Performance Management
for the HR Professional

Presented on behalf of

Northwest Human Resource Management Association for

2016 HR Academy

February 9, 2016

Presented by

Heather Kinzie, SHRM-SCP,
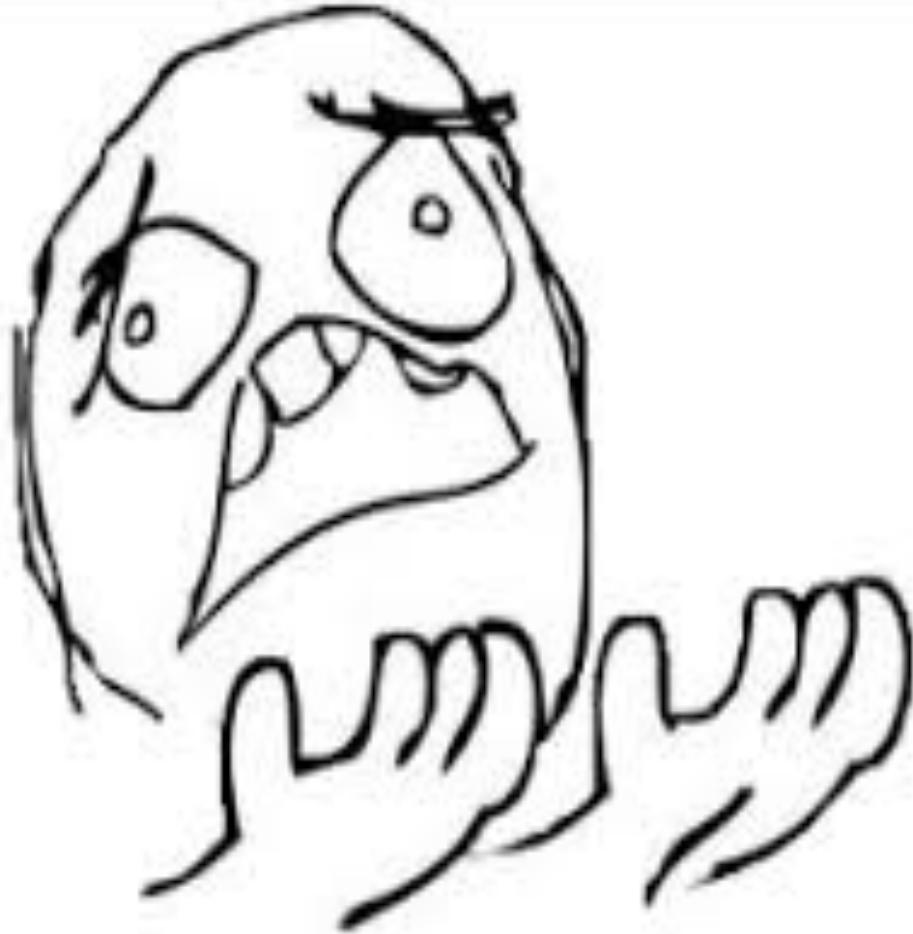SPHR, GPHR

A Leading
Solution

Developing Human Capital

Learning Objectives

This presentation will enable the <u>entry level HR Professional</u> to:

- CLEARLY understand their purpose to an organization and, hopefully, commit to being the best HR professional on the planet.

- Have a better understanding of differences between "Talent Management" and "Performance Management" a

- Clearly understand their role as HR professionals in implementing effective performance mgmt. processes and practices;

- Better understand their role as mentors/coaches for supervision and management;

- Assist the Supervisor in the identification of roles, responsibilities and performance standards;

- Assist the Supervisor with monitoring an employee's performance;

- Assist the Supervisor with encouraging positive performance without needing to rely on discipline;

- Identify multiple "types" and "methods" of performance evaluations and understand pros/cons/popularity of each; and

- Assist the supervisor with using effective recognition to increase the team's or employee's outcomes and results.

A Leading Solution
Developing Human Capital

But, But But, WHY?

A Leading Solution
Developing Human Capital

Talent Management

Talent management is a term that emerged in the 1990's to incorporate developments in Human Resources Management that placed more of an emphasis on the management of human resources or talent.

A talent management system must be worked into the business strategy and implemented in daily processes throughout the company as a whole. *It cannot be left solely to the Human Resources department to attract and retain employees, but rather must be practiced at all levels of the organization.*

Organizations that focus on developing their talent integrate plans and processes to track and manage their employee talent, including the following:

- ✓ Sourcing, attracting, recruiting and on-boarding qualified candidates

- ✓ Succession planning

- ✓ Managing and defining competitive salaries

- ✓ Training and development opportunities

- ✓ Performance management

- ✓ Competency Modeling/Knowledge Sharing

- ✓ Retention programs

- ✓ Career Planning, Promotion and Transitioning

A Leading Solution
Developing Human Capital

Performance Management

Performance Management can focus on performance of the organization, a department, work processes or the employees. *This presentation focuses on the performance of the employee.*

Successful performance management processes

➢ **Align employee activities and performance with the goals of the organization**.
  Alignment helps the employee clearly understand how his/her job affects the vision of the organization. This "line of sight" is vital to employee morale and motivation as well as organizational success.

➢ **Use meaningful measurements.**
  Measurements are useful in benchmarking, or identifying standards for comparison with best practices in other organizations. Objective measurements help ensure equitable and fair treatment to employees.

➢ **Focus on results rather than intentions and activities.**
  A common misconception among supervisors is that intentions and activities are the same as results. Thus, an employee may appear extremely busy, but not be contributing at all toward the goals of the organization. *An example is the employee who manually reviews completion of every form and procedure, rather than supporting automation of the review. The supervisor may conclude the employee is very committed to the organization because he/she is so busy, thus, deserving a high performance rating.*

➢ **Cultivate a system-wide, long-term view of the organization.**
  An effective performance improvement process must follow a systems-based approach while looking at outcomes and results. Otherwise, the effort produces a flawed picture.

A Leading Solution
Developing Human Capital

Performance Management, cont.

- **Planning** includes communicating job expectations, performance standards and measures of success.

- **Monitoring** performance includes analyzing performance results.

- **Developing** employees includes training, coaching, communicating, and engaging with them to increase their capacity to perform.

- **Rating** an employee's performance is assigning a "value" or otherwise to a result or outcome (typically use performance evaluations as a tool).

- **Recognizing** includes articulating and communicating with an employee about his/her current efforts, performance as well as future fit.

Planning

Supervisors are expected to communicate roles, responsibilities and performance standards to their employees. *Without clear communication, the employee is likely to be confused or irritated and is more likely to do the wrong thing or the right thing at the wrong time or place.*

How does the Supervisor communicate *roles and responsibilities* to his/her employees?

How does the Supervisor communicate *performance standards* to his/her employees?

What role does HR play in these processes?

Planning, cont.

Roles and Responsibilities

Human Resources professionals play a huge part in helping a Supervisor identify roles and responsibilities for staff.

- Position Descriptions

- Orientation

- Training

- Policies/Procedures

- Desk Manuals

- Meetings (Group and Individual)

Performance Standards

Human Resources professionals play a huge part in helping a Supervisor identify performance standards for staff.

- Identification of Benchmarks

- Identification of Outcomes/Measurements

- Identification of Behavioral and Technical Competencies/Performance

- Performance Evaluations

- Counseling Documentation

If the Supervisor fails to set or enforce a performance standard, he/she has, by omission, set a new, lower standard!

How can HR help?

A Leading Solution
Developing Human Capital

Monitoring

In an effective organization, an employee's actions and behaviors are monitored regularly. This timely review of performance against the standard allows the supervisor to more effectively identify when an employee may not be performing at the expected standard.

Ongoing monitoring allows the supervisor to identify unacceptable performance at any time during the appraisal period and provide assistance to address the deficiency rather than wait until the end of the rating period!

> *In what ways can a Supervisor monitor an employee's performance?*

> *Who else can help the Supervisor monitor an employee's performance?*

Results and Measures

Performance *results* are the things that happen because an employee performs (or fails to perform) an activity. Performance *measures* are the tools used to compare the *actual* results against the *proposed or desired* results.

> *When would it be appropriate to expect different results for different employees?*

> *When would it be appropriate to have the same expectations?*

Developing

What if the actual outcomes don't match the desired outcomes?
Human Resource professionals often get these types of calls:

"Jane Doe is not doing what I need her to do." or

"We need to get rid of John Doe because he is just not working out."

Some HR professionals will immediately begin coordinating and/or facilitating a discipline or termination process**. *Please note, this is NOT managing performance!*** Performance problems can include poor productivity, absenteeism, negatively affecting the work of others and everything in between. *In addition, it is important to distinguish between performance issues that negatively affect the company and those that may simply be annoying to the manager or other employees.*

Human Resource professionals should help the Supervisor:

1. **Assess the problem:**
   "What effect does 'it' have on the company or work unit in terms of goal achievement?"
   "If nothing is done about this 'problem', what, if anything, are the negative outcomes?"

2. **Assess the reasons behind the problem:**
   • Deficiency in willingness
   • Deficiency in ability
   • Deficiency in process

3. **Fix the problem.** ☺
   Typically, the solution is found in non-disciplinary methods such as training, coaching, counseling, instructional memo/correspondence, meetings, etc.

What are the likely results/outcomes when HR is involved?
What are the likely results/outcomes when HR is left out?

A Leading Solution
Developing Human Capital

Developing, cont.

There are numerous ways to develop the performance capability from an employee. HR Professionals often hear from Supervisors that a particular "strategy" is or is not working with a particular employee. Excellent! HR's role is to identify what additional or different methods can be used!

Training and Development
Providing employees with training and developmental opportunities encourages good performance, strengthens job-related skills and competencies, and helps employees keep up with changes in the workplace. In addition, development almost always positively affects outcomes!

- *Basic* Skills Training (Entry level training typically on software programs, use of technology, customer service, etc.)

- Technical Skill and Competency Training (typically to enhance an individual's knowledge and expertise on a particular subject)

- Management and Supervisory "Process" Training (Recruitment, Interviewing, Performance Management, Discipline, etc.)

- Executive Training (Leadership, Budget/Finance, Organizational Performance, Quality Improvement, etc.)

- Personal Development Training (Communication, Time Management, etc.)

- Wellness Training (Stress Management, Conflict Resolution, etc.)

- Compliance Training (Discrimination and Harassment Prevention, Safety Training, FMLA, FLSA, etc.)

- Coaching/Mentoring

- Job Enlargement, Job Enrichment, Job Sharing, Job Shadowing, and/or Cross Training

- Independent Research and Review

Rating

Within the context of performance management, "rating" means evaluating/comparing an employee's performance against the performance standards/expectations and assigning a "rating" or "value" to/of the employee.

The rating is assigned according to the organization's performance evaluation policy and procedures. It is based on work performed during an "appraisal period."

Typically, the rating has a bearing on various other personnel actions, such as granting within-grade pay increases, identifying performance and/or development plans, promotability, etc.

Rating/Documenting an employee's performance is the formalized step in the performance management process. While many companies are disengaging in this step in the process, many more continue to recognize this formalized, documented step as valuable to both the organization and the employee.

What consequences may occur if the Employer _does not_ utilize a formalized rating process?

If an Employer chooses not to have a formalized rating process, what should it have in place instead?

A Leading Solution
Developing Human Capital

Rating, cont.

Performance Evaluations

Typically, there are four primary types of employee performance evaluations:

- **Top Down or Matrix**
  Assessment of employee by direct supervisor(s)

- **Peer-to-Peer**
  Assessment of employee by other employees at the same "level" in the organization

- **360-Degree**
  Assessment of employee by many different types of people (customers, suppliers, peers, supervisors, direct reports, etc.)

- **Self-Assessment**
  Assessment of his/herself

Please note that it is not necessary to choose only one type of employee performance evaluation method and some organizations successfully use all four.

Rating, cont.

Performance Evaluation "Methods"

There are a number of performance evaluation/appraisal "methods" to use; no single method can be ideal in all circumstances. Therefore, most organizations use "combinations" of methods.

Traditional Methods

- **Unstructured and "Free Essay"**
  Supervisor simply creates a description of the employee. *This has a tendency to be very subjective and difficult to "defend."*

- **Straight Ranking**
  Supervisor rates all the employees doing a similar job from "best" to "poorest." *This has a tendency to be subjective and also is difficult to rank the "middle of the road" employees.*

- **Paired Comparison**
  Supervisor compares each employee with each of their peers in the same work group for specific work responsibilities. Based on these comparisons, a rank is developed. *This method is not as subjective as straight ranking.*

- **Grading**
  Supervisor grades the employee's performance in certain categories, typically using a 3 point or 5 point scale.

- **Critical Incident**
  Supervisor, throughout the rating period, identifies and describes specific events (or incidents) where the employee did something really well or something that needs improvement.

A Leading Solution
Developing Human Capital

Rating, cont.

Performance Evaluation "Methods"

Modern Methods

- **Behaviorally Anchored Rating Scale**
  The organization or supervisor develops scales based on aspects of desired behavior. The employee's performance is compared to the scale.

- **Management by Objectives**
  Supervisor and employee identify objectives (outcomes/results) at the beginning of the rating period. At the end of the rating period, the actual results are compared to the proposed results.

A Leading Solution
Developing Human Capital

Recognition
The most powerful tool in a leader's toolbox.

There are few employees that do not appreciate or value recognition. Moreover, recognition of an employee's strengths or areas for improvement has a direct impact on their ability to improve and/or sustain their performance.

Types of Recognition

☞ Positive

☞ Mixed

☞ Maintenance

☞ Negative

☞ Conditional

☞ No Recognition

How can HR help a Supervisor recognize his/her staff?

How can HR ensure recognition is given consistently, fairly, objectively, etc.?

Summary

➢ Talent Management is the process of developing and integrating new workers, developing and retaining current workers, and attracting highly skilled workers. Effective Performance Management processes are part of a Talent Management system.

➢ Successful performance management processes align employee activities and performance with the goals of the organization, use meaningful measurements, focus on results and cultivate a system-wide, long-term view of the organization.

➢ Performance management is a process that includes planning for success, monitoring performance, developing the employee, rating the employee, and recognizing the employee's achievements or areas needing improvement.

➢ HR Professionals are integral in the identification of an employee's roles, responsibilities and standards for performance. While a Supervisor "drives" these processes, it is a rare Supervisor who can do this without the help of a creative, objective, and intelligent HR Professional! ☺

➢ When performance gaps occur, the HR Professional should help the Supervisor access and analyze the "reasons" behind the performance issue and provide some ideas for "fixing" the problem.

➢ Discipline should never be considered the first option in "managing performance." Training/educating, motivating, encouraging and recognizing employees will typically do the trick!

➢ Performance "evaluations" or "appraisals" are tools used to formally document an employee's performance. The HR Department is typically the program who coordinates and/or monitors the use of these tools.

➢ Recognition shouldn't be taken lightly. HR should help Managers understand the "nuances" of the different types and encourage them to thoughtfully engage in appropriate recognition based on what their individual team members need.

A Leading Solution
Developing Human Capital