

The Process of Performance Management

Presentation to State of Kansas
January 24, 2008



Definition of Performance Management

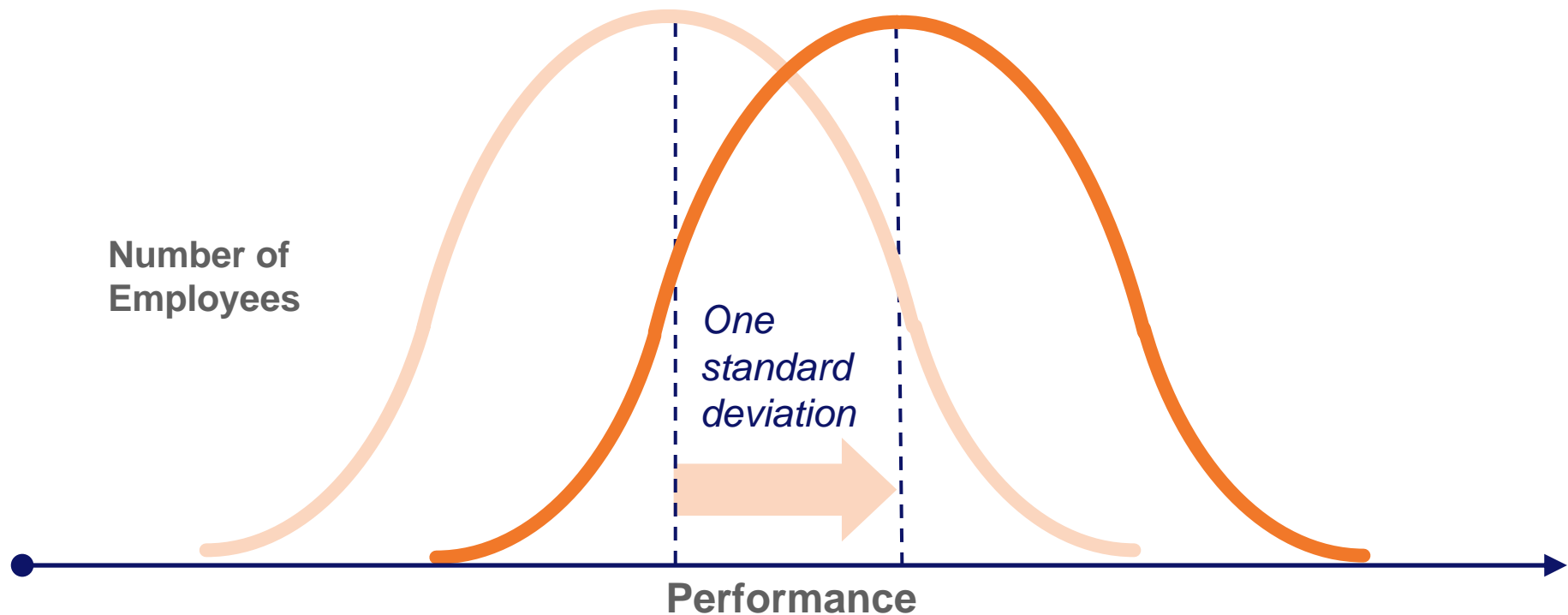
Performance Management is about improving Statewide performance by improving team and individual performance

It is:

- A process that links people and jobs to the strategy of the Agencies
- A process for establishing a shared understanding of what has to be achieved and how
- A process of managing self and others so that people do achieve
- A process for ensuring that people are doing the right things in the most effective ways to the best of their ability

Improving Performance Management Improves Business Results

Move to superior performance



One standard deviation = 20% - 120% improvement in productivity

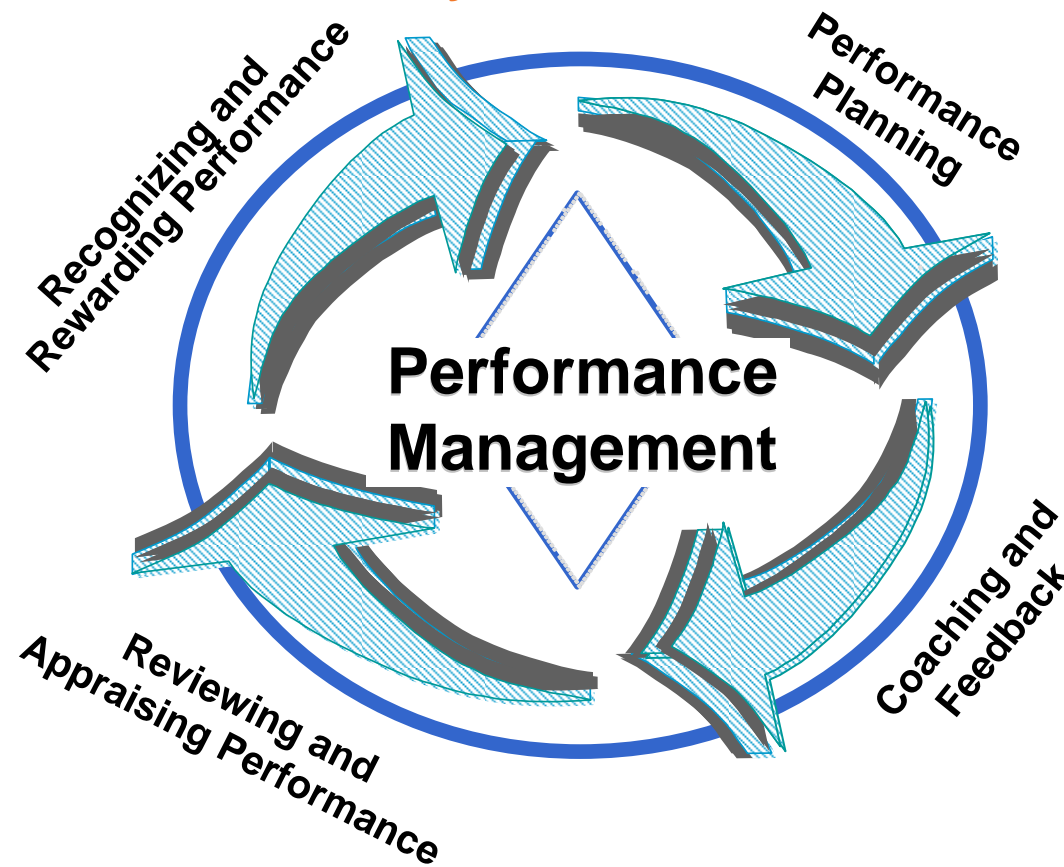
Optimizing the performance of your people will have a positive impact on Statewide performance

Performance Management Steps

Design Parameter	Performance Appraisal	Performance Management	Performance Ownership
Function	Report Card (retrospective)	Barometer of progress (periodic)	Dialogue (Continual)
Role of Employee	Passive	Joint ownership for goal-setting/review	Shared accountability for results
Focus	Manage poor performers	Manage the tails of bell curve	Raise performance of organization
Emphasis	“Check the box” compliance-oriented	Evaluation reward emphasis	Strategic clarity, coaching, dialogue
Ownership	Human Resources	Managers and Human Resources	Employees, managers, and leadership

Performance Management Process Overview

The performance management model is not new, but the way in which leading organizations do it is very different



Best Practices- Planning

Planning- understanding what good performance is

- Performance planning is a core business process
- Translates strategic intent into understood goals/actions
- All aspects of performance are considered
- Objectives include behaviors in addition to results
- Employees play a strong role in the performance planning process
- Obstacles to good performance are identified and dealt with

Best Practices- Coaching

Coaching- ensuring good performance

- Managers are selected for and held accountable for effective coaching
- Managers and employees are trained in and good at coaching
- Modeling of coaching behaviors is critical (this includes the executive levels)
- Managers create the climate for superior performance
- Interim reviews are done (formally)
- Coaching interventions are frequent and focused (less formal)

Best Practices- Reviewing

Reviewing- assessing how good/poor performance was

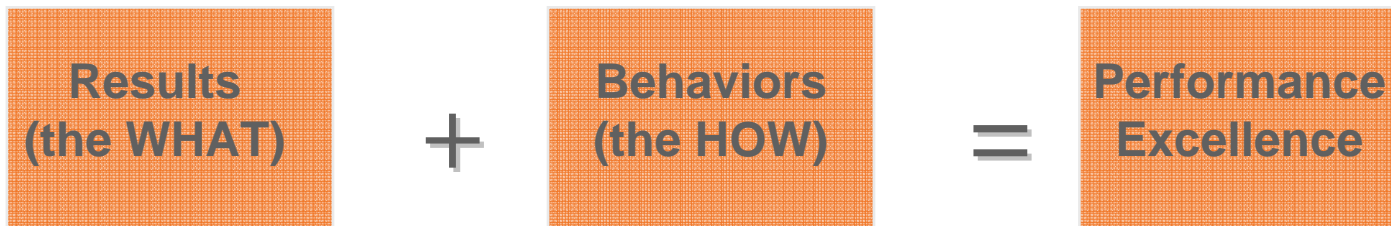
- Initial self-assessment is critical
- Open, two-way communication is critical
- Discussions include both performance evaluation and development opportunities
- The role of Human Resources is value-added vs. controlling
- No more than a four-point rating scale is necessary
- People are rewarded for results

Best Practices- Rewarding

Rewarding- reinforcing good performance

- Salary discussion is separate from performance/development discussion
- Increased clarity regarding how performance is rewarded
- Distinctive rewards for different aspects
- Use of both monetary and non-monetary rewards

Achieving Performance Excellence



Transition and Implementation – Development of Performance Mgmt. Plan (cont'd)

Upon completion of the development of an effective performance management plan, the State as a whole and each Agency will have:

- A consistent performance management process that meets the Agency's objectives and links to the business results of the Agency;
- The means by which to plan and communicate performance expectations to all employees;
- An objective means by which to link performance and reward; and
- Trained supervisors and managers with enhanced skills, capable of implementing a performance management process that sets performance objectives, holds employees accountable for performance, and provides regular and meaningful feedback and review.

Transition and Implementation – Development of Performance Mgmt. Plan (cont'd)

The proposed steps for development and implementation of this plan are:

1. Formation of Steering Committee and Design Team (to consist of a cross-section of employees and representatives of key stakeholders): Jan 2008
2. Design of the performance management process and documentation: Feb 2008 – Mar 2008
3. Development of Training material: Mar 2008 – Apr 2008
4. Identification of Trainers and Conduct of Train-the-Trainers sessions: Mar 2008 – April 2008
5. Training of Managers and Supervisors: May 2008 – June 2008
6. Initial roll out of performance management plan: June 2008 – July 2008