



Performance Management

Minh Anh Le, Anna Galarza,
Katrina McGlynn and Rebecca Szlajen

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Abstract

The goal of Performance Management at Renewergy is to focus on our employee's personal growth within our company, rather than fixating on the bureaucratic process of giving ratings based on an arbitrary evaluation system. Our system will provide a fair method of employee evaluations by combining self assessments, peer evaluations, and calibration sessions among managers to create our own version of 360 degree feedback. We will provide the resources our employees need to be intrinsically motivated to perform at their best, which will yield the best results for Renewergy. The research on our system supports our proposal.

Through Performance Management at Renewergy, we are able to create a workplace environment that ensures:

- Fair evaluation of employees across all levels
- Coaching and training for managers and employees on the new system
- Clarity among employees regarding the new system

Evidence-Based System

Goal Setting

The book *Work Rules!: Insights from Inside Google That Will Transform How You Live and Lead* supports goal setting. "Having goals improves performance" (Brock, 2015, pg. 93). However, there is more to goal setting than simply a manager telling his or her employees a goal that needs to be achieved. The entire process of setting goals is crucial to the success of a company. According to the United States Office of Personnel Management, "Goals have a directive effect on an individual's thoughts and actions. A goal focuses a person's attention on goal-related factors. It also regulates a person's energy expenditure. Setting hard goals increases an individual's persistence and thus transfers effort into commitment and motivation. This ultimately leads to increased performance, especially if the goals are set at a high level and are accepted by employees" (2019). Essentially, research shows that goals should be known to the employee, and be ambitious. Difficult goals increases motivation, which in turn yields positive results.

Additionally, The Harvard Office of Human Resources supports S.M.A.R.T goals. In their Performance Management: Planning & Goal Setting resource, they define S.M.A.R.T goals as, "specific, measurable, attainable, results-oriented, and time-defined" (2014). The S.M.A.R.T goal outline is used in both job performance goals and professional development goals. "Job performance goals focus on what needs to be accomplished during the year including specific tasks, projects, or outcomes. Professional development goals focus on how the work will get done; acquiring skills, competencies, and knowledge needed to perform the current job or prepare for expanded responsibility" (Harvard Human Resources, 2014). In order to be successful, employees should have both types of goals, following the S.M.A.R.T goal format.

Evidence-Based System

360 Degree Feedback

The research tells us that 360 degree feedback systems are very successful if correctly implemented (see “implementation” section). The article “Getting 360 Degree Reviews Right” in the *Harvard Business Journal* describes several factors of a successful 360 degree feedback system. When describing a successful system, Zenger & Folman state, “they (the 360 feedback system) tailor the results to each individual and to his or her position. Everyone doesn’t need to be good at the same things. They present each person’s results in a way that enables them to digest them constructively and use the data to create a personal plan of development. They make the feedback report itself simple to read, presenting data in a graphical format that is easy to absorb” (2012). At Renewergy, these key factors to a successful 360 feedback system are incorporated throughout, such as through our peer assessment and self assessment forms.

By taking a look at an employee’s contribution from multiple sources, the results are tailored to his or her position in the organization accurately. In addition to the *Harvard Business Journal*, the *American Psychological Association* supports 360 degree feedback systems, if implemented correctly. Successful implementation seems to be the trend across the literature on successful and proactive 360 degree feedback systems. According to Harriet Edleson (2012), “If implemented correctly, they work well, say psychologists who specialize in such assessments. Usually, the more feedback the better, says Kenneth Nowack, PhD, of Envisia Learning Inc.” The question shifts from whether 360 degree feedback systems are successful, to how to implement them correctly.

Evidence-Based System

Calibration

Calibration is an effective method of employee evaluation. The book *Work Rules!: Insights from Inside Google That Will Transform How You Live and Lead* supports the process of calibration. An example of calibration would be, “A manager assigns a draft rating to an employee—say, “exceeds expectations”— based on nailing OKRs but tempered by other activities, like the volume of interviews completed, or extenuating circumstances such as a shift in the economy that might have affected ad revenues. Before this draft rating becomes final, groups of managers sit down together and review all of their employees’ draft ratings together in a process we call calibration” (Bock, 2015, pg. 97). The purpose of the process of calibration described here is to ensure fairness in employee evaluations.

Calibration eliminates any bias that a manager may have towards an employee. Bock (2015) states, “Calibration diminishes bias by forcing managers to justify their decisions to one another. It also increases perceptions of fairness among employees” (pg. 98). Additionally, according to *The Society of Human Resource Management*, “There’s an emotional impact when a manager realizes his or her rating of an employee was too low or too high, and gets up and changes the Post-it’s position” (2014). At Renewergy, we will use a calibration process when executing employee evaluations, to ensure the elimination of bias.

Interview Findings

Interview with Angela Truddell

Renewergy Performance Management interviewed Angela Truddell, a retired Executive Global Human Resource Manager at GE Global Research. In the interview, she touched on several concepts that we applied to our system, such as 360 degree feedback, calibration, goal setting, and ongoing training and coaching for employees.

When asked about 360 degree feedback, Truddell stated, “A 360 feedback approach is a great tool for giving leaders clear feedback — at GE we used this primarily to provide feedback identifying strengths and development areas to improve skills/performance which we then tied to development plans. Subordinates, peers, and managers, all anonymously rate the employee/or leader. This information was then incorporated into that person’s development plan” (2020). In addition to the 360 feedback approach, when asked about implementation, Truddell stated, “Meet with managers and supervisors to review the new system and strategy. Explain purpose and set expectations for team leaders. Give them a chance to provide inputs and changes early and encourage them to be advocates for the new system. Manager training will be key to successful implementation. When introducing the new program to your employees as part of implementation you need to include the purpose of the new program, how they will benefit from it, how the company will benefit from it, and the specifics on the new program. (We had a number of employee meetings and training sessions before launch)” (2020). Our implementation plan includes several training sessions for employees and managers on specifics of the new program, such as calibration and goal setting.

Interview Findings

Interview with Marie McKee

Renewergy Performance Management also interviewed Marie McKee, who held the role of head of the Human Resources Department at Corning Inc. before retiring in 2010. She currently serves on the Duke Energy board and is chair of the Compensation and Talent Management committee. In the interview, she provided us with informative answers that we took into account when creating our own system. We first asked McKee if she was familiar with 360 degree feedback. She stated that she was familiar with it, and that she had used it quite a bit throughout her career. McKee brought up the great success she had while using 360 degree feedback within a company because, "it helped me get a perspective about an employee I might not have gotten otherwise." When asked about eliminating any potential bias in regards to employees, McKee immediately recommended using 360 degree feedback. She stated that, "the best systems include 360 degree feedback".

Our Rationale

Goal Setting

The research tells us that goals should be ambitious, and S.M.A.R.T (specific, measurable, attainable, results-oriented, time-defined). In order to achieve this, we will have a training session for employees at the beginning stages of rollout on how to create professional development goals. At this time, we will also review the initial overall benchmark goals of Renewergy as a whole.

Prior to each session, employees will update/add new individual professional development goals by using our goal setting form. For example, if an employee had a professional goal of, "strengthening teamwork and collaboration skills," our goal sheet includes areas to state objectives to reach that goal. Employees should connect with their managers to develop these goals. These goals will be reviewed with managers every quarter (see the communication matrix). In addition to reviewing professional development goals, new job performance goals will be given each quarter at the meeting, which will be discussed.

360 Degree Feedback

360 degree feedback is a method that company's use to provide their employees with anonymous feedback from a variety of sources. In our case, the sources are an employee's manager, peers and themselves. This method will help us measure employee performance, while also helping employees recognize their strengths and weaknesses. By making use of 360 degree feedback, we are eliminating the chance for bias and ensuring well rounded feedback for each employee.

Our Rationale

Calibration Process

The calibration process is crucial to ensure fairness in our Performance Management system. At Renewergy, there will be calibration meetings among managers, where managers will go through their employee evaluations. These calibration sessions will occur prior to the sessions managers will have with their employees (see communication matrix). Managers should come prepared with their completed tentative employee evaluations, and ready to discuss.

This will help eliminate bias that one manager may have over an employee that would skew their evaluation. Managers will be informed of the calibration process at the initial manager training session in the rollout of the system.

Evaluation and Forms

We have created several evaluation forms to be utilized. The evaluation forms are: self assessment forms, peer evaluation forms (only to be filled out by peers who work closely to one another), and employee evaluation forms. As stated before, this 360 review will help ensure fairness for the employee evaluations.

Once all the forms are filled out, every quarter each employee will meet with the manager of his/her department to further discuss what was on the forms, as well as new and improved goals. The employee should attend this session with his/her manager with his/her goal setting form completed. This iterative dialogue between the employee and manager is crucial to the success of the performance management system.

Our Rationale

Performance Standard Guide

Employees will be evaluated on their performance expectations. An employee's performance expectations include the behavior they are expected to display and the results they are expected to reach. When the rollout begins, each employee will meet with their manager to discuss their professional development goals, and will also review their individual performance expectations during this time. To ensure fairness and accuracy, employees will be evaluated through self assessments, peer evaluations and group conversations among managers. These forms of evaluation will establish whether or not an employee is meeting their expectations.

After the evaluation, development regarding certain employees will take place. Employees deemed as high potentials will be provided opportunities for them to grow or possibly promoted while employees deemed as solid performers will most likely be kept where they are. For employees who are not performing up to standard, there are two possibilities. If the employee shows low potential, they will have a discussion with their superior and or be fired. If the employee shows high potential, there are a few options. The employee could go through training, be tested with a new role better aligned with their skills, or be paired to shadow or work with a superior.

Training and Feedback

Feedback

Feedback is information about reactions to a person's performance and is used for improvement. It can be beneficial for both employees and managers. Whether it is positive or negative, feedback is used to help employees become better and fully developed. It also helps managers develop their best qualities and improve weakness in order to effectively and efficiently lead their team members. Feedback plays an essential role in developing healthy, clear, and honest communication between managers and employees. Managers alone count for 70% of the difference in employees' engagement; positive and honest feedback is one of the main factors in building a successful reciprocal employee-manager relationships (Himelstein, 2018). Creating a positive feedback loop is vital in keeping the transparency reinforcement on these reciprocal relationships. Strong feedback loops strongly support employee-manager relationships and make them more resilient to change. As each manager has a different style of delivering feedback, there are some critical recommendations that managers should consider to efficiently and effectively deliver feedback.

Managers should understand that:

- Positive feedback is essential for learning and improving.
- Telling employees how to fix a problem is strongly not recommended. Showing solutions will increase passivity. Instead, ask questions that encourage reflection.
- Harsh and negative feedback does not help employees to improve.
- Managers should be aware of and reflect often on their own emotional intelligence.

Recommendations:

- Listen to employees.
- Always deliver feedback in person.
- Create a safe space for your employees to communicate.
- Be aware of your own emotions and bias.

Communication Plan Matrix

Phrase	Description	Goal	Target Audience	Deadline
Pre-training session	Pre-test of PM System with managers.	Receive feedback from managers on the new system to determine if PM System is clear and user-friendly.	Project Managers	February 23, 2020
Formal presentation to executives	PM system presentation Q&A session	Persuade executives to implement the new PM system	CEO and Executives	February 28, 2020
Announcement email	Announce the implementation of a new PM System.	Make all employees and project managers aware of the new system.	CEO Project Managers Employees	March 5, 2020
Training announcement memo	Inform date, time, location for the training session.	Make employees aware of the upcoming training session.	Employees	March 16, 2020
Training session	Explain PM System purpose, train to use, introduce materials and have meaningful conversations.	Training on how to implement the new PM System and opportunity to receive feedback.	CEO Project Managers Employees	March 23, 2020
Revision session	Gather all feedback and consider modifying the PM System. All forms are finalized.	Update PM System based on feedback.	CEO Project Managers Employees	April 6, 2020
Official PM System launch Session #1	Goal setting and assessment forms are sent out to all employees. Each team works separately: all individual performances are reviewed by the project manager of each team.	Launch the PM System officially after revision session. PM System session #1 is conducted.	Project Managers Employees	April 20, 2020

Communication Plan Matrix Continued

Official PM System Session #2	Goal setting and assessment forms are sent out to all employees. Each team works separately: all individual performances are reviewed by the project manager of each team.	PM System session #2 is conducted.	Project Managers Employees	June 20, 2020
Mid-term Evaluation	Formal meeting for CEO and Managers. Results from PM System session #1 and #2 are reported to the CEO. Each Project Manager delivers feedback to each team member.	Evaluate performances of all employees for the first 2 sessions.	CEO Project Managers	August 20, 2020
Official PM System Session #3	Goal setting and assessment forms are sent out to all employees. Each team works separately: all individual performances are reviewed by the project manager of each team.	PM System session #3 is conducted.	Project Managers Employees	October 20, 2020
Official PM System Session #4	Goal setting and assessment forms are sent out to all employees. Each team works separately: all individual performances are reviewed by the project manager of each team.	PM System session #4 is conducted.	Project Managers Employees	December 20, 2020
End-of-year Evaluation	Formal meeting for CEO and Managers. Results from all PM System sessions are combined and reported to the CEO. Update PM System standard. Meeting celebration event.	Evaluate performances of all employees throughout the whole year.	CEO Project Managers Employees	February 27, 2021

Budget

Performance Management Project Budget		FY20
Category	Description	
100	Designers	Proposed
101	Project Manager (2PTE)	\$26,000
102	Instructional Designer (2PTE)	\$20,000
103	Contract Writer (1 PTE)	\$405
	Total:	\$46,405
200	Facilitators	Proposed
201	Project Facilitators (6 PTE)	\$10,800
	Total:	\$10,800
300	Materials	Proposed
301	Office Supplies	\$300
302	Name Badges	\$2,500
303	Copying and Printing, Paper	\$3,000
304	Lacie Flashdrives	\$320
	Total:	\$6,120
400	Food	Proposed
401	Panera Lunch	\$12,500
402	Coffee	\$3,750
403	Cookies	\$226
	Total:	\$16,476
	Total:	\$79,801

Backup Sheet

Category	Description	
100	Personnel	
101	Project Manager	2 at \$6,500/month for 2 months
102	Instructional Designer	2 at \$5,000/month for 2 months
103	Contract Writer	5 hours @ \$81/hr
200	Facilitator	
201	Project Facilitators	6 at \$50 an hour for 36 hours
300	Materials and Production	
302	Name Badges	2500 at \$1 each
303	Copying and Printing, Paper	\$1,500/month
304	Lacie Flashdrives	4 at \$80 each
400	Food	
401	Lunch	250 Panera Lunch Assortment at \$50 each
402	Coffee	250 "Box O' Joe" Coffee at \$15 each
403	Cookies	41 boxes of Wegman's cookies at \$5.50 each



Employee Evaluation Form

Provide feedback about the employees you have worked with.

Employee Name: _____

Job Title: _____

Supervisor/Reviewer Name: _____

Review Date: ___/___/___

Performance Category

Rating

Comments or Examples

Quality of work	<input type="checkbox"/> Exceeds Expectations <input type="checkbox"/> Meets Expectations <input type="checkbox"/> Needs Improvement <input type="checkbox"/> Unsatisfactory	
Attendance & Punctuality	<input type="checkbox"/> Exceeds Expectations <input type="checkbox"/> Meets Expectations <input type="checkbox"/> Needs Improvement <input type="checkbox"/> Unsatisfactory	
Reliability	<input type="checkbox"/> Exceeds Expectations <input type="checkbox"/> Meets Expectations <input type="checkbox"/> Needs Improvement <input type="checkbox"/> Unsatisfactory	
Cooperation & Teamwork	<input type="checkbox"/> Exceeds Expectations <input type="checkbox"/> Meets Expectations <input type="checkbox"/> Needs Improvement <input type="checkbox"/> Unsatisfactory	
Judgement & Decision-Making	<input type="checkbox"/> Exceeds Expectations <input type="checkbox"/> Meets Expectations <input type="checkbox"/> Needs Improvement <input type="checkbox"/> Unsatisfactory	

Additional Comments



Peer Evaluation Form

Provide feedback to upper management about the peers you have worked with

Evaluator's Name: _____

Date: _____

Peer's Name: _____

List 3-5 things that were done well:

List 3-5 things that could be improved:

Any other Information you wish to provide?

Evaluator's Signature: _____

Project Manager's Signature: _____



Self Evaluation Form

Provide feedback about your experience.

Employee Name: _____

Job Title: _____

Department Name _____

Date: ___/___/___

1. Do you have a thorough understanding of the requirements of your job? Yes ___ No ___
If no, what aspects need further clarification?

2. What do you think have been your personal strengths? Give examples.

3. What do you think have been your weaknesses? Give examples.

4. What were your goals? How did you achieve them?

5. Please include any additional comments below.



Goal Setting Worksheet

Plan your goals for the upcoming period.

Employee Name: _____

Job Title: _____

Department Name _____

Date: ___/___/___

My goal for the period is:

To reach my goal I will:

Give measurable objectives for your goal.

Things that have helped me reach my goal:

Please include any additional comments below.

Memos



TO: Renewergy Employees
FROM: Performance Management Team
DATE: March 5th, 2020
SUBJECT: New Performance Management System Rollout!

Renewergy Employees:

Performance Management at Renewergy is pleased to announce the new Performance Management system. Welcome to the initial introduction to the system!

We took all the feedback received on the old system, and completely redesigned the new one. With a 360 degree feedback approach, employees are now guaranteed a fair evaluation, with constructive feedback that is not only productive for you, the employee, but to Renewergy as a whole. Our new system no longer distributes arbitrary ratings on a number scale, but instead gives managers and peers a chance to evaluate employees using open ended forms with categories such as reliability, quality of work, cooperation, teamwork, decision-making, and overall attendance.

We believe that shifting the focus from arbitrary ratings to continuous employee coaching and development will benefit Renewergy as a whole. We are extremely excited to officially roll out the new Performance Management system!

Warm regards,
Performance Management Team

Memos



TO: Renewergy Managers
FROM: Performance Management Team
DATE: March 7th, 2020
SUBJECT: New Performance Management System Training

Renewergy Managers:

It is our pleasure to invite you to the new Performance Management System (PM System) training session on March, 9th 2020 at 9:00 AM. The purpose of this training session is to inform you about the presence of the new PM System, as well as to have meaningful conversations with you about our recommendations on how you should apply this PM System in your own team.

Our two focus milestones we want to achieve through the training session include:

1. Discussing the importance of Renewergy's PM System and how to apply it
2. Receiving your feedback on our perspectives, systems, and materials we've prepared for official launching

We are excited to see you in this training session. Thank you so much for your time and patience.

Warm Regards,

Performance Management Team

Memos



TO: Renewergy Employees
FROM: Performance Management Team
DATE: March 14th, 2020
SUBJECT: New Performance Management System Training

Renewergy Employees:

After finalizing our new Performance Management System (PM System), we are thrilled to invite you to our first PM System training session March 23rd, 2020 at 9:00AM.

Our two focus milestones we want to achieve through this training session include:

1. To inform you of the purpose of the new PM System and educate you on how to use it. New materials will also be introduced during the session
2. Listen to you and have meaningful conversations with you about the system

At Renewergy, we are always open for new perspectives and changes, so we are looking forward to having you and hearing your thoughts. Thank you so much for your time and patience.

Warm Regards,

Performance Management Team

Memos



RENEWERGY
SOLAR · WIND · POWER

TO: Employee Name
FROM: Performance Management Team
SUBJECT: Incomplete Peer Assessment

Employee Name,

Hello! It looks like you have yet to turn-in your Peer Assessment form by the due date we established. Please get it in as soon as possible, as peer assessment is crucial to the success of Performance Management at Renewergy! We want the evaluations of our employees to be fair and accurate.

If you are having any difficulties finding the form, or understanding how to fill it out, please contact us! We want to make this process as easy as possible!

Warm regards,

Performance Management Team

Memos



TO: Manager Name
FROM: Performance Management
SUBJECT: Incomplete Employee Evaluation

Manager Name,

Hello! It looks like you have yet to turn-in your Employee Evaluation form by the due date we established. Please get it in as soon as possible, as the calibration process and evaluation among managers is crucial to the success of Performance Management at Renewergy! We want the evaluations of our employees to be fair and accurate, so your input is very important.

If you are having any difficulties finding the form, or understanding how to fill it out, please contact us! We want to make this process as easy as possible!

Warm regards,

Performance Management Team

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Appendix

Interview Questions

1. What organization have you worked in as an HR professional?
2. What was your role within this organization?
3. What do you think about the 360 degree feedback approach used in performance management?
 - a. What are some positive and/or negative aspects?
4. What do you think is the most effective way to implement a newly designed performance management system?
5. Do you have any advice about the feedback process between HR and employees?
6. How do you inform your employees about their professional expectations?
7. What form of communication worked best within your organization?
8. Based on your experience, what is the most important factor to consider when developing a performance management system?