Building Capability vs. *Performance Management*
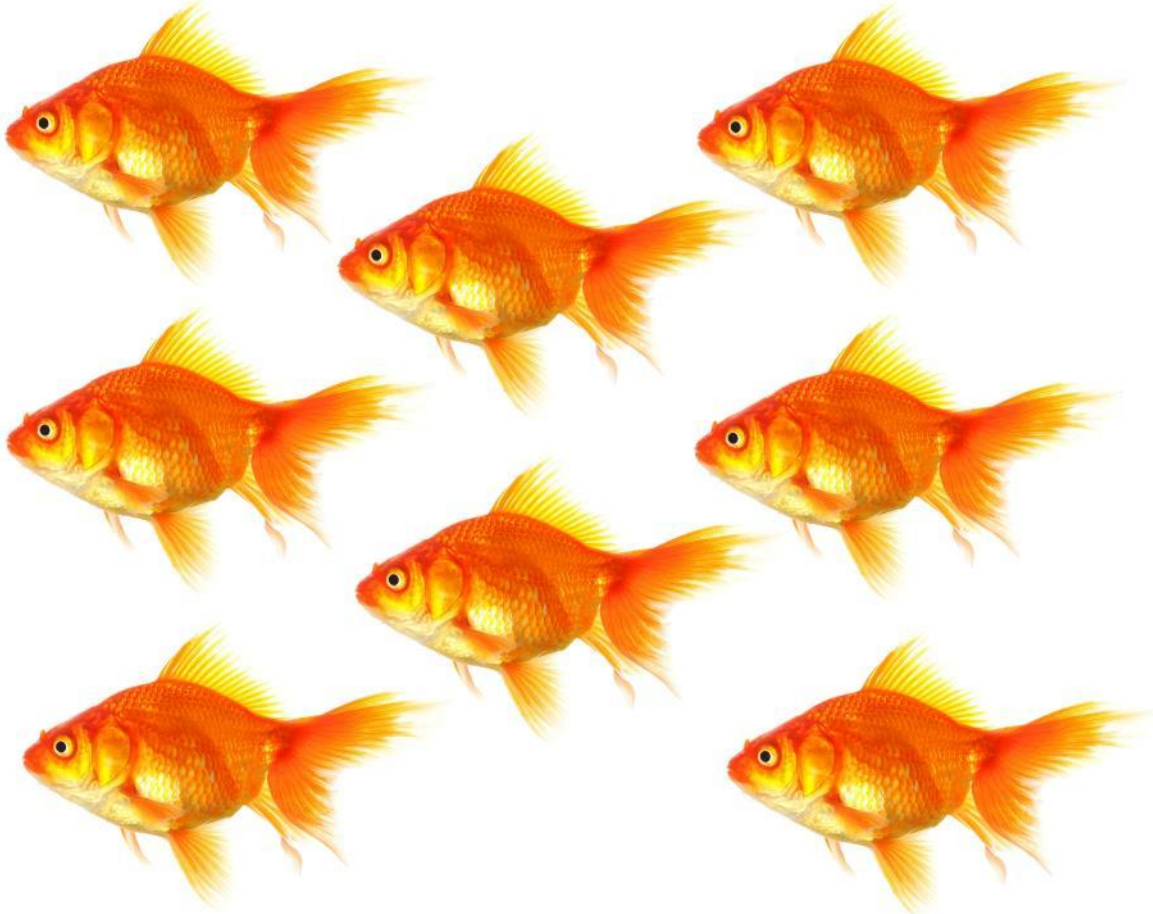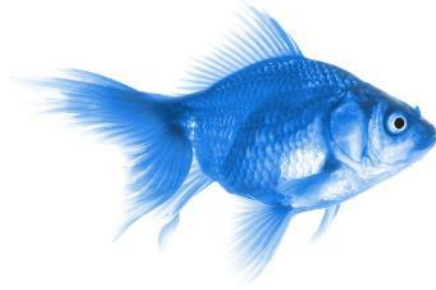
Using competency models to look forward…

instead of backward

Presented By: Cheryl Lasse

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Other Webcasts you may want to watch based on questions

* How to Build a Competency Model in Record Time
  http://webcasts.td.org/webinar/2235

* How to Accelerate Learning Transfer Through Competency-Based Learning
  http://webcasts.td.org/webinar/1791

* How to Use Standard Competency Models to Accelerate Learning Transfer
  http://webcasts.td.org/webinar/1809

Other Articles you may want to read based on questions

* How can my company use competency models?

* Using competency models for mentoring

* Using competency models for coaching

* 3 Traits that will make you a Learning & Development rock star in 2020

* Why employees taking charge of their learning is good for you (millennials)

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Webcast Objectives

✱ How capability enablement can overcome the limitations of traditional performance management approaches to drive organizational agility

✱ How this approach addresses key talent management trends, including for millennials

✱ How to sell this vision to leadership

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2nd Most disliked work activity by managers after firing employees

High effort, low return check-box activity
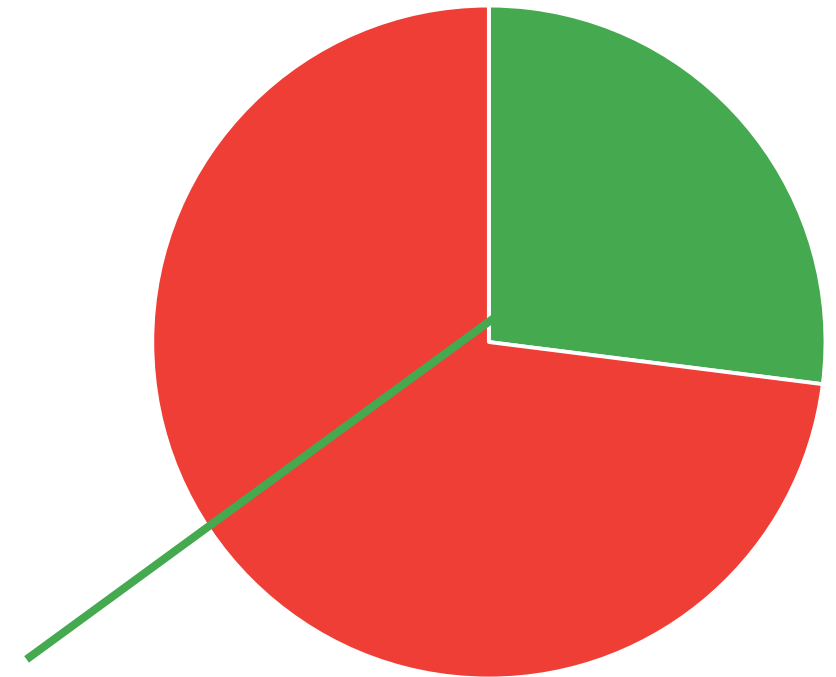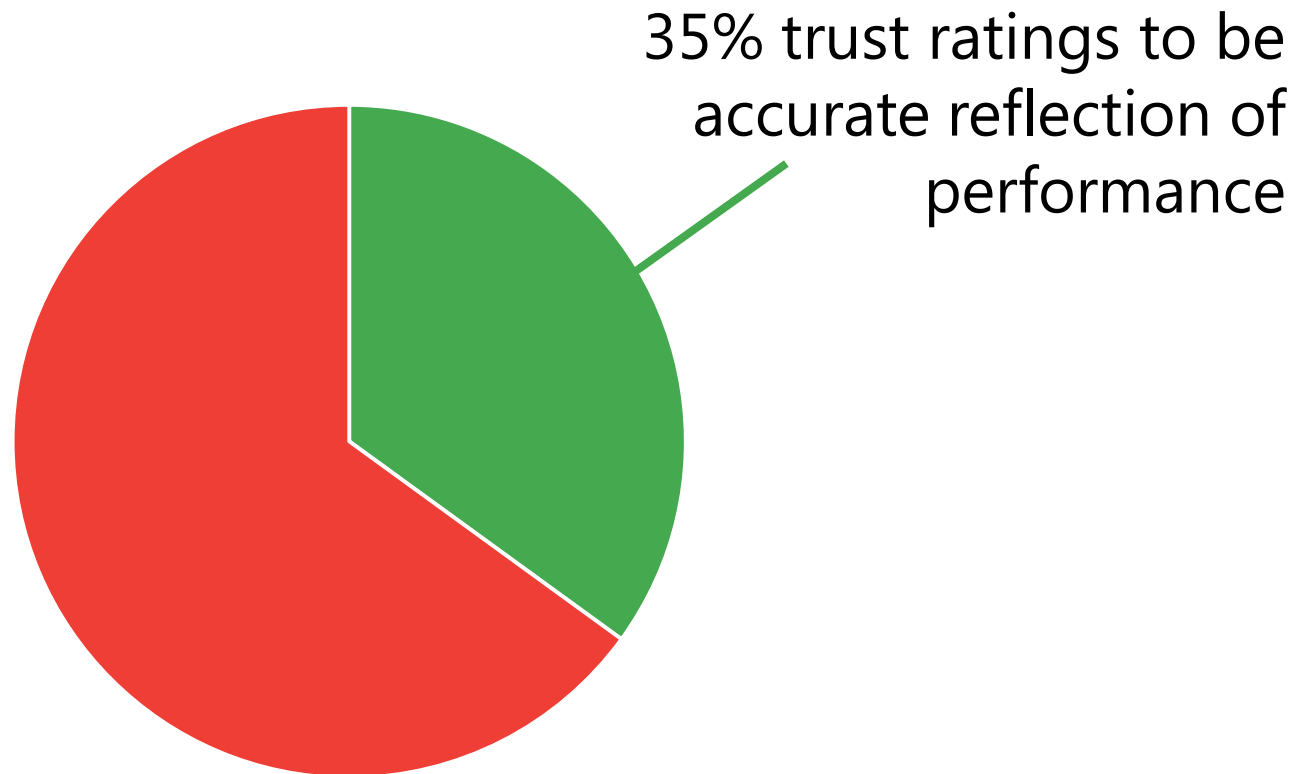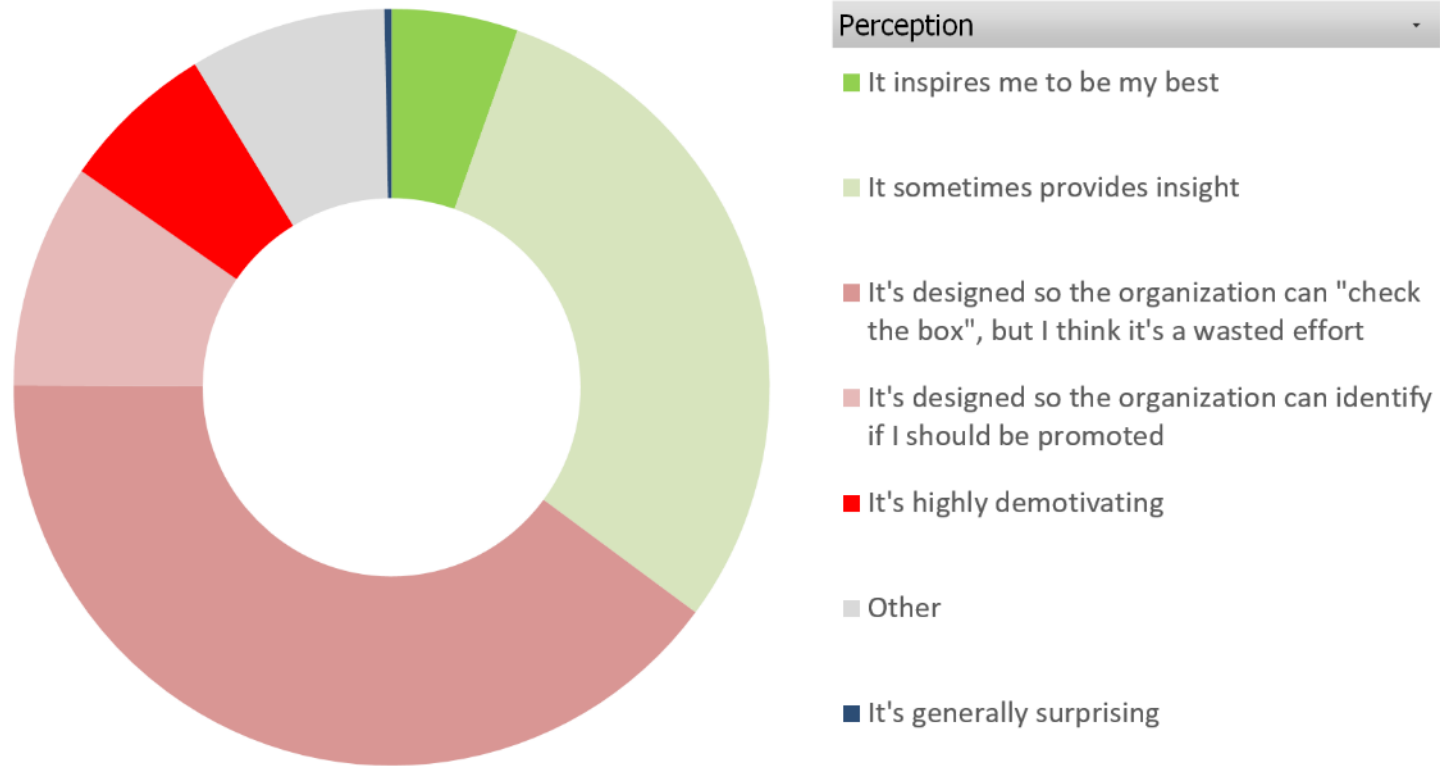
Human Capital Institute staff, 2015

Traditional Performance Management

8%

HR executives thought their performance management systems made a significant contribution to employee performance

Rock, Davis and Jones, 2013

Traditional Performance Management

35% trust ratings to be accurate reflection of performance

27% say it's effective for employee development

Traditional Performance Management: WHAT YOU THINK

Perception

- ■ It inspires me to be my best
- ■ It sometimes provides insight
- ■ It's designed so the organization can "check the box", but I think it's a wasted effort
- ■ It's designed so the organization can identify if I should be promoted
- ■ It's highly demotivating
- ■ Other
- ■ It's generally surprising

Give employees tools to manage their own careers

"Companies used to invest heavily in employees with the intention of keeping them for decades and seeing them grow and contribute for the foreseeable future.

Today, because employees change jobs more rapidly, **employers must provide development more quickly, move people more regularly, provide continuous cycles of promotion, and give employees more tools to manage their own careers**."
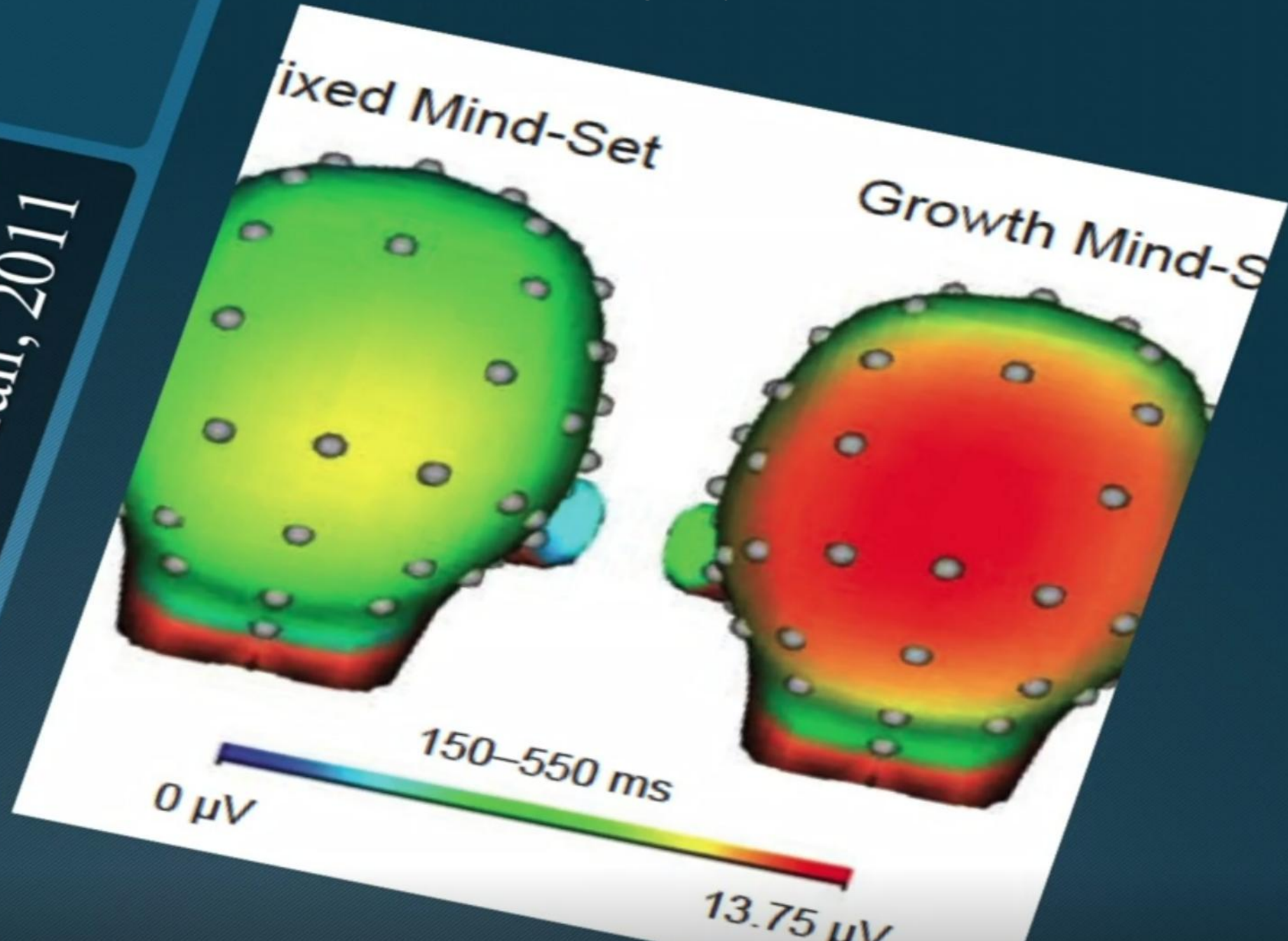
Why traditional performance management fails
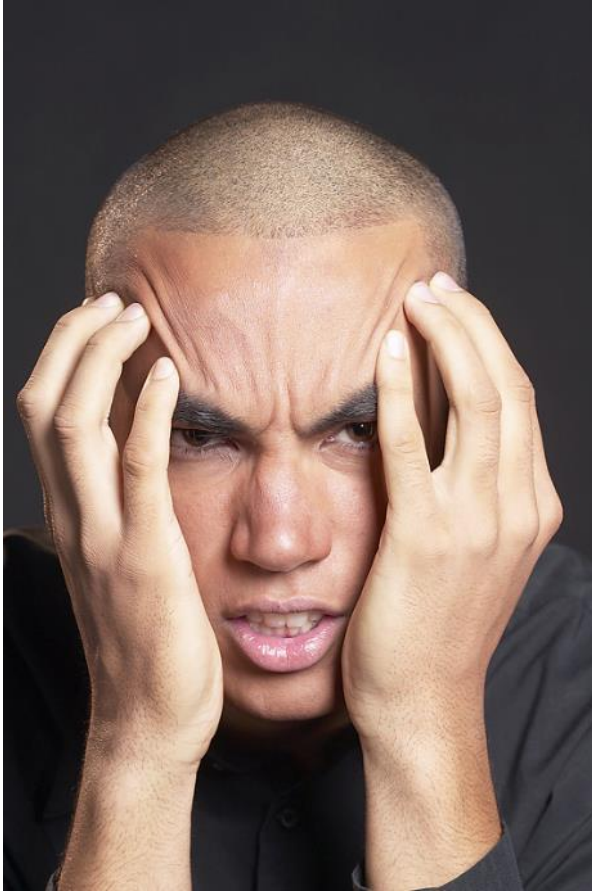
❂ Assume that goals and objectives remain the same during the course of the year

❂ Look backward

❂ Assume talent is fixed

❂ Penalize people for mistakes and taking risks

❂ May discourage innovation

Impact of mindsets in performance management

Fixed Mindset	Growth Mindset
You "have it" or "you don't"	If you don't "have it", with effort, you can
Shut down in reaction to feedback Avoid stretch goals	Thrive with stretch goals because they are seen as opportunities to learn, not as a threat to one's own status
Motivated by seeking approval	Believe motivation comes from mastery
Avoid effort	View effort as the path to mastery and success
See the success of others as a threat to their status	View the success of others as something to learn from

Moser, Schroder, Heeter, Lee, & Moran, 2011

ixed Mind-Set

Growth Mind-S

150–550 ms

0 µV

13.75 µV

New approaches in performance management

* Eliminate the annual performance review altogether in favor of more regular, real-time feedback

* Remove rating systems that cause competition amongst employees

* Revamp compensation systems to more personally reward employees

Continuous vs. Static

Conversation vs. Ranking

Development vs. Remediation

No review, no problem: Making talent decisions without ratings. Human Capital Institute.
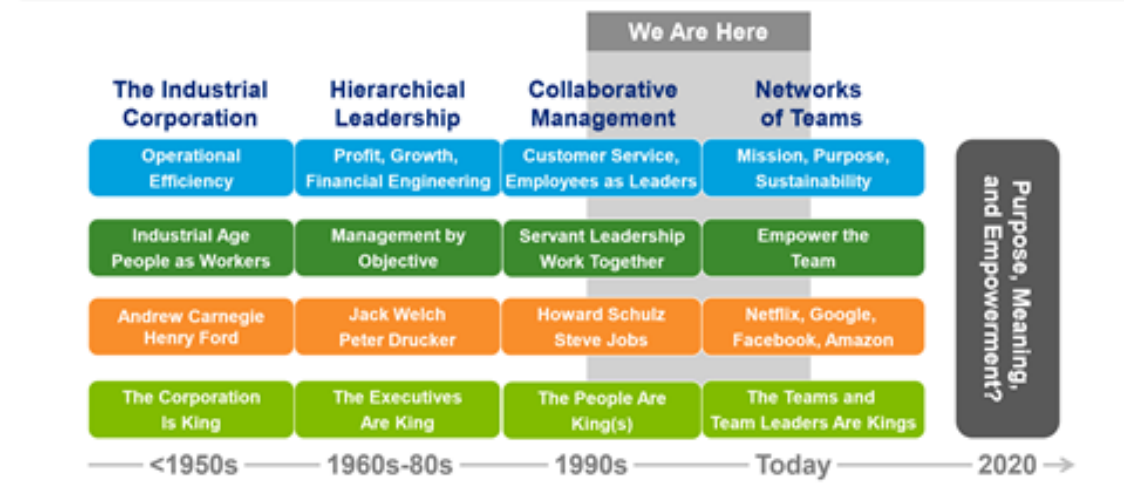
Evolution of management thinking

"Over the last 15 years, companies have shifted from a very top-down, process-driven approach to employee performance management (and annual appraisals) to a much more agile, continuous, feedback-based approach. Much of this is driven by the need to engage and empower young demanding employees, but much is also driven by a shift in management thinking.
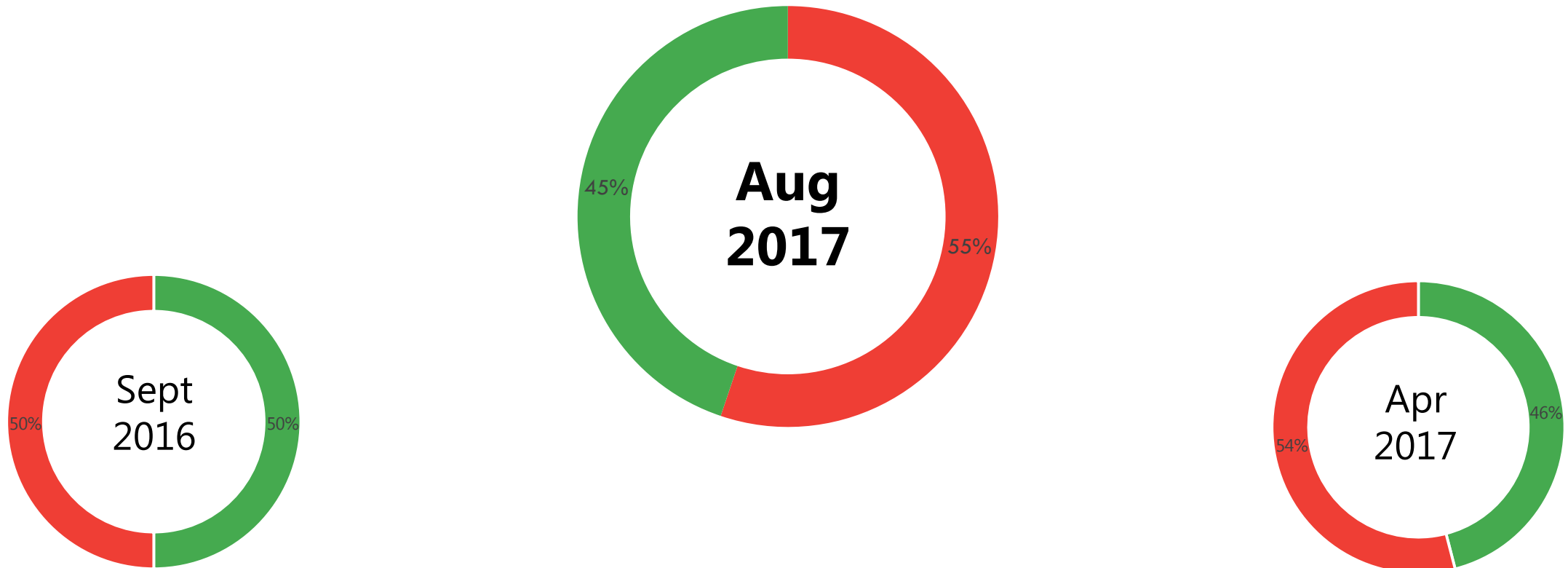
We are in a new world of management. Employees want to be "empowered" and "inspired," not told what to do. They want to provide feedback **to** their managers, not wait for a year to receive feedback **from** their managers. They want to discuss their goals on a regular basis, share them with others, and track progress from peers.

Companies like Adobe can now prove that the redesign of its performance process has directly increased retention, engagement, and innovation."
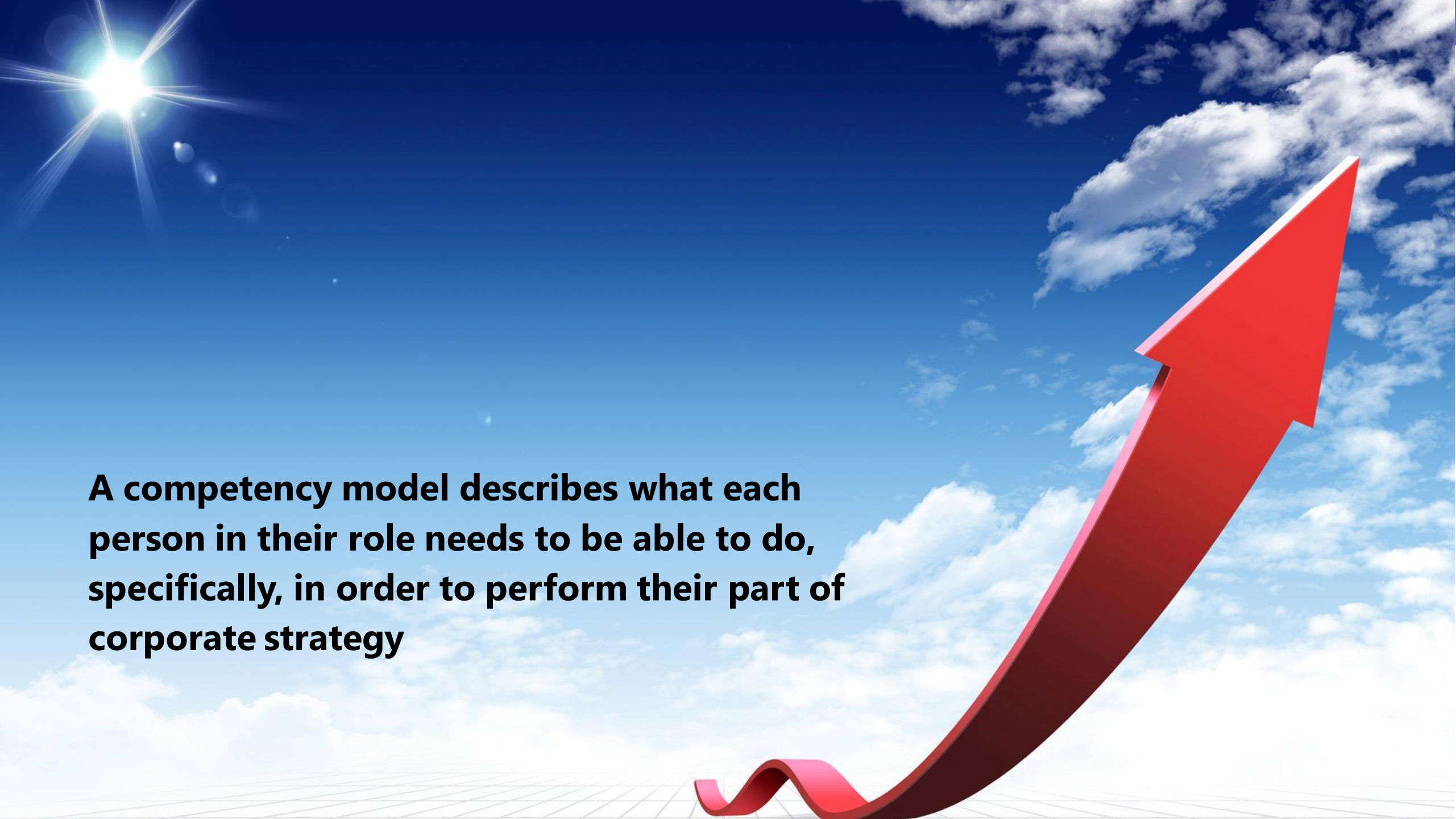

Figure 9: The Evolution of Management Thinking

	The Industrial Corporation	Hierarchical Leadership	Collaborative Management (We Are Here)	Networks of Teams	Purpose, Meaning, and Empowerment?
	Operational Efficiency	Profit, Growth, Financial Engineering	Customer Service, Employees as Leaders	Mission, Purpose, Sustainability	
	Industrial Age People as Workers	Management by Objective	Servant Leadership Work Together	Empower the Team	
	Andrew Carnegie Henry Ford	Jack Welch Peter Drucker	Howard Schulz Steve Jobs	Netflix, Google, Facebook, Amazon	
	The Corporation Is King	The Executives Are King	The People Are King(s)	The Teams and Team Leaders Are Kings	
	<1950s	1960s-80s	1990s	Today	2020 →

Source: Bersin by Deloitte, 2016.

Bersin by Deloitte. Predictions for 2017: Everything is becoming digital.

Do you use competency models to drive professional development?

Sept 2016 — 50% / 50%

Aug 2017 — 45% / 55%

Apr 2017 — 54% / 46%

September 21, 2016 and April 25, 2017 pre-webinar survey questions compared with August 17, 2017 pre-webinar survey questions
For more on Employees Taking Charge, watch webinar or download white paper.

Manager coaching conversations are the key to building and supporting a growth mindset

A competency model describes what each person in their role needs to be able to do, specifically, in order to perform their part of corporate strategy

A competency model describes what it looks like to be great in your role

Make your competency model actionable

"Employees want to be "empowered" and "inspired," not told what to do.
They want to provide feedback **to** their managers, not wait for a year to receive feedback **from** their managers.
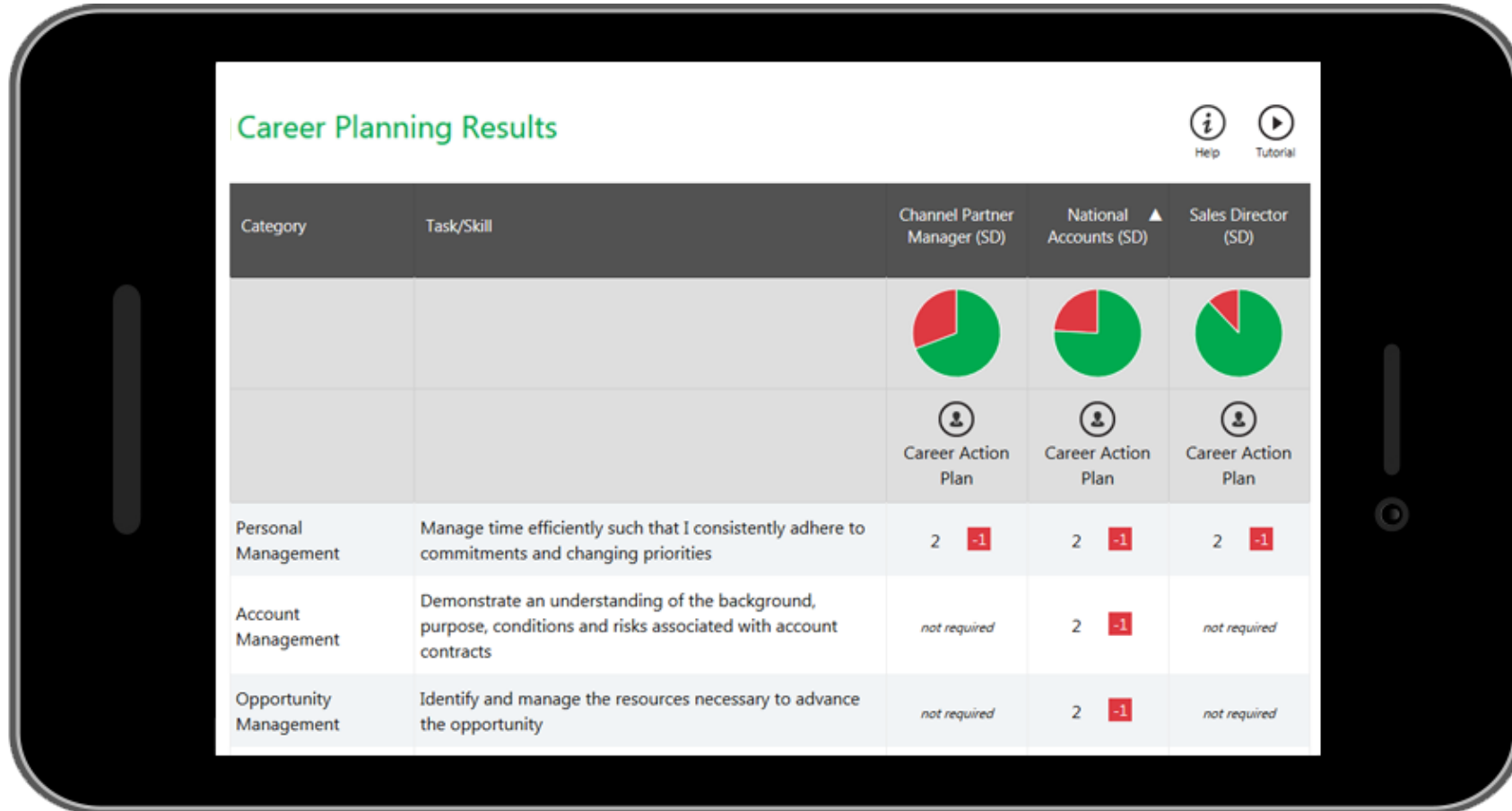They want to discuss their goals on a regular basis, share them with others, and track progress from peers."

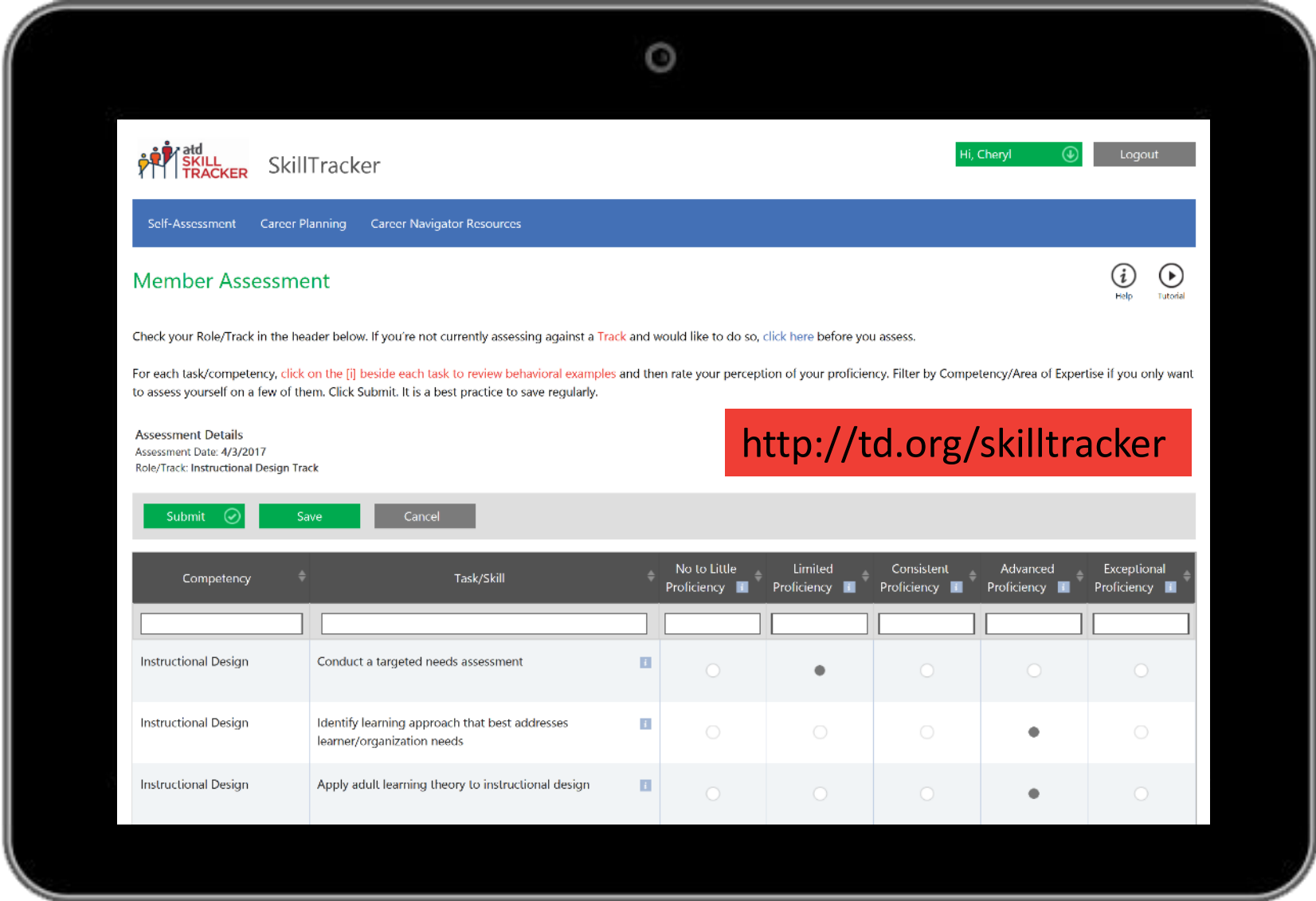# Accelerate learning transfer
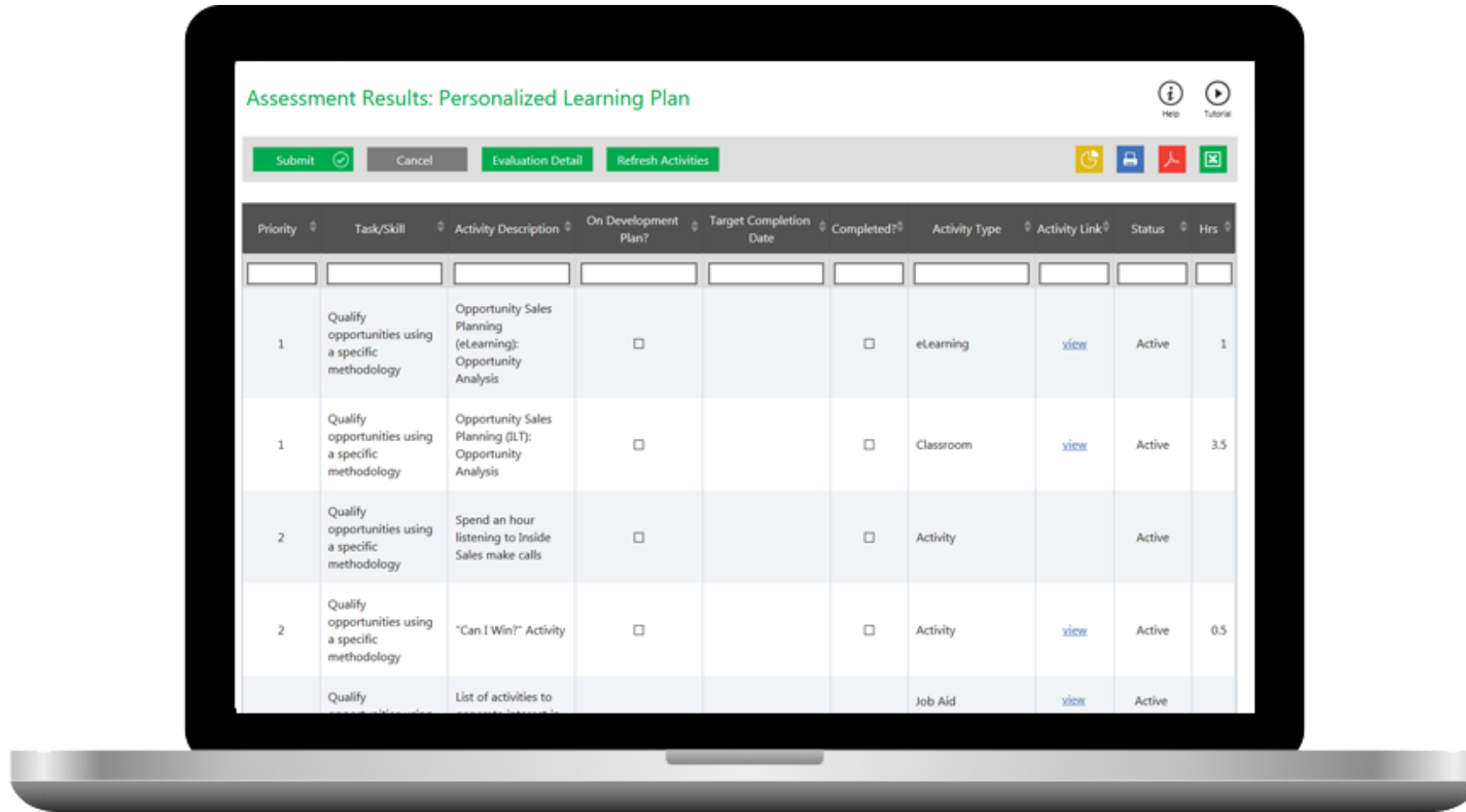
Webinar: How to accelerate learning transfer with competency-based learning

Make your competency model CAREER actionable

# Develop your own growth mindset with the ATD Skill Tracker

http://td.org/skilltracker

Organizational Agility: move people where they are most needed

Organizational Agility: move people where they are most needed

To move people easily:

- Know who has what skills

- Know which team **needs** people with those skills

- The ability to support short term development related to supporting the team on which they exist currently

- Employee-driven desire
to move to different areas
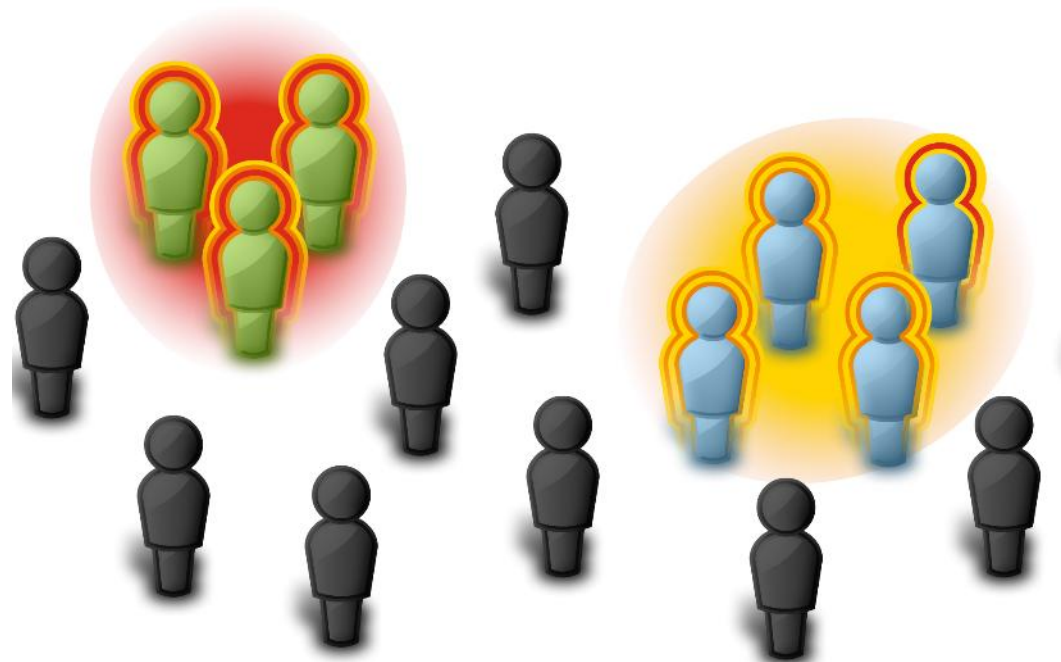
SURVEY: Using teams in your organization

How many people are using teams and moving people between teams today or planning to do so in the near future?
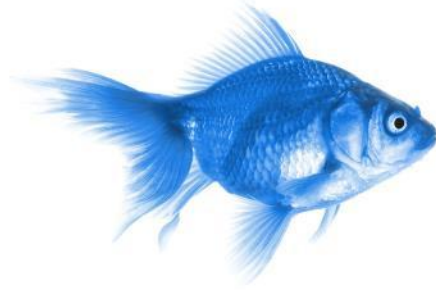
- Use teams today

- Plan to use teams in near future

- Don't use teams, and no plans to

What's the difference between a low performer and a good performer who is simply not in the right spot?

Questions?
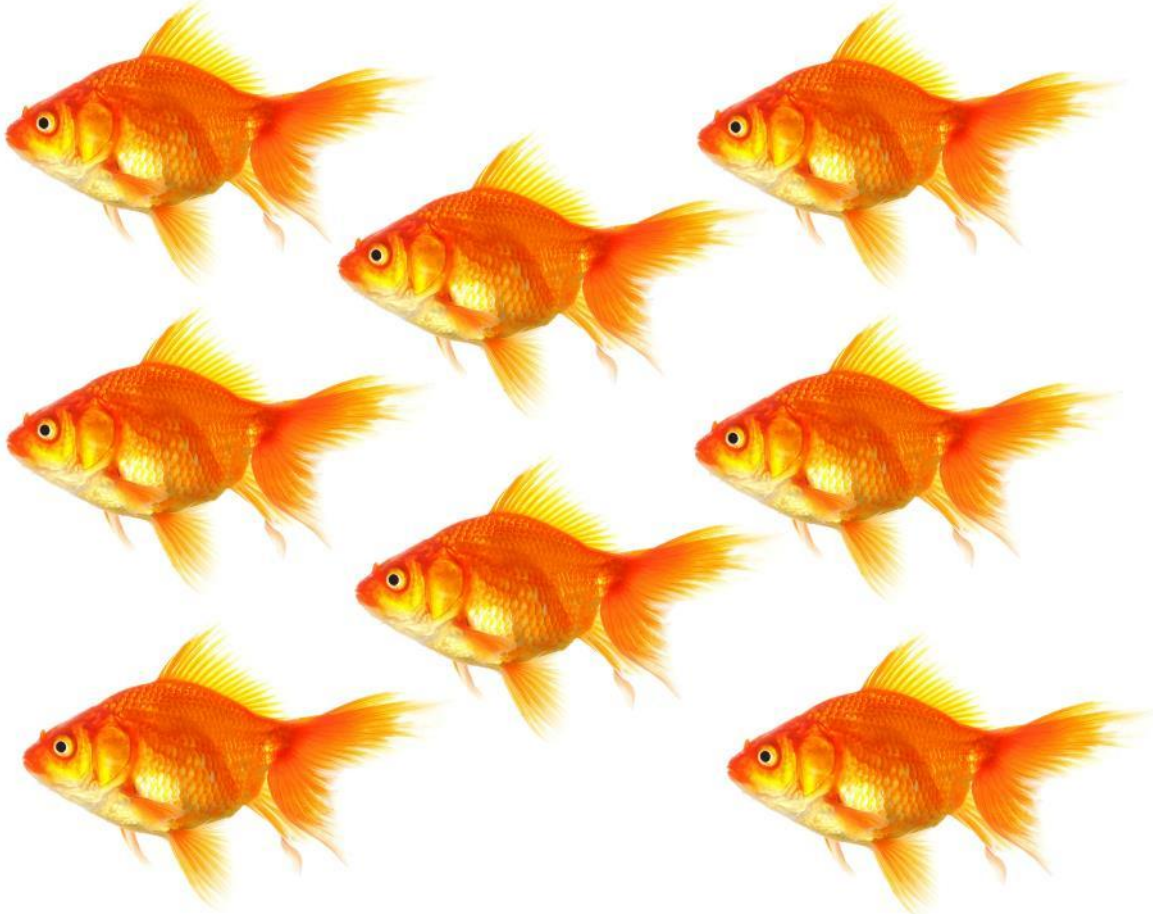
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Contact Information

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Link to ATD Skill Tracker

Link to Competency Models For Professional Development LinkedIn Group

Link to white paper: Why employees taking charge of their learning is good for you

Link to other webinars

What is your current process for performance management?

Legend:
- Annual performance appraisal
- Annual performance appraisal and open ended Individual Development Plan
- Annual performance appraisal and prescriptive Individual Development Plan
- Bi-annual performance appraisal (or annual and mid-year review)
- No annual performance appraisal
- Other
- Quarterly performance reviews
- Regular feedback from manager in place of performance appraisal
- (blank)

Chart values: 33%, 22%, 4%, 18%, 4%, 8%, 6%, 5%, 0%

From August 17, 2017 pre-webinar survey questions