

bambooHR™

# Making Performance Management a Positive Part of Your Company Culture



Poor performance management. At many organizations, a mere mention of it and employees become terrified, managers become vilified, and feedback isn't given for fear of retaliation or received for fear of termination. And the problems don't stop there. Consider the hours wasted, work interrupted, and happiness tanked, and you've got a full-fledged performance management nightmare.

*The good news: It doesn't have to be this way.*

Many organizations are harnessing performance management as a culture enhancer and valued benefit. By pivoting their approach, they're increasing employee satisfaction, developing internal leaders, improving work relationships, and saving time. All while managing and improving employee performance more effectively.

*More good news: You can do it too.*

If you are thoughtful and intentional about the components of your performance management strategy, it can become a positive part of your organization's culture.



# Employee-Centric Performance Management is Effective Performance Management

The first step in changing how performance management is perceived at your organization is to change its focus. If employees feel like performance management is their organization's excuse for squeezing more work out of them, they aren't going to respond well.

Employees have unique needs, aspirations, challenges, and aptitudes. Traditional performance reviews coldly attempt to cram triangle, square, octagon, star, heart, and oval pegs into round-hole solutions. Effective performance management takes each employee's individual factors into account and leaves employees feeling cared for and invested in.

Below, you'll find elements of individualized and effective performance management strategies that will help you enhance and maintain a positive organizational culture.

## Clear Expectations

People fear the unknown, and your employees are no exception. Perhaps the reason employees dread performance management is that they don't understand how their performance is rated or perceived. It is pretty difficult to hit a target you can't see. Increased transparency will help employees meet expectations and know where they stand. To make the expectations effective:

- **OUTLINE EXPECTATIONS:** Banish vagary by ensuring that expectations are outlined and described for every team, role, or individual. Then employees will understand exactly what their performance is being measured on between reviews.
- **BE CONSTRUCTIVE:** No employee will live up to every expectation all the time. Use the expectations to set goals with employees to improve between reviews. Give employees a copy of the expectations and feedback on which ones to improve, so they know what to work on.
- **GIVE RECOGNITION:** While employees should be clear about which expectations they're not meeting, it's just as (if not more) important that they're aware of which expectations they're exceeding. A BambooHR study found that 40 percent of employees only receive recognition a few times per year or less. This is pretty worrisome considering the same study found that 94 percent of employees who receive recognition daily are satisfied or very satisfied with their organizations. Never pass up an opportunity to praise employees! Especially when trying to change their perspective on performance management.



## Open Feedback

We say everyone makes mistakes and nobody's perfect, but for some reason, pointing out a weakness in the workplace is dreadful to both the critic and criticized. Changing your organization's relationship with feedback is no small feat, but it's also critical to improving your culture. Here are a few feedback tips to encourage and adopt so you can make feedback a comfortable and valued element of your performance management and company culture:

- **ESTABLISH TRUSTING RELATIONSHIPS:** Giving and accepting feedback is a vulnerable experience that requires trust. As an organization, it's crucial to show employees that when they provide feedback, it's appreciated. As managers, it's crucial to build trusting relationships with employees so they feel secure enough to accept your help and to offer you feedback in return.
  - **RECEIVE GRATEFULLY, GIVE GENUINELY:** When someone offers feedback, receive it humbly and express gratitude for the openness. Genuinely care about the success of those who you give feedback to. When others know your feedback is intended to make them more successful, they'll be more grateful for it.
  - **MAKE IT ACTIONABLE:** Feedback should lead to improvements. So, encourage feedback that is constructive and actionable. Otherwise, you might just end up with a lot of whining. When others provide feedback, ask questions to make sure you know the best way to take action.
  - **TAKE ACTION, FOLLOW UP:** When others provide feedback about the organization, be sure to take demonstrable steps to address the concerns. This will set a precedent for how feedback works in your organization. After providing feedback, follow up to see how changes are coming and to provide compliments on improvements.
- **SIMPLIFY:** Time-consuming performance management "best practices" (like forced employee rankings and lengthy performance appraisals) don't actually help people improve, nor do they provide useful performance information. So, turn the tables on your current performance management practices and evaluate the performance of each aspect. Chances are, you'll be able to eliminate much of the process.
  - **INCREASE FREQUENCY:** Instead of an end-of-year ordeal, consider adopting more frequent performance management and review sessions. When managers review performance quarterly, the task isn't as overwhelming. What's more, managers will be more likely to provide accurate performance data, instead of trying to remember how each employee performed over a 12-month period.
  - **AUTOMATE:** Performance management automation software makes performance management easier and more effective for everyone involved. HR professionals simply set up the process' requirements, questions, and frequency once, then employees and managers receive email reminders of what needs to be completed. Many tools even provide analytics and reports to make results more useful.

## Efficiency

No one likes a time suck. Whether it's a drawn-out watercooler story you never cared to hear or a performance evaluation process wasting two million hours (not exaggerating—ask Deloitte), employees develop negative feelings towards things that keep them from doing meaningful work. A few ways to increase performance management efficiency and save employees time include:

## Succession Plans

Employees have career goals and interests. Participating in those goals and interests helps organizations fill needs internally, build leadership pipelines, and show how invested they are in each employee's success. To make succession planning part of your performance management:

- **GAUGE INTERESTS:** While reviewing work employees have already performed, have discussions about the careers and experiences employees would like to have in the future. It's much easier to coach, mentor, and provide opportunities for employees if you know what exactly they're trying to achieve.
- **HELP EMPLOYEES ACHIEVE:** When employee goals map to organizational needs, managers should actively look for opportunities that will help employees develop the skills and experiences needed to achieve those goals. So, for example, if one of your

sales representatives is interested in management, give them a chance to lead a big meeting.

- **FILL NEEDS INTERNALLY:** Filling organizational needs with existing employees results in a win-win-win situation. The organization saves time and money by not having to look elsewhere to meet a need and the employee is given an opportunity to meet career goals. In the end, the organization wins again because internal hires are more satisfied, loyal, and productive.

Performance management doesn't have to be the bane of employees', managers', and organizations' existence. By creating an individualized and thoughtful performance management strategy, your performance management can become a valued and positive aspect of your organization's culture.

Check out BambooHR's efficient, effective, and automated performance management software today!



BambooHR is the leading provider of tools that empower the strategic evolution of HR in small and medium businesses. Using BambooHR software, HR professionals can automate HR tasks like PTO and perform big-picture activities that improve their workplace (and make themselves vital leaders in their organizations). BambooHR ensures that HR professionals can create great places to work for themselves and their people.