

# An Interview on Performance Management – As a Strategic Communication Tool

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Each year organizations implement the performance evaluation practices that have been written into company policies by Human Resources. Managers and employees have been known to view this practice as a chore, but the process, as described in this interview, reflects an emphasis on change, feedback, empowerment, coaching, and career expansion.

The following interview is a preview of an upcoming PEBA presentation which will take place on January 16, 2013. The session leaders are subject matter experts in the field of performance management.



Pat Schaeffer is a founding principal of Talent Strategies Partners. She helps executive teams articulate organizational strategy and goals and trains employees to understand how they can contribute to the organization's success.

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## Questions & Answers

Q: Is there a way to culturally align performance management design?

A: *There is, and creating this alignment is critical to the success of performance management as a tool to drive organization effectiveness. An understanding of the elements of organizational culture that will support the business strategy is the place to start. This understanding about culture can come from different sources such as surveys or other assessment tools. These are not all-employee surveys; they must be conducted with the leadership of the organization*

*and they must focus on the business strategy and organization effectiveness factors. A good assessment tool will translate the strategy and effectiveness data into cultural characteristics that support the strategy and maximize organization effectiveness. For instance, in a healthcare system like Main Line Health (MLH) safety is key to organization effectiveness. Safety has already been deeply ingrained in the MLH culture. Since leaders in any environment must set the cultural tone and model the desired behaviors, though, MLH has recently incorporated safety behaviors into its leadership competency model. The leadership competencies will be integrated into performance management, setting a culturally-aligned direction for performance goals and behavioral skills.*

Q: How would you recommend incorporating both the WHAT (results) and HOW (behavioral skills) into performance expectations.

A: *Performance expectations, both the WHAT (results) and the HOW (behaviors) must be objective. Objectivity comes from measuring results using quantitative data such as metrics, timelines, and milestones achieved. For example, did the number of safety incidents decrease? These results must be tied back to the strategic goals of the organization, another way of ensuring objectivity. Objectivity in the HOW comes from reflecting the organization's culture and values and from linking the HOW to the WHAT. For example, suppose one of an employee's results (the WHAT) is to streamline a monthly report. An important behavior would be to talk with users of the report to understand what they need from it, then following up to tell them what has been changed. Talking about the HOW provides a roadmap for achieving expected results in the desired way.*

Q: When should positive reinforcement be used vs. corrective feedback?

A: It depends on the behavior. Positive reinforcement should be used when the employee did a good job, did things correctly, or was very precise. It sends the message, "Keep doing this." Corrective feedback takes a coaching stance; it is an opportunity to spot something before it goes wrong and becomes a problem, basically, before it derails. Corrective Feedback is not meant to be a disciplinary action. Disciplinary action is a different process, and corrective feedback helps to avoid it. Both positive reinforcement and corrective feedback are typically focused on the HOW - behaviors.

Q: Is it possible that performance management sends mixed or misleading messages? How is that preventable?

A: Mixed messaging often stems from a manager's unwillingness to deal with difficult situations and deliver difficult messages. Managers must be honest with employees. Mixed messaging can be prevented through open and honest communication. Open Communication is one of MLH's leadership competencies and is a competency built into many performance management plans. HR must be extremely clear in the expectations for communication - be a broken record if needed! There are two important points to remember about communication.: 1) Performance management doesn't abruptly start/stop; it requires regular, ongoing communication. 2) Managers need to address issue immediately; waiting until the next performance evaluation is due is too little, too late.

Q: Is the 9-Box or 9-Cell currently being used to link performance and potential?

A: The 9-Box or 9-Cell is a popular model for succession planning and development. It is based on a combination of performance and potential. Like any tool, the 9-box requires structure to ensure it's applied consistently and objectively. Objectivity can be achieved first, by developing a behavioral competency model that reflects the organization's strategy and values and, second, by conducting multi-rater assessments based on the behavioral competencies. Plotting the multi-rater results in a 9-box will answer valuable questions such as - Who are the high-potential people in your organization?

What are their competency strengths and development needs? At MLH, each manager is assessed on the behaviors for their current level in the organization as well as the next level up. The top people are slotted into the 9-box and are included in annual talent reviews.

Q: What does data gathering mean to you in terms of performance management?

A: Data gathering begins with identifying metrics and tracking sources - people, reports, opportunities for personal observation, and other information "mines" - during the planning phase of the annual performance management cycle. Data gathering means referring to the data sources to review the employee's progress in achieving their goals. Managers must implement both quantitative and qualitative metrics and analytics to ensure an objective performance evaluation.

Q: Does employee empowerment play a role in the performance appraisal process? How so?

A: Employees should be involved in all aspects of performance management, from establishing performance expectations at the beginning of the year to evaluating performance at the end of the year. Involving people in setting expectations creates ownership and fosters accountability. Encouraging employees to provide feedback during the performance appraisal presents an opportunity for the employees to present their own data about their results and their behaviors. Involvement empowers an individual to take charge of their own performance and career. Managers are collaborators in the process, guiding the employees by explaining organization goals and asking questions such as - How do you think, in your job, you can contribute to the organization's goals? What competencies will you need to demonstrate in order to ensure you can achieve your desired results? Managers may suggest stretch goals that also empower and motivate employees by challenging them to learn and develop new skills.

#### **Performance Management Tips**

- Become a performance coach
- Provide honest feedback
- Be a broken record
- Remind employees that they are "the CEO of their career"
- Understand where you are going - develop a roadmap

Q: What are your thoughts on multi-rater performance evaluations? Do they work? In your opinion, should Managers incorporate the ratings?

*A: Inviting feedback from multiple sources has many benefits during the performance management process. A key benefit is balanced feedback on employee performance. Peers, direct reports and other internal customers have perspective that can differ from that of the employee's manager because they have different relationships with the employee and, often, have many more opportunities to observe the employee's work. Multi-rater feedback is best when provided confidentially to the employee's manager. This encourages the feedback provider to be honest and open. The manager should review the multi-rater feedback for trends and specific examples to incorporate into the employee's performance evaluation. Performance management can't just be about the numbers. Performance management should be a vehicle for continual improvement; a performance narrative is key to accomplishing this objective.*

For more information regarding the presentation please go to the PEBA website under the Program & Events section of the website.

***Additional Resources – Performance Management***

The Performance Management Pocketbook

**By Pam Jones**

Armstrong's Handbook of Performance Management: An Evidence-Based Guide to Delivering High Performance.

**By Michael Armstrong**