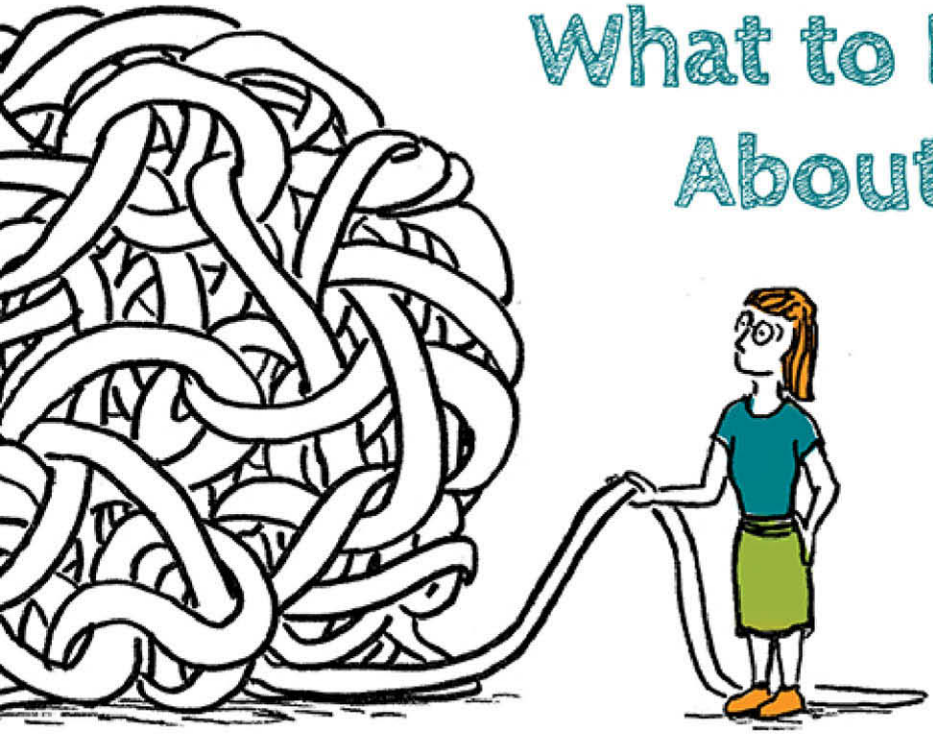
How Performance Management Is Killing Performance—and What to Do About It



Rethink. Redesign. Reboot.

M. TAMRA CHANDLER

Foreword by DAVE ULRICH
Bestselling author of *The Why of Work* and *The Leadership Capital Index*

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More Praise for *How Performance Management Is Killing Performance—and What to Do About It*

"I place inordinate value in business books that are first and foremost practical. Tamra met my high bar and then some. I'm a CEO, not an HR leader, and I can't wait to share this framework with my leadership team. It is a great way to talk about helping our people thrive and grow themselves in a terrific combination of head and heart. Dig in! You'll be glad you did."

—Steve Trautman, CEO, The Steve Trautman Company

"Performance management has been like the frog slowly dying as the water temperature rises. Lately the pot is boiling over and companies sense that traditional performance management is dead. But many lack the confidence and know-how to replace it with a vibrant and sophisticated system that endures. Enter Tamra, who offers a vibrant framework to balance three demands: organizationally aligned goals, development, and rewards. She gives an elegant starting point for a strategically customized solution that fits with business strategy and culture. And she goes much further, laying out models, templates, and a step-by-step map to move from high-level design to tactical implementation. If you are going to change performance management, get this indispensable guide to do it right."

—Jeannie Coyle, coauthor of *Make Talent Your Business*

"Tamra contributes to the growing chorus of those understanding the need to replace traditional performance appraisals. In addition to building on solid research in the social sciences, she recognizes the need to challenge an organization's culture and underlying beliefs about motivation, leading to tailored solutions for performance management. What sets this book apart from the others is the detailed collaborative design and implementation process using very effective visual tools and techniques. This book is a key resource for those committed to unleashing the full potential of their organization."

—Mary Jenkins, coauthor of *Abolishing Performance Appraisals* and founder of Jenkins People Systems

"If your company is straining under the weight of a performance management system that was created when Herbert Hoover was president and George VI was sitting on the throne of England, this book is for you. What sets this book apart is Tamra Chandler's practical, research-driven methodology to create something new and better that will actually stick in your organization because it enlists people in the design and reboot. Chandler's 'Eight Fundamental Shifts' and 'Three Common Goals' provide a great framework that treats everyone like adults and helps organizations achieve their strategic goals."

—Jane Takushi, Director, Talent Management, Apptio

"If you are starting on a journey to HR's future, read this book. At its deepest, it is an invitation to rethink how we practice HR. Bring trust, collaboration, and accountability into your culture; deliver feedback in forthright, timely conversations; fundamentally reboot your manager and employee relationships; and shift

to the next-generation talent management. Tamra speaks for all of us who have toiled in the profession for years waiting for the big shift to happen. It is grounded in the present but clearly shows the way to the future."

—Anna A. Tavis, Executive Editor, *People + Strategy Journal*

"Tamra's messages are fresh and relatable to all leaders committed to maximizing the performance of their people. Rich with real-world examples and practical advice and infused with humor, this book is a quick read and well worth your time!"

—Kim Cannon, Executive Vice President, Human Resources, TrueBlue Inc.

"Tamra Chandler's book quite rightly highlights how broken performance management systems are but, more importantly, offers valuable best-practice solutions on how to fix them. Given the proven linkage between performance management and employee engagement, her prompting of a 'performance management reboot' is long overdue. This book is a really great read for both manager and employee."

—Kevin Sheridan *New York Times* bestselling author of *Building a Magnetic Culture*

"This book demystifies the complex journey of evolving performance management. Tamra contrasts traditional approaches with innovative possibilities. She provides a step-by-step guide considering each organization's unique goals and culture. This will be a go-to resource to reinvent our performance management system."

—Kori Czasnojc, Director of Organizational Development, Raley's

"This book goes beyond outlining why the traditional performance appraisal process is dysfunctional to describing what basic attributes of the culture and approach to employees have to change to fix it. A great book to give to leaders to get them moving on reform."

—Peter Cappelli, George W. Taylor Professor of Management and Director, Center for Human Resources, Wharton School, University of Pennsylvania

"Tamra shows us how conventional performance management is profoundly flawed and provides us with a pragmatic and comprehensive road map leading to and sustaining transformational change. Tamra intertwines points of view, examples, tools, and change management practices that will properly serve those who have the courage—and encouragement—to make this bold change. Her performance management mindset and principles center appropriately around performance, fairness, and development."

—Bob Hargadon, Senior Vice President, Global Human Resources, Alere, Inc.

"Tamra has created an amazing resource to help you get your organization moving again. She packed it with humor and frontline case examples that you can immediately put into action. It is a quick read and well worth your time. I will be sending copies to my kids and other people I really care about. I highly recommend it for anyone who wants to lead more effectively!"

—Steve Player, coauthor of *Future Ready* and *Beyond Performance Management*

How Performance Management Is Killing Performance

AND WHAT TO DO ABOUT IT

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How Performance Management Is Killing Performance

AND WHAT TO DO ABOUT IT

RETHINK. REDESIGN. REBOOT.

M. Tamra Chandler

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How Performance Management Is Killing Performance—and What to Do About It

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For Alabaster, my superpower

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Foreword

PERFORMANCE MANAGEMENT FACES A MAJOR PARADOX. On the one hand, employees and managers all recognize, and studies confirm, that it is the most loathed HR practice. Performance management feels like hazing to the employees being appraised and makes isolated Scrooges of the managers doing the appraisal. As a result, managers hide behind performance management processes meant to quantify and validate behavior. These bureaucratic processes further alienate employees from managers and become administrative folderol. People game the process, and performance management does not improve performance.

On the other hand, accountability matters. Not all employees perform well on all tasks; employees often have differentiated performance; and employees often judge themselves by their intent (which is often positive) more than by their outcomes (which may not be). Without accountability, employees don't perform as well. Few people wash their rental car before returning it, but many fill it up with gas because of obvious accountability. I have tried to lose weight without weighing in, and my good intentions were not realized without accountability. Without accountability, people are unlikely to change and improve performance.

So performance management faces a conundrum. Don't do any performance management, and accountability sloughs and performance lags; keep building complicated processes, and the process breaks and performance lags.

Tamra Chandler not only does a marvelous job depicting this performance management enigma, but she also offers some thoughtful alternatives. As a consultant, she has had the opportunity to observe many leading companies that have both succeeded and failed in performance management. Her writing is engaging with clever metaphors, pictures, and examples. She simplified the complex and is inside her reader's head, trying to rethink and retool performance management.

She starts with what is. Her eight fatal flaws (chapter 2) of traditional performance management will likely leave you nodding in agreement and realizing you are not alone, but also cringing with recognition that good intentions are not working.

She moves to what can be. Her eight shifts (chapter 3) provide a blueprint for moving forward. These shifts are fundamental assumptions about information and people that allow positive accountability to occur.

She then begins with the end in mind by identifying three goals of positive performance management (chapter 4): developing people, rewarding equitably, and driving organization performance. She builds her performance management retooling on this tripod and shows how it can enable a positive conversation.

With shifts and goals defined, she suggests a PM Reboot, where leaders come with assumptions of trust and customization. Trust implies building relationships between employees and managers, listening to each other, sharing decision making, and working together on common goals. Customization means adapting, not adopting, ideas according to the company, job, and individual. Rather than have rigid and standardized processes, work to tailor accountability solutions. She then offers specific performance management redesign solutions in five phases:

- Mobilize: Plan and invite participants to get started.
- Sketch: Align on how to move forward.
- Configure: Prepare a performance solution.
- Build: Adapt the solution.
- Implement: Plan, change, and act on the ideas.

For each of these five phases, she offers specific examples and tools that leaders can use.

What is particularly helpful about Tamra Chandler's work is that she acknowledges what most have realized: that performance management is less about the process (setting goals, ensuring standards, having consequences, providing feedback) and more about positive conversations built on relationships. But she goes beyond the superficial adage "have a positive conversation" to offer specific guidelines, tools, and words that might allow these productive conversations to

occur. It feels like she is a genie on the shoulder of a manager who wants to help his or her employees improve through a positive and accountable conversation. She is not prescriptive about a process, but she is committed to building trust and customizing an approach to performance improvement. As appropriate, she weaves in research to validate her recommendations (e.g., Hofsted's workplace cultures). Through the cases she provides, it is obvious that she has had many of these coaching roles and helped well-intentioned managers find the balance between rigid processes and accountability abdication.

Another nice feature about her work is that the principles she proposes apply in both for-profit and not-for-profit settings. I can imagine that these principles could also be adapted to social groups, church settings, and even families, where the paradox of accountability also exists.

Her last chapter (10) is an excellent and valued addition. Many people know what to do but don't do it (e.g., eating healthy, being kind to strangers, listening more). By anticipating resistances and dealing with them in advance, managers can overcome what might go wrong. Her work parallels the seven disciplines of sustainability that we found in helping leaders sustain the changes they know they should make.

Is this book a panacea for the accountability paradox? Probably not. But it is far more helpful than trudging ahead with what is broken or abandoning all sense of accountability. It is particularly insightful on how to build a customized, trusting relationship through a positive conversation. Will employees like knowing how they are doing and what they need to do to improve? Probably not in many cases. Will leaders like being the bearer of bad news and holding up an accountability mirror? Probably not in many cases. But, by managers rethinking, redesigning, and rebooting performance management, accountability can lead to better-developed people, equitable rewards, and sustained organizational performance.

Dave Ulrich
Rensis Likert Professor of Business, University of Michigan
Partner, the RBL Group

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Preface

IS PERFORMANCE MANAGEMENT ACTUALLY *KILLING* PERFORMANCE? Seems a little melodramatic, doesn't it? I'll admit that the book's title may be a little over the top, but the fact is, my own personal experience and a great deal of research confirm that a process that was designed to increase engagement and productivity is doing just the opposite, and in a big way. My aim is to help you understand how performance management really is killing performance, but more important, to show you exactly what you can do about it.

In fact, this may be the first comprehensive how-to guide to designing modern, customized performance solutions ever published. But, although it is about performance management, don't get the wrong impression. It's really about creating something revolutionary that looks *nothing* like what we know today as performance management. So let's say instead that it's about creating high-performing organizations, promoting individual development, and building on the collective capabilities of a team of people. In short, rethinking, redesigning, and rebooting performance management in a way that recognizes the uniqueness of your people and your organization.

Whether you're a human resources or talent management professional, a business leader, or a fellow consultant, or you hail from some other corner of the organizational landscape, you've come to the right place. I wrote this book for you: that bold individual in any organization, be it large, small, local, global, high-tech, or low-tech, who decides it is high time to rethink and redesign his or her team's approach to performance management. I aim to give you both the courage to get started and a guide to leading your organization through a thoughtful process to reboot performance management and build a solution that matches your strategy, culture, and needs, as well as the promises you've made to your employees.

But my book isn't just for *you.* It's also for your executive team, your business leaders, your managers, and your employees. Why? Because I want to help everyone who has an interest in this topic, or a role to play in the process, understand why our traditional approaches to performance management are not working, and how we can and should shift our thinking to create better experiences and outcomes for all involved.

Building this understanding is the core aim of the first section of the book, **Rethink,** which was written for anyone who is touched by performance management. **Redesign** is where the rubber meets the road: an unprecedented step-by-step guide to designing your own customized solution. Finally, there's the all-important **Reboot,** which provides tips and tricks for building and implementing your solution and making it stick. As an added bonus, you will find a Toolbox section with guides, worksheets, and other tools to aid you in the practical application of the PM Reboot process. Look for the Toolbox icon for these items throughout.

If you are taking on the job of "lead architect" of your future performance management solution, this book will be an indispensable road map to getting where you want to go. Read through it once, and then return to it as you work through each of the design steps in part 2 for helpful tools, techniques, tips, and facilitation guides along the way.

I strongly encourage you to ask your business leaders and others who play a role in your performance management process to read the Rethink section in particular. Use it to start the conversation within your organization and engage your broader team in the rebooting process.

As you read, you'll notice that I have a bit of fun examining the pitfalls of traditional performance management from time to time, particularly in chapter 2, but make no mistake: I have nothing but respect and admiration for the talented and dedicated HR practitioners who have worked so hard and for so long to try to make performance management better. I'm on your team and probably have more in common with you than you know; after all, as a seasoned consultant and business leader myself, I've been in the trenches with you for decades. In fact, I built a very efficient and thoroughly traditional performance management solution in my role as the people leader at Hitachi Consulting. Been

there, done that—which helped convince me that it was time to move beyond tradition and find ways to help free HR professionals from a process that's typically stressful and ineffective and a role that is too often negatively viewed by those they support.

There's no doubt in my mind that what's broken here is the system, not the people who are stuck in it. And I'm clearly not alone. In June 2015, I spoke on this subject to an audience of about 1,250 human resources professionals at the National Society for Human Resource Management (SHRM) Conference in Las Vegas. At the beginning of my presentation, I asked everyone in the audience who genuinely loved their performance management program to stand up.

And how many of those 1,250 people did? *Two.*

After my talk, a man approached me to let me know that the only reason he had stood up was that his company *didn't even have* a performance management program. It was a funny moment, but a little sad at the same time.

Now, how about you? Would you stand up for your current performance management solution? It would be understandable if your first reaction was to defend something that you and your team had invested hours, days, months, and maybe even years in building and improving. You've always had honorable intentions, and it is likely that over time you have improved your approach to make it more helpful, consistent, and trusted. Or you might think, "OK, I don't *love* our program, but there are elements of it that are not so bad, and there are even bits that are quite good." I'd expect that there are, and I hope that as you build something new, you don't throw those good parts away.

Use this book to help you rethink the not-so-good parts and to shift the role that HR plays in your organization's performance processes to something that's both more fun for you and your colleagues and more valued by those you support. Your HR team can move away from policing and overseeing what's likely to be a counterproductive, frustrating process to becoming designers of great tools and content for your managers and your people. Imagine freeing HR from inventorying completed reviews, arguing about rating scales, and hounding people to get their forms in, and instead trading those headaches for more time to

teach, coach, and inspire the people within our organizations. Now *that* would be a reason to stand up.

In a sense, this book is my own way of standing up—for a new and better way of doing things, and for those who are struggling to create richer experiences for their people and more positive outcomes for their organizations. When I first decided to write it, I reached out to a wonderful network of authors and asked each of them to share their experiences in crafting, publishing, and marketing a book. This was unexplored territory for me, and their insights have been invaluable along the way.

One of these authors is Geoff Bellman. He and I passed a lovely late-winter afternoon chatting in his north Seattle living room overlooking Puget Sound, enjoying hot tea and the cookies I had brought in exchange for his time. We had been talking about writing for a while when Geoff asked me, "So, why this book?" I guess I still hadn't answered that question clearly for myself, so I fumbled a bit for a response. After a pause he said, "I find I write because I have to get these ideas out of my head. I have a compelling need to share them."

In that moment, Geoff had put words to what was driving me. For years I'd been observing the impact that our old thinking and philosophies were having on people across well-intentioned organizations. Further, I knew the frustration of HR leaders who were trying to find a better way. My personal passion for creating win-win solutions for people and organizations had evolved into an obsession. Like Geoff, I felt an unshakable urge to share my learnings, ideas, thinking, and approaches in hopes that they would help us move beyond tradition to something new and better. I felt compelled to reach those beyond my network and client base, because if enough of us have the courage and the tools to move forward—to Rethink, Redesign, and Reboot performance management—we can lead a sea change in how and why we work.

Part I

RETHINK.

If you do not change direction, you may end up where you are heading.

—Lao Tzu

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Chapter 1

WELCOME TO THE PM REBOOT

IT SEEMS LIKE A MILLION YEARS AGO. In reality, it was 1985.

That was the year I took my first real job as a newly minted engineer at the age of twenty-two, working at the Boeing plant in Everett, Washington, in support of the 747 and 767 programs. I carpooled to work with a group of guys, leaving Seattle at 6:30 each morning to be sure that we were in our seats by 7:15. We all sat in a row of identical metal desks facing our manager's door. No one had a computer; all of our data was stored on enormous mainframes, and if you wanted a printout, there were only a few guys in the group who could run it for you. One of the few other women in my group was our dedicated secretary (yes, secretary, not assistant), who spent her days tapping away at an electric typewriter. Three older engineers sat in the row in front of me: one smoked cigarettes, another a pipe, and the third cigars. They had all the bases covered.

At lunchtime, we younger engineers headed to the cafeteria for our thirty-minute break, while the older guys played cards and ate sandwiches they'd brought from home. The workload was steady but never overwhelming, and our forty-hour week allowed us plenty of time to get everything done. (Like many Boeing employees of that era, we referred to the company as "the Lazy B.")

We all had a set number of vacation days and sick days. My pay would incrementally increase each year, and I never saw a bonus. No one thought to ask for flextime beyond maybe a thirty-minute swing in arrival and departure times. We wouldn't have dreamed of taking work home, much less taking any along on vacation.

Our meetings involved packing into a single conference room. To communicate across the company to other engineering or support teams, we drafted memos and had the secretary type them up. After a

few rounds of editing, we'd send them off in interoffice mail envelopes, and then we'd wait a few days for a response to return in a similar envelope. Everyone followed the same procedures and processes, and most communications from leadership came via memo or the company newsletter.

At the time, I simply accepted the fact that this was the way things had always been done, and it never occurred to me that they wouldn't continue to be done this way forever. After three years, I left Boeing to get my MBA and embarked on a quarter of a century as a leader and consultant in strategy, operational performance, human resources, and people solutions. Looking back, my days at the Lazy B seem like the Dark Ages; the metal desks, the secretary with her electric typewriter, the desktop ashtrays, and the forty-hour workweek survive only in my memories. We've seen five presidential administrations since then, ridden out a couple of cycles of economic boom and bust, and witnessed the dawn of the digital age and a new millennium.

Everything has changed. Everything, that is, except performance management.

Technology has altered the landscape dramatically; we're always on and connected. Turnaround times have gone from days to minutes. We often have a diverse mix of generations and nationalities working for us under one global corporate umbrella, and the roles of women in the workplace have changed considerably from the days of all-male management at Boeing. Our modern culture of self-expression, particularly in today's predominantly millennial workforce, has bred an unprecedented desire for creativity, autonomy, and fulfillment in the workplace. Many employees have an expectation of instant feedback, frequent recognition, and a strong say in their career paths. Teamwork, technology, and long hours collaborating in coffee shops have replaced working alone at a desk in a cubicle or office. For many of us, *going to work* has evolved into *doing work*.

Yet our approach to performance management remains stuck in the world of Rolodexes and two-martini lunches. The fundamentals of how we assess, develop, and motivate talent have changed little from the roots of the practice in the post–World War II industrial boom.[1] At that time, bureaucracies sought to align common thinking across the

layers of their organizations and began working to drive behavior and performance standards across large companies. Then the late 1950s saw the emergence of management by objectives (MBOs), a review-based process designed to make sure that employees and management agree on what specific objectives the employee needs to achieve to support the organization. Thus, performance management largely became a scorecard of an individual's accomplishments.

By the time I began my career at Boeing in the mid-1980s, MBOs had become the norm, and performance management as we know it today flourished. The roots of MBOs remain to this day a key element of most performance programs, and we continue to see its widespread use as a means to measure whether or not employees are meeting objectives. In fact, today we find usage rates of performance appraisals at 90 percent or higher worldwide, and more than 97 percent here in the United States.[2]

I've delved into the workings of many organizations throughout my career as a consultant, and their approaches to traditional performance management always look pretty much the same. They usually include an annual appraisal and review process, maybe with a midyear check-in. Most often, performance is managed in a standard way across all employees, or at least across employee classes. Employees are commonly asked to complete a self-assessment based on a set of goals they created the previous year. They may be given definitions of core or leadership competencies to consider or assess. It may lead to an individual development plan, and it almost always includes some form of manager rating. An increasing number of organizations now include some type of calibration event or talent review in which managers meet to compare notes on their teams. These meetings may be orchestrated to achieve a recommended distribution or forced rankings by group or team. When all is said and done, the outcome of the process drives compensation, promotion decisions, and other rewards—and, for the unlucky, performance improvement plans (PIPs).

I'm guessing that the description above sounds pretty familiar and fairly innocuous, right? So why is this process so hated? After all, the purpose is a noble one. According to the Society for Human Resource Management, performance management is meant to be an "organized method of monitoring results of work activities, collecting

and evaluating performance to determine achievement of goals, and using performance information to make decisions, allocate resources, and communicate whether objectives are met."[3] There's nothing wrong with that. Then where does it go so wrong? Why is a system that's supposed to make us perform better and help our organizations excel something we see as a necessary evil at best? Why does this system evoke such universal negativity—more than any other corporate initiative short of mass layoffs? Why is performance management killing performance?

From a Murmur to a Roar

My quest to solve this paradox began several years ago when I received a call from the chief HR officer of a large family foundation just up the street from the PeopleFirm office here in Seattle, asking our firm to write a white paper on performance management. Their HR team was beginning a process to redesign the foundation's performance management program, and they wanted to inform, educate, and challenge their leaders on the subject. Being a scientifically oriented group, they were looking for data based on solid research that proved a correlation between performance programs and organizational performance.

I jumped at the chance. My experience working with other companies and designing a performance solution from scratch during my days leading Hitachi Consulting's people strategy had convinced me that it was time to take a fresh look. At the time, I was interested in dissecting the entire traditional process: from the intent and underlying assumptions to the tools, norms, and practices, and ultimately to the expected outcomes and resulting impacts. And so it began.

In those early days of my journey, many academics and thought leaders were already questioning the value of traditional performance management, but there were only quiet murmurs among the real practitioners—the people in the trenches of actual organizations. Since then, the challengers, the outspoken, the brave, and even now the bandwagon jumpers have escalated the conversation from a murmur to a roar. Our collective dissatisfaction has inspired countless newspaper and magazine articles, blog posts, webinars, and conversations at HR and management conferences. And as the volume has increased, more

and more research has validated what many of us already suspected: the commonly practiced techniques and approaches for managing performance that have been used by most organizations around the world for decades simply aren't working.

I don't want to take too much of your time wading through the research that supports my views, but let me give you a few highlights. Sylvia Vorhauser summed it up well with the following damning points regarding traditional performance management:

- Everyone hates it—employees and managers alike.
- Nobody does it well—it's a skill that seemingly fails to be acquired despite exhaustive training efforts.
- It doesn't do what it was designed to do—i.e., increase performance.[4]

She's hardly alone in her condemnation. In a recent Reuters poll, four out of five US workers said they were dissatisfied with their job performance reviews.[5] In a survey of forty-eight thousand CEOs, managers, and employees, only 13 percent of managers and employees and a mere 6 percent of CEOs thought their year-end reviews were effective.[6] The latest Performance Management Survey, which collected data from more than one thousand HR professionals, found that when respondents were asked if their performance management process was seen as contributing to individual performance, 47 percent—yes, nearly half of them—said they weren't sure if their performance management processes made *any contribution at all* (those are my italics, but you can understand why).[7] Finally, according to the Corporate Executive Board (CEB), a management research group, surveys have found that 95 percent of managers are dissatisfied with their PM systems, and 90 percent of HR heads believe they do not yield accurate information.[8]

There is plenty more research out there, but you get the gist. This leaves us with this question: if performance management isn't performing as we all hope, what is it doing? Well, a recent *Psychology Today* article notes that at least 30 percent of performance reviews result in *decreased* employee performance.[9] Take a moment to ponder that: it's actually achieving the *opposite* of its original intent.

And yet we find that, despite all the talk and all the evidence that a change is needed, the majority of organizations have yet to *substantially* change their performance management approach. I'm talking about real action—what many might consider radical change. This doesn't mean just tweaking your ratings model from a five-point to a six-point scale. Instead, it means sitting down with a clean sheet of paper and starting over. It means asking yourself, "What outcomes are we seeking? What do our people need now and for their futures? How do we deliver on those needs in a simple and effective manner?"

You may have heard about those who were the first movers toward rethinking performance management for their unique organizations: Adobe, Kelly Services, Oakley, and others. We owe thanks to these trailblazers, and while we can learn from their experiences, what works for them may not be the right answer for all. What's important is that they actually *did* something to change the equation, and now we need to examine why we haven't made the same leap. If we know it is time for change, then what more do we need to spur us to action? What will it take to get the rest of us, the hesitant majority, to reboot?

After poring over the research and discussing the issue extensively with a lot of teams from a lot of companies, I've found that the top barriers to rebooting performance management are clear:

1. We can't get the executives there: there's too much resistance to moving away from what they've always known.

2. Managers get a "no confidence" vote: executives and HR practitioners alike lack trust in their managers to lead the performance process, and they're reluctant to give the managers authority on critical people-related decisions like pay and promotion.

3. Most are simply unsure how to fix it holistically, especially when you throw compensation into the mix. Too many are still asking, "What is the alternative? How do we get from where we are today to where we want to be?"

So my journey led me to the understanding that yes, there is a problem, and yes, we need to change, but the frustrating fact is that practical solutions have seemed to be out of reach of those looking for answers. Having

spent a lifetime working with clients to translate research, know-how, and ideas into real, working business solutions, I took on the mission to solve the problem, to crack the code once and for all.

My goal for this book is to give you the tools to overcome the resistance of skeptical business leaders, as well as the insight and methods to help ready your managers and your people for when you hand them the keys to drive your organization and their own careers. Most important, my aim is also to arm you with a practical technique for successfully tackling this complicated problem, so that once you're ready and you're staring at that clean sheet of paper, you'll have a solid approach to breaking away from the old and starting something completely new. I call it **the PM Reboot**.

On one level, the PM Reboot is a design process to guide you step-by-step as you navigate the complex terrain of delivering on the goals of performance management. But dig deeper and you'll see that the PM Reboot is a philosophy—maybe even a revolution—that challenges common management beliefs and discards hackneyed and outdated techniques. The PM Reboot switches out musty assumptions that have led to narrow, standardized tactics for modern ideas that are rooted in science and that place people back at the center of any solution. At its core, the PM Reboot philosophy is grounded in two concepts: *trust* and *customization*.

TRUST: Top performance (and great employee experiences) are best achieved by letting go of control and trusting your people—which is, of course, easier said than done. Trust requires us to drop the oversight and tired formulas in favor of informing and empowering employees and managers. It allows us to set our sights on creating great careers, building on individual strengths, and celebrating the power of teams.

CUSTOMIZATION: Why should we expect Walmart's approach to performance management to be the same as Nordstrom's? We shouldn't. This is the second big idea that underpins the PM Reboot philosophy. Every organization is unique; therefore, every organization deserves a performance management solution that supports that uniqueness. Even discrete employee segments have attributes that can differ greatly from

one another. And when you drill down to the individual level, we all know that each and every one of us is our own special snowflake. No two of us are alike, so what works well for one may not work for the other. Factor in these layers of uniqueness and individuality, and we are forced to realize that a one-size-fits-all approach to performance management from one enterprise, group, or even individual to another is probably doomed to failure.

In the chapters that follow, I'll share with you an illustrated guide to incorporating trust and customization into every aspect of your performance management solution. Together we will find the path to building high performance and employee engagement, while optimizing your performance management program for today's increasingly connected, volatile, and multigenerational business world.

At each step in designing your custom solution, I'll share proven frameworks, tools, and facilitation techniques as well as best practices on how to engage everyone in your organization—from the top executives to the newest employees—in order to build support and readiness. I'll also help you visualize the possibilities offered by the PM Reboot as it applies to four organization types based on real-life examples.

But first we need to rethink performance management by examining what's broken in the world of traditional programs and identifying the fundamental shifts that must be embraced when designing your custom performance solution.

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