharing and discussing together what they heard in their interviews can be a very motivating and galvanizing experience for the group.

→ Creating a Plan

Now it's time to outline a path forward for your organization. An effective approach to performance management will include a set of coordinated tools and tactics for each of the three performance processes outlined in this book.



Depending on where your organization is today in regards to performance management, getting from where you are to a robust, effective system may seem daunting, even impossible. It's not.

To help you, we've created a Performance Management Design Worksheet to help you put this all together. The worksheet will help guide you through conversations and decisions for what tools and tactics would be most effective at your organization.

It's not necessary to do everything all at once. Start by identifying those things that will have the most impact right away. Then, you can add in additional elements over time based on observation and feedback about the effectiveness of the process.

Once you've outlined what your performance management approach will involve, the next step is to define the frequency and timelines. This includes answering questions like:

- How often will new goals and expectations be set?
- How frequently should they be reviewed and updated?
- Is the process the same for all employees?
- How does this timing impact other parts of the process?

As a final step to creating your approach, map out how the process will look across an entire year for an employee, manager, and any others involved. This "calendar view" of the process can serve as a final review of the design to identify any impacts or complexity that may not be obvious until you see the big picture. For example, does the process put a heavy burden on managers at particular times of the year? If so, does that overlap with a particularly busy time of the year for managers? In this case, you may want to consider shifting the timing to eliminate that conflict.

→ Training and Technology

It's likely that your new approach to performance management will represent a significant change from what you've done in the past. Both managers and employees will be asked to take on new tasks that they may not be equipped for. Providing the right tools and training to support the change can mean the difference between success or failure for even the most well-designed plan.



Training

As you review your new process, consider the skills or abilities managers and employees will need to effectively utilize the process. The best tool in the world is of little value if put in the hands of someone who has no idea how to use it.

Do your managers and employees have the skills needed to successfully embrace and maximize your new plan? Your new approach to performance management might lead you to ask questions like these as you prepare to roll it out.

- Do managers know how to have healthy, positive conversations with employees?
- Do managers know how to have an effective 1:1 meeting?
- Do employees and managers know how to set effective goals?
- Are our people equipped to give effective and helpful feedback?
- Are our people skilled at receiving and processing feedback?
- How well do employees acknowledge and appreciate one another?
- Do managers have coaching skills?
- Are managers equipped to have high-stakes conversations about things like compensation and career development?

If you can't answer "yes" to these questions, then consider how you can provide training and resources as part of your new program to close those gaps.

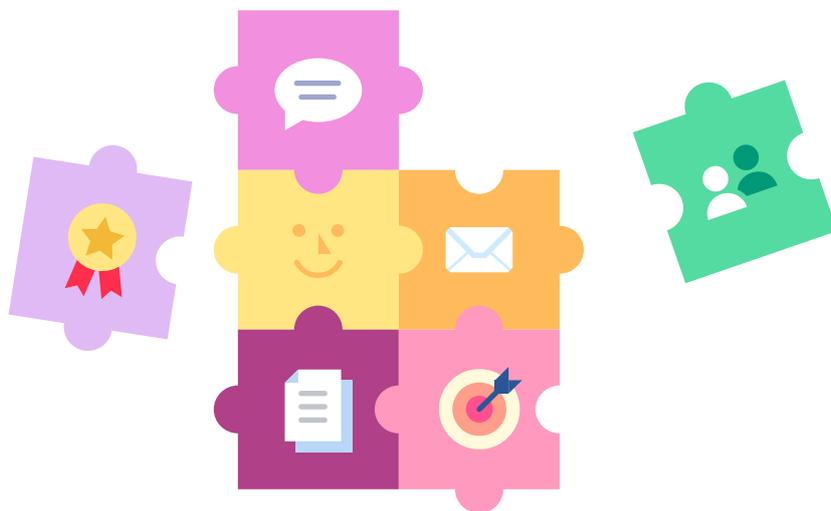
It is vital to think about what kind of training is needed. Deploying a new process that employees are not equipped to use properly will only lead to further frustration and will not improve performance.

Technology

Today, more than ever before, there are some amazing technology tools to support your performance management processes. Having a plan defined equips you to search for and evaluate tools that are designed in a way that will help your specific process.

Technology should be something you can apply or add to your process to make it easier, more consistent, and more effective. As you start looking at technology, you will probably find a lot of interesting features. But remember to pause and ask yourself, “How does this tool support our process or address one of our needs?” If it doesn’t, then keep looking.

As you review technology tools to help automate and support your process, don’t forget to consider flexibility. Your performance management process will change as your business and employees grow and change. By selecting a technology tool that is designed with the flexibility to adapt to many different approaches or processes, you allow yourself more agility to react to changing needs in the future.



Communication and Rollout

You are now ready to share these new processes with your organization. You've invested a lot of time and energy creating processes that will work better and feel better to both employees and managers. Ensure your efforts achieve impact by crafting a solid communication plan.

Regardless of how much your old process was disliked, your new process represents an unknown new reality. A well-planned, robust communication effort can help decrease (although not eliminate) the resistance you will encounter during the rollout.

Here are some tips to help guide your communication planning efforts.

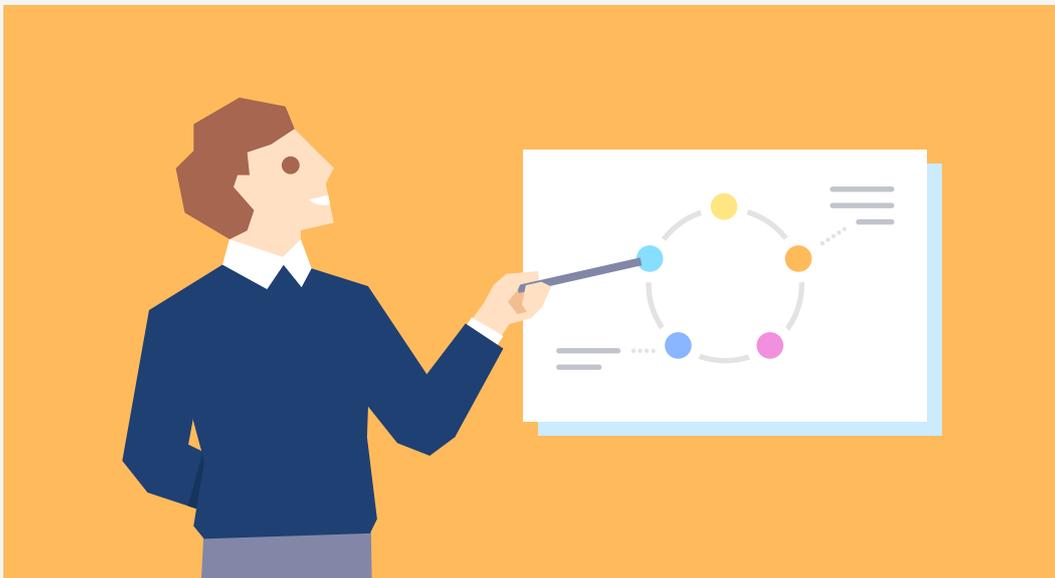
- **Sell, don't tell.**
As you communicate, highlight how and why this new process is better and will be beneficial to everyone. It can be helpful to think about how you'd sell this new processes if it was optional for employees and managers to use it. Focus on the benefits of the new process—don't just tell them what's happening.
- **Share the why.**
Make sure your employees understand why the new process was created. Share with them the inclusive process that was used involving feedback from all across the organization. This will help create buy-in.

- **Segment your communication.**
One size does not fit all when it comes to communication. Consider the different types of employees across your organization (hourly, salary, non-manager, manager, etc.) and ask “How does this impact me?” from their perspective. Make sure your communication plan is segmented to answer that question in detail for each distinct group of employees.
- **Invest the time to communicate well.**
One organization I am familiar with, when rolling out a significant change, invites all employees to attend small in-person briefings. Each briefing is limited to 20 attendees to ensure that every employee can ask questions and make their concerns heard. This approach could mean scheduling a lot of briefings, but if the end result is successful adoption of the new program, it’s worth it.
- **Overdo it.**
Err on the side of over communicating about the change. The “[rule of 7](#)” from marketing suggests we need to hear a message seven times before we truly retain it. The goal is to make sure everyone knows what’s coming (and why) by the time it arrives. Use multiple methods of communication to ensure every employee hears the message multiple times.
- **Add some fun.**
Host a “launch event” for the new process. Consider scheduling the whole business to stop working for a short time to gather for a fun celebration, presentation, and Q&A. This serves both to reinforce the importance of the new process and educate about what the change means.

Summary

Performance management is the operating system of the organization. After all, human performance is the fuel that powers the organization. When employees are focused, motivated, and engaged in their work, everything in the organization works better.

In this book, I've tried to give you the tools and guidance needed to design an approach to performance management grounded in an understanding of human performance. When you make your process more human-friendly, employees will reward you with increased effort, ingenuity, and commitment.



In closing, I'd like to share one final tactic for you to keep in your toolkit as you continue your work to improve performance management within your organization. Here it is: [when in doubt, go ask your employees](#).

Even if you design and deploy a great new process within your organization, there will be times when things don't work as planned. And, there will be parts of the process that don't work as planned. When you find yourself faced with one of these situations and aren't sure how to fix it, go ask your employees. By doing so, you are likely to gain some great perspective and ideas about how to fix the problem. And, you reinforce to those employees that you really care about them and are committed to creating work processes that work best for them.

I wish you great luck as you reshape performance management at your organization.

And, on behalf of your employees, thank you for taking on this work.