

Taking the Pain Out of Performance Reviews

This program does not constitute legal advice. Consult with HR and/or Legal before changing your performance appraisal system.

Part 2 of 4-Part Series
“What Great Managers Do Differently”


Mark Murphy,
Chairman & CEO



Downloadable Resources

Slides:

Talking Points:



JOIN WEBINAR

Join us on Tuesday, Sep 18, 2012 12:00 PM - 1:00 PM EDT

Dear Kim,

Thank you for registering for:

Speak the Truth Without Making People Angry
Tuesday, Sep 18, 2012 12:00 PM - 1:00 PM EDT

- Click here to join:
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YOU'LL WANT TO READ THIS:

You will receive the slides that accompany this webinar on September 17, 2012 in a reminder email.

- Please direct any questions to Sarah at sarah@leadershipiq.com or call 1-800-814-7859

System Requirements
PC-based attendees
Required: Windows® 7, Vista, XP or 2003 Server

Macintosh®-based attendees
Required: Mac OS® X 10.5 or newer



Why we care: Keeping tough conversations free from emotional distraction allows people to listen, take accountability and respond with the desired behavioral changes. Take the four-question Speak the Truth quiz (found in the webinar slides) to determine how successful you are at Speaking the Truth without Making People Angry.

Avoid:

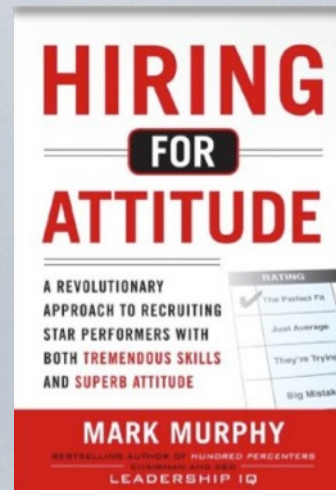
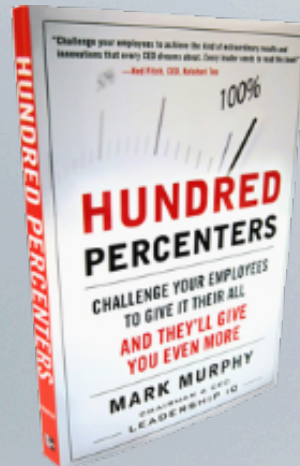
- Conversations that are attacking, pleading, disintegrating, shirking, soft pedaling, or that include "compliment sandwiches" (a criticism sandwiched between two compliments).
- "Trigger words" that instantly make people defensive ("you" language that attacks, adverbs and absolutes that exaggerate the facts, and negations and negative emotions).
- Interpretations ("Sally ignores everything I say"), emotional Reactions ("I'm really irritated at Sally"), and desired Ends ("Everything Sally writes has to be edited"). The F.I.R.E. model eliminates the IRE and keeps conversations focused on the Facts.

Instead: stick to fact-based communications that are candid, objective, specific, timely and unemotional ("Yesterday there were two typos in Sally's memo") by using one of three scripts:

I.D.E.A.L.S.: the foundation script used in most tough conversations with employees who have moderate self awareness, this conversation (which takes seconds to have) focuses on the facts, establishes accountability, and quickly moves on to finding solutions:

Step 1: Invite them to partner: "Would you be willing to have a conversation with me about (insert the facts)?"
Step 2: Disarm yourself: "I'd like to review the situation to make sure I'm on the same page as you."
Step 3: Eliminate blame: "And if we have different perspectives, we can discuss those and develop a plan for moving forward."
Step 4: Affirm their choices: "Does that sound OK? I can talk now, or if necessary, I have time later today."
Step 5: List corrective feedback: list the facts and then listen to determine whether or not they've made a corrective leap.
Step 6: Synchronize your understanding: "Tell me how you think we can work together to build on this and make things even more effective next time."

Everything Based On Research



FORTUNE

BusinessWeek

Forbes

THE WALL STREET JOURNAL

abc NEWS

CBS NEWS

REUTERS

MODERN HEALTHCARE

The Washington Post

Los Angeles Times

INVESTOR'S BUSINESS DAILY

harvard managementupdate

Agenda

1. Performance Reviews

- Research on Performance Appraisals
- Process Issues
(money, goals, self-appraisals, order of conversations)
- Core Content in Every Conversation
- High & Middle Performer Conversations
- Low Performer Conversations

2. Development Plans

- Core Content
- Career-Focused Plans
- Goal-Focused Plans

Do people like year-end reviews?

- 48,012 CEOs, Managers & Employees were surveyed...
 - Only 13% of Managers & Employees thought their year-end reviews were effective
 - Only 6% of CEOs thought they were effective
- Big Problem #1: Lack of Differentiation
 - 96% of employees say high performers should get more rewards and recognition than low performers
 - Only 18% of employees say high performers actually do get more rewards and recognition than low performers
- Big Problem #2: Boilerplate Phenomenon
 - Only 14% of employees say their performance appraisal gives meaningful and relevant feedback

Perspectives

Giving—permission, security or criticism

Parent

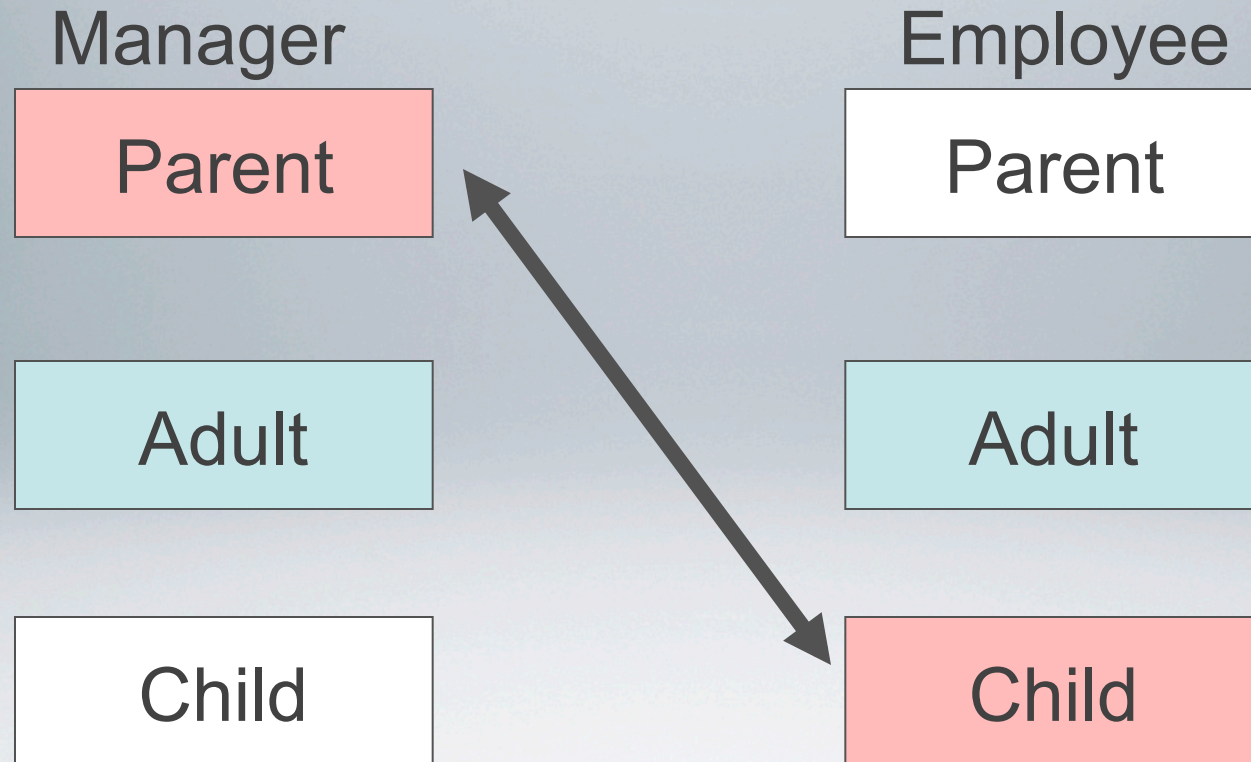
Logical, independent, self-sufficient

Adult

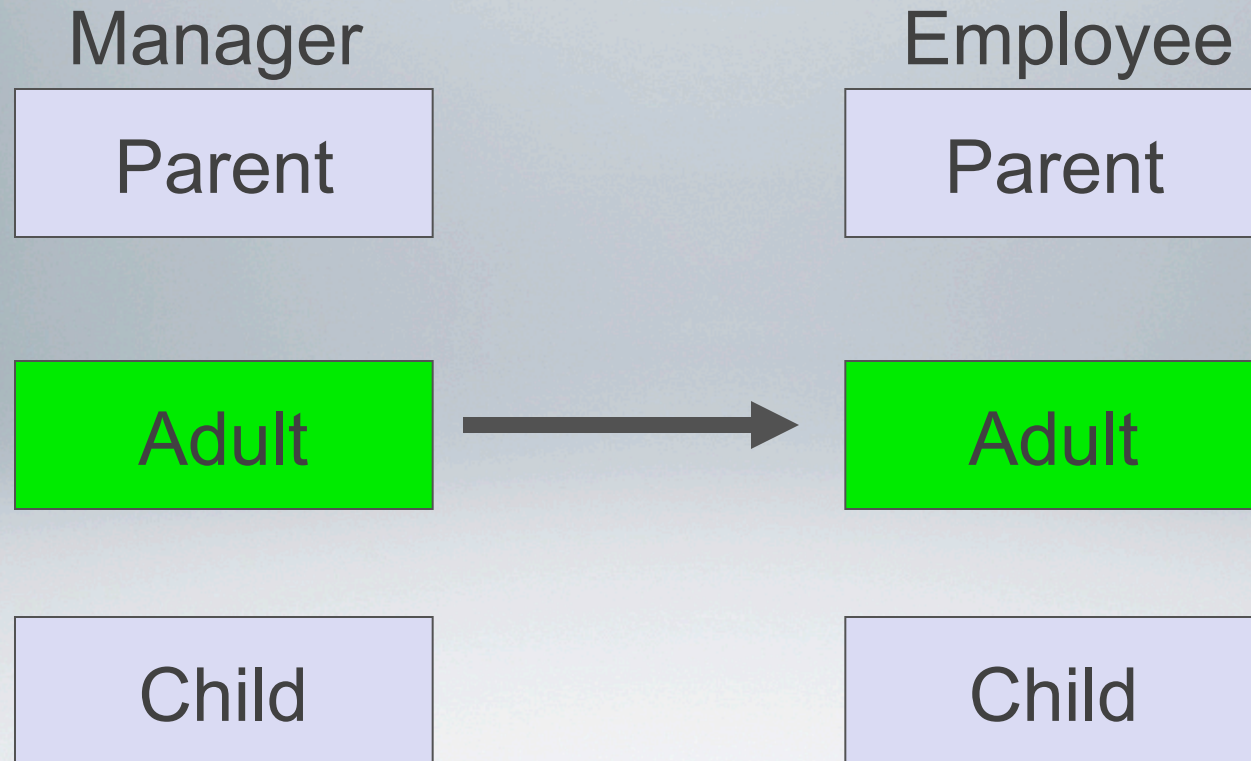
Taking—dependent, emotional, reactive

Child

Typical Dialogue



Building Adult Relationships



Process Issues

1. Should conversation include Money?
2. Should conversation include Goals?
3. Should we conduct Self-Appraisals?
4. In what order should we conduct our conversations?

Talking About Money & Goals

- Your organization's process drives the correct answer
- Ideally, money conversations & goal conversations are separate from performance appraisal conversations
 - Yes, that means 3 separate conversations
- Get money out of the way before you discuss performance
- Save goal-setting until the end of the conversation

Remember: Performance is totally within the employee's control. Money and goals can both be impacted by the outside world.

What About Self-Appraisals?

- Your company determines the correct approach
- Self-appraisals do work
- “Proudest Moments” List
 - Ask for list of their proudest moments from the past year (do not ask for biggest failures)
 - Avoids embarrassing omissions by Manager
 - Signals the likely “emotional tone” of the meeting

How to Count Self-Appraisals

- Write your evaluation first...
...then look at the employee's self-appraisal
- Make sure you have your own information with which to evaluate the employee's performance
- Use their self-appraisal to fill-in holes, but not to replace your review

What's the Correct Order?

- Start with high performers...
 - ...then middle performers
 - ...then low performers.
- Builds your momentum
- Protects your high and middle performers from “toxicity” emanating from low performers
- “Soften-up” and prepare low performers before you have your conversation

Core Content: Objectivity

- Objective means: Verifiable & Observable
It does NOT mean just Quantifiable
- Attitude can be measured by verifying and observing behaviors (verbal language, body language, etc.)
- Great organizations like Southwest, Ritz-Carlton, Commerce Bank regularly assess attitudinal issues
- Too many managers mistakenly avoid tackling attitudinal issues because their definition of objective is distorted

Core Content: Specificity

- Have details ready to use when giving feedback
- Avoid the use of absolutes
 - Never, Always, etc.
- Managers are at extra risk of using “absolutes” when...
 - Using boilerplate comments (or phrase books, etc.)
 - Managers get angry during conversations with low performers and difficult personalities

Define Specific Behaviors



Paint a Picture

- What are the specific behaviors?
- Could you observe this?
- Could you grade this?
- Would 2 strangers be able to understand your expectations?
- Would 2 strangers be able to grade your employees?

Incomplete Examples

- Treat everyone in a courteous manner
- Maintain the highest standards of professionalism
- A physician shall, while caring for a patient, regard responsibility to the patient as paramount
- Demonstrate positive attitude and behavior
- Treat customers as a priority
- Lead by example
- Every employee contributes to the company's uncompromising commitment to quality in our products and excellence in our scientific pursuits
- Engage in open, honest, direct and ongoing conversation
- Respect and trust the talents and intentions of your fellow attorneys
- Ensure that all relevant customer information is communicated to other members of the team that may need that information
- Challenge the company's thinking until a final decision has been made at which point you are expected to fully support the company's decisions

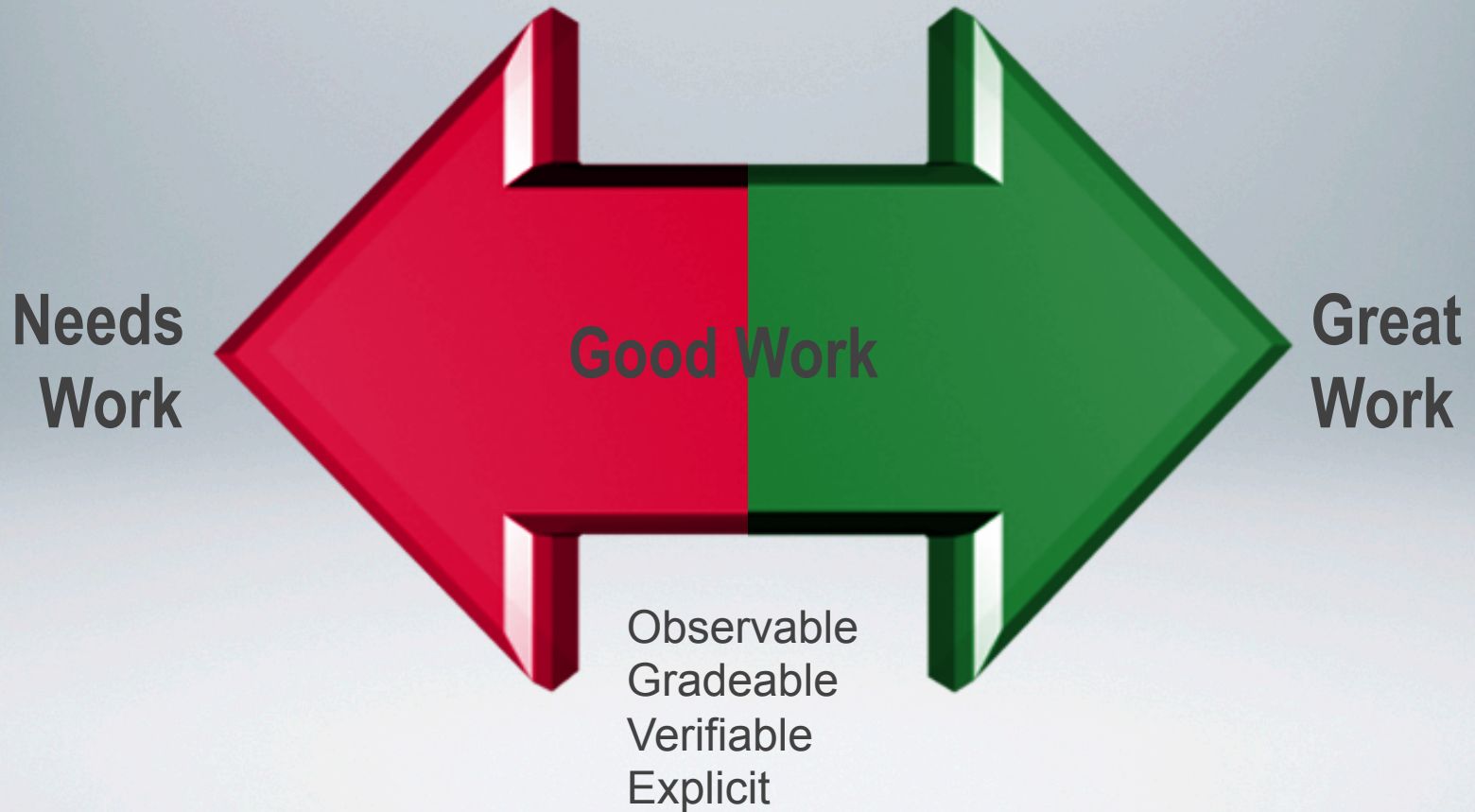
Do the examples pass the test?



Paint a Picture

- What are the specific behaviors?
- Could you observe this?
- Could you grade this?
- Would 2 strangers be able to understand your expectations?
- Would 2 strangers be able to grade your employees?

Word Pictures[®]



Word Pictures®

Commitment To Job

Needs Work

Good Work

Great Work

I often arrive to work and meetings late or leave early. I avoid extra work, and when working in a team I allow my coworkers to do most of the work. I am often found making personal calls and chatting at length with others about un-work-related topics. I appear overwhelmed by the demands of ABC's high-paced environment.

I stay on-task in spite of distractions and interruptions. I carry my own fair share of ABC workload. I don't wait to be told to take action, and often look for an opportunity to help move a project along. I accept personal responsibility for quality and timeliness of work without making excuses or blaming others.

I display enthusiasm for each new project. If I am unsure about something, or uncover an unexpected problem I take immediate action to remedy the situation and to bring it to the attention of others in order to avoid the problem in the future. I never leave a site/job with unfinished business and see every project through to the end.

Word Pictures®

Leadership

Needs Work

Good Work

Great Work

I lead from behind my desk giving directives mostly through memo or email. After delivering the initial outline of new objectives, I don't get involved in the implementation of daily procedures and tasks associated with the goal. I offer generalized expectations, but don't offer further guidance.

Helps others as well as self learn from mistakes. Generates excitement for and commitment to group's objectives by linking it to everyday work. Effectively influences actions and opinions of others. Sees potential in others. Gives appropriate recognition to others.

I do extra research and consider all of the possibilities when coordinating a new project. My concept of a team includes other departments and I work to build strong relationships both interdepartmentally as well as intradepartmentally.

High & Middle Conversations

- This should be a motivating conversation
- The risk is turning this into a conversation to be dreaded and feared

- Step 1: Common Courtesy
 - Offer a drink
 - Thank them for coming in
 - Etc.

High & Middle Conversations

- Step 2: Acknowledge the Awkwardness
 - Disarms them
 - Acknowledges the obvious
 - Sample Script: *“I know these conversations can be awkward, and that can make us rush through them. But this is an important conversation. So let’s take our time, set the awkwardness aside and really give this conversation its due.”*

High & Middle Conversations

- Step 3: Describe the Purpose
 - Use your company's purpose. If you don't have one...
 - Sample Script: *"The purpose of our meeting is to Review where we've been, Make any course corrections and Work together to best leverage your talents."*

High & Middle Conversations

- Step 4: Say “Thank You”
 - Lowers their guard and opens them up
 - Sample Script: *“Before we progress too much further, I just want to say thank you for the job you do. I probably don’t say it often enough, but thank you.”*

High & Middle Conversations

- Step 5: Get Specific
 - Pull 1-3 items from your performance appraisal specifics and add that to your “thank you”
 - Sample Script:
“Specifically, thank you for...
Specific #1
Specific #2
 - Effective praise consists of thanking the recipient for the specific behaviors you want to see repeated

Positive Reinforcement

- *“Great job on that report”*

vs.

“The way you got that report done ahead of schedule means a lot to me and the customer and the extra data analyses were really creative.”

Positive Reinforcement

- *“Thanks for the feedback”*

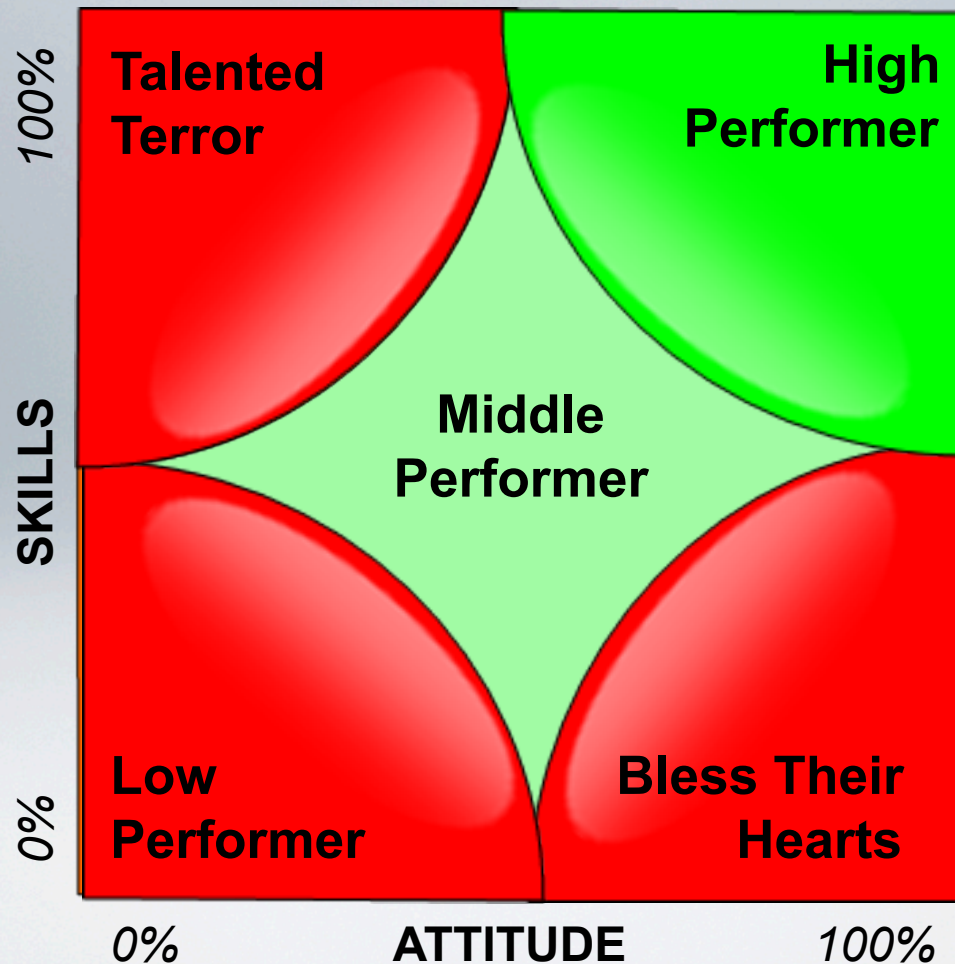
VS.

“When you pointed out how the client would like those extra data analyses, that really turned the presentation. And the fact that you offered that insight a full week before the presentation made sure we could do justice to it. Thank you again.”

High & Middle Conversations

- They will repay your “thanks” and compliments with increased critical self-awareness and lowered defensiveness
- Step 6: Turn the Conversation Over to Them
 - Put the onus back on them and encourage their responsibility
 - Help them evaluate their performance more honestly
 - Sample Script: *“Before I get too far along, I’d like to hear from you. Why don’t you tell me how you thought this year went...”*

Low Performer Conversations



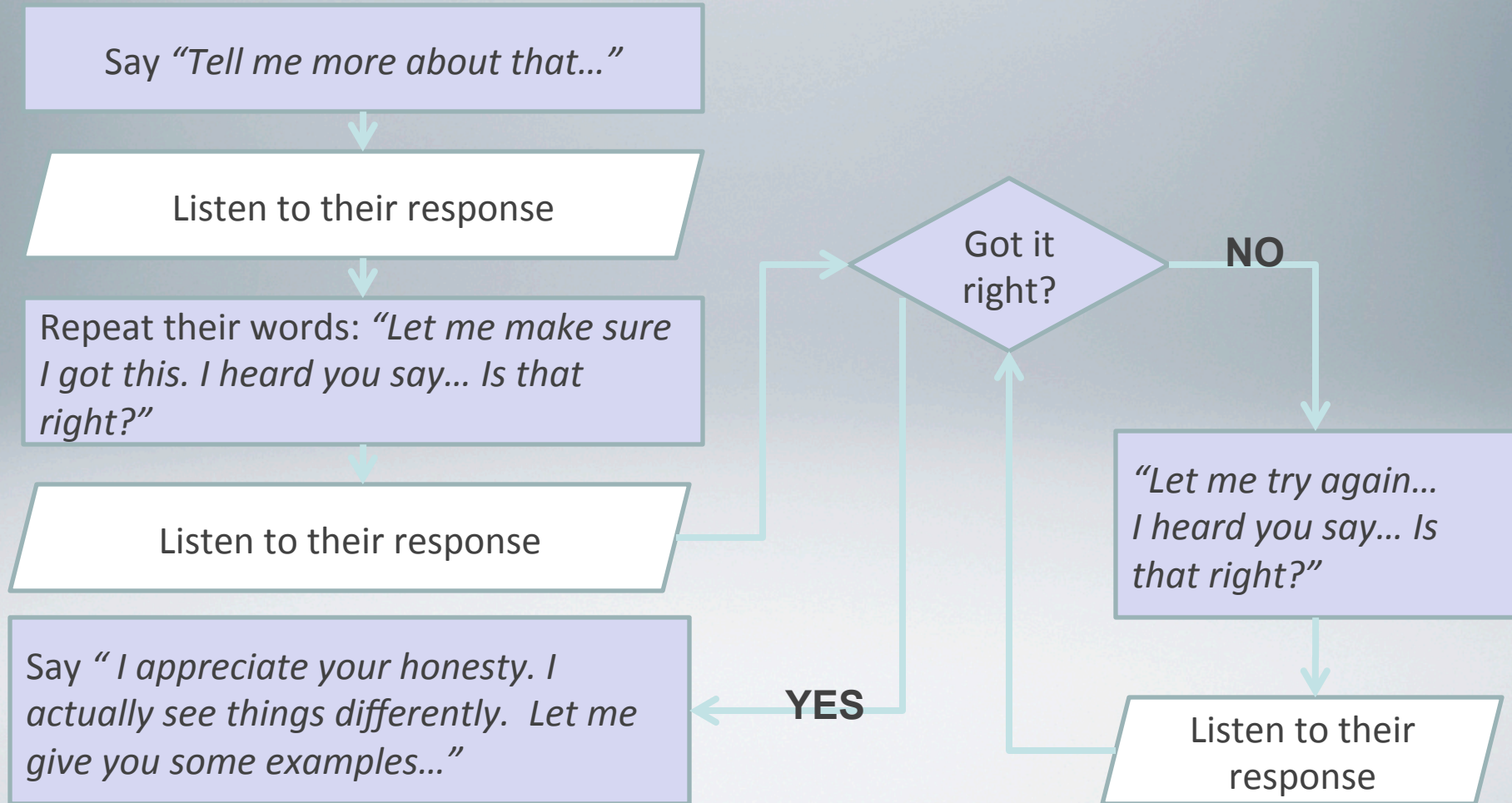
5 Conversations to Avoid

1. Attacking
2. Disintegrating
3. Shirking
4. Soft-Pedaling
5. Compliment Sandwiches

Low Performer Conversations

- Skip small talk and jump right in...
 - Sample Script:
 1. *“We need to discuss your performance and the news isn’t good.”*
 2. *“Right now your performance is unacceptably low.”*
 3. *“I believe you can elevate your performance, IF you’re willing to make the choice to do so.”*
 4. *“Let’s now talk about some of the specifics...”*

When Low Performers Disagree



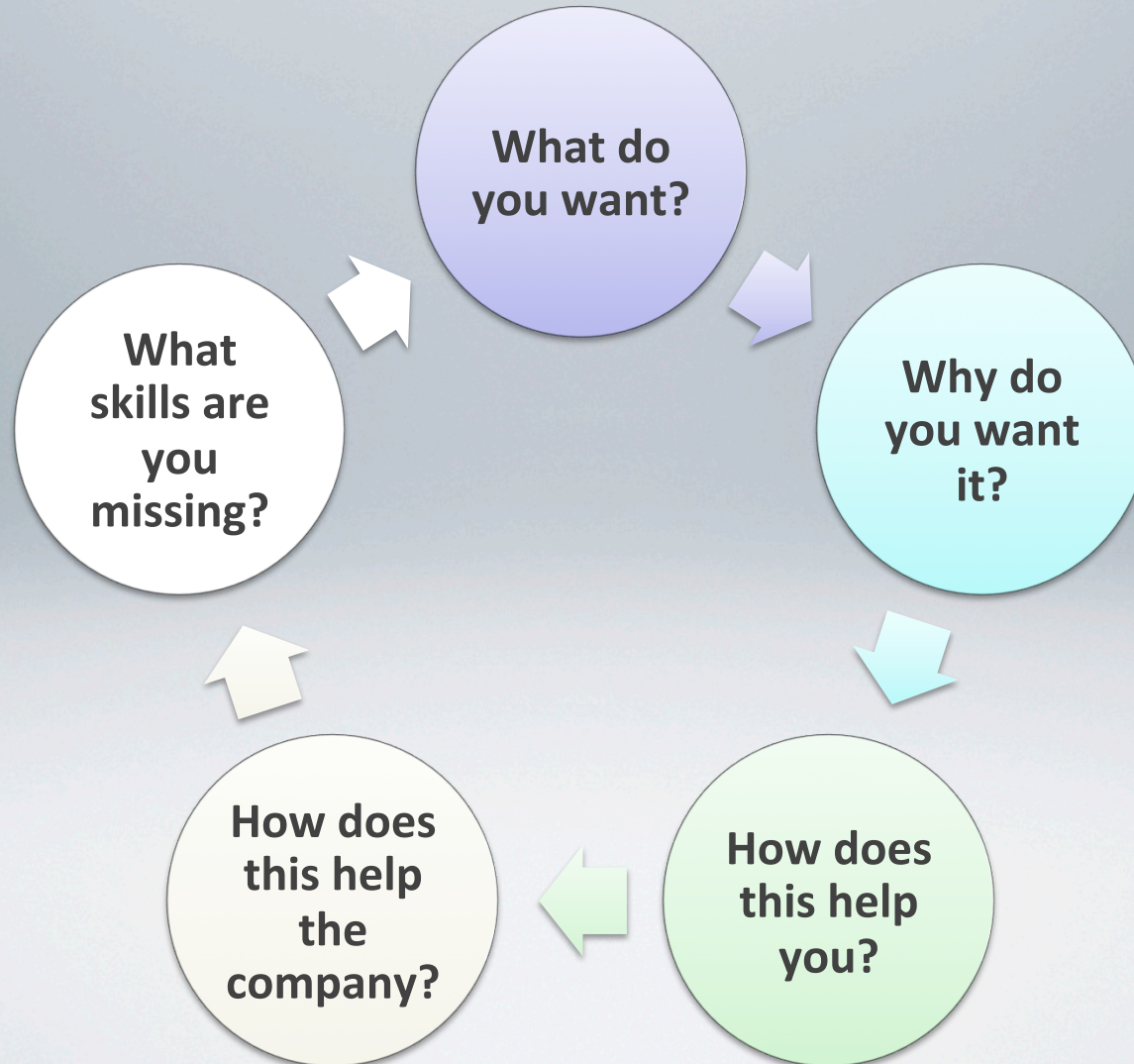
Low Performer Conversations

- Scenario 1:
 - *“It seems like you’re having a tough time dealing with this. This is a tough topic. Would you like 5 minutes to compose yourself?”*
- Scenario 2:
 - End the meeting.
 - *“It’s clear to me you can’t continue. We’ll continue this meeting at another time. And I’ll be asking a member from HR to join us.”*

Low Performer Conversations

- What about extenuating circumstances?
 - The score is pure and must be kept truthful
 - Commentary can be used to context specific situations and/or extenuating circumstances
- If it's consistent with your policies, let employees add commentary

Great development plans need...



Career-Focused Developmental Plan

(Leadership IQ Form)

1. The job title, responsibilities, and salary I desire:
 - One year from now:
 - Two to three years from now:
 - Five years from now:
2. I want to do the job to which I aspire because (*3 reasons*):
3. What are the benefits & costs to me personally to achieving these aspirations?
4. What are the benefits & costs to the organization to achieving these aspirations?
5. The 3 most important skills this job requires are...
6. I currently lack the following skills to that job:
7. How will I develop those skills?
8. If this position doesn't materialize, are there other ways I can meet my wants (from #2)?

Goal-Focused Developmental Plan

(Leadership IQ Form)

1. The big accomplishment I'd like to achieve this year is:
2. I want to achieve this because (*3 reasons*):
3. How do I benefit by achieving this?
4. How does the organization benefit by achieving this?
5. The 3 most important skills required to achieve this are...
6. I will have to learn the following skills to achieve this:
7. How will I develop those skills?

Review

1. Performance Reviews

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Upcoming Webinars

- 10/19:** Turning Middle Performers Into Stars
- 10/26:** Hiring for Attitude
- 11/1:** Finding the Time to Be a Leader
- 11/14:** Managing Generation Y

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Thanks for watching



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