

How Company Culture Drives High Performance

REPLACE TRADITIONAL PERFORMANCE REVIEWS WITH REAL-TIME FEEDBACK

By Susan Power

Imagine having a workplace culture where your team is inspired by your company's vision and values, and consistently delivers high performance. Workplace culture runs much deeper than Ping-Pong tables or free fruit in the fridge; culture is the mindset and actions demonstrated by your employees each day when interacting with each other and your customers. One of the fastest ways to kill productivity and destroy a compelling culture is to implement (or continue implementing) antiquated HR programs. In this vein, traditional performance reviews are currently going through a radical transformation – world-class organizations are revamping their performance systems to encourage a growth mindset that embeds real-time feedback as part of the culture.

Traditional performance reviews are cumbersome to administer, and can disengage employees rather than inspire them. What's worse is that performance reviews typically are not an accurate reflection of an employee's performance. Reviews are subjective, full of rater biases and generally tell more about the manager writing the review than the employee. Performance reviews evaluate past actions instead of looking forward, and can be costly and inefficient. They often focus on weaknesses, which greatly erodes employee engagement.

REVAMPING THE SYSTEM

Many leading employers realized that the "old" way of conducting performance reviews is deeply ineffective and have replaced their traditional annual performance review system.

The *Harvard Business Review* featured an article in 2015 profiling a pilot project by Deloitte U.S. about the company's efforts to change their performance management system. Deloitte discovered that, collectively, creating performance ratings consumed close to 2 million hours per year, and the majority of this time was spent on discussions between leaders behind closed doors about the outcomes of the process. Jason Winker, managing partner of talent for Deloitte Canada, says that the company is now in the process of piloting their new

system across Canada to their 9,000 employees here.

Deloitte's reinvention of their performance system was based on their desire to create a different talent management experience for their people. Their new system is focused on strengths and uses tools, including a "performance snapshot." The performance snapshot is the same four discussion points each team leader explores for their team members, regardless of their position or level. The four discussion points are:

1. Given what I know of this person's performance, and if it were my money, I would award this person the highest possible compensation increase and bonus. [The response measures overall performance on a five-point scale, from "strongly agree" to "strongly disagree.]"
2. Given what I know of this person's performance, I would always want him or her on my team. [The response measures the person's ability to work well with others on the same five-point scale.]
3. This person is at risk for low performance. [The response identifies problems that might harm the customer or the team on a yes-or-no basis.]
4. This person is ready for a promotion today. [The response measures future potential on a yes-or no basis.]



workplace culture

Feedback that Deloitte has collected from its regular pulse surveys so far show that employees are responding positively to the new approach. The final version of Deloitte's performance system may change as the company continues to ask for feedback from employees and analyzes the overall results.

"People didn't like the forced ranking system that we used previously; however,

people get attached to having an overall rating, and it does involve a shift in mindset," said Winkler. "Initiating the conversation by focusing on people's strengths anchors the conversation from a different starting point."

FOCUS ON A VISION

An expert at building world-class cultures, Cameron Herold, author of *Double*

Double and former chief operating officer of 1-800-Got-Junk, talks about the importance for organizations to create a vivid vision that paints a picture of where their organization is going. The CEO looks forward three years into the future and writes down what they want their organization to look like, and drafts a focused, detailed vision that is then circulated to the team for input. The statement should be read aloud at quarterly team meetings, and reviewed when selecting what projects to pursue each year.

DELIVERING FEEDBACK

A company's culture greatly influences how performance feedback is delivered and how frequently. Companies with open cultures deliver performance feedback fluidly, in real time through on-the-job coaching and peer-to-peer feedback. The focus is on continuous improvement. By training managers how to deliver feedback to increase employee morale, this builds a compelling culture that inspires productivity and trust.

SHIFTING THE SYSTEM

So how do organizations transform from the outdated method of ratings and annual reviews towards a system built on an inspiring culture? Shifting the mindset to embrace frequent, candid feedback that supports each individual to reach their personal and professional goals is how others, like Deloitte, have accomplished the change. HR can train managers to develop their coaching capability, and should encourage all employees to provide candid feedback to everyone they work alongside.

Herold suggests that the best way to recognize employees is to do it frequently and publicly.

"Look to find things employees are doing well and things that demonstrate living the company's core values – and praise employees often and publicly," he said. It is also important for managers not to wait to give constructive feedback to employees.

"Coach them early and often, and focus on what they are doing well to raise their skills and confidence," said Herold. ■

Susan Power is owner and CEO of Higher Talent Inc.

the original perks company™
venngo®

be there when they need it

An award winning VennGO program is a core element of a complete compensation and benefits strategy.

- financial well-being**
tune up your finances with 1200+ savings opportunities
- mental wellness**
zen out with 350+ Health & Wellness partners
- physical fitness**
tone up with up to 50% off gym memberships

Find out more...
venngo.com/hrpro 1.866.383.6646 ext.202

©Copyright 2014 VennGO Inc. All rights reserved. VennGO is a registered trademark of VennGO Inc. All other trademarks are the property of their respective owners. 11/2014/014