

Agile HR

April 12, 2016

Today's agenda

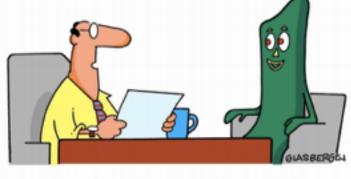
- Agile HR Theory
- Performance Management Transformation
 - Market data on Reengineering Performance Management
 - Comcast Technology + Product Performance Management Transformation
- What does the future look like?
- Let's hear from you!



Agile HR Theory

Why do we need Agile Organizations?

- Accelerated Globalization
- Talent and Skills Imbalance
- · Emergence of Big Data



"We're looking for someone who can stretch with the demands of this job. Are you flexible?"

WORKFORCE

- Young
- Connected
- Global
- Mobile

New Models for Career

WORKPLACE

- Specialized
- Diverse
- Performance-Driven
- Team-Oriented

New Models for Work

THE AGILE ENTERPRISE

- Highly Connected Virtual Teams
- Collaboration to Meet Customer Needs Rapidly
- Using Data to Make Decisions

New Models for Management



What do millennials want?

- 60% think 7 months of work means they're "loyal"
- 80% want to give performance appraisals to their boss
- 2/3 want to be creative in their job
- Their "team mates" are the most important people at work
- 60% select a company based on its "sense of purpose"



How CEOs Define Agility



- 1. Rapid Decision-Making
- 2. A High-Performance Culture
- 3. Flexible Management of Teams
- 4. Transparent Availability of Information



Agile permeates all aspects of the Enterprise ...

Agile Management

- Growth in Coaching & Development Model
- Change or abandon the rating
- Goals frequently updated
- Social rewards and recognition
- New talent management software tools

Agile Leadership

- Agile leaders are experts
- They are hands-on managers
- They serve as a coach
- They are at all levels of the organization
- Leaders have global awareness

Agile Learning

- Continuous Learning environments
- Understand the capability model
- Performance consulting, not just design
- Globalize L&D function
- Growth in mobile and gaming
- Relentless focus on learning culture

Agile Talent Acquisition

- A continuous, neverending process
- Employment brand as core
- Mine the referral network
- Social media and new technology
- Leverage and use BigData

... Including Human Resources



Agile Model of HR

"The **Agile Model of HR** states that human resources job is not just to implement controls and standards, and drive execution – but, rather to facilitate and improve organizational agility. This changes HR's mission and focus. Driving agility means driving programs that create adaptability, innovation, collaboration, and speed"

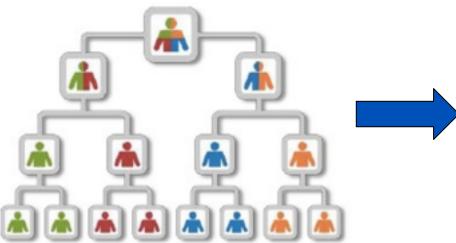
- Josh Bersin



New Rules and Roles for HR

Traditional Management

Focus on Control & Alignment



Creates: Execution, Order, Control

HR's Job: Implement controls, standards, and systems to drive alignment & execution

Agile Management

Focus on Speed & Customers

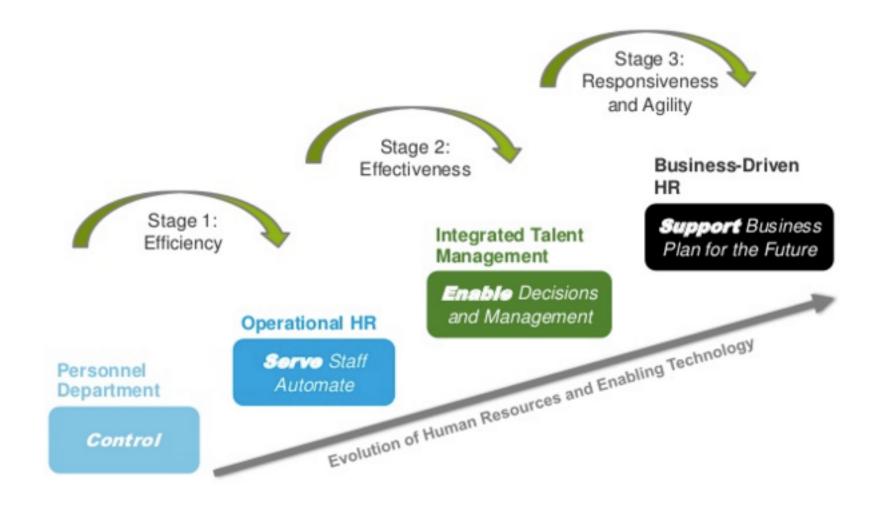


Creates: Adaptability, Innovation, Speed

HR's Job: Implement programs, systems, strategies, which foster expertise, collaboration, and decision-making

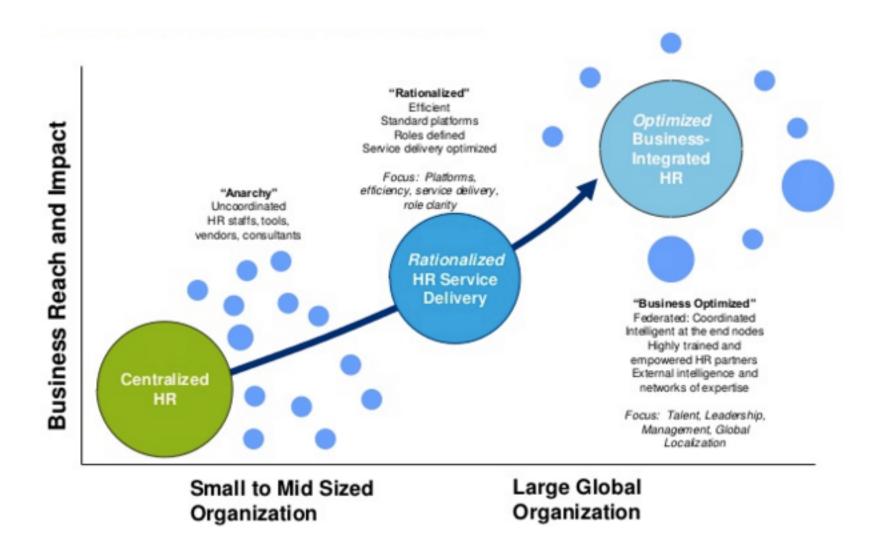


The Four Phases: Changing Drivers for HR Transformation





Evolution of HR Structure





Challenges for Modern HR

- Need to develop leaders at all levels, globally and locally
- Younger workforce than ever before with new and different demands
- Broader spans of control and global teams
- Low levels of engagement, high competition for top talent
- Technology still not integrated, analytics not mature
- Innovation and success demands collaboration and engagement
- Performance management weak, succession weak
- CEOs and CXOs demand HR to "solve talent problems"



What High-Impact HR Business Partners Do

What does the HR Business Partner role do?





Examples of Agile HR Strategies

- Training leaders at all levels of the company to act as hands-on coaches, not "managers"
- Designing the organization into small, high-performance teams that set their own targets
- Creating customer interactions within all groups and functions in the company
- Delivering a strong, focused mission and values to keep everyone aligned
- Creating systems with lots of transparent information, i.e., what are our goals, who is working on what project, who are our experts
- Implementing "systems of engagement" not just "systems of record", i.e. collaboration, information- sharing, project management
- Building a focus on continuous learning and learning culture at all levels
- Implementing a strong external employment brand that attracts "the right type" of people
- Hiring and promoting experts, not general managers
- Encouraging and teaching people to give each other direct feedback
- Creating programs for peer-to-peer rewards and recognition
- Developing programs to foster diversity in teams



Performance Management Transformation















High Dissatisfaction with Performance Management

MARKET FEEDBACK ON PERFORMANCE MANAGEMENT

3%

reported the performance management systems delivers exceptional value (Mercer) 48%

reported the performance management systems needs further work to be effective (*Mercer*)

23%

said their company was above average in the way PM is conducted (Society for Human Resource Management) 90%

of HR heads believe they do not yield accurate information (CEB) 95%

of managers are dissatisfied with their performance management systems (CEB)

39%

of companies have lately* reviewed their performance management (Mercer)

48%

are currently evaluating or plan to review their performance management (Mercer Snapshot Survey 2015) 8%

of HR respondents believed that their PM process drives business value (Deloitte)

CHANGES / ALTERNATIVES PERFORMANCE MANAGEMENT (EXAMPLES)





































- Changes in PM philosophy
- Elimination of rating / rankings
- Segmented approach

A growing number of organizations are looking for alternative approaches to performance management.



How much does Performance Management Cost?

• Some companies have begun to tally the cost of performance management and experienced "sticker shock." Millions of hours and dollars per year are being dedicated to what is largely viewed as a bureaucratic, "check-the-box" process.

200 hours per manager per year \$35M per 10,000 employees

Research from the Corporate Executive Board (CEB) found that the average manager spends more than **200 hours per year** on activities related to performance reviews – things like sitting in training sessions, filling out forms and delivering evaluations to employees. When you add up those hours, plus the cost of performance management technology itself, CEB estimates that a company of about **10,000 employees spends roughly \$35 million a year** to conduct reviews.

Companies who have conducted their own cost-benefit analyses have found similar figures to be true:



Adobe was spending **80,000 hours, equivalent to about 40 FTEs**, on performance review tasks per year. "It was like having a small start-up dedicated solely to reviews," said their SVP of People & Places.



Deloitte totaled their review-time at **2 million hours per year**. "We wondered if we could somehow shift our investment of time from talking to ourselves about ratings to talking to our people about their performance and careers," they said in a recent HBR article.



The Gap found that they were spending **130,000 hours and \$3.3M of payroll** per year on their annual review process.





What if Ratings demotivate employees?

• Humans are social beings who crave the approval of others. When we receive a numerical rating – especially one that has compensation and career implications – our brains are overcome with a "threatened" response that impairs good judgment.



Traditional review processes trigger a neurological "fight or flight" response in employees that can stifle engagement, learning and creativity.

- Multiple articles in Mercer's research referenced a neuroscience-based framework called the SCARF model, which posits that five organizational factors have an immense, but often unnoticed, effect on negative human reactions. These factors are:
 - Status Am I considered better or worse than others?
 - <u>Certainty</u> Am I certain my hard work will get me a better rating?
 - Autonomy Do I have any control over what will happen?
 - Relatedness How do I make myself look better than others?
 - <u>Fairness</u> Am I being treated fairly?
- When an organization's perceived level of any SCARF factors is low, people feel threatened and perturbed, which impairs their productivity and willingness to show commitment. Performance reviews trigger the perturbed feeling in all 5 ways.

What would this look like in the workplace? "A supervisor might say, with the best of intentions. "You were ranked number 2 this year, and here are some development actions for the future." In this company, which scores its appraisals on a 1-3 scale, a 2 ranking is supposed to represent high praise. But a typical employee immediately disengages. Knowing that others were ranked still higher is enough to provoke a brain hijack. The employee may not say anything overtly, but he or she feels disregarded and undermined—and thus intensely inclined to ignore feedback, push back against stretch goals, and reject the example of positive role models."

-- from "Kill Your Performance Ratings," by David Rock, Josh Davis and Beth Jones



What are Companies doing today?

The emerging practices in new performance management systems are geared towards more frequent, forward-looking and development-focused feedback, with adjustments to or elimination of traditional ratings. The major categories shown below are often used in combination.

"Crowdsourcing" feedback

Coaching model with frequent and flexible check-ins

Eliminating traditional performance ratings

Delinking compensation and performance management



How Performance Management is Changing





Source: Bersin by Deloitte, 2014



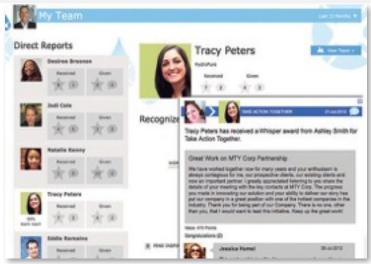
Crowdsourcing Feedback

As some companies flatten out their management hierarchies and encourage more team-work, they are using **online and/or mobile platforms to enhance their feedback processes**. Applying a social approach can provide employees with increased performance management ownership.

- Employees and managers can identify people to provide feedback from all directions (e.g., peers, managers, direct reports) and employees can selfselect to provide feedback to a colleague (anonymously, privately, or publicly)
- The main idea is that more/constant feedback from a wider audience is stronger than feedback from a single point of view, i.e., leveraging power in numbers to ascertain deeper insights

Benefits

- Broader distribution of performance management ownership; increased personal accountability
- Especially appropriate with project-based teams, where management changes from project to project
- Applicable for all levels of the workforce (i.e., does not need to be reserved for higher level employees)
- Increased integration of peer-sourced feedback can allow for more frequent recognition and rewards, leading to increased morale and retention



Considerations

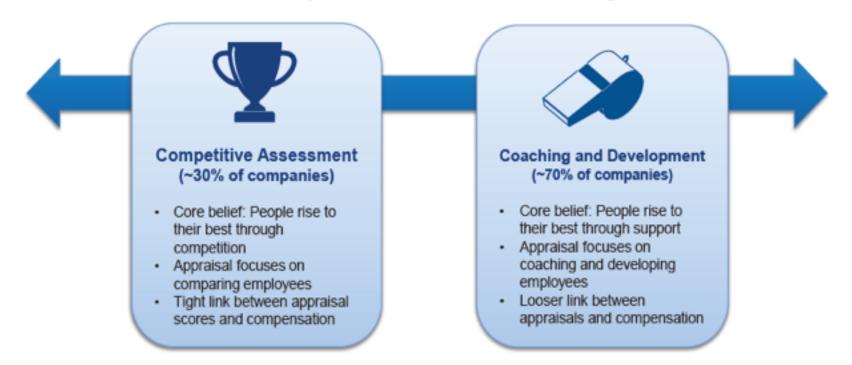
- Requires a feedback-rich culture
- Could be time-consuming without the usage of technology to support the feedback frequency
- Not necessarily scalable (as companies increase headcounts)
- Feedback may tend towards extreme reviews (positives and negatives)
- Rating fatigue (resulting in lower quality reviews)



The Coaching Model

Bersin and Associates developed a spectrum of performance management philosophies that range from Competitive Assessment to Coaching and Development. A growing number of companies are shifting to the Coaching and Development model, with the belief that employees grow through development, not internal competition.

Two Philosophies of Performance Management





Bersin's Two Philosophies of Performance Management

	Competitive Assessment Model	Coaching and Development Model
Underlying theory	By carefully evaluating people against their goals and each other, we will create a higher-performance organization	By identifying people's strengths and weaknesses against a given position, we can coach and develop people to improve performance
Behaviors which are reinforced	Quantitative assessment of performance, bonuses tied to specific goals and objectives, comparative evaluation	Development planning, careful identification and communication of critical competencies, self and 360 assessment
Underlying belief	We want "high-performers" in our organization.	We want "the right people" and "the right behaviors" in our organization.
History and Background	GE, "the rugged individual," competition breeds success, "Execution" drives results.	Professional Sports, Generation X, Generation Y values, Tom Peters "In Search of Excellence"
What we Reinforce	Corporation as a collection of processes and high performing individuals.	Corporation as a place for people to fulfill their potential and become successful.



The Coaching Model

The ultimate goal of a coaching model is for managers to provide coaching and support on a regular basis, as-and-when direct reports require it. To be successful, managers need to establish trust, believe in employees' growth potential, and stay committed to the process over time in order to create a sustained culture of high performance.



Quarterly at minimum – although the eventual goal is to move away from seeing coaching as an "event" at all ("I have to go to my coaching session with my manager"), but rather an **ongoing process.**



What does a manager need to do to become an effective coach?

- Establish trusting relationships with employees.
- Have a "growth mindset" –
 believe that employees can grow
 potential and exceed their own
 expectations.
- Stay committed to the process don't allow coaching conversations to shift towards short-term deadlines.



What are manager's common concerns for implementing this model?

- "I won't always have the 'right' answers."
- "I won't have the time needed to commit to the coaching relationship."
- "I don't have the natural ability to guide employees in broader topics like career, satisfaction, and development."



The Coaching Model: Google Case Study



In 2009, Google set out to "build better bosses." The company developed a list of 8 manager behaviors highly correlated to success, then incorporated results into trainings. "The point is to provide the data and make people aware of it, so that **managers can understand what works and, just as important, what doesn't,**" said execs.

The Problem: Google's quarterly performance reviews saw huge swings in the ratings that employees gave to their bosses. This was a major problem; research shows that "having a terrible boss" is one of the 3 main reasons that people leave a company.

The Research: Google launched Project Oxygen with the mission to build better bosses. Statisticians analyzed performance reviews, feedback surveys, and nominations for top-manager awards, then correlated phrases, words, praise and complaints to develop a final list of **8 factors that make an effective manager** (*shown to the right*).

The "A-ha" Moment: Laszlo Bock, Google's VP of People Operations, was struck by the simplicity of the rules and the fact that applying them doesn't require a "personality transplant" for a manager. "What it means is, if I'm a manager and want to get better, and I want more out of my people and I want them to be happier, **two of the most important things I can do is make sure I have some time for them and be consistent**," he said.

Implementation: Once Google had its list, the company started teaching it in **training programs, coaching and performance review sessions** with individual employees. For some managers, Google offered **one-on-one coaching** from internal coaches on staff.

Results: "We were able to have a statistically significant improvement in manager quality for 75% of our worst-performing managers," Mr. Bock says. Those results show in feedback surveys from team members.

"I'm doing a lot more," said one manager. "I've gotten direct feedback where [my direct reports] have thanked me for being more clear."



Eight Behaviors of ▶ Highly Effective Managers

- 1. Be a good coach.
- 2. Empower your team and don't micromanage.
- 3. Express interest in team members' success and personal well-being.
- 4. Don't be a sissy: Be productive and results-oriented.
- 5. Be a good communicator and listen to your team.
- 6. Help your employees with career development.
- 7. Have a clear vision and strategy for the team.
- 8. Have key technical skills so you can help advise the team.



The Coaching Model: Adobe Case Study



In 2011, Adobe's HR team scrapped their rating system after consistent engagement survey results identifying it as an area in need of change. Instead, they implemented "Check-ins" – ongoing discussions between employees and managers about goals, careers, and development.

The Problem: Despite thousands of hours and a high price tag, Adobe found its performance management program was demotivating employees and driving out high performers.

The Research: The People Resources team crowdsourced internal feedback and found that employees wanted more feedback – on a regular basis, not just once a year. Meaningful feedback came too late in the existing process for employees to make any improvements. The goal was to create a program that shifted managers from critical judges to helpful coaches.

The Redesign: The "Check-in" program is based on three interlinking concepts: expectations, feedback, and growth and development. Instead of filling out endless forms, employees and managers would engage in ongoing discussions to set expectations and commit to them in writing – either using a sheet of paper, cloud-based document, or any other tool with which they were comfortable.

Adobe's Detailed Strategies for Providing Feedback

- Authenticity—Be honest and true about the feedback given to recipients.
- Positive Intention—Make clear that the goal of feedback is to help recipients to improve and grow.
- Direct and concise—Feedback shouldn't be an exhaustive process that occurs once a year, but rather a regular and brief event.
- Allow for questions/clarity—Feedback is about a conversation, not a set of instructions.
- Tangible examples and suggestions—The best feedback addresses specific issues.
- Plan of action with accountability—Develop and follow through on a plan for improving skills.
- Acknowledgment/appreciation—Remind recipients how much you value their contributions and show appreciation for their achievements.

Implementation:

- 1. Senior leadership sessions addressed employee sentiments and concerns that came from redesign focus groups. Members of the team were asked to set an example by engaging in regular feedback and holding managers accountable for engaging in feedback with their employees. Sessions explored how to set up expectations more effectively and provide more impactful feedback.
- 2. Targeted equipping sessions for managers and employees prepped them for the new Check-in approach. They were introduced to more detailed strategies for giving and receiving feedback, broken into 7 essential elements (shown above).
- 3. In total, Adobe held 19 sessions on feedback and expectations, and the material was replayed online approximately 1,500 times.

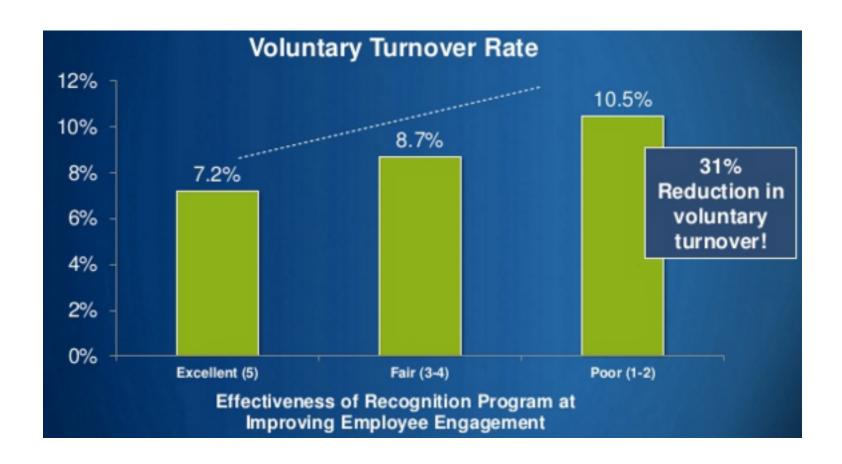


Ten Factors in a Modern, Healthy Performance Management Process



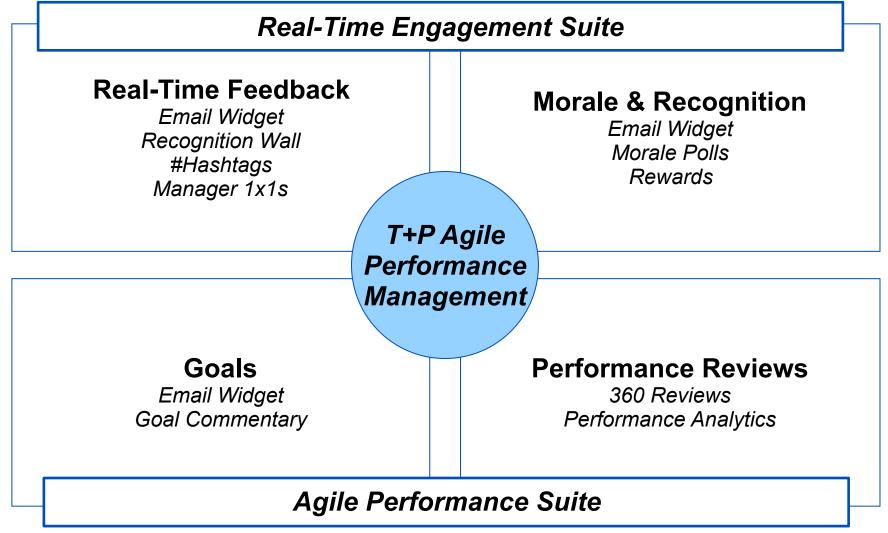


Recognition Drives Retention





Comcast T+P Reimagining Performance Management with Reflektive





Comcast T+P 2016 Philosophy/Approach



- For on Bergrand Frating
- Annual, static and obscure
- What you achieve not how
- Cumbersome and inconsistent
- Top down discussions
- Calculator required

GOING FORWARD cus on meaningful feedback

- Flexible, dynamic and transparent
- Considers results and behaviors
- Aligns with T+P's agility driven culture
- Empowers employees and managers
- Accountability required



We are innovative and agile.

The way we support our talent needs to reflect our culture.

Our new performance management process is all about our people's development:



Clear expectations about both results and behaviors



Meaningful, timely feedback with ongoing coaching from managers and holistic input from colleagues



Integrated technology designed for real-time feedback



Comcast T+P Performance Management Framework

GOALS

ALIGN EXPECTATIONS FOR INDIVIDUALS WITH STRATEGY



Align expectations at individual level with the overall organization's strategic goals and vision through appropriate goal cascade.

COMPETENCIES

DEFINE DESIRED BEHAVIORS BY LEVEL



Establish the playbook for how individuals need to behave in order to be successful at a given level within the organization.

360 REVIEW

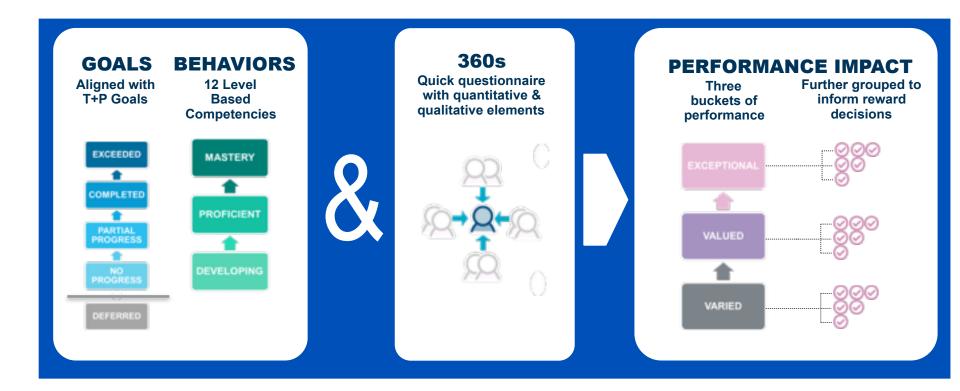
IDENTIFY STRENGTHS & AREAS FOR IMPROVEMENT



Broaden the dialogue beyond manager and employee to gain a more holistic view into areas of progress and/or development.



Comcast Technology + Product Performance Management Overall Model





Recognition

- Operating Principles
- Hashtags
- Slack Integration



amazing products and a customer experience that people love and

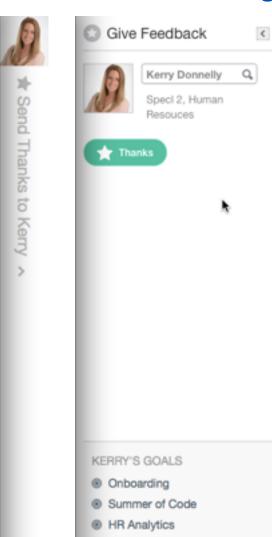
- Deliver > Customer experience will be our best product.
 - > We make big things happen when we work together as a team.
 - > Drive results and long-term profitable growth.
 - trust. > Move fast, simplify and play to win.
 - > Lead with game-changing technology.
 - Be open to new ideas.
 - Respect and promote diversity.
 - > Do what's right for employees, customers and our communities.

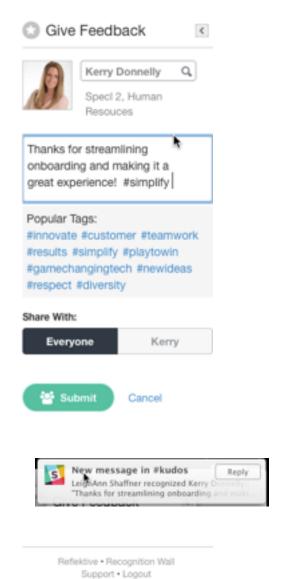


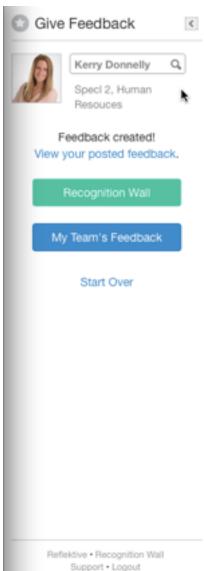




Reflektive Email Widget





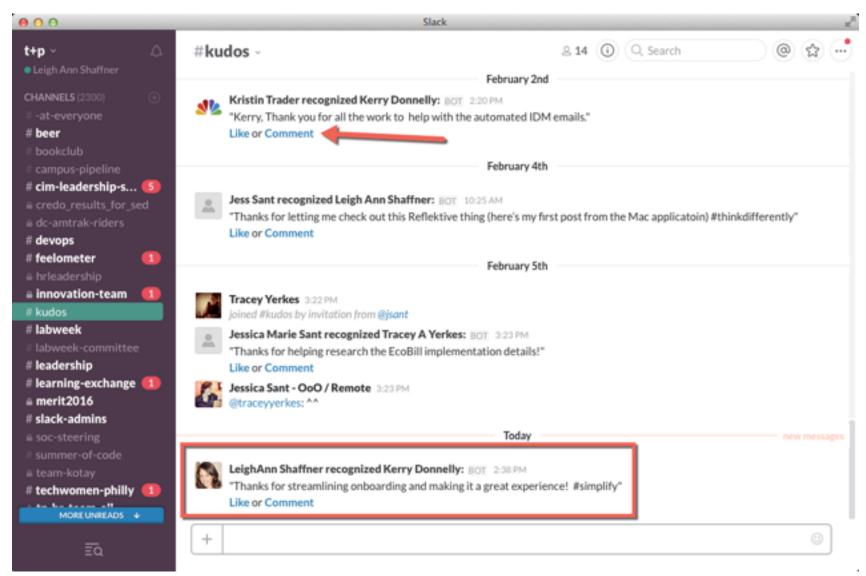




Reflektive . Recognition Wall

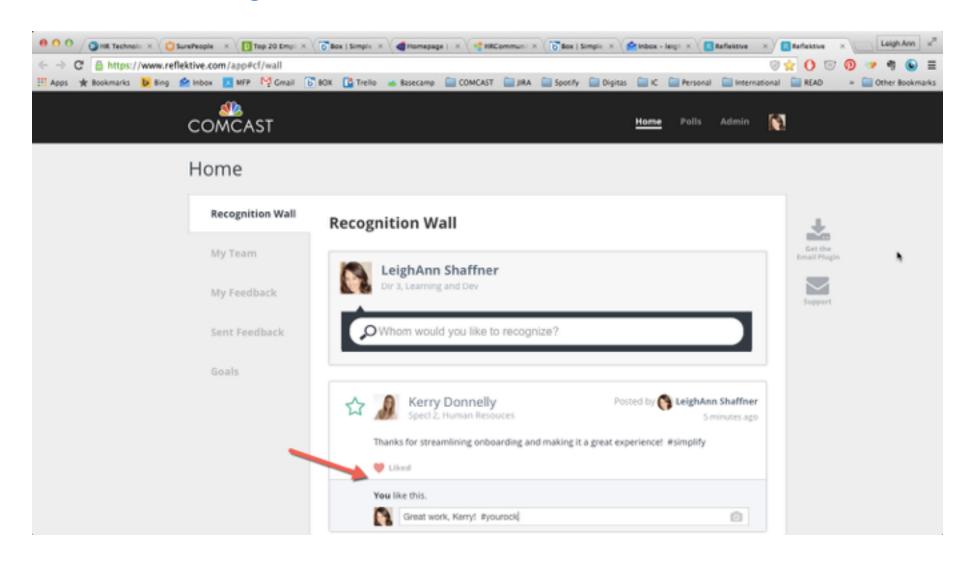
Support . Logout

#kudos Slack Channel



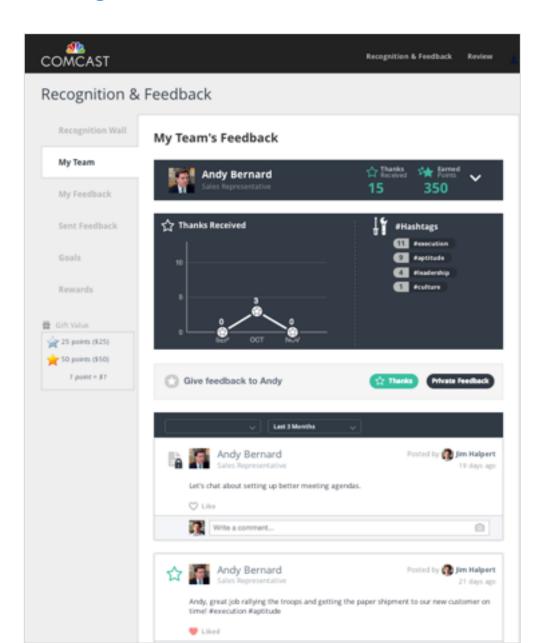


Reflektive Recognition Wall



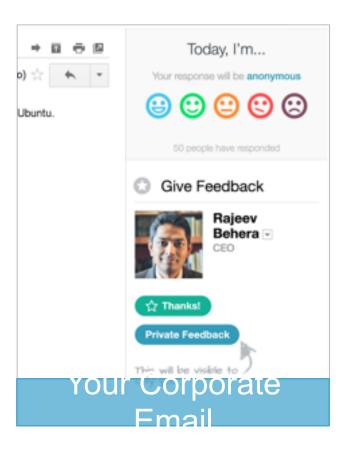


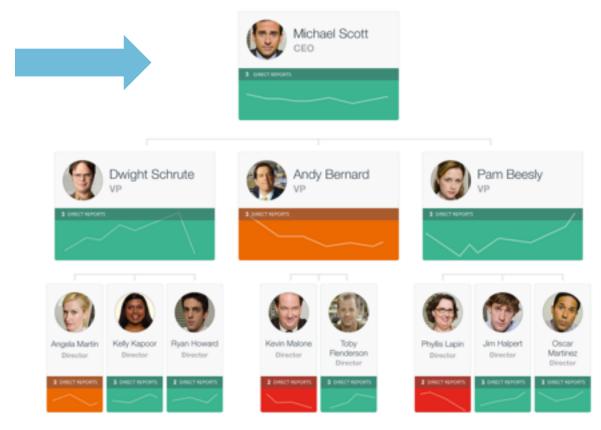
#Hashtags & Manager 1x1s





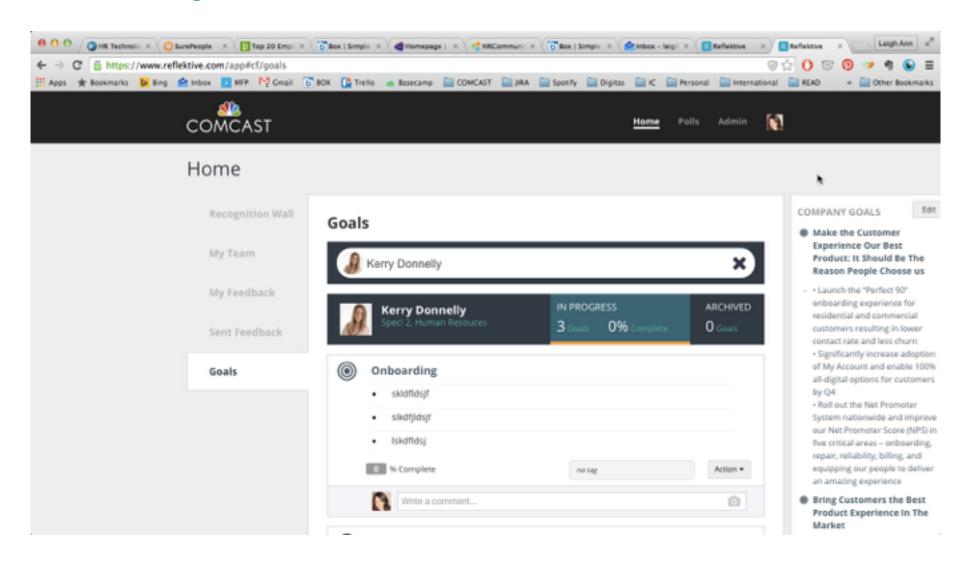
Email Widget & Morale Tracking





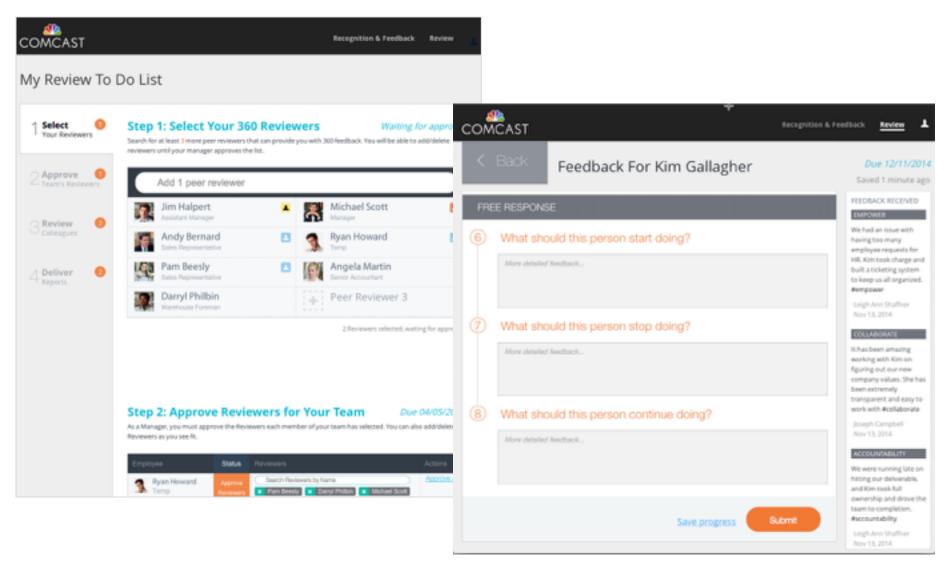


Goal Setting





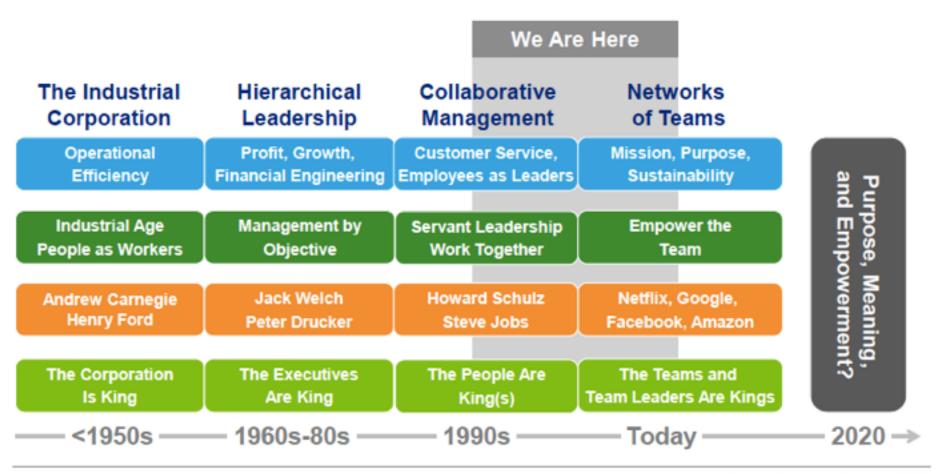
360 Reviews





What does the future look like?

The Evolution of Management Thinking



Source: Bersin by Deloitte, 2015.



The Simply Irresistible Organization





Let's hear from you!

- Is your organization practicing Agile HR? If so, tell us about their practices?
- What agile changes would be the most meaningful and relevant to you?
- Questions, thoughts, feedback?

