



Streamline and Digitizing Employee Performance Management

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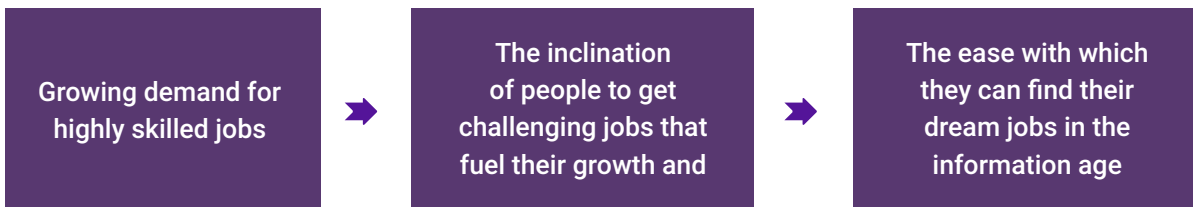


Business success is made possible by teams who deliver more than expected. Your employees, your team drives transformation, innovation, and growth in your core business. Your workforce expects the same exacting standards when it comes to talent management including performance management process (PMP), employee engagement practices, employee development initiatives, HiPo programs, and overall employee experience. How innovative and people-centric are your HR policies, process and strategies determine your employer branding. The HR world is catching up on the technology front to give a customized, technology-driven experience to the employees.

According to Deloitte, employee-centric companies are **60 percent more profitable.**

1. The cause and effect of War for talent

Our work life has undergone a complete transformation. From joining and exiting one company, job-hopping becomes a total norm. The fundamental cause fueling this shift is



This results in the unabated war for talent. Organizations are exploring newer ways to attract, engage and retain talent. Organizations are experimenting with people-centric practices, flexible working hours, work from home options, personalized well-being perks, state-of-the-art technology tools to promote employee experience, and other creative ways to build employer branding. The essence of all these measures depends on how well you manage your employee performance.

A recent Gallup report on the millennial generation reveals that **21% of millennials** say they've changed jobs within the past year, which is more than three times the number of non-millennials who report the same.



2. Why do you need a streamlined employee performance management?

Employee performance management is the one area where the dissent is steep and has the power to nullify all other employee-centric initiatives. Your performance management process should reinforce your people-centric culture.

Performance is important to both employees and the organization. For employees, it sets them apart and for organizations, it drives growth. Monitoring, managing and mentoring performance helps you streamline the process, build credibility and trust, drive business productivity, and endorse your people-centric practices.

2.1 Benefits of Performance Management

- Employees know where they stand
- Know their strengths and areas of improvement
- Organizations know the métier of the talent pool
- Identify the right person for the right job
- Motivate achievers with rewards and inspire others to take the lead
- Identify high potential employees and nurture them for leadership roles
- Determine the training needs of the teams' development
- Provide the right data to make strategic talent decisions

According to Armstrong, **performance management process** is a strategic and integrated approach intended to dispense unrelenting success to organizations by **advancing the performance** of the persons who work in them and by **expanding the capabilities** of groups and individual contributors.

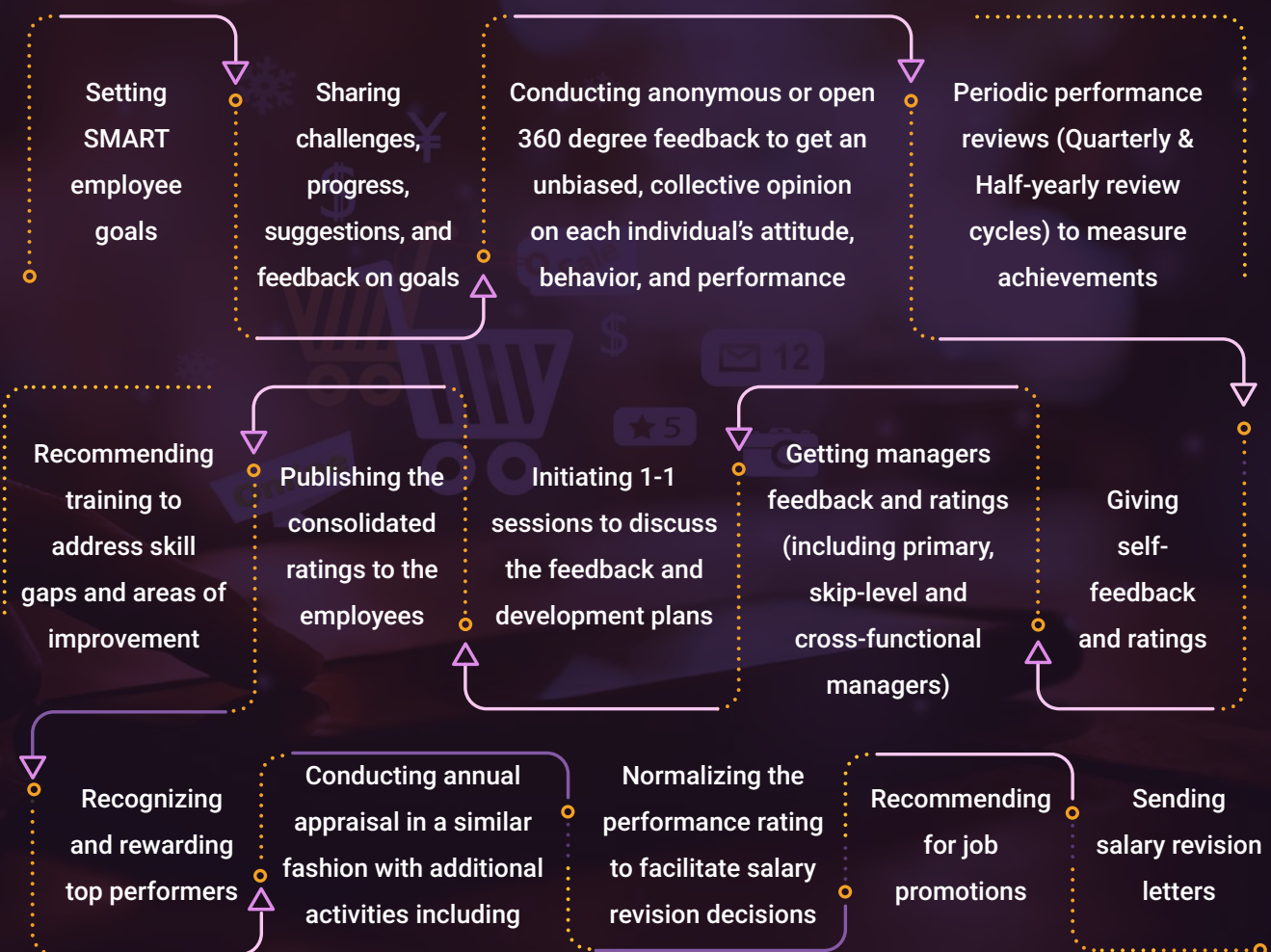




2.2 Streamlining Employee Performance Management

A well-defined, structured performance management program helps streamline the process. Before creating the process, determine your talent management priorities, objectives and outcomes. Ensure that your process and the key activities are aligned with your objectives and help you achieve it.

The Key action items involved in the continuous employees' performance management are



Organizations may follow a few variations of these activities for their employee performance management.



3. Setting SMART employee goals

Measuring, monitoring, and managing employee performance are the key pillars for building high-performing teams. To measure performance, we need to set relevant performance goals and observe the progress continuously.

Goals enable employees to get clear ideas on what their objectives, priorities, and directions to proceed are. Setting clear scope channelizes their efforts and helps them determine the resources in advance and anticipate the roadblocks.

Employees and managers collaborate to determine short-term and long-term goals. Organizations widely use the SMART goals framework, which is simple, efficient, and time-bound.



3.1 Did You Know?

Steve Jobs was famous for his **high standards**. In fact, those impossible targets he set for his team made **Apple** the innovative powerhouse it is today. According to one employee, when engineers completed the prototype of the very first **iPod**, they presented their work to **Jobs** for his approval. **Jobs** scrutinized the device and immediately rejected it because it was too big.

The engineers explained that they would have to **“reinvent inventing”** to create the **iPod**, and that it would be impossible to make it any smaller.

Jobs stood up, walked over to an aquarium, and dropped the **iPod** in the water. After it touched the bottom, bubbles floated to the top. **“Those are air bubbles,” he said. “That means there’s space in there. Make it smaller.”**

These sorts of stories have become **Apple legends** because they are examples of **Jobs** pushing his team beyond **what anyone thought was possible, to reach breakthrough solutions**.

Setting these impossible goals is what drives innovation, and they’re the types of goals that leaders hoping to disrupt their industries should pursue.

While defining performance goals, keep in mind that these goals are not an itemized list of tasks but high-level goals for business growth which employees achieve through their day-to-day works and tasks. Having goals and competency library helps your employees easily choose the relevant goals for their roles.

3.2 Benefits of Goal Setting

Goals are the foundation for performance management. Besides giving direction and priority to individuals, teams, and organizations, it involves the following.

- Employees are aware of their objectives and act responsibly.
- Employees feel more involved, engaged, and committed when their goals are set by them or set by their managers taking their inputs.
- Updating the progress continuously to watch out for delays and overdue.
- Analyze the achievement/performance trends of each individual and across departments, organizations.
- Continuous monitoring of goals creates an opportunity to collaborate and share feedback instantly
- Above all, employees don’t lose focus when battered by routine activities and day-to-day challenges.



3.3 Matrix Goals Management

Our workforce has become more agile. Employees are working on different projects, reporting to cross-functional managers. Your goal-setting process should align with the matrix hierarchical structure and support cross-functional dependencies. It makes more sense when employees collaborate with the managers who they are working closely with to define the respective goals and objectives. Goals progress is monitored by the respective project managers and he/she can offer suggestions, inputs and constructive feedback on-time. Progress is measured continuously, and challenges are addressed instantly which helps in achieving the objectives on or before time. Matrix goals management brings true meaning to this process, rather than symbolically assigning the goals to primary managers, who may not directly oversee employees' progress on a specific project.



92% of companies are trying to redesign their teams to increase **speed and agility**, but only **14%** seem to know how. Our conclusion, after many months of work, is that companies have to move away from hierarchical structures toward more a more **agile model**: a network of teams.

- *Josh Bersin*



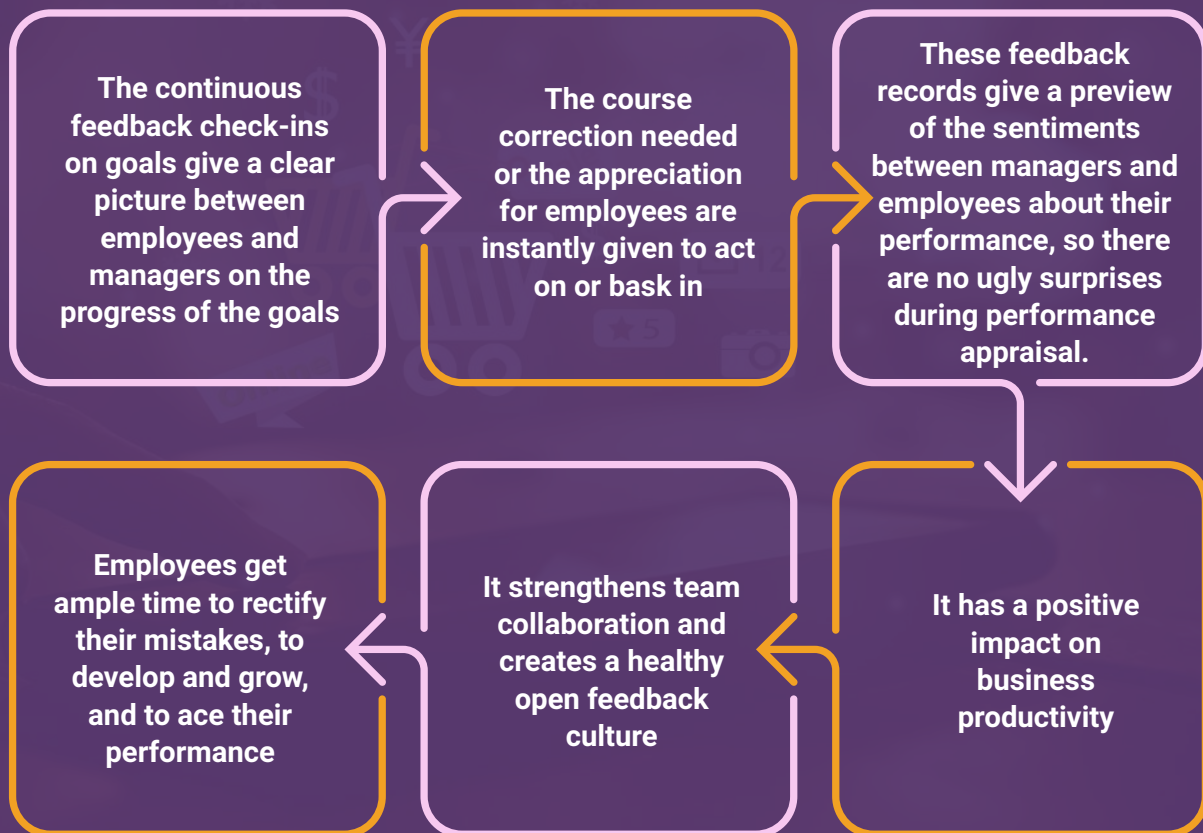


4. Continuous feedback check-ins for accelerated growth

All elements in the continuous performance management enable sharing of feedback instantly and continuously. Business success is made possible by people who work collaboratively sharing their inputs and feedback openly.

Systematic exchange of feedback helps employees correct their faults on-time before it adversely impacts the results or outcomes. Your performance management process should include instant sharing of feedback on goals between team members and managers.

Benefits of continuous feedback check-ins on goals





4.1 360 degree feedback on behavioral competencies to nurture future leaders

Grooming leaders make your organization future-proof and enable you to grow at a supersonic pace. Individual or single employee’s feedback suffers from personal bias and cannot be relied on for strategic decisions. Collective 360 degree feedback helps you get unbiased, holistic opinions about a person’s behavior and leadership qualities.

360 degree feedback should be an integral part of your performance management. Employees can learn how good a team player they are, how well they can collaborate with peers, managers, and subordinates, how good they are at handling crises, and their leadership ability. This self-awareness is the greatest professional developmental milestone for them.

360 degree feedback assessment from self, peers, managers, subordinates, and customers are collected, and perception gap analysis for individual competency and overall behavior attributes are made available to employees. Employees can find out their strengths and blindspots and improve their personal qualities.

Jack Zenger,
best-selling author
& renowned thought
leader in **leadership
development** and
organizational behavior,
states that more than
**85% of all the Fortune
500 companies
use the 360 degree
feedback process**
as a cornerstone of
their overall leadership
development process.

Benefits of 360 degree feedback





5. Performance reviews to measure employees' achievement and drive development

Performance reviews are the core of performance management. Feedback forms templates are created to assess the achievements against each goal and to assess competencies. The feedback forms are designed to capture the high-level goals and competencies across different job roles and employee levels. Creating personalized feedback forms with rating criteria, deploying it for self and managers' feedback, and collating the ratings and publishing it is an administrative nightmare for the organization of any size. Designing a more generalized feedback form templates for roles rather than individual employees capturing the essence of individual goals and competencies is a trade-off between administration hassles and keeping performance reviews productive.

5.1 Performance reviews for matrix model

For organizations with matrix hierarchy, it is important to get feedback for goals from managers who are mapped for those specific goals. They can give the right feedback and accurate rating on employees' accomplishments and shortfalls for those goals. This makes performance appraisal more productive rather than a window dressing activity.



5.2 180 or 360 model performance reviews

Besides getting self and managers feedback, performance appraisal can be done in a 180 or 360 degree method, by getting multi-rater feedback including larger stakeholders such as skip levels, cross-functional managers, clients, etc. This eliminates personal bias creeping in and makes it more holistic.

While configuring your administration process, you have to be mindful of the following points.

1. You can have either quantitative or qualitative or both types of feedback
2. If quantitative, clearly define the rating criteria
3. Appraisal process flow uniquely defined for each role or levels
4. Define an appeal process to manage dissidence when employees disagree with the feedback and rating.

5.3 1-1 meeting

The 1-1 meeting usually follows the performance reviews and is a must-have to develop healthy work collaboration between managers and employees. It is a great opportunity to discuss personal growth, team improvements, career progression including lateral and vertical growth, interpersonal issues, etc. Managers have to be trained to handle 1-1 meetings like a pro and help employees open up. The actionable points should be noted down and followed through promptly.

During performance reviews and 1-1 meetings, the skill gaps and training needs are identified. The training recommendations and plans are discussed in detail for employee development. The timeframe for taking the training is determined based on the needs, and training completion is documented. The top performers are recognized and rewarded for their achievements. This motivates and inspires the workforce to compete to be a top performer.

As far as coaching goes, the **DDI E-Y research** shows that **mentorship** (or coaching) is one of the most valuable tools we have. This study found that **organizations with formal mentoring have 20% lower turnover, 46% higher leadership quality, and fill roles 23% more quickly.** So while we do need development paths for people, it's even more important to give them development coaches!



Organizations practice varied views on pay per performance. Pay revision decision is primarily based on business performance. Even in organizations, where performance reviews and pay revisions are a separate, independent event, there exists some influence and correlation between them. Certain organizations openly follow pay per performance in which case performance ratings have a major influence on salary revisions.

5.4 Normalization & Bell curve

Normalization helps you get normalized rating scores across the organization, levels, designations, etc. Each role and level may have different rating scales in their feedback form. To get consistent rating the individual rating scores should be normalized for easy comparison. The normalized rating can be plotted and compared against the bell curve for budget management. Typically, multiple bell curves representing rating across levels, departments, designations, and organizations help you correlate ratings and pay revisions.

Organizations are seriously evaluating the effectiveness of forced rating or the Bell curve performance appraisal method. Though forced ranking use has decreased significantly, the bell curve will be in use until a more functional and operationally effective alternative method emerges.

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A Forbes research shows that this statistical model (bell curve), while easy to understand, does not accurately reflect the way people perform.

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The ultimate purpose of performance management is as follows,



6. HiPo Rating – Identify your High Potential Employees Before Your Competitors Does

Organizations need a mix of high performers & high potentials for immediate and future growth. High performers show extraordinary performance in the current role. High potential employees possess the ability to succeed in successive leadership positions.

Managers may nominate their protégé as HiPo employees based on their gut instincts and/ or by performance metrics alone in the absence of a definitive process. This may not produce the best results for either the employees or the organizations. Adopting an analytics-driven approach to identify HiPo employees by screening their performance, potential, and critical skills generate a high success rate and help you create a high-value talent pool.



Workplace consultants Tom Rath and Barry Conchie in their book “Strengths Based Leadership: Great Leaders, Teams, and Why People Follow” ascertain that **‘Getting the right people in leadership positions returns a mutually affirming benefit to the organization’**. They further add, **‘They take the company forward. And if you don’t properly select, inform, pay, and train high-potential leaders, you run the risk of losing the people on whom your future depends.’**





6.1 Advantage of identifying HiPo Employees

- Match employees with the right potential for specific roles & leadership positions
- Retain your top talents and not lose them to your competitors
- Promote talents based on the ability to perform in the new role rather than their performance in the existing role
- Develop a cohort of emerging leaders and prepare them for a globalized business environment with experiential training.

7. Synergita's 9-Box Analysis – Identify Your Superstars

Strategic analysis requires curating, synthesizing, and analyzing employee engagement, performance, potential, and critical skills data to drive business growth. Synergita 9-box analysis helps you leverage the leading indicators of performance and potential data to identify top performers, underperformers, superstars, and trailblazers. HR can know the percentages of employees in each classification and those granular details help them determine the organizational level performance issues, turnover drivers, and long-term growth potential.



Productivity Gap between average performers and high performers increase as with the complexity of the job. In highly complex occupations—the information- and interaction-intensive work of managers, software developers, and the like—high performers are an astounding 800 percent more productive.

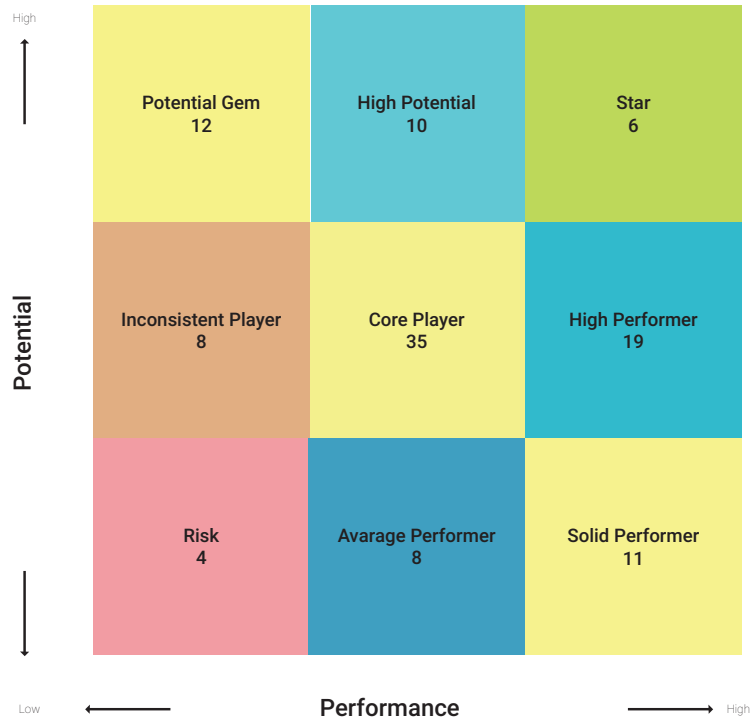
Source: McKinsey Global Survey





7.1 Benefits of 9-box Analysis

Synergita helps you discover high performers, consistent performers and underperformers. This unique 9-box scoring system helps you build a holistic talent pool and hone their strengths for present and future growth.



Easy to chart the assessment indicators of performance and potential into real development plans

Help your employees leverage their strengths to scale vertically and/or horizontally to the next higher level

Provide the decision-makers the reliable analytical insights to drive successful outcomes.

Talent configuration is a significant competitive advantage in making transformational people strategies to enact real organizational change.

Create a specific learning journey for employees in each classification to maximize their contribution and strengthening career growth.



8. Right Digital tool makes it easier

Once you've streamlined your process, it's easier to adapt digitally. You can find the right tool that is flexible to incorporate your performance process and meet your objectives.

Keeping the timeline of the performance reviews intact is crucial to get meaningful, timely actionable insights from this process. When employees are geographically distributed or when multiple stakeholders are involved in the feedback process or multiple performance review cycles are practiced, it becomes especially difficult to complete the appraisal on time.

Some of the benefits of having a **Performance Management Software**

- Automation helps you have a consistent, streamlined process to manage employee performance
- Performance management tools make it easier to deploy the feedback review forms to your workforce simply by clicking a button, even when they are geographically distributed.
- It is easier to monitor and track performance review completion status for each employee and/or at department levels.
- You can eliminate administration challenges even if you have multiple feedback form templates or multiple processes uniquely designed for job levels.

Niche performance management software offers yet more advantages rather than a full suit.

- For full suits, performance management is not their core or specialty and would cover only basic features.
- Niche software offers extensive features and configurability compared to a full suit. For instance, you can design unlimited feedback form templates, process flows and multiple rating scales.
- Niche software provides extensive analytics reports on people's performance trends.
- They offer a differentiated performance management system focused on both HR administration and employee development.
- Niche software offers integration with HRMS & Single Sign-On (SSO) capability and provides a seamless experience to HRs and employees.

A performance management tool that supports your process makes life easier on administration, collaboration, and decision-making fronts. It helps you collect, analyze the crucial performance data and derive actionable insights. Good performance management software focuses on growth factors and helps you and your workforce get ready for the future.

