Performance Development: Non- Supervisor Employee Sessions

June 11, 2019

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Agenda

1. Welcome, Introductions

2. Project Overview, Warm-Up Questions

3. Overview – WKU Compensation Initiative

4. Overview – Performance Management in 2019

5. Current State Assessment (TRIZ)

6. Future State Requirements (Min Specs)

7. Wrap Up / Next Steps

Introductions

Please briefly introduce yourselves to the others in your circle.

1. Hand out your business cards (optional)

2. Say your name, department, what you do, how long you've been at WKU

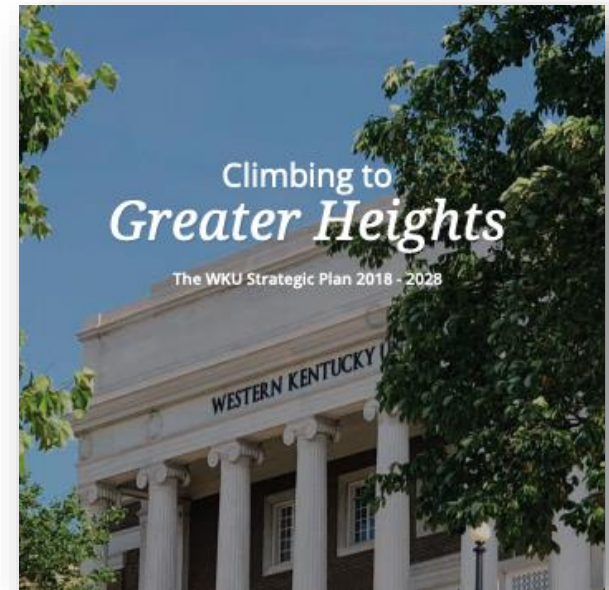3. Describe one thing you enjoy about what you do

Welcome
WKU Strategic Plan 2018 – 2028

1. Design and implement a **consistent, university-wide performance evaluation system** to conduct annual reviews.

2. Create **compensation packages** and institute a reward system based on **equity, responsibilities, longevity, and strategic performance.**

3. Review and establish greater **standardization in position descriptions** for all employees.

4. Conduct a **comprehensive market analysis** of employee salaries and benefits, and implement necessary changes to **salary increases, personnel training, and support infrastructure.**

See the full Strategic Plan at: https://www.wku.edu/strategicplan/

Welcome
A Whole-scale Approach to Designing the New System

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Welcome
Pre-Session Survey

What Words Come to Mind When You Hear **Performance Management (Session 1)?**

What Words Come to Mind When You Hear
Performance Management (Session 2)?

Pre-Session Survey Results (Session 1)

Strongly disagree — **Strongly agree**

- Our performance management system meets my needs as an employee. — **2.2**
- Participation in our performance management program enhances communication with my supervisor. — **2.8**
- Our performance management program supports my development. — **2.3**
- I am hopeful we can design a performance support program that will contribute positively to the culture at WKU. — **4.3**
- I am hopeful we can design a performance support program that will increase my effectiveness as an employee. — **4.3**

Pre-Session Survey Results (Session 2)

Strongly disagree / **Strongly agree**

Our performance management system meets my needs as an employee. — 2.1

Participation in our performance management program enhances communication with my supervisor. — 2.9

Our performance management program supports my development. — 2.1

I am hopeful we can design a performance support program that will contribute positively to the culture at WKU. — 4.1

I am hopeful we can design a performance support program that will increase my effectiveness as an employee. — 4

Welcome
WKU Performance Development Community Input

Senior Leadership Team

HR/Sibson Project Team

Compensation Project

Advisory Committee

Performance Development Project

Advisory Committee

Design Team

Performance Development
Community Input

All WKU Supervisors *(May 1 – 2)*
Design Input Sessions

WKU Non-Supervisor Employees *(June 11)*
Design Input Sessions

Design Team *(May – July)*
Design Specifics

Pilot Program *(July – October)*
Pilot Implementation and Feedback

All WKU Supervisor and Non-Supervisor Employees *(November)*
Orientation to New Program

Overview – WKU Compensation Initiative

Engagement Summary
Compensation Estimated Timing: February 2019 – March 2020

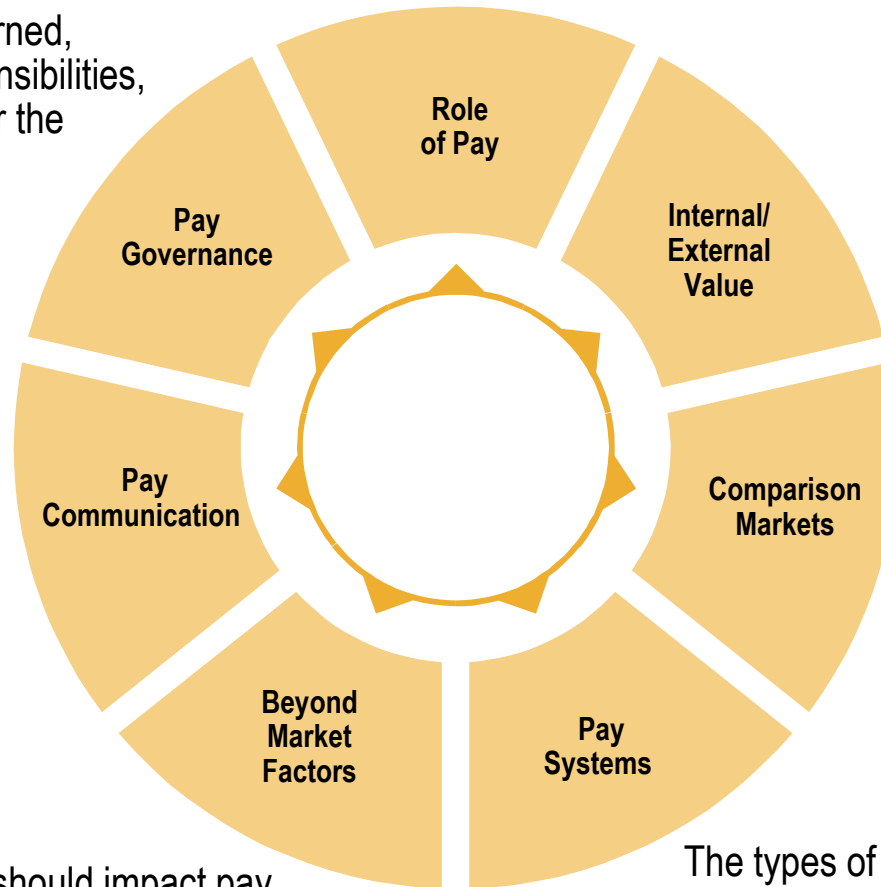| Project Kick-off & Data Collection	Compensation Philosophy Development	Faculty and Staff Market Assessment	Salary Structure and Pay Administration Guidelines	Study Findings & Recommendations
February – June	**February – July**	**July – September**	**September – December**	**January – March**
• Conduct stakeholder discussions • Review data and materials • Develop staff job description template, process, and workflow for the update • Update staff job descriptions and FLSA classifications, review, and finalize	• Develop draft compensation philosophy • Develop peer group(s) and comparison market(s) • Review and approve compensation philosophy, including peer groups/ comparison markets	• Conduct initial salary market pricing • Review and finalize market assessments with Academic Affairs and Human Resources • Conduct variance analysis	• Develop salary structure/ranges • Assign jobs to structure/ranges • Validate with leaders • Identify incumbent and cost implications • Finalize structure/ ranges • Revise pay administration guidelines • Prepare and share report of findings	• Develop implementation & communications plan • Create additional program rollout materials • Roll out program to participants (e.g., town halls, FAQs, individual letters, etc.)

Compensation Philosophy Elements

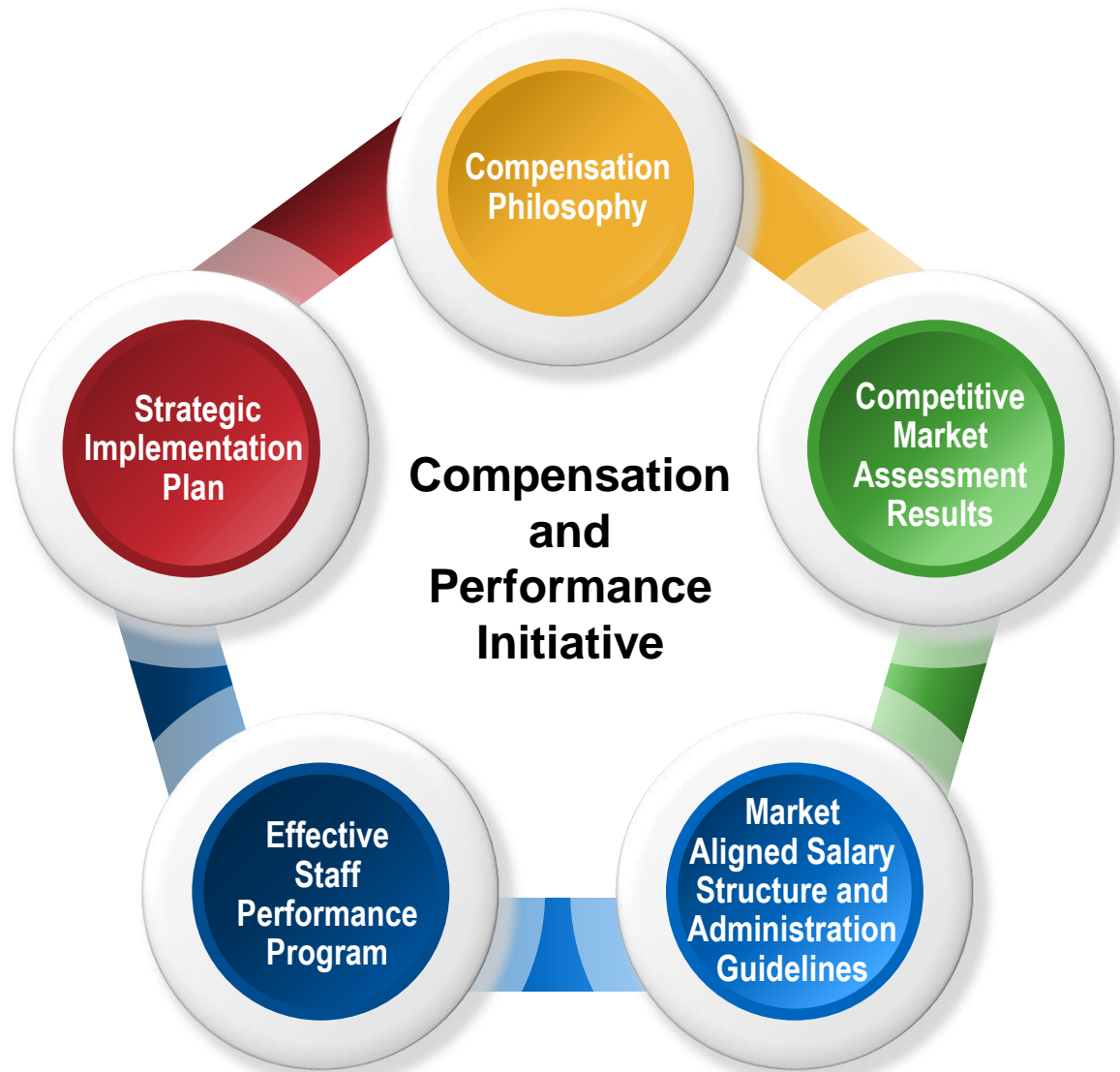The role of pay in supporting and aligning with the institution's Mission and Strategic Plan

How pay will be governed, including roles, responsibilities, and decision rights for the design, approval, and management of the pay system

How work and positions/jobs will be evaluated; the balance between the emphasis on internal versus external factors in the job evaluation process

The degree to which the total compensation philosophy, systems, and processes will be openly communicated

The comparison markets against which the institution will benchmark pay. The degree to which multiple markets are needed, and the pay position relative to those markets

The factors that should impact pay (e.g., performance, service, discipline for faculty, etc.)

The types of pay systems/delivery vehicles that are best aligned with the compensation philosophy and any customization that may be needed

- Role of Pay
- Internal/External Value
- Pay Governance
- Comparison Markets
- Pay Communication
- Pay Systems
- Beyond Market Factors

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Key Outcomes and Deliverables

Overview – Performance Management in 2019

We've all seen the headlines…

Performance Reviews: Why Bother?

Yahoo's Latest HR Disaster: Ranking Workers on a Curve

Performance Management is Broken

Why More and More Companies are Ditching Performance Ratings

Time to Scrap Performance Appraisals

The Push Against Performance Reviews

GET RID OF THE PERFORMANCE REVIEW

Study finds that basically every single person hates performance reviews

Here Come the Millennials and Gen Z…

Their expectations…

➤ Multiple opportunities for coaching

➤ More career progression opportunities

➤ Less emphasis on time in role versus their contributions

➤ Ample opportunities for formal and informal recognition

➤ Room for growth and creativity

By 2025
75%
of the Global workforce will be Millennial and Generation Z
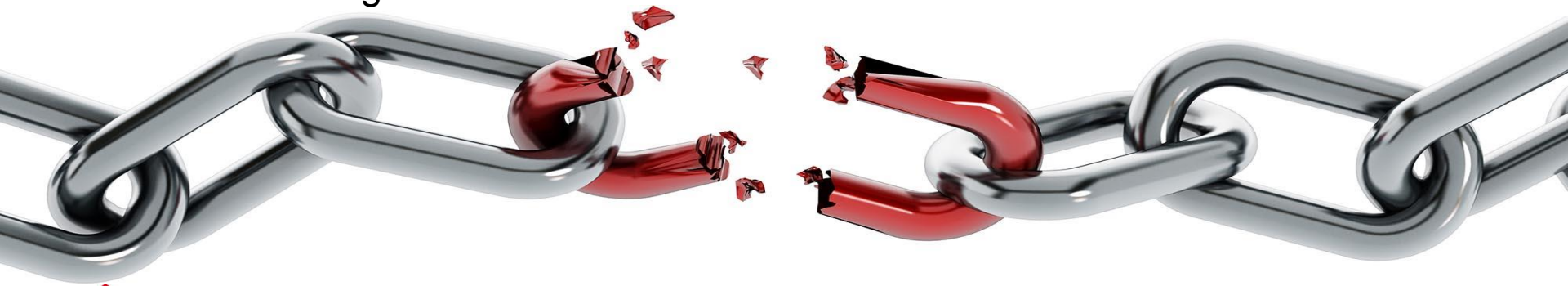
Trends in Performance Management

From: ⟶ **To:**

Ratings and rankings	**No** ratings and rankings
Focus on the past	Focus on the future
Historic performance / compliance	Growth and development
Annual evaluations	Ongoing continuous feedback
Manager-led	Employee-driven
Word / PDF form /Spreadsheets	Supported by tools and technology
Same program for all	Flexible and individualized
Feedback on "negative" occurrences	Guidance and coaching

Contemporary programs must help **retain employees**, **develop them** in order to compete; deliver **ongoing performance feedback** to support innovation and improvement; and create **stronger channels of communication**, coordination and collaboration to deliver service.

Linkages between Performance Management and Rewards

➤ Traditional pay for performance is broken

➤ Traditional merit no longer works

➤ Decline of salary increase budgets

➤ Undesirable consequences of current performance management systems
- Challenges differentiating employees
- Minimal upward movement in salary bands
- Budgets aren't robust enough to reward appropriately
- Too infrequent feedback
- Time consuming/universal dissatisfaction

Spectrum of Performance Program Design Options

Traditional performance management, paper forms, merit pay

Paperless, Traditional performance management, paper forms, merit pay

Automated, more focus on development with traditional process and better training and tools

KPI/Data driven, no forms, surveys and outcome tracking

No performance appraisals; investment in culture and development, no "pay for performance"

City of Detroit, Some higher education institutions

Many general industry and higher education institutions

MetLife, SunTrust, RaceTrac Petroleum

Adobe, Accenture, Deloitte
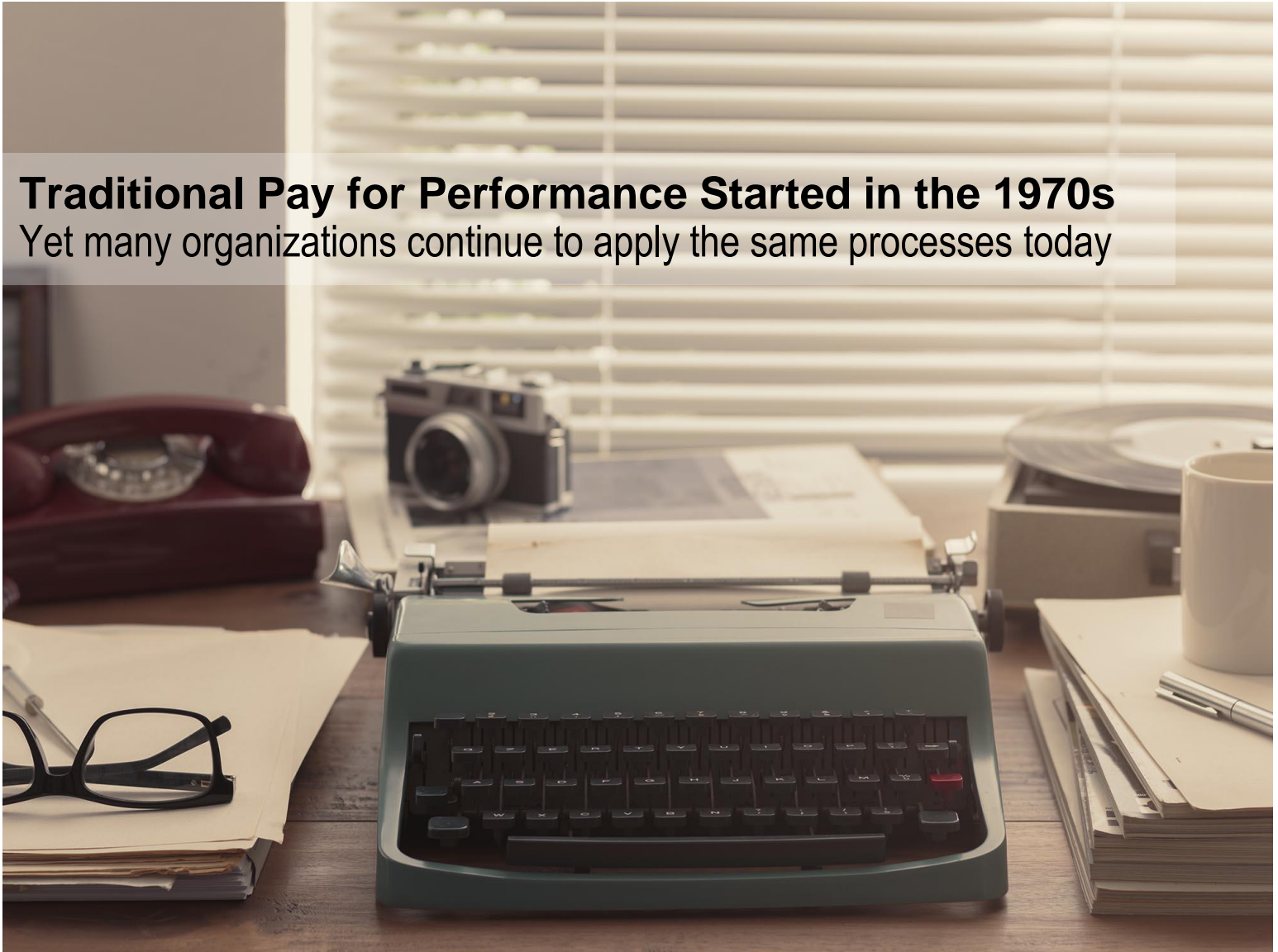
Mayo Clinic

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What is Performance Management?

➢ Is it "management"?

➢ Is it "performance"?

➢ Is it related to strategy?

➢ Is it still relevant?
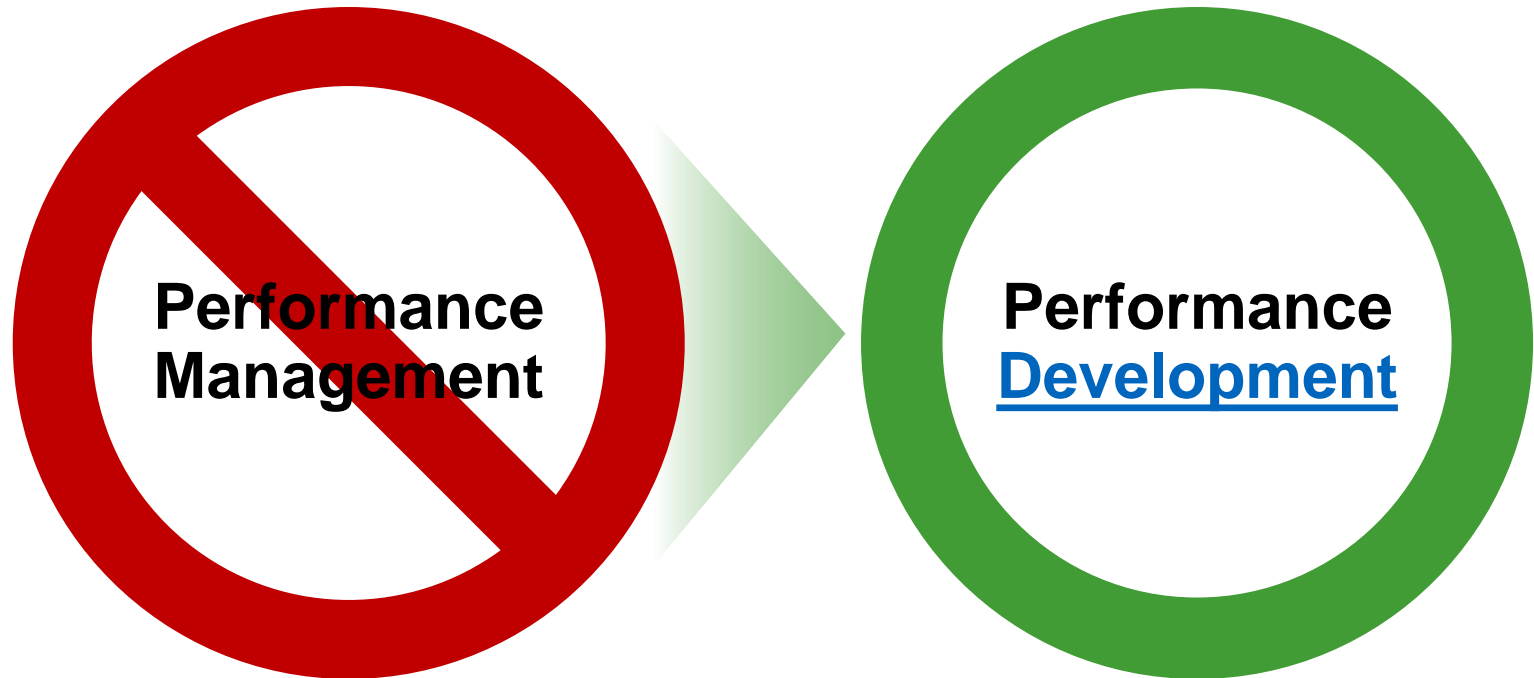
Traditional Thinking about Performance Management

Traditional Pay for Performance Started in the 1970s
Yet many organizations continue to apply the same processes today

Contemporary Thinking About Performance
Creating a Culture of Clarity, Growth and Development

Performance Management

Performance Development

What is a Performance Development Program?

Performance Development is a clear, continuous and engaging experience that helps employees succeed and provides growth and rewards

Employees can say:

- **Clear:** From end to end, the methods and systems are transparent, simple and intuitive

- **Continuous Feedback:** The dialogue with my leader never ends; rather it changes focus through the year and keeps pace with my goals, development and career focus

- **Engagement (alignment, employee fulfillment, sense of purpose):** I understand how my efforts align with the institution's mission and strategy. I feel motivated to achieve my goals because they are aligned with a sense of purpose and personal fulfillment

- **Growth:** I have the ability to build my skill set and career by following through on my skill growth and development plans with the support of my supervisor

- **Rewards and Outcomes:** The recognition, praise, promotion, job change and/or potential financial rewards I receive (salary increases, bonus, spot awards, etc.) have direct relationship to my contribution and results and outcomes I achieve

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Starting with the Basics

➢ What role does base pay have?

➢ What else should be rewarded?

➢ What are we trying to achieve?

➢ How do we effectively budget for pay and performance given limited resources?

Future Contributions

Pay for Individual and Team Contribution

Base Pay Adjustments

Base Pay
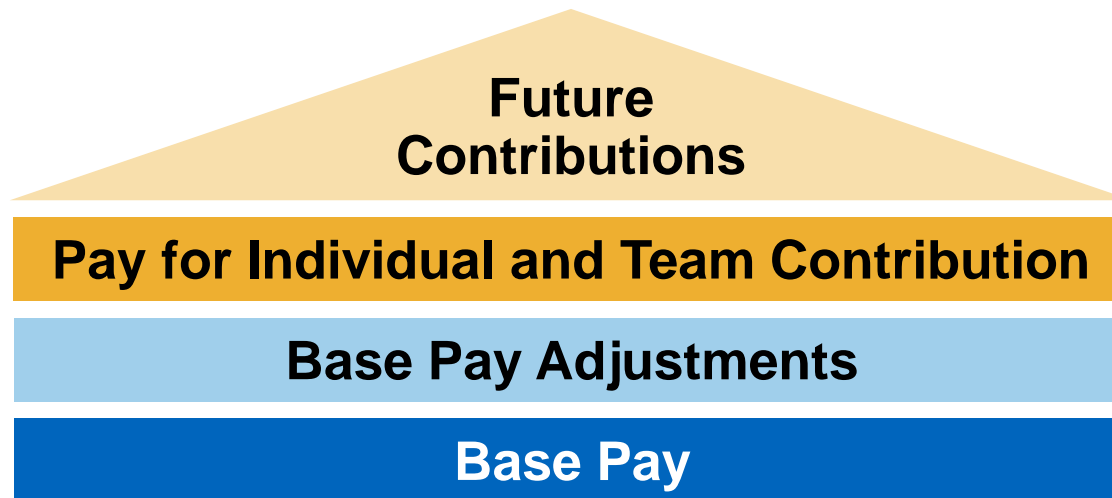
Group Discussion

➢ **Take a minute to write the following on your handout**

- What stands out from what I just heard?

- What about that is important to WKU?

- What are the implications for a new program?

➢ Around your circle, take one minute each to share your answers to the questions

Lessons Learned from the Current State

First alone on your handout, then in pairs, and finally in your small group, answer the following question:

➢ **When it comes to creating a performance development system at WKU, what is everything we could do to <u>guarantee</u> that a new program would:**

- Feel bureaucratic, time consuming, legacy, old school
- Not promote feedback, growth or conversation
- Be disconnected from unit goals and the WKU Strategic Plan
- Discourage motivated outstanding performers
- Reward individuals based on favoritism
- Fail during its implementation

CALL OUT

What are the attributes that would most contribute to failure in a new performance system at WKU?

TRIZ Call Out

Morning Session

- Doing the same thing, the same way with a new title
- Doing something new without accountability (ongoing accountability)
- No rewards, incentives, or motivation
- Lack of consistency and not following through
- Meaningless scale (i.e., agree, slightly agree)
- No ability to get the top rating because a Supervisor believes there is always room for improvement (variability between supervisors)
- Rigid system with no flexibility
- Negative and top down management
- Micromanaging supervisors
- Lack of understanding of how the program is supposed to work (no training)
- Supervisors with no authority/input
- Forcing something to be quantifiable
- Not incorporating input gathered from employees (or Supervisors)

Afternoon Session

- Cookie cutter approach (too much consistency)
- Metrics and measures are not good
- No actual change
- No recognition or incentive to work towards
- Lack of clear expectations and outcomes of employees from the program
- Unclear performance expectations and results
- Poor management- lack skills
- Favoritism (not impartial and fair)
- Lack of trust between employee and supervisor (i.e., supervisor consistently not addressing problems)
- No consequences for poor performance
- Uninformed source of feedback
- No clear path for growth or advancement
- No adequate training for managers to implement the program
- No employee engagement
- Too complicated and time consuming

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Future State: What do we need for success?

Minimum Specifications
Specify Only the Absolute Must-Dos & Must-Not-Dos for achieving a purpose
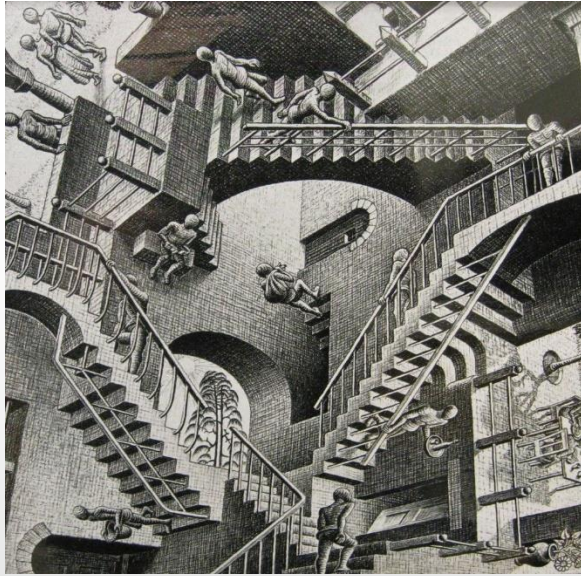
Max Specs

Complex rules and regulations give rise to simple and stupid behavior.

Min Specs

Simple, clear purpose and principles give rise to complex, intelligent behavior.

What is everything we need from an effective performance development system at WKU?

Determining Max Specs

Round One: Maximum Specifications

1 minute alone, then in pairs,

Generate a list of all of the concrete, behavioral

Must Dos and Must NOT Dos that could be needed for an effective performance development program at WKU

What is everything we need from an effective performance development system at WKU?

Determining Min Specs
BE RUTHLESS IN PARING DOWN YOUR LISTS

Round Two: Determine 3-5 Minimum Specifications in groups of four

Discuss items on your combined lists to determine which are minimum requirements, e.g. **the minimal list of Must Dos and Must NOT Dos** that are necessary for an effective performance development program at WKU

Compile a short list of Minimum Specifications

What is everything we need from an effective performance development system at WKU?

Cross off items that are unnecessary – strive for minimalism and only the essential few items

What is everything we need from an effective performance development system at WKU?

CALL OUT

Gaining Group Endorsement

Round Three: Large Group ID Minimum Specifications

AT A MINIMUM, what must be true of the new performance development system?

Min Specs Call Out

Morning Session

➢ Contributions to a positive work culture (i.e., encouragement, ongoing communication, engagement, fairness)

➢ Recognition cannot just be words; incentive or tangible recognition is needed (even if not $$)

➢ Clear program to understand including communication and training

➢ Professional development opportunities or training for staff in various roles (i.e., conferences, skills classes, group get together for exchanging of ideas)

➢ Continuous improvement of the program; ability for employees to give feedback with real-time corrections

➢ Regular job description reviews and revisions to fit with expectations and actual job duties

➢ Easily understood, attainable goals, unique to the area

➢ Multi-source feedback (incl. team self-evaluation)

➢ Upwards feedback to support supervisors

Afternoon Session

➢ Simple, brief, straightforward process

➢ Transparent expectations and outcomes

➢ Leadership training and accountability

➢ Clear and accessible job descriptions; inclusive of all assigned duties

➢ Access to third party for review of recognition of working outside of typical job duties

➢ Ongoing support for implementation

➢ Accountability for supervisors in their own performance review based on the development of direct reports

➢ Flexibility to have department and individual goals

➢ Relationship of outcomes (positive and negative)

➢ Two-way feedback (supervisor and employee); potentially may need to be confidential for upwards feedback

➢ Multisource feedback (including self)

➢ Training and process needs to foster a positive, growth oriented, and trusting working relationship between employees and supervisors

What Can I Do Right Now?

15% Solutions

Discover and focus on what each person has the freedom and resources to do right now

What is a Performance Development Program?

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A 15% Solution is something you can do right away without needing any more freedom, resources, permission, authority, or control.

You have discretion to act right now.

Alone, then in pairs, discuss the following…

What Can I Do Right Now?

A 15% Solution is something you can do right away without needing any more freedom, resources, permission, authority, or control.

You have discretion to act right now.

What is an action I can take today to begin to build a positive and performance development culture at WKU?

> **What are your thoughts and feelings (Session 1)?**

Wrap Up / Next Steps
Post-Session Survey

> ## What are your thoughts and feelings (Session 2)?

Wrap Up / Next Steps
Post-Session Survey
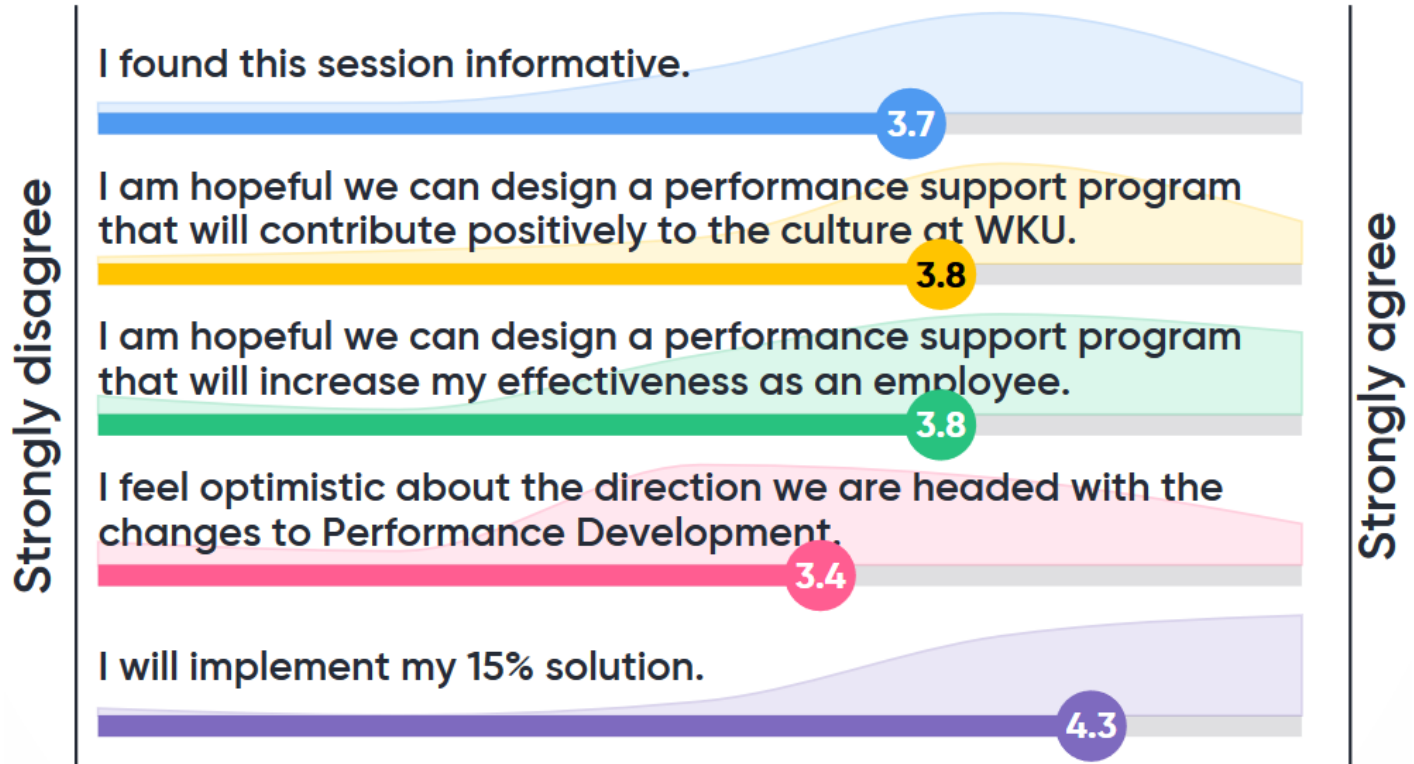
Post Session Survey Results(Session 1)?

Wrap Up / Next Steps
Post-Session Survey

Post Session Survey Results(Session 2)?

Strongly disagree — **Strongly agree**

- I found this session informative. — 3.7
- I am hopeful we can design a performance support program that will contribute positively to the culture at WKU. — 3.8
- I am hopeful we can design a performance support program that will increase my effectiveness as an employee. — 3.8
- I feel optimistic about the direction we are headed with the changes to Performance Development. — 3.4
- I will implement my 15% solution. — 4.3

Wrap Up / Next Steps

➢ **Provide questions to facilitator**

➢ **Watch for survey and future communication**

➢ **HR Website for input**

➢ **Email human.resources@wku.edu to sign up for interest in participating in the Performance Development Advisory Committee**

➢ **Thanks again to the Design Team and future Advisory Committee Members**

THANK YOU!