

Performance Management Project Team Proposal

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Abstract: Many employers use annual performance appraisals as a tool to inform employees of the value added by their work and development areas on which to focus. This is often done only once a year and it is the only time employees receive feedback from their manager. Traditionally, by doing it this way, opportunities for timely and relevant feedback are often missed. Because of this, in the past year there has been a spike in the number of employers looking to revamp their process.

Even here at Penn, staff expressed their dissatisfaction with the process through the 2013 staff engagement survey. Consequently, this group was assembled to create a process that would move the institution forward and create a system which will foster forward thinking and continuous feedback. The issues summarized in this paper are consistent with a growing national trend. There is currently abundant literature – from the Harvard Business Journal to Society for Human Resources Management articles – which discuss a wide-spread perception that the performance appraisal process tends to be inadequate and underlives what it promises.

Background and Analysis of the Project Team

The project team was asked to read the book “*Catalytic Coaching: The End of the Performance Review*,” by Garold Markle. This book was intended to provide ideas that are potentially useful in reforming Penn’s appraisal process. The Catalytic Coaching method discusses the following:

- Having no competitive ratings or rankings
- Focusing on the future, rather than the past
- Involves 360-degree feedback
- Heavily involves the staff and the supervisor working together on a development plan
- Involves extensive training for all
- Ownership of the process must be by both parties, but more so on the staff member
- Positive behavioral changes as an outcome

Though the book contained useful tools and information, the team decided to conduct focus groups to gather additional information in determining what other areas of focus were needed at Penn.

Externally, we solicited feedback from MIT, Harvard, Stanford, Brown and Princeton University to gain an understanding of their current processes. We identified that, like us, they use a 5-tier rating system and an annual review process. They also shared that they are considering a revamp of their process.

Internally, we created focus groups from managers in SAS, Vet, Dental, Provost Area, DBS, Library, DPS, and FRES. Wharton already had a review committee which was asked to review the same questions. We then solicited feedback from staff in SAS, Vet, and Dental.

The objective of the groups was to get answers to the following questions:

- What do you think is the goal of performance reviews?
- What is working in the current process?
- What does not work in the current process?
- What should the final product look like in your opinion?

After considering the feedback from the focus groups, we concluded the following:

- The goal is to create an avenue that promotes frequent feedback, while also discussing growth and professional development opportunities. The current process only creates an avenue for yearly feedback
- The online performance appraisal system is user-friendly so maintaining a similar system would be beneficial
- Ratings do not tie to performance and there is a lack of understanding on how the ratings work
- The current process does not provide the intended benefits
- The current process only creates an avenue for yearly feedback
- The current process is too lengthy
- The new process should require more frequent meetings and ongoing discussion, which would require management training and accountability

In addition to the focus groups and Ivy Plus Partner Schools, some members of the team recently attended an Employee Relations Council dinner with Peter Cappelli, Director of the Wharton School's Center for Human Resources, who stated: "If you wait a year to tell employees how they are doing, they are almost always surprised and unhappy if the results are not positive." According to Cappelli, successful companies such as Accenture, Adobe Systems Inc., Deloitte, IBM Corp., Microsoft Corp. and others have eliminated the traditional performance appraisal with a common goal in mind "making performance an ongoing and fluid activity."

The changes these and other companies are making are new, varied, and in some instances, experimental. But patterns are beginning to emerge.

- Some companies are rethinking what constitutes employee performance by focusing specifically on individuals who are a step function away from average—at either the high

or low end of performance—rather than trying to differentiate among the bulk of employees in the middle.

- Many companies are also collecting more objective performance data through systems that automate real-time analyses.
- Better data back up a shift in emphasis from backward-looking evaluations to fact-based performance and development discussions, which are becoming frequent and as-needed rather than annual events.

Proposal

Given the feedback about Penn’s current process and national trends, our proposal aims to target the discontent of management and staff and to develop a simple process that is transparent and encourages open and frequent communication.

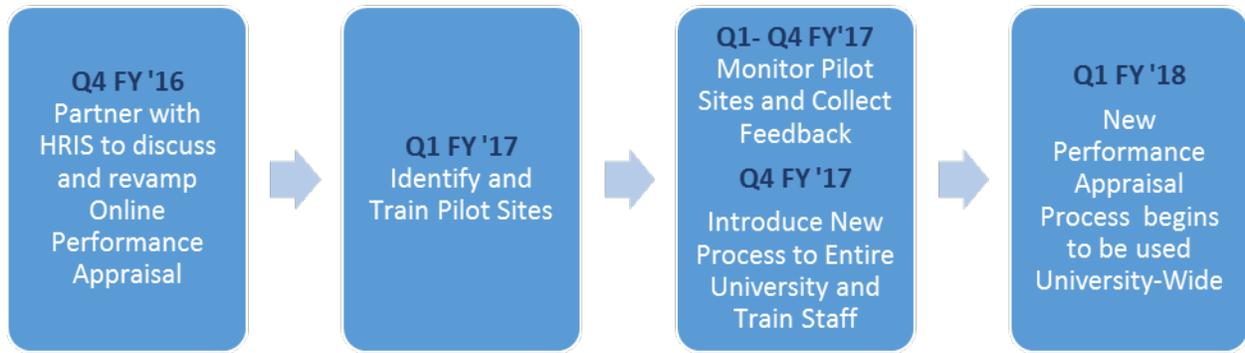
Currently we encourage managers/supervisors and staff members to have weekly check-ins, but with the proposed approach we are recommending that they hold quarterly documented feedback meetings each fiscal year. Prior to each meeting, both manager/supervisor and staff member will receive a reminder through an automated message system, alerting them that they should meet and document their check-in in the system. Upon logging in, both manager and staff are prompted to answer the following four (4) questions:

1. What were the accomplishments this quarter?
2. What were the challenges faced?
3. What needs to be developed?
4. What can my supervisor do to support me in my role?

These questions must be answered at each check in, with the last meeting of the year being a summary. Unlike the current process, a lengthy summary is not required. The last quarter’s meeting will only be a recap of the year based on the previously documented meetings and no ratings will be required or issued. During this meeting, goals for the following year should be established.

Implementation Plan

The proposed timeline intends to introduce the program to a small sample group within selected schools and centers to serve as a pilot for the first year (FY ’17). This will give us an opportunity to observe its application and make revisions as necessary. Training for those schools and centers will begin in the summer (July) of 2016. If the program is well received, it will be introduced to the entire University in the fourth quarter of 2017 and rolled out FY ’18. Training will begin then and run until August 2017.



Conclusion

In conclusion, there is no silver bullet in performance management. What is important is to drive more effective conversations, provide timely feedback with structure, enhance staff engagement, and build a culture founded on purpose and values. As with any change, we will move at a pace the University can sustain and consider the full scope and implications of any recommendations as we do so.