

STRATEGIC COMMUNICATION: KEY TO A SUCCESSFUL PERFORMANCE MANAGEMENT EVOLUTION



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EXECUTIVE SUMMARY

For many companies, performance management is becoming a strategic, business-led initiative centered around ongoing conversations between managers and employees. It's no longer a single HR-directed event involving an annual review and some combination of ratings and rankings. This new approach, which involves introducing a new philosophy as well as implementing an unfamiliar process, involves much more than a single statement or a simple "flip of the switch." It's a transformation that's most successful when coupled with an innovative approach to employee communications and engagement. This white paper will help HR leaders understand the various challenges and solutions they can leverage when making this shift. It describes the evolution of program design, explores the stages of the user journey through transition, and includes actionable insights into how to support transformation through strategic communications.

THE PERFORMANCE MANAGEMENT CONTINUUM

FROM A PROCESS TO AN EXPERIENCE

Many companies are transitioning performance management from an annual review based on ratings to ongoing, conversational coaching. They're changing their approach to enhance the employee experience and achieve bottom-line business goals—two things that increasingly prove to go hand-in-hand.

Compared with the traditional approach to performance management, today's performance management programs focus on:

- **Developing employees.** Rather than backwards-focused evaluation, employee development is about improving performance today and building skills and goals for the future.
- **Empowering managers.** Rather than focusing solely on ranking and rating employees, workforce leaders need the training and tools to focus on the "what" and the "how" of performance, and how to communicate these observations.
- **Leveraging systems for success.** Rather than using the talent management system to automate workflows of the past, organizations now lean on technology to reinforce the key actions, behaviors, and tools that support the new process.
- **Enabling success.** Rather than impeding progress by sticking with the "same old, same old," companies are implementing new processes and technology tools that measure performance, engage participants, and drive ongoing change.

Only
34%

of leaders believe current performance management approaches are highly effective at helping employees rapidly adapt to change

(Accenture, 2017 Technology Reinvents Performance Management Report)

ONGOING CONVERSATIONS – THE KEY TO NEW PROGRAM ADOPTION AND SUCCESS

While making the shift, HR leaders have the opportunity to redefine their role: instead of one-time change champions, they're transition owners. And, reinforcing the transition over time is critical. According to a recent study by IDG research, while 87% of employees said they liked the concept of ongoing, informal performance management, they're more ambivalent about how it's working in practice. Nearly half (48%) of employees, for example, say they're not getting enough feedback from their manager. Read on to learn how HR can support the new performance management program and ensure its long-term success through effective and ongoing communication.

PERFORMANCE MANAGEMENT PROGRAM DESIGN: UNDERSTANDING THE CHANGES

OWNERSHIP OF THE COMPANY'S PERFORMANCE MANAGEMENT PROGRAM

In the traditional performance management approach, the HR department leads the charge. For example, they let managers and employees know when their annual appraisals are due and provide the workforce with any administrative details they need to complete the process. In contrast, updated performance management programs get their "fuel" from the very top, as the performance management function is integral to company success. Everyone in the company—from the C-suite and HR to managers and their direct reports—is accountable for giving ongoing attention to goal setting, performance conversations, and career development.

STYLE OF PERFORMANCE MANAGEMENT

Traditional performance management programs are typically formal and prescriptive. Managers and employees fill out lengthy evaluation forms commenting entirely on past performance, and then have a performance discussion centered on the forms and ratings instead of opportunities for growth. Performance management programs are becoming more informal with performance-related activities spread out over the year. Generic and qualitative forms are being replaced with personal, collaborative conversations and managers are taking on the role of "coach," open to giving and receiving ongoing, real-time feedback to drive real-time results.

REWARDS

Traditionally, employees are largely rewarded on past performance. A "good" year or "good" behavior earns them a "better" compensation package. In the new paradigm, rewards are based on performance and long-term value. An employee's goals are defined by personal and company objectives and a measurable correlation exists between personal and company success. Using qualitative measurements on performance, potential, skill scarcity, and value challenges managers to think beyond the rating for pay decisions.

These changes may occur over time. So during the transition, some pieces of the old process might remain—at least for a while longer. For example, you may have persuaded managers and employees to embrace a process of quarterly conversations with monthly check-ins, but the organization may still need to go through a calibration process to determine rewards for their teams.

"The key to reaping positive business outcomes from performance management is to establish a system that employees and managers perceive as fair. To ensure that perception, managers should master three critical practices: linking individuals' goals with business priorities, coaching effectively, and differentiating compensation across levels of performance."

- McKinsey

Even if there happens to be a clean break from the old process—and everyone and everything is launched into the new process in one fell swoop—there’s still the learning curve that has to be addressed. And that’s why it’s critical to know your workforce and provide them with ongoing, substantive communications and training through this spectrum of change.

UNDERSTANDING THE USER JOURNEY

When it comes to communicating program and process changes to the workforce, it’s counterproductive to try to jump from point A to point B. A single e-mail message to the workforce about the new program won’t immediately result in behavior change. Even with a kick-off meeting, managers won’t feel comfortable right out of the gate. And you can’t expect anyone to understand why the changes are happening in the first place if you don’t take a truly strategic approach to communication.

For the HR department managing the transition, the process is an evolution. And so is the journey for employees.

AWARENESS

Inspiration, Value and “Why”

ENABLEMENT

Process & Systems
Programs & Policies
Roles & Responsibilities
Competencies

REINFORCEMENT

Examples & Tips

AWARENESS

The first stage in the employee’s journey is awareness of the redesigned performance management program. Managers and individual contributors need to know why the company’s approach is changing—and learn how it will impact them. Awareness may be met by excitement, fear, or simply curiosity— or mixed reactions. That’s why it’s important for HR to gain organizational traction at the very beginning, with a clear and well communicated performance management philosophy. And by understanding your employees and anticipating their questions and concerns, your initial messaging can adequately convey the program’s value and inspire them to engage with it.

ENABLEMENT

Awareness is followed by action—and HR’s next objective is to show the workforce the ways in which they’ll participate in their new performance management program. Here, you’ll impart the nuts and bolts: the systems they’ll use, the steps they’ll follow, and the policies and procedures that will direct their actions. What’s more, managers will need to learn about their new role as a coach/mentor and will need training on anything and everything from making decisions and having meaningful conversations to helping direct reports set goals. Employees will need to know what’s expected of them and how to access important tools and resources.

REINFORCEMENT

Once the workforce has been enabled to engage in performance management, HR’s challenge is to continually promote and reinforce the desired behaviors to achieve business results. Managers and employees can and should be reminded of what they need to do, when they need to do it, and how they can make the most of the program to further their development and the success of the company.

SUPPORTING THE TRANSFORMATION

An effective communication and engagement strategy supports HR’s goal of successfully executing their new PM program from awareness and enablement through reinforcement. Here are the components of an effective strategy:



Consumer-Grade Content Experiences
Snackable, multi-format content to drive action

Campaign Delivery
Targeted messages delivered across multiple channels over time

Measure & Iterate

Data
Insights, analytics and best practices

- **Consumer Grade Content Experiences:** Snackable, multi-format content to drive action
- **Campaign Delivery:** Targeted messages delivered across multiple channels over time
- **Data:** Insights, analytics, and best practices

About GuideSpark

GuideSpark, Inc. is the leading provider of change communications solutions designed to drive strategic and organizational change. GuideSpark Communicate Cloud® is the first HR communications software platform designed to manage, measure, and scale your communication effectiveness. GuideSpark combines technology and internal communication expertise to deliver unique solutions that have helped over 1000 enterprises transform their HR program engagement and drive strategic change.

Learn more about GuideSpark

Interested in learning more about how to leverage your communications to achieve business outcomes?

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