

# Performance Management: Driving Organizational and Personal Growth

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# About the Study

- Late 2019 survey
  - 534 respondents
  - 63 percent were managers or above
  - About a quarter were from companies with more than 10,000 employees

# What's Performance Management?

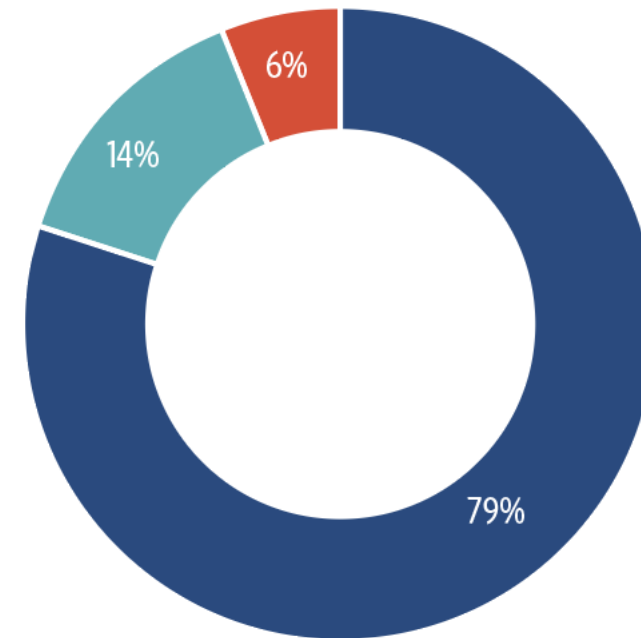
**Performance management** refers to the process of setting goals and expectations for employees, giving employees feedback on their performance, and addressing performance outcomes (such as rewarding strong performance or addressing poor performance).

**Top-performing organizations** are those whose respondents said their organization's performance management process was effective to a high or very high extent in these areas:

- Supporting and developing employees
- Evaluating performance
- Addressing performance outcomes
- Incentivizing performance

# Performance Management Process

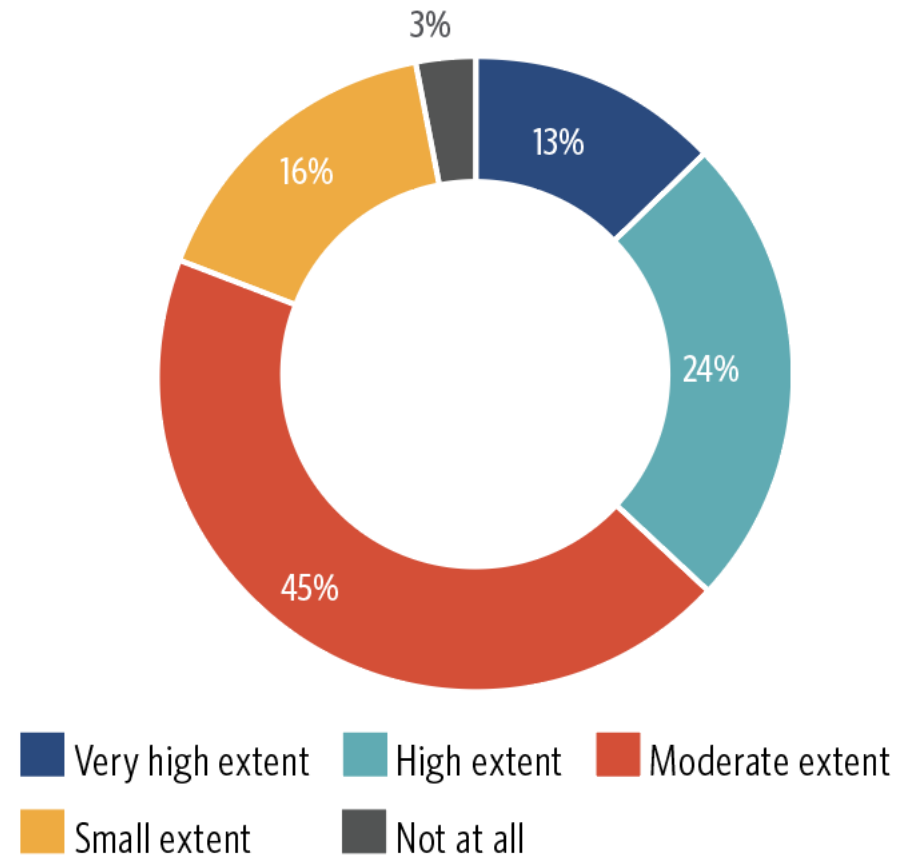
*What best describes your organization's performance management process?*



■ Formal ■ Informal ■ We do not have a performance management process

# Culture of Feedback

*To what extent do you think your organization's culture encourages candid and constructive feedback?*



# Culture of Feedback

## Why does it matter?

- It's associated with better performance management success.

## Part of a culture of learning

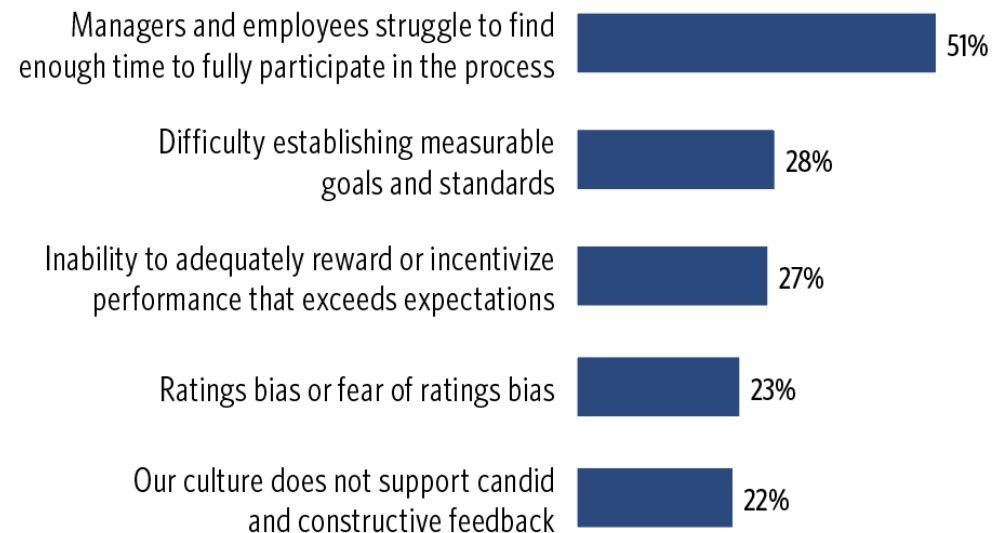
- Lifelong learning
- Knowledge sharing
- Ask colleagues for feedback or suggestions
- Ensure feedback is constructive
- Research shows employees should be trained in feedback and coaching skills



# What Are Some Challenges?

## Top Performance Management Barriers

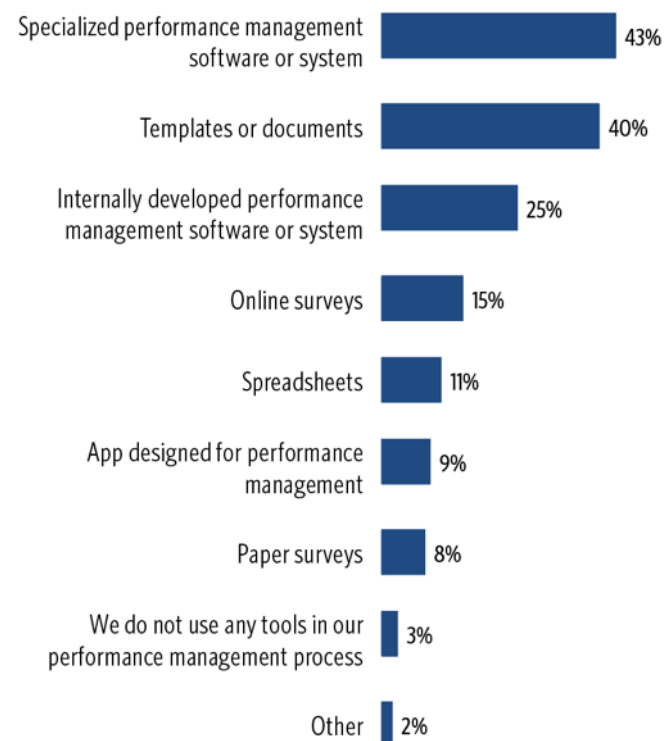
*What are the biggest barriers to effective performance management in your organization? (Select up to three.)*



# Various Tools

## Performance Evaluation Tools

*What tools are used in the performance evaluation process? (Select all that apply.)*

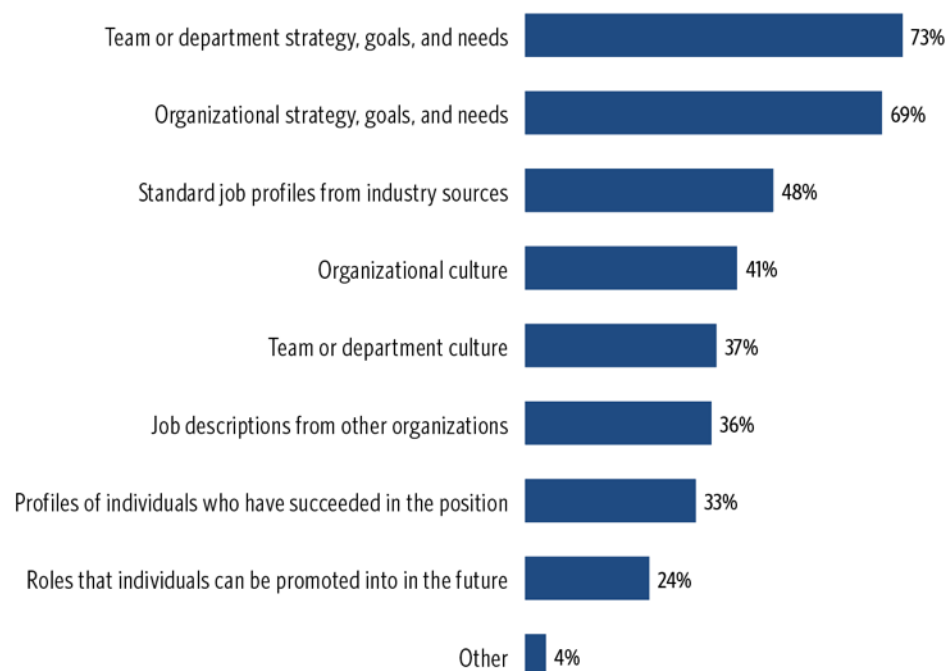




# Various Tools

## Determining Job Responsibilities and Competencies

*What information is used to determine job responsibilities and skills or competencies for a job position? (Select all that apply.)*



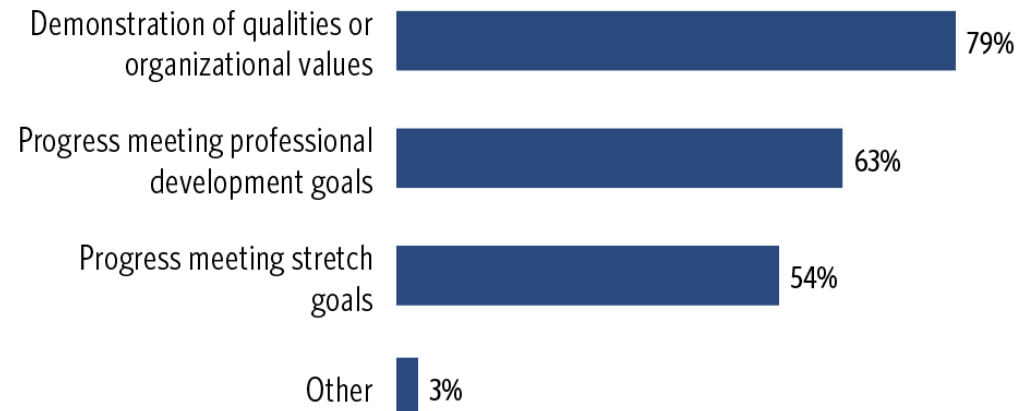
# Goal Setting

- Employees' goals should be aligned with organizational goals, just like department and organizational goals should be aligned.
- About 60 percent of employees have input into their goals.
- Performance management is more likely to be successful when more than half of goals are measurable.

# What Else Should Factor In?

## Qualities, Values, and Other Goals

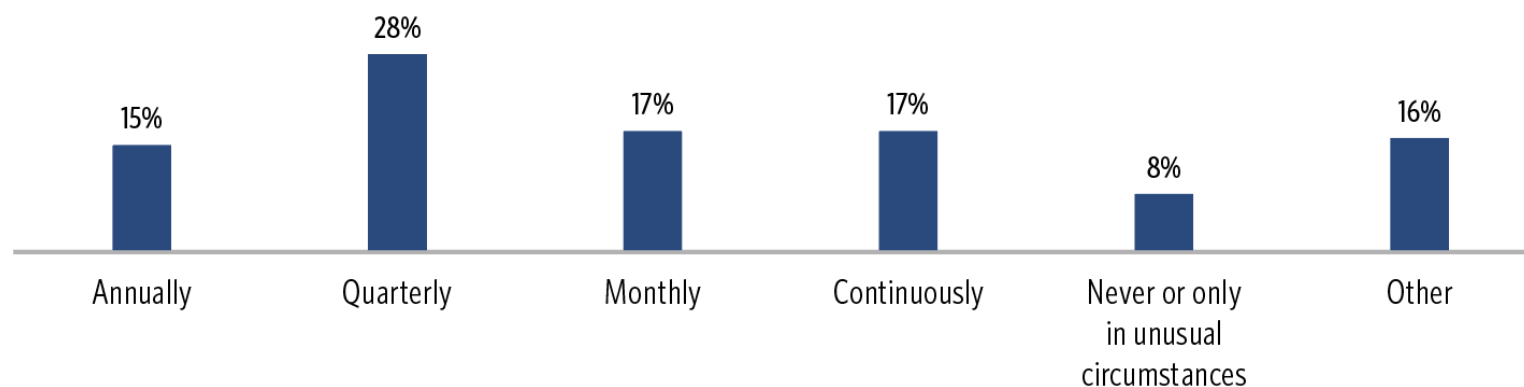
*What other information about the employee is used to assess and evaluate performance? (Select all that apply.)*



# What Else Should Factor In?

## Frequency of Performance Conversations

*How frequently do managers and employees have conversations about the employee's performance progress (outside of formal performance evaluations)?*



# Have Frequent Conversations

- The best practice is to check in at least quarterly.
- Hold managers accountable for these check-ins.
- Ensure managers are trained in the process and provide job aids if needed.



# Case Study:

## Saunders Construction

- Moved from a one-time annual review to a monthly check-in process.
- Check-ins focused on performance, expectations, development, career paths.
- Managers were introduced to the process during in-person sessions and given questions from Gallup's employee engagement survey as well as job aids to guide them.
- Managers reported back on check-ins to their talent development teams, which they would work with to build individual development plans.
- Participation went from less than 20 percent to more than 70 percent.



# Special Case: High Performers

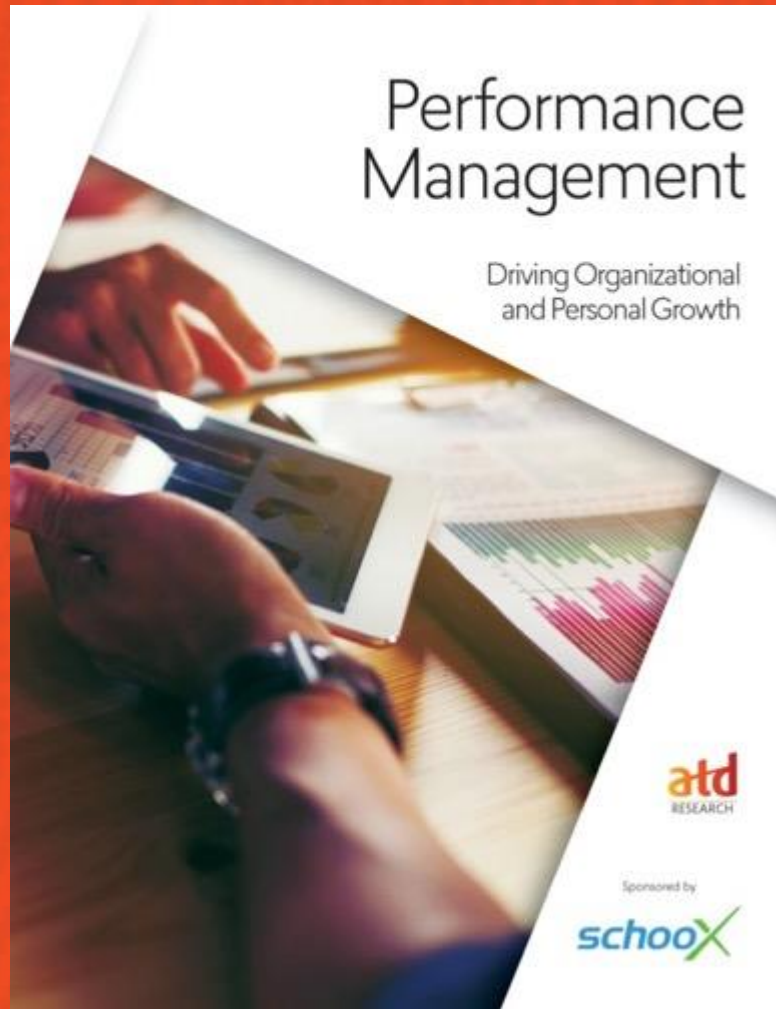
- Slightly more than half give bonuses
- Slightly more than half give awards
- Bonuses and awards are tied to better performance

# Special Case: High-Potentials

- High-potentials are those who have the potential for more senior roles.
- Identifying high-potentials for further development through the performance management process is a top practice.

# Special Case: Low Performers

- Almost 90 percent use performance improvement plans, but most say they aren't effective.
- About three quarters use coaching.
- Seventy-one percent use training, which is associated with better performance.



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