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TODAY’S PRESENTER

Victor Assad

- Managing Partner of InnovationOne
- CEO of Victor Assad Strategic Human Resources Consulting
- Partners with companies to create:
  - Dynamic innovation cultures
  - Powerful talent management practices
  - Develop agile leaders and teams.
- Consults with small and large companies.
Most Hated HR Process

- Edward Deming: “End it…”
- UCLA’s Dr. S. Culbert: “Advocates performance previews”
- Deloitte: “39% of companies are changing their PM”
- Great potential to align, motivate and develop workforce
Who? What? Ratings?

- Took Out Ratings
  - Adobe
  - New York Life
  - Kelly Services
  - Motorola Solutions
  - Dell
  - GE
  - Juniper Networks
  - IBM

- Reinstated Ratings
  - Facebook
  - Intel
  - Medtronic
  - Deloitte
What Gives?

• Reasons for removing ratings
  • Onerous
  • Promotes competition
  • Hurts collaboration and innovation
  • Too much time
  • Put more time into development and performance feedback
  • Biases

• Why reinstate ratings?
  • Provides summary of overall standing
  • Satisfying if viewed as fair
  • Transparency
  • Culture
  • Development
  • Accountability
The Business Cycle

GDP

TIME

Growth → Peak → Recession → Trough or Depression
Motivation research is very clear
Occupations are motivated differently
Most companies do a poor job of motivating employees
Giving feedback significantly improves performance
Good feedback includes
- specifics
- coaching and setting goals for improvement
- timeliness
3:1 to 5:1 Positive > Negative
Never ignore a poor performer!
Performance Appraisal
Research

- Rater bias
- Self assessments
- Forced ranking
  - Can improve performance over the first several years only
  - Terminating the bottom 10%/year
    - Strong diminishing return
    - Creates competition and dysfunction
    - Squashes innovation
    - Lawsuits
Performance Appraisals

I FINISHED YOUR PERFORMANCE REVIEW.

TERRIFIC. IT’S NINE MONTHS LATE AND ALL YOU DID WAS SIGN WHAT I WROTE.

I THINK I ALSO READ IT, BUT I’M NOT 100% POSITIVE.
Performance Ratings

- Generally, I advise against use performance ratings
  - Too demotivating
- Other ways to identify high performers
- If you use ratings, use “labeled scales”
- No comprehensive research that favors neutral or middle point scales
- If you use ratings, I recommend 4 point labeled scale
  - With “needs improvement” & “developmental” as lower scales
Calibration

- Gather more than manager’s judgement
- Use calibration meetings to identify:
  - Top performers
  - Promotion
  - Development issues/objectives
  - Turnover threat
  - Pay and recognition decisions
- Use job-based competencies
- Who would you put on your “dream team”? Why?
“Gossip Quantified”

Where does it go wrong?

• Feedback is tied to merit pay or promotions, so it is inflated.

• Comments traced back to individuals can cause resentment between workers.

• Feedback is not linked to organizational goals or values.

• The feedback tool is used stand-alone, without follow up or development plans.

• Workers can become worn out by a useless process.
How to Use 360 Degree Feedback

- Requires support from top management
- Use 360s for development purposes
- For managers, consider using employee engagement surveys
- “I” questions
- Use it at key career transitions. Not every year
- Use a competent firm, with research and benchmarks
**My Recommendations**

**Performance Management System**

- Business Strategies
- Culture
- Values
- Organizational Role

- Build shared commitment
- Annual Review
- Set New Goals

- Feedback on high potentials to talent management system
- Feedback on what projects and teams are or are not working

- Manager, employee and team relationships

- Q3 Update
  - Dynamic market/business changes
  - Goals are re-negotiated

- Q1 Update
  - Ongoing feedback, development & recognition

- Q2 Update
1. Prepare
2. Create a comfortable environment
3. Employee engagement session--separate
4. No surprises
5. Provide praise. Allow employee to feel good
6. With constructive feedback, provide suggestions for improvement. **May need to be separate meeting/process**
7. Choose your words carefully and rehearse
8. Ask for feedback
9. Closure
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Victor Assad Strategic Human Resources Consulting

• Visit our website, www.VictorHRConsultant.com

• Download free whitepaper, “Performance Management: Are You Aligning Employee Passion to Company Purpose? Time for an Overhaul!”

• Free one-hour of consulting

• Follow my weekly award-winning blogs

• We partner with leadership teams to create:
  • dynamic cultures of innovation
  • powerful talent management practices
  • agile leaders and teams.
Ascentis Performance Tuning:

- Mobile-interface
- Tune performance on-demand
- Notify employees when they need to be engaged.
- No-training required
- Employees can update accomplishments and rate themselves.
- Manage goals, development plans, accomplishments, feedback, and evaluations.
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- Jan. 18, 2017 – Identifying and Managing Workplace Conflict
- Jan. 24, 2017 – Workplace Violence: Does Your Company Have a Fighting Chance?
- Feb. 2, 2017 – The High Cost of Getting Even: Understanding and Preventing Retaliation Claims
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