Part 4 of SilkRoad’s 4-Part Performance Series

Aligning Performance Management with Business Strategy

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Aligning Performance Management with Business Strategy

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Your Presenter: **Sharlyn Lauby, SHRM-SCP**

- Sharlyn Lauby is an author, writer, speaker and consultant. She has been named a Top HR Digital Influencer and is best-known for her work on [HR Bartender](http://hrbartender.com), a friendly place to talk about workplace issues.

- HR Bartender has been recognized as one of the Top 5 Blogs Read by HR Professionals by the Society for Human Resource Management (SHRM.)

Today’s Agenda

• Why performance management needs to align with business strategy

• Three (3) opportunities to align performance management with business strategy (pre, during, post)

• Evaluating the effectiveness of current performance management

• How to change an existing performance management process to align with business strategy
The War for Skilled Talent

• Candidate-driven job market
• Finding the right people for the job is becoming increasingly difficult
• Middle skills gap emerging
THE STRATEGY-FOCUSED ORGANIZATION

“A mere 7% of employees today fully understand their company’s business strategies and what’s expected of them in order to help achieve organizational goals.”
THE IMPORTANCE OF ALIGNMENT

• Only 33% of companies identify critical roles based on goals
• Less than 10% include talent management in business planning

Source: Bersin by Deloitte
3 OPPORTUNITIES TO CREATE ALIGNMENT

1. Candidate
2. Employee
3. Alumni
#1: THE CANDIDATE

The business process of performance management doesn’t need to be an isolated room.
## Buy, Build or Borrow?

<table>
<thead>
<tr>
<th>Approach</th>
<th>Buy</th>
<th>Build</th>
<th>Borrow</th>
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<tbody>
<tr>
<td><strong>Intention</strong></td>
<td>BUY the talent necessary to meet goals and be successful</td>
<td>BUILD talent for the future within the organization</td>
<td>BORROW the talent when business needs require</td>
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<td><strong>Advantage</strong></td>
<td>Brings new ideas to the organization</td>
<td>Positive impact on corporate culture and moral</td>
<td>Can be very cost-effective</td>
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<tr>
<td><strong>Disadvantage</strong></td>
<td>Can be expensive</td>
<td>Takes time</td>
<td>Need to keep talent engaged</td>
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Why Setting Performance Expectations is Important

• Engagement

• Retention

• Bottom-Line Results
Performance Management During Hiring

- Job descriptions
  - Scope of work

- Collaborative interviewing
  - Multiple
  - Peers

- Interview questions
  - Behavioral
  - Projects

- Onboarding
#2: THE EMPLOYEE

Individual performance should be directly linked to business goals and results.
HOW TO: Set Relevant Goals

1. Align with business goals
2. Get buy-in
3. Document on paper or online
4. Phase in over time
5. Regularly monitor progress
6. Modify as appropriate
7. Abandon goals that don’t make sense
8. Ask for help
9. Celebrate accomplishments
10. Learn from failures
Employee Performance Management

- Agile Performance Management
- Career development
  - Cascading goals
  - Real-time feedback (RTF)
  - Coaching and mentoring
- Talent planning
  - Replacement and succession planning
  - Talent pools
Connecting Goals and Performance Management

- Align goals with business objectives
  - Relevant
  - Visible
- Make goal setting an recurring event
  - Updates
  - Abandoning goals
- Communication
  - Regular goal discussions
  - Feedback/coaching
Rehires and referrals are a key component of any organization’s talent strategy.

#3: THE ALUMNI
Your Best Recruiting Sources are the People You Know

- Employees as culture ambassadors
  - Great places to work
  - Unwritten rules
- Employee referral programs
  - Cost per hire
  - Define employee role
- Boomerangs
How Real-Time Feedback (RTF) Can Enhance Performance Management

- Motivation
- Modern Employees
- Goal Setting
- Career Development
ALIGNING PERFORMANCE MANAGEMENT AND OFFBOARDING

• Stay interviews
• Exit interviews
• Regular communication
  • Alumni groups
  • Referral programs
3 OPPORTUNITIES TO CREATE ALIGNMENT

1. Candidate
2. Employee
3. Alumni
Measuring Effectiveness

• Turnover
  • Rate
  • Cost

• Surveys
  • Electronic pulse surveys
  • Focus group

• Metric: Performance Change
  • Pre- and post- testing

“The significant time savings provided hours that HR and Payroll use to focus on other critical work.”
Aligning Your Talent Plans

• Get senior management buy-in

• Build alignment into PM processes
  • Implement in phases
  • Think about maintenance during development

• Use technology strategically
  • Make changes based on data
Questions?
Listen to the Employee Performance Series!

Part 1: Succession Planning – 5 Strategies for Identifying and Developing Future Talent

Part 2: How to Align Learning and Performance Management

Part 3: Creating a Real-Time Performance Feedback Culture

Part 4: Aligning Performance Management with Business Strategy

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