

Webinar

Back to the Future of Performance Management

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March 22, 2017

KNOWLEDGE | RESOURCES | ADVOCACY | CONNECTIONS

Webinar

Presenters



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Introductions



Stephanie Flanagan



PennState

Senior Coordinator of Workplace Learning & Performance

- Performance management for FT staff
- University-wide onboarding

Angelita Becom

✧ Sibson Consulting

Vice President

- 16 years of P&R consulting
- Member of Higher Ed National Team
- SME in performance management

Yelena Stiles

✧ Sibson Consulting

Senior Consultant

- 12 years of P&R consulting
- Member of Higher Ed National Team

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**BACK
TO
THE FUTURE**

Universal Pictures / Back To The Future

Of Performance Management



Performance Reviews  **Performance Management**

Polling Question 1



- How effective is your institution's performance management program for staff?
- Why do we even bother?
 - People don't hate it
 - It's ok most of the time
 - We love it!

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Performance Reviews:
Why Bother?

Yahoo's Latest HR Disaster: Ranking Workers on a Curve

Performance Management is Broken

Why More and More Companies
Are Ditching Performance Ratings

Time to Scrap
Performance Appraisals

The Push Against Performance Reviews

GET RID OF THE
PERFORMANCE REVIEW

Study finds that basically every single
person hates performance reviews

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Most Organizations Change



- Number/definition of performance ratings
- The forms (revise/automate)
- Targeted distribution of ratings
- Specify pay consequences for performance
- Separate pay from performance reviews
- Give almost everyone the same pay actions

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Why Bother?



- ✓ Helps employees understand what they do well and where they can improve
- ✓ Enables employee learning, development, and career progression
- ✓ Provides opportunities for early intervention
- ✓ Executes strategy by prioritizing and aligning goals
- ✓ Identifies top performers to develop succession plans

It's about value.

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The Case for Change

Important Questions to Ask



Does the institution have the desired culture?

Are strategies being executed with excellence?

Is productivity where it needs to be now and for the future?

Are we truly rewarding our high performers?

Will we be able to attract and retain top talent?

If we do not accomplish these through performance management, then how?

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What Did We Find at Penn State?

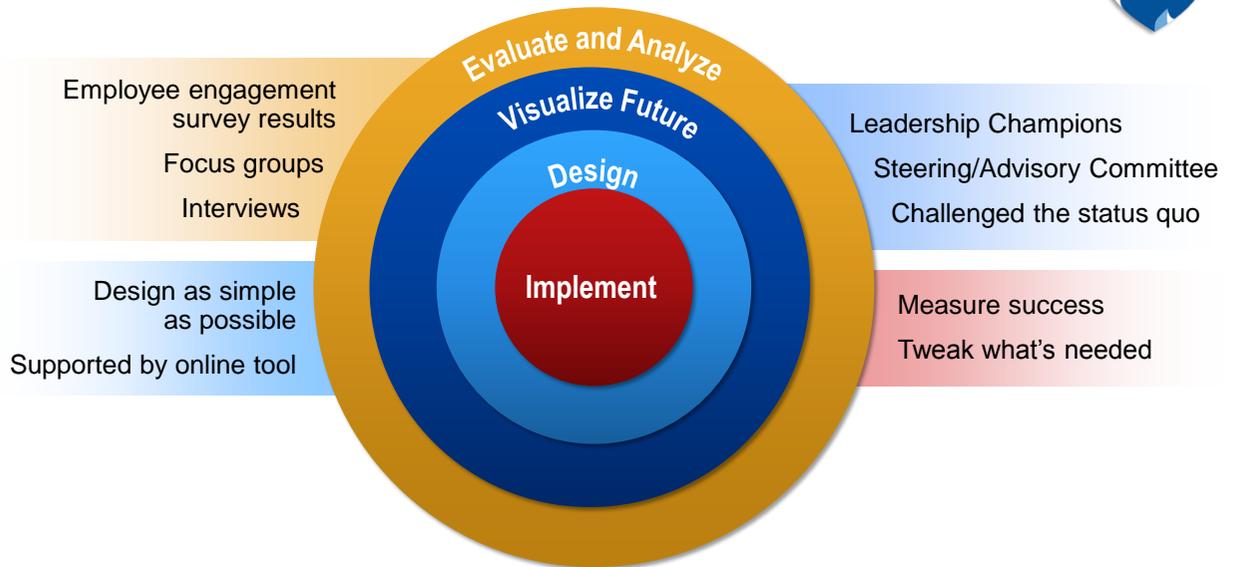


- Less than 50% of respondents believed that University leaders viewed performance management as a critical process
- Only 11% believed the process was consistent across the University
- Most supervisors and employees didn't have the skills to successfully engage in effective performance management activities
- Perceived limited or no value: high performance was not rewarded and low performance was not addressed or "dealt with"

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PENN STATE'S PROCESS



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Our Initial Focus



- Improved training and communication
- Incorporating goals
- Conversations between manager and staff
- Technology enablement
- Promoting differentiation
- Calibration
- Linking ratings to merit rewards

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Penn State's Results so Far



We have made slow and steady progress in a number of areas:

- Individual goals linked to University & Department strategic plans
- Ethics & Compliance components have been added to the process
- On-going performance conversations are happening more frequently between many supervisors and employees to help ensure “No Surprises”
- Overall ratings linked to merit pay
- Calibration conversations have begun and overall ratings have shifted towards a more accurate, fair and consistent distribution

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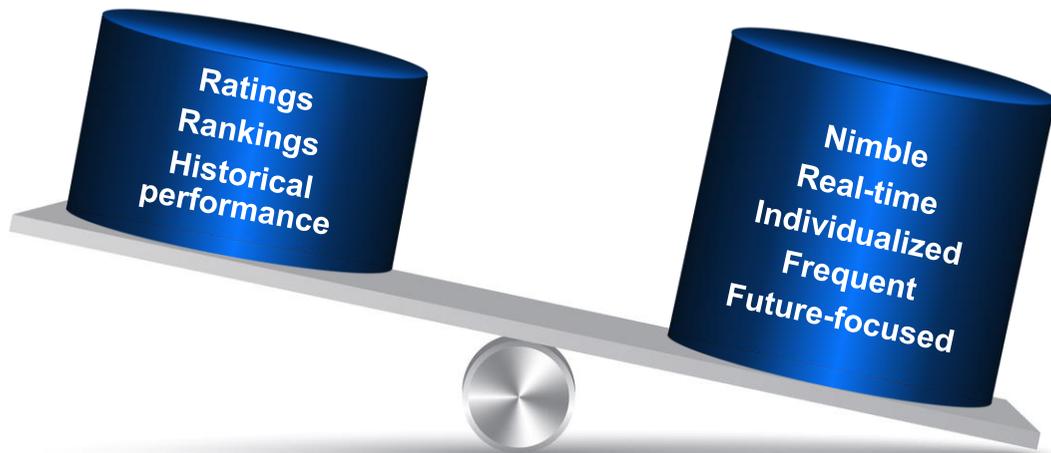
Polling Question 2



- What's your opinion on getting rid of ratings?
 - Never
 - It's an interesting concept and we're exploring it as an option
 - It's an interesting concept but we're not ready
 - We've already done it

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Important Changes in Performance Management



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What is driving the recent changes?

- Cyclical nature
- Access to and use of data/talent analytics
- Notable organizations making changes



Deloitte.



accenture

IBM

Cargill



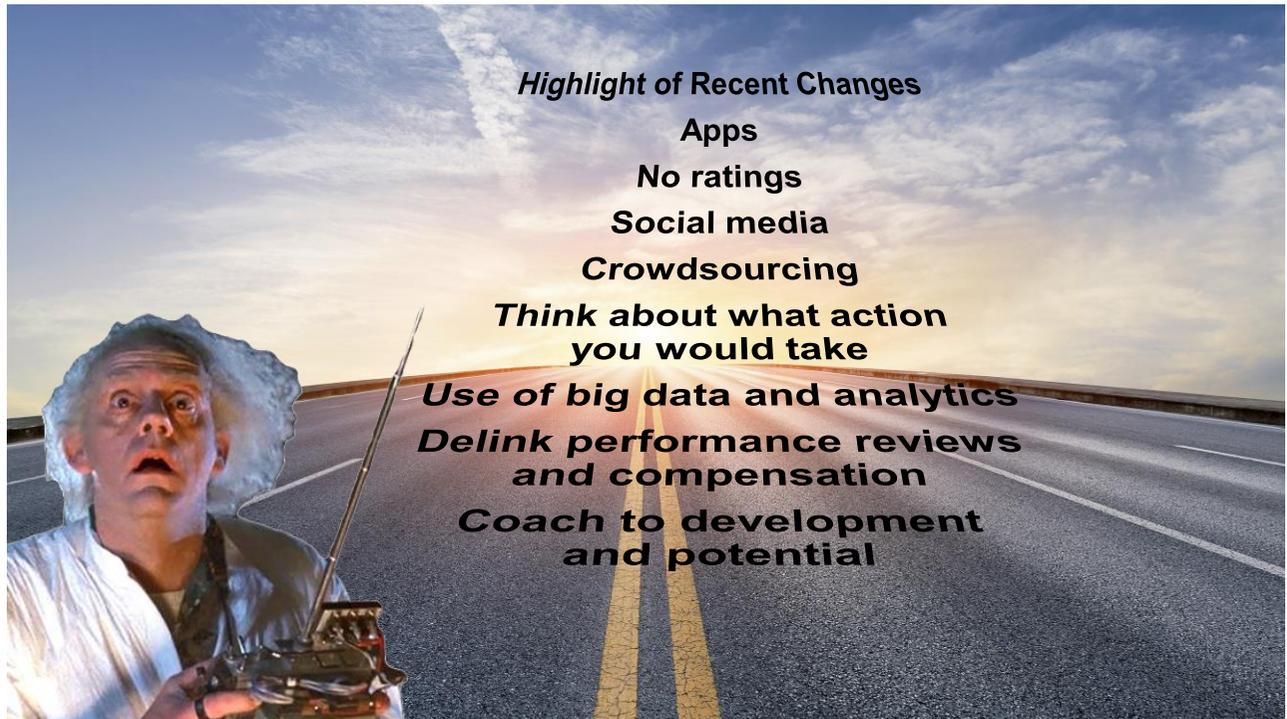
Medtronic



Cigna

Lilly

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What Really Drives Success?



Leadership Support

- Leaders as champions and role models
- Goal setting and alignment
- Performance norms set



Execution

- Manager, employee, and leadership skills
- Results linked to outcomes
- Measuring/monitoring
- Performance norms reviewed/calibrated

Program Design

- Process requirements
- Calendar
- Rating criteria, form, and scale
- Technology

Other Key to Success

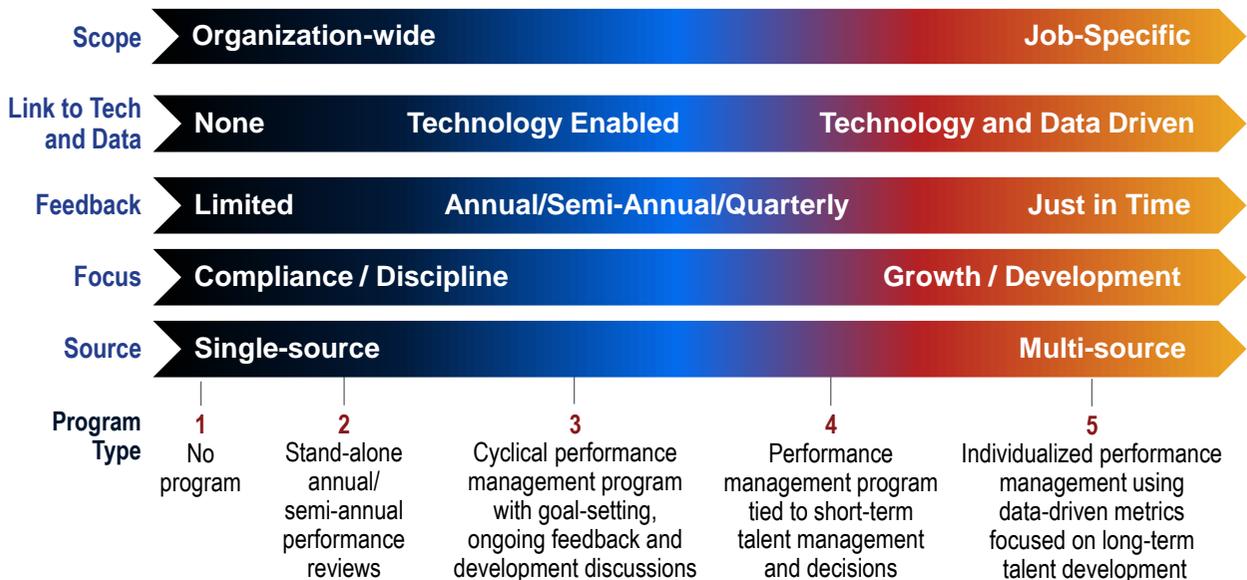


- Leadership visibility and actions
- Ongoing, NOT just once per year
- Goal setting
- Honest, constructive, frequent feedback from managers
- Calibration
- Linked to outcomes
- Not a burden
- Technology enablement
- Manager skill

It makes a *meaningful* difference to employees and the organization

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HOW TO MAKE GRADUAL CHANGES



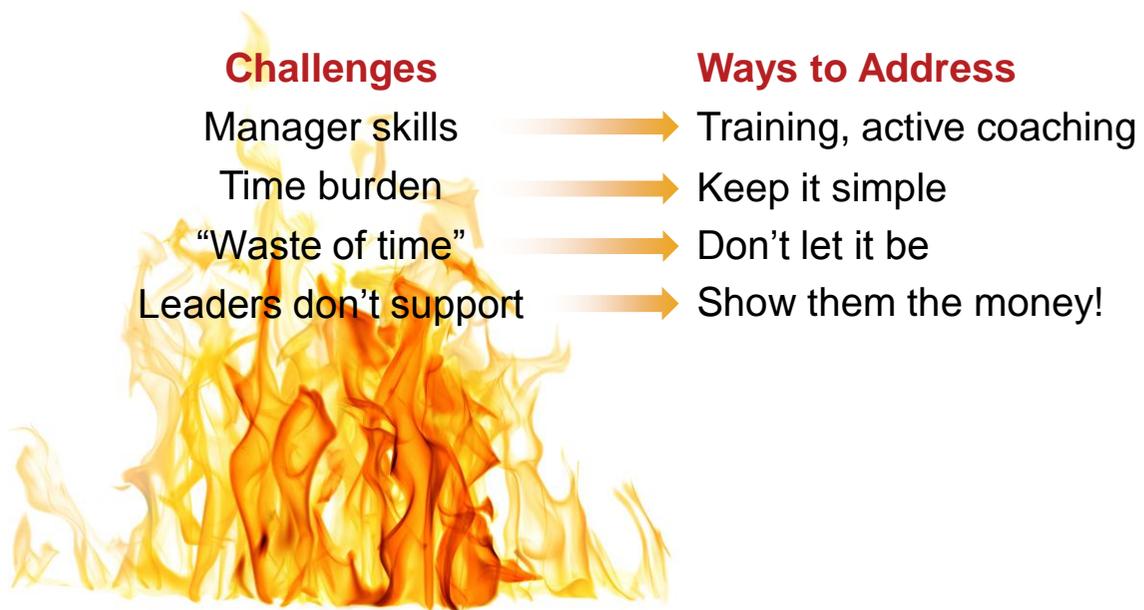
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Polling Question 3



- What are your biggest challenges when it comes to performance management? (select all that apply)
- Lack of differentiation
 - Tying salary increases to performance
 - No value perceived in the process
 - Lack of managerial courage (i.e., in providing accurate and honest feedback)
 - Cumbersome form/program design or Little to no technology support / manual process

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What Penn State is Focusing on Next

- Promoting calibration throughout the University
- Integrating Workday (including ability to cascade goals)
- Linking to talent management – Pay-for-performance, succession planning and career development
- Mandatory supervisor training

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Final Word of Advice

Culture change takes time, and effort, and perseverance, and courage, and patience, and a sense of humor, and the unwavering faith that the future will be better as a result of the change.



*“Your future hasn’t been written yet, no one’s has.
Your future is whatever you make it. So make it a good one.”*
—Doc Brown

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Thank You!



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Thank You!

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