Agenda

- Overview of Performance Management
- Systems/Tools
- Merit Approaches

What Is Performance Management?

Performance management is the workplace practice of encouraging strong relationships and continuous communication between managers and employees in a way that leads to better performance and engagement.

Outcomes from Effective Performance Management

CLARIFYING JOB RESPONSIBILITIES AND EXPECTATIONS.

ENHANCING INDIVIDUAL AND GROUP PRODUCTIVITY.

DEVELOPING EMPLOYEE CAPABILITIES TO THEIR FULLEST EXTENT THROUGH EFFECTIVE COACHING AND AT TIMES DIRECT FEEDBACK.

DRIVING BEHAVIOR TO ALIGN WITH THE ORGANIZATION'S CORE VALUES, GOALS AND STRATEGY.

PROVIDING A BASIS FOR MAKING OPERATIONAL HUMAN CAPITAL DECISIONS (E.G., PAY, PROMOTIONS, TRANSFERS).

IMPROVING COMMUNICATION BETWEEN EMPLOYEES AND MANAGERS.

Various Components of Performance Management

Organizational Strategy	Department Goals	Role Expectations
Employee Input	Ongoing Feedback and Communication	Evaluation Process– Self, Manager, Peers, Stakeholders

Types of Conversations

Insight: Gallup's studies of great managers has revealed that the best have five types of conversation throughout the year

Establish Expectations	Continually Coach			Create Accountability
1 Role and Relationship Orientation	2 Quick Connect	3 Check-In	4 Developmental Coaching	5 Progress Review
Once a year (1-3 hours)	At least weekly (1-10 minutes)	Based on need, but roughly once or twice per month (10-30 minutes)	Regular and ongoing (Setup, 10-30 minutes; Review at completion, 10-30 minutes)	Twice a year (60-90 minutes)
Establishes the relationship between the manager and employee, clarifying expectations and understanding individual strengths and needs	Quick conversation to help a manager and employee stay connected with work that is occurring in the short term	Uncovers how things are going with the employee regarding general responsibilities and both long- and short-term goals	Applied when an individual is being asked to take on a specific project or in response to developmental opportunities	Talking with individuals in a holistic way to help them think about their goals and purpose; performance metrics; strengths; and development

GALLUP

Managers and Performance Management

Explain what the **company strategic goals** are and **how they fit** into the position and team

Create space for **candid conversation** with empathy and positivity

Identify **attainable objectives and goals**

Communicate **expectations;** ensure your employees **never wonder** what it looks like.

Review and update **job descriptions**.

Provide **ongoing feedback**; shower employee with continuous feedback, **especially now**

Obtain and learn what **resources** are needed…listen!

Work in **partnership,** two-way street

Work to **remove barriers**

Outline future job responsibilities and skills needed

Be timely with feedback, coaching, one-one meetings, review process

2020-2024 Statistics

80% of employees would rather have immediate feedback than an annual performance review.

83% of employees truly appreciate receiving feedback about their work.

62% of employees said they wish to receive more feedback from their coworkers.

63% of organizations are still relying on annual feedback as a performance management method.

98% of organizations say that performance management is important.

64% of workers think the quality of the feedback they receive from their managers should be improved.

SMART Goals

SMART GOALS SHOULD:

Communicate expectations.

Support work processes.

Measure business outcomes.

Assess individual performance.

An overall statement is a good practice. Or you may keep it simple....clarity and the why are important.

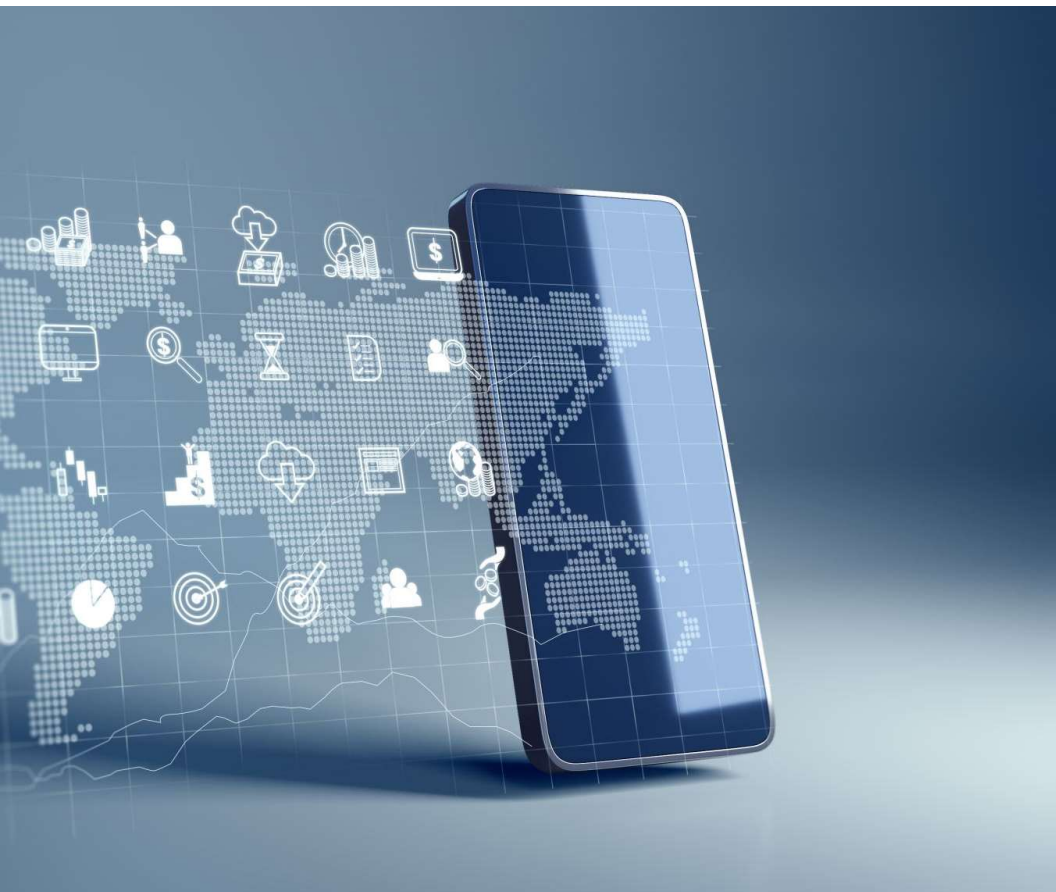|	Specific	Specific results to achieve
	Measurable	Quality, quantity, cost or timeliness
	Attainable	Challenging but achievable
	Relevant	Aligned with the Company's strategic imperatives
	Time bound	Completion dates, milestones, how often

Systems and Tools

- Culture, current practices, how are you communicating now

- Measuring performance - objective and subjective

- Templates, customization and tools through system

- Integration, Implementation, Optimization & Automation

- Employee Experience

- Management Experience

- Interconnects to structure, career pathing, grades/leveling

- Mobile option

- Investment

No system is a one size…..

Merit Considerations

- Align practices with your Total Rewards philosophy and strategy

- When to do it? annual, anniversary, calendar, fiscal

- Looking at Labor Cost

- Rating Scale

- Budget Range

- Benchmarking

What are the factors you should consider when determining pay?

There are **five primary factors** that influence how an employee is compensated

External Market Data

Internal Value of Role

Skills & Experience

Individual & Company Performance

Affordability & Budget

Role Factors

Individual and Department Factors

Salary Guidance

QUESTIONS?