Webinar Description

- Every employee wants and deserves constructive feedback on their performance. Feedback is vital to helping staff address weaknesses and maximize their contributions to the mission of your nonprofit. This webinar will explore the risk/reward equation in performance management. You will learn how to avoid the pitfalls in the most common approaches to employee performance reviews. By the end of this program you will know what to do to update your performance management policies and ensure that your approach is practical and sound.
Webinar Overview

1. What is Performance Management in a Nonprofit?
2. What Trends are Influencing or Driving Performance Management?
3. Key Goals for Performance Management
4. Why Performance Management Often Fails
5. Lessons and Best Practices in Performance Management
6. Shared Expectations, More on Coaching and Do’s and Don’ts

1. What is Performance Management?

An ongoing process
- Sets clear and specific performance expectations
- Provides periodic formal and informal feedback
- Supports decisions regarding training, development, compensation, promotions, reductions in force, terminations
Is PM Something New?!

“A process for establishing a shared understanding about what is to be achieved, and how it is to be achieved, and an approach to managing people that increases the probability of achieving success”


A contradiction?

“Performance is all about motivation, dedication, teamwork and matters of the heart,” he said. “Management is more associated with plans, control, accountability and matters of the mind. All we focus on in performance management are the matters of the mind. Performance management is a contradiction in terms.”

Performance Management Cycle

- Set Expectations
- Communicate Expectations
- Evaluate Performance
- Discuss Feedback
- Take Corrective Action/Reward

2. Trends That Influence Performance Management

- Competition
- Knowledge work / connectivity in the workplace / necessity of teamwork
- Complexity
- Project cycles
3. Key Goals for Performance

- Improve retention of your best employees
- Identify lowest performers
- Ensure everyone in-between gets the coaching, guidance and development opportunities they need to do their best work


4. Why Performance Management Often Fails

Overall, a Bum Rap

“A mere 3 percent of organizations say their performance management system delivers exceptional value... 48% say their overall approach to performance management needs work, according to Mercer’s 2013 Global Performance Management Survey.

The Cost of Failure

Unintended consequences

Instead of inspiring great performance, improved teamwork and connection to mission, performance management can actually have a negative impact on employee morale.

Subsequent to using ranking to determine pay increases, Adobe experienced resignations of some of its highest performers.

Real money

- Adobe’s forced ranking and 1-5 scale to determine pay for performance raises required 80,000 hours of labor.

5. Lessons and Best Practices

Know thyself (CULTURE and organizational style)

Keep some best practice concepts in mind as you design YOUR approach

Don’t be afraid to dismantle what you’ve been using for years and create something better and brand new!

Remember HEAD + HEART

Learn from others (e.g., Zappos and Adobe)

Consider tying PM to underlying values or guiding principles

Confidence and candor
Organization Style Matters

1. **Collaborative-formal cultures**: emphasis on employee development; regular, structured performance reviews.

2. **Collaborative-informal cultures**: focus on employee growth; may stress in-the-moment feedback over annual reviews.

3. **Competitive-formal culture**: most likely to use ranking and pay for performance.

4. **Competitive-informal culture**: motivate staff with internal contests; emphasis on coaching.


Best Practice Concepts

- **Clear, individual goals for performance**: focus on “what”; identify and exploit special talent within teams

- **Connected to organizational goals**: link to overall mission and vision of the nonprofit

- **Tone at the top**: is there a similar Performance Management Plan for the CEO / Executive Director?

- **Simple but not Secret**: are individual (including the CEO’s goals), team and organizational goals shared openly? If not, why?

- **Consistent but Flexible**: Things change! Updating and adapting are certain to be necessary.
Best in Class Performance Management

Adobe

- Annual review process and ranking was replaced with more frequent “check-ins”

- Performance goals are established at the beginning of the year. Managers check in with staff every 2 to 12 weeks:
  - Are we on track to meet your targets?
  - What additional coaching or other help do you need?

Zappos.com

Zappos - Performance Management trendsetter

- **Focus:** 10 core values, which include delivering “Wow” service and showing humility
- **Intent:** inspire self-improvement and a commitment to embody the 10 core values
- **Timing:** year-round assessment
- **Help is Available!** On-site classes are provided to help employees improve

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**Core Values**

1. Deliver WOW Through Service
2. Embrace and Drive Change
3. Create Fun and A Little Weirdness
4. Be Adventurous, Creative, and Open-Minded
5. Pursue Growth and Learning
6. Build Open and Honest Relationships With Communication
7. Build a Positive Team and Family Spirit
8. Do More With Less
9. Be Passionate and Determined
10. Be Humble

**Guiding Principles**

1. Community Based Services
2. Individually Tailored Services
3. Continuum of Care
4. Accountability
5. Resource Management
6. Community Development
7. Culture of Respect, Empowerment, Support and Trust

www.cbccfl.org
Performance Review Challenges

- Reluctance to complete reviews
- Mismatched expectations
- Inability or unwillingness to apply constructive criticism

"You’re out here because you’re supposed to receive a performance review? I’m out here because I’m supposed to give one!"

Common Performance Review Mistakes

- Too vague
- Everything’s perfect - until it’s not and you’re fired
- Recency effect
- No preparation
- Procrastination
- No pats on the back
- Lack of candor
- No follow-up
- No talk of career path
Performance Review Facts

- ONLY 36% of managers complete appraisals thoroughly and on time
- 55% of employees said their most recent performance review had been unfair or inaccurate
- 1 in 4 said they dread such evaluations more than anything else in their working lives


WHY? 3 Button Pushers

- **Truth Triggers**: set off by *content* of feedback.
- **Relationship Triggers**: set off by the *person* providing feedback
- **Identity Triggers**: set off by the *relationship with oneself*

6 Steps to Becoming a Better Coach

1. Set clear expectations
2. Instill independence and accountability
3. Clearly identify strengths and weaknesses
4. Ask employees to self-evaluate
5. Give honest, constructive criticism
6. End on a positive note


6 Steps to Becoming a Better Receiver

1. Know your tendencies
2. Disentangle the “what” from “who”
3. Sort toward coaching
4. Unpack the feedback
5. Ask for just one thing
6. Engage in small experiments

6. Shared Expectations, More on Coaching and Do’s and Don’ts

- The importance of clear expectations
  - Employees want to succeed!
  - Measurable goals
  - Timely feedback

- Essential starting point for performance management

Creating shared expectations

- Position description
  - Consider breaking position into significant job segments and establishing performance standards for each segment
- Interview process
- Orientation
- Coaching during the “work review” period
- Fearless feedback
Two Forms of Coaching

- Communicate and explain
  - Be direct and candid
  - Be timely
  - Focus on “what”, NOT who the person is

- Lead by example

Support = Success

- Counseling is focused on changing behavior, not necessarily on improving skills

- Problem employees are disruptive... and can impact the effectiveness of small and large teams

- Problem employees also require a disproportionate amount of a supervisor’s time

- Workplace misbehavior rarely works itself out
Performance Review Do’s

- Focus on **actual behavior**, not employee’s intent
- Recognize potential effect of change in supervisor… trouble or turmoil
- **Avoid subjective comments** that aren’t job-related
- Make certain there is **internal consistency**

Performance Review Don’ts

- **DON’T** simply shift blame to employee - try:
  
  We agreed on X… We’re not getting what we both expected…
  
  What do we need to do to get on track?

- **DON’T** respond yes or no if “not applicable” is appropriate

- **NEVER** award *undeserved* marks

- **DON’T** save all of your performance and disciplinary feedback until the performance review
Update Performance Management at Your Nonprofit

- Recognize the difference between Performance Management & Performance Review
- Train managers to be the best possible coaches and motivators
- Coach staff to become the best possible receivers of constructive criticism and feedback

Confidence & Candor

- Have casual conversations on a regular basis
- Take advantage of teachable moments
- Meet at least monthly to discuss goals and progress
- Bring an open-door culture to life
- Expectation → Partnership

*Source: Cindy Wilberding, freelance management consultant
Resources

- Performance Management Orientation Guide, workforce.com
- How to Establish a Performance Improvement Plan, SHRM.org

Thank You!

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