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#NEWIDEAS16

What do High Performing Organizations Do to Make Performance Reviews Worth It!

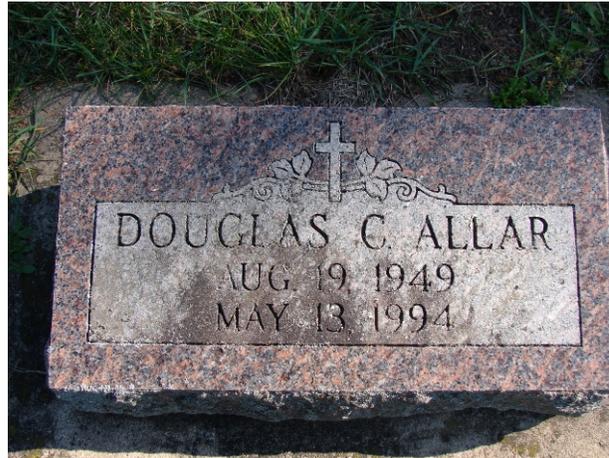
Jeff Allar

Senior Vice President of Human Resources, VGL Group

One Slide About Me



One Slide About My Commitment to Fighting Domestic Violence



Texas Council On
FAMILY VIOLENCE



Our New Performance Management System

Any Questions?



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ASOK, YOUR WORK
HAS BEEN EXCELLENT
ALL YEAR.



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I'M RATING YOU
"POOR" SO I'LL HAVE
A PAPER TRAIL IN
CASE I EVER NEED
TO FIRE YOU.



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YOU'LL PROBABLY
FEEL A LITTLE
SURGE OF MOTI-
VATION BECAUSE
YOU GOT FEEDBACK.

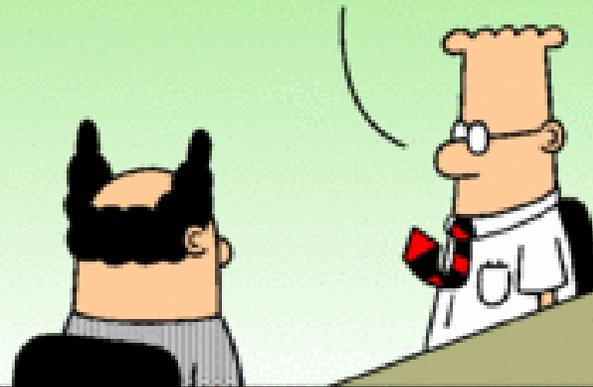


PERFORMANCE REVIEW

YOU NEED TO
GET BETTER AT
ANTICIPATING
PROBLEMS.



IF I COULD ANTICIPATE
PROBLEMS, I WOULDN'T
HAVE AGREED TO WORK
FOR YOU.



YOU SEEM ANGRY.
I DID NOT SEE
THAT COMING.



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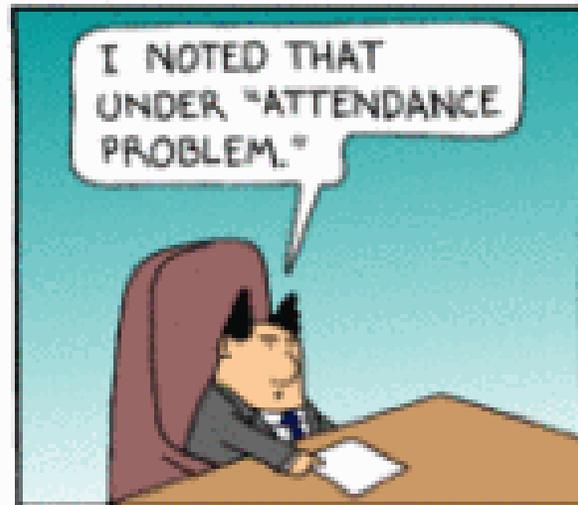
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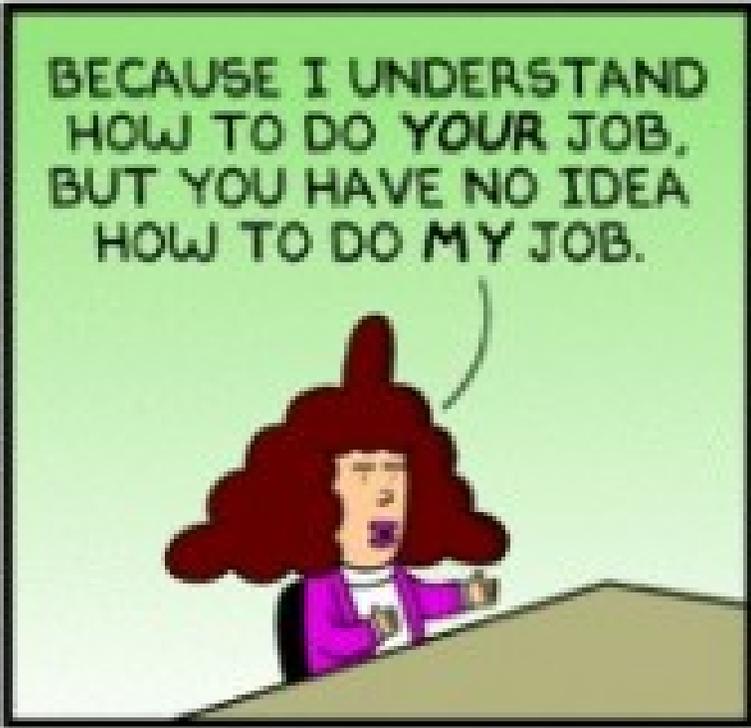


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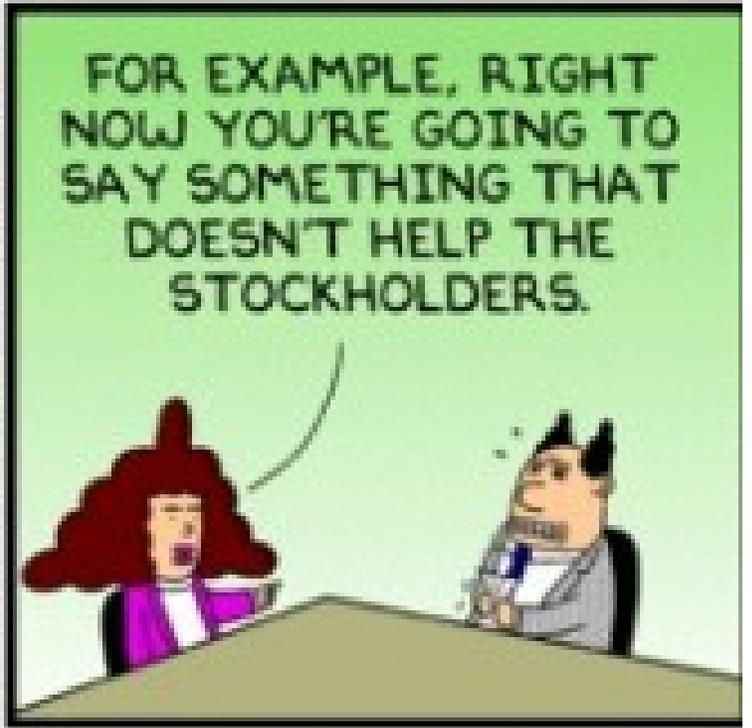


Image from Dilbert.com



March 29, 2014



Keyword Search

SEARCH



ALICE, YOUR GOOD WORK HAS SAVED THE COMPANY OVER A BILLION DOLLARS.



DilbertCartoonist@gmail.com

BUT I CAN'T GIVE YOU A RAISE BECAUSE YOU ONCE HAD A PERSONAL ITEM ON YOUR DESK.



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HOW ARE THOSE THINGS EQUAL?!!



AND HERE COMES THE INSUBORDINATION.



But Seriously Folks

What is Going On With Performance Management?

KEY FINDINGS

- 70% of companies state that performance management is average or below average.
- More than 60% of companies want an ongoing performance management strategy.
- Companies that invest in ongoing performance management improve revenue, retention, and customer satisfaction.

Source: 2014 Brandon Hall Group Performance Management Study (n=223)

What is Going On With Performance Management?

Reinventing Performance Management - How to do it Right

Performance Reviews



What is Going On With Performance Management?

 Microsoft Kills Its Hated Stack Ranking 
—November 2013, *Bloomberg Businessweek*

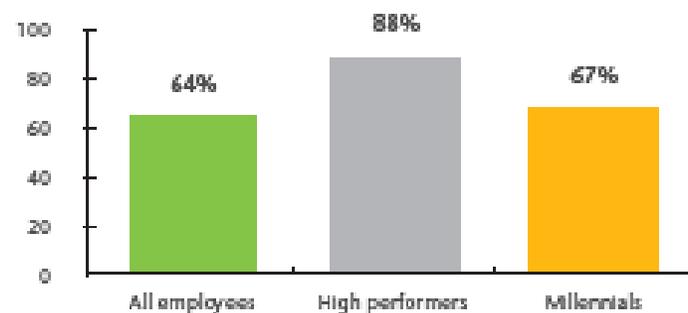
 In Big Move, Accenture Will
Get Rid of Annual Performance Reviews
and Rankings 
—July 2015, *The Washington Post*

 How Millennials Forced GE to Scrap
Performance Reviews 
—September 2015, *National Journal*

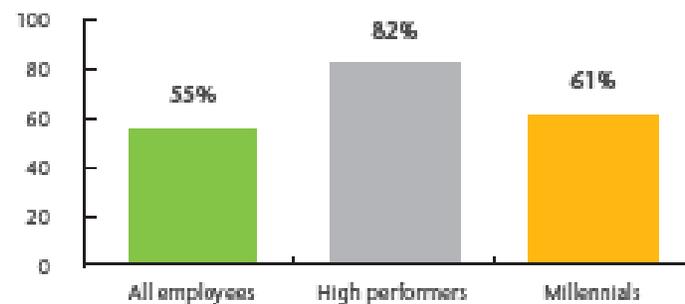
 Goldman Sachs Overhauls Performance
Management Reviews 
—May 2016, *CNNMoney*

But Ask Employees What They Think?

» Companies should review performance, and it should involve a rating.



» I want to know how I'm doing relative to my peers.



*Is Anyone Doing This Well and
Is It Making a Difference?*



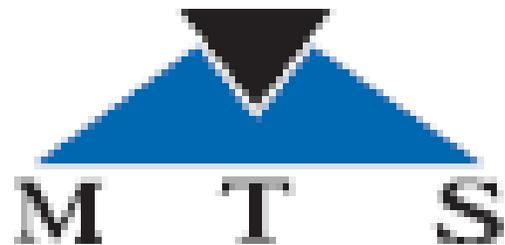
BALDRIGE

Performance Excellence Program

What is the Baldrige Program?

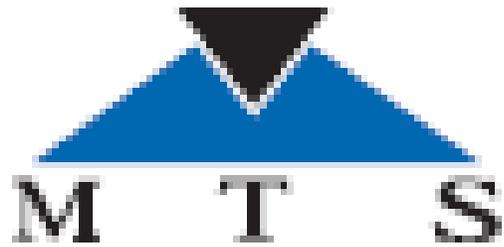
- In the mid-1980s, U.S. leaders realized that American companies needed to focus on quality in order to compete in an ever-expanding, demanding global market.
- Then-Secretary of Commerce [Malcolm Baldrige](#) was an advocate of quality management as a key to U.S. prosperity and sustainability. After he died in a rodeo accident in July 1987, Congress named the Award in recognition of his contributions.
- The goal of the [Malcolm Baldrige National Quality Improvement Act of 1987](#) was to enhance the competitiveness of U.S. businesses. Its scope has since been expanded to health care and education organizations (in 1999) and to nonprofit/government organizations (in 2007).
- Congress created the Award Program to
 - identify and recognize role-model businesses
 - establish criteria for evaluating improvement efforts
 - disseminate and share best practices

Let's Look at a Few Role Models





- Mid-America Transplant is a private, nonprofit organ procurement organization and eye and tissue bank serving a designated service area (DSA) of 84 counties in eastern Missouri, southern Illinois, and northeastern Arkansas.
- Mid-America Transplant works with its partner hospitals to procure donated organs and tissues and then provide them to transplant centers and tissue processors, both in the DSA and across the country.
- Mid-America Transplant also operates three stations at Department of Motor Vehicles offices in the Greater St. Louis, Mo., area that support its mission by making it easy for motorists to register as donors while renewing drivers' licenses or automobile registrations.
- With an annual budget of \$39 million and a workforce of 193 employees, Mid-America Transplant operates from its headquarters in St. Louis, Mo., and a satellite location in Springfield, Mo.
- A unique concept is the Mid-America Transplant Family House, which provides short- and intermediate-term housing for transplant patients and their families from outside the St. Louis area and gives Mid-America Transplant leaders and staff the opportunity to interact with them.

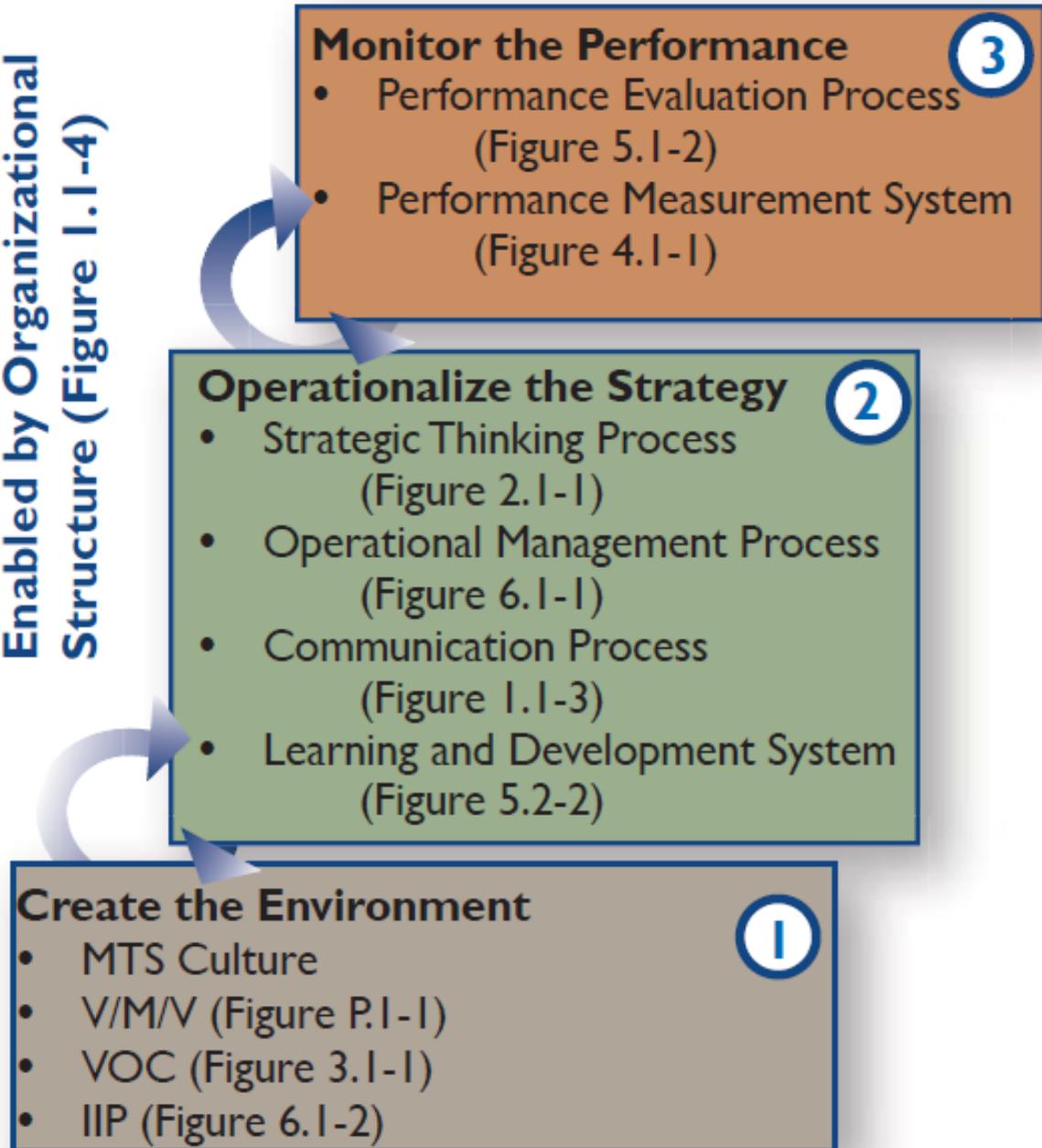


- To facilitate organ and tissue donations, Mid-America Transplant staff members are in residence at the organization's key partner hospitals. This innovation has resulted in a 0.08 percent rate of missed organ referrals since 2012, outperforming the reported best-in-class industry benchmark of 2 percent.
- In 2001, Mid-America Transplant built the nation's first stand-alone organ recovery facility, a system that has significantly reduced the expense of procuring organs compared to the cost of in-hospital organ procurement. Since 2012, the cost-per-donor for in-house cases has decreased from approximately \$7,000 to under \$4,000, compared to approximately \$20,000 when completed in the hospital.
- In 2015, Mid-America Transplant was selected as a "top workplace" by the *St. Louis Post-Dispatch* newspaper. The overall employee retention rate approaches 90 percent and has exceeded the Association of Organ Procurement Organizations industry average since 2012.
- Mid-America Transplant uses customer data to determine their satisfaction with the donation process. Customer complaints per case have been close to zero since 2013 for eye and tissue donations and declined from approximately 7 percent in 2013 to approximately 3 percent in 2015 for organ donations.



Figure 1.1-1 **Leadership System**

Enabled by Organizational Structure (Figure 1.1-4)



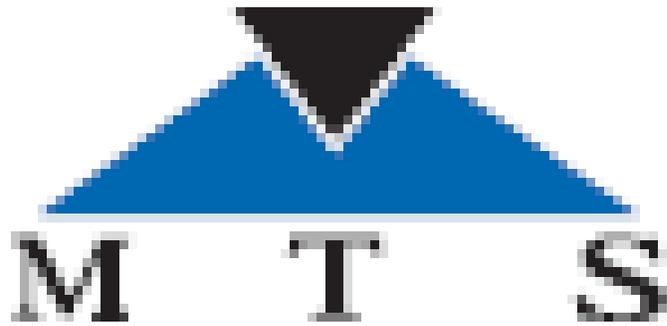
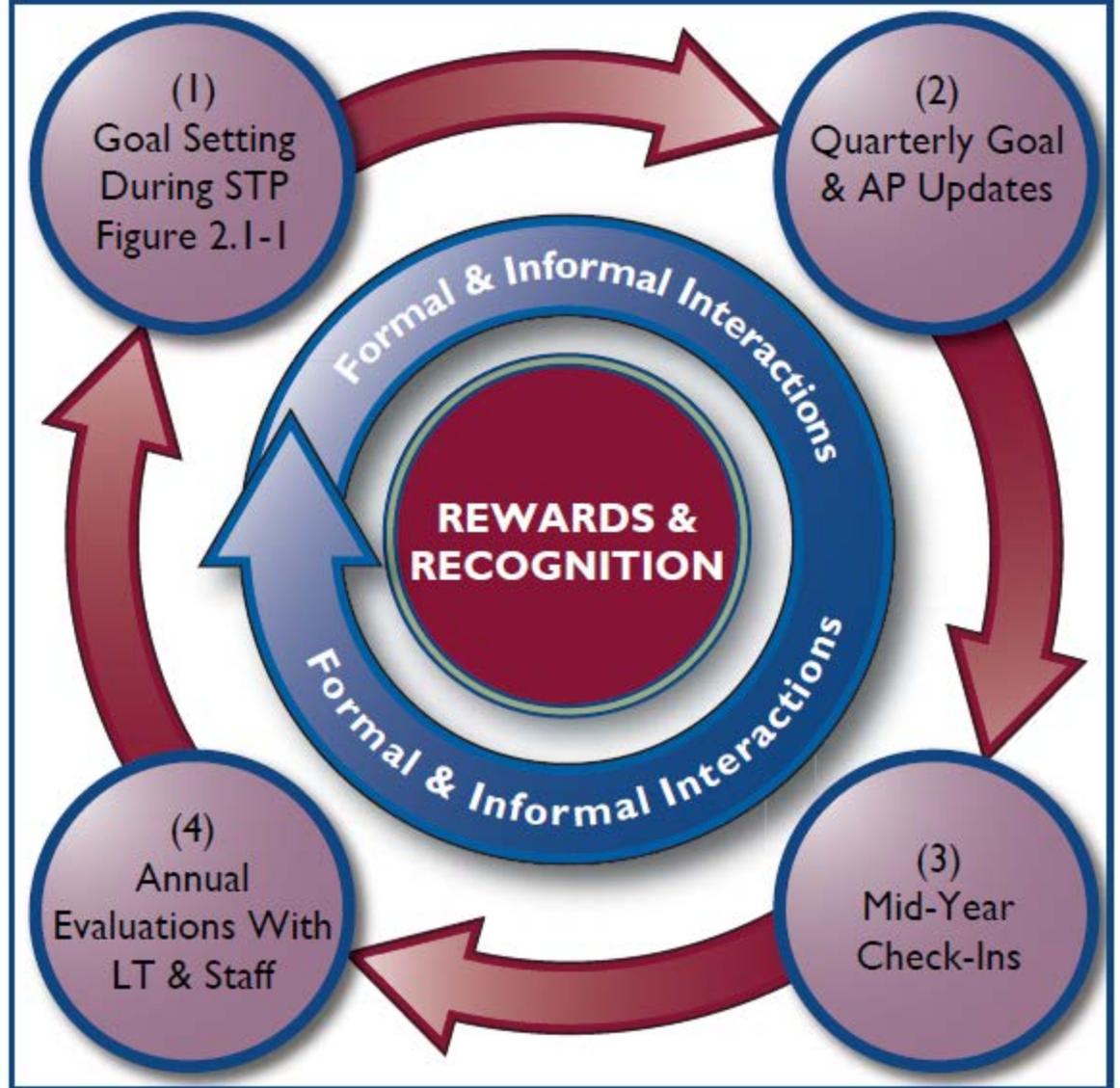


Figure 5.1-2 Performance Evaluation Process



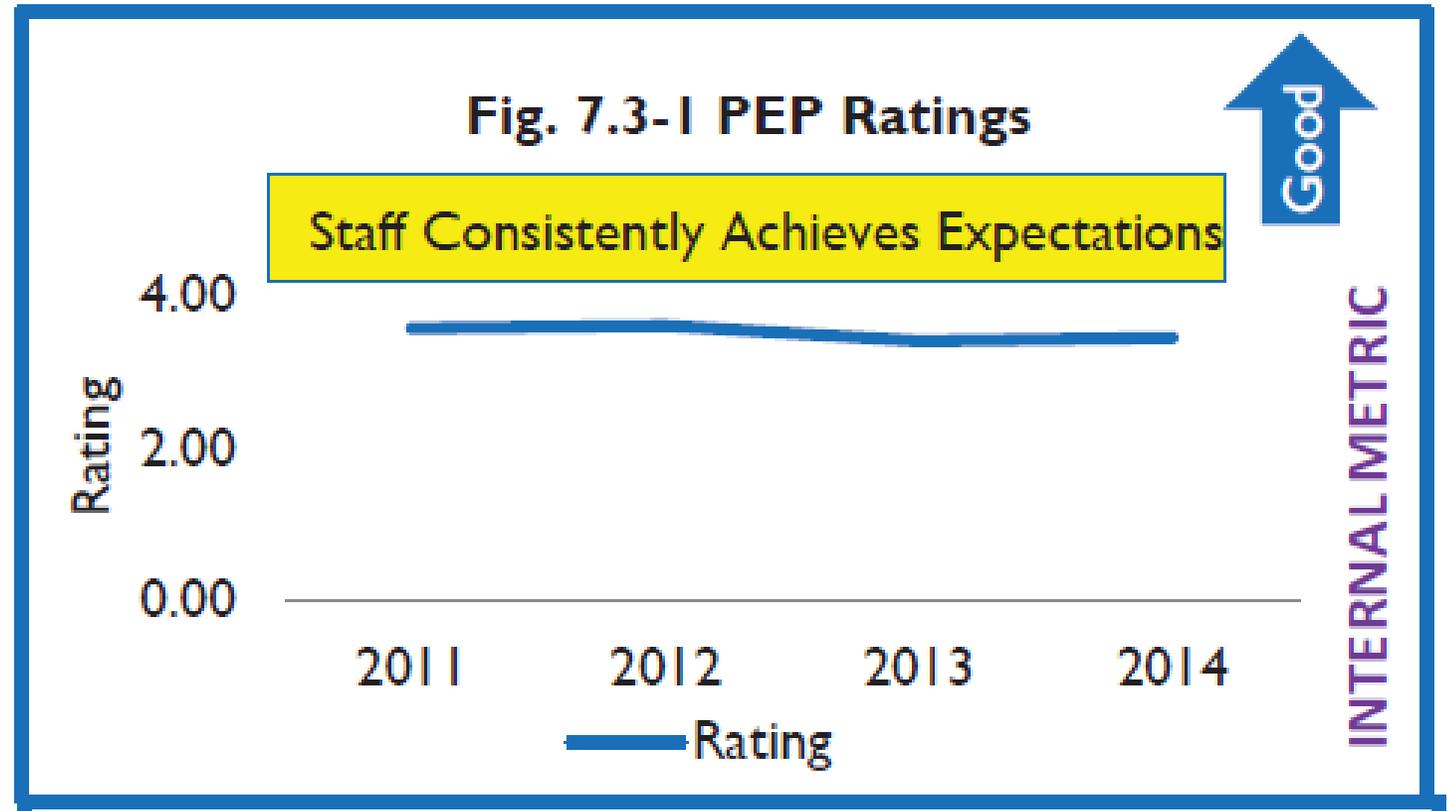
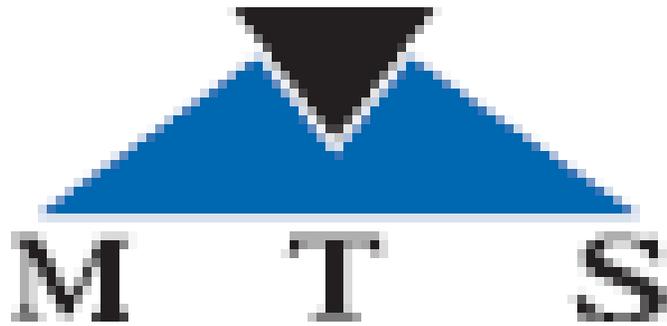




Fig. 7.3-12 Overall Workforce Engagement



Best in Class Workforce Engagement

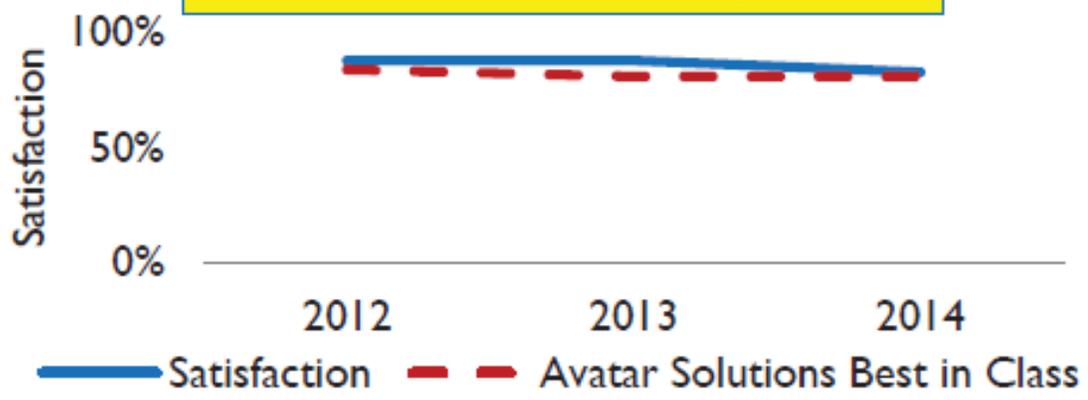
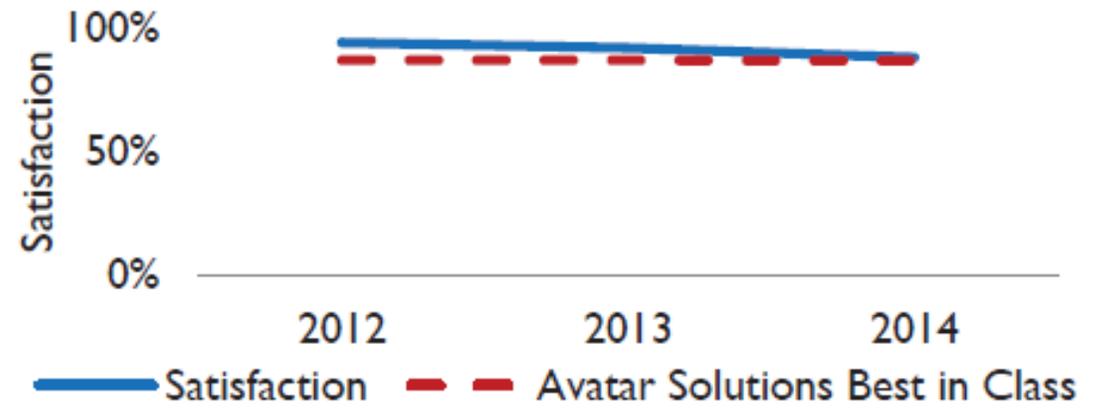


Fig. 7.3-14 Overall Job Satisfaction



Third Highest Nationally





- Elevations Credit Union (ECU) is a member-owned, nonprofit credit union, serving over 106,000 people through 11 branches and 332 employees in Colorado's Boulder, Broomfield, Larimer and Adams counties.
- Headquartered in Boulder, Colo., the organization provides a wide range of financial products and services, including checking and savings accounts, auto loans, student loans, mortgages, home-equity lines of credit, business loans, credit cards and financial planning.
- ECU has over \$1.4 billion in assets, and reported \$66 million in gross revenue and \$9.5 million in net revenue in 2013.



- ECU has been named “Best Financial Institution” by readers of the *Boulder Daily Camera* for 15 of the past 16 years, and repeatedly as “Best Bank,” “Best Mortgage Company” or “Best Customer Service” by readers of the *Colorado Daily*, *Boulder Weekly*, *Longmont Times-Call* and *Loveland Reporter-Herald*.
- To communicate with and engage its workforce and members, ECU senior leaders use a systematic sequence of integrated monthly forums called the Operational Rhythm. ECU also utilizes social media, all-staff meetings, “Run-the-Business” meetings and “Connect-the-Business” meetings to foster two-way communication with key members and the workforce.
- ECU’s mortgage market production volume increased from 1,123 loans in 2011 to 2,307 in 2014 (annualized). In 2013, ECU produced more mortgage volume in Boulder County than any of its competitors, and during the summer of 2014, captured one-third of all mortgages closed in the county. ECU also is the largest credit union mortgage lender in Colorado.
- ECU strategically leverages social media to build stronger relationships with its members, ranking 16th in the world in social media use by credit unions, according to *The Financial Brand’s* Power 100 Score. ECU has the 11th most-watched YouTube channel and the 29th most-liked Facebook site for all credit unions worldwide.

Figure 5.1-1 Workforce Management System



Figure 5.2-2 Workforce Management Process

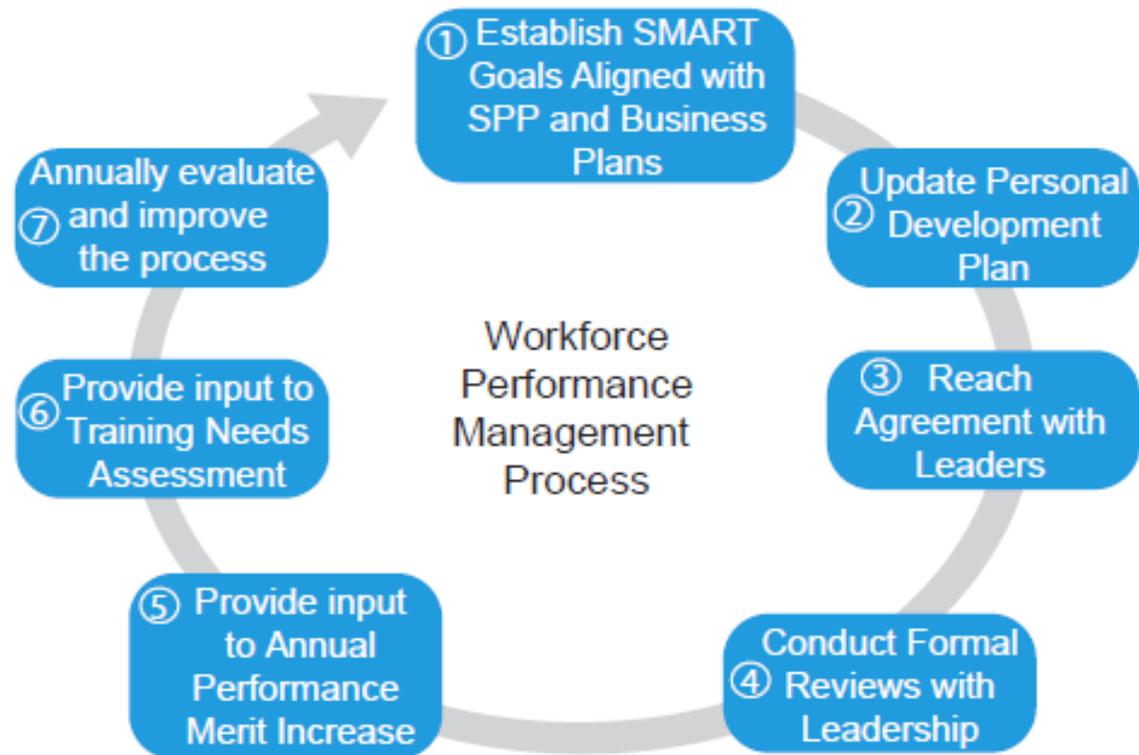


Figure 7.3-24 Employee Satisfaction - Clear Expectations of Manager

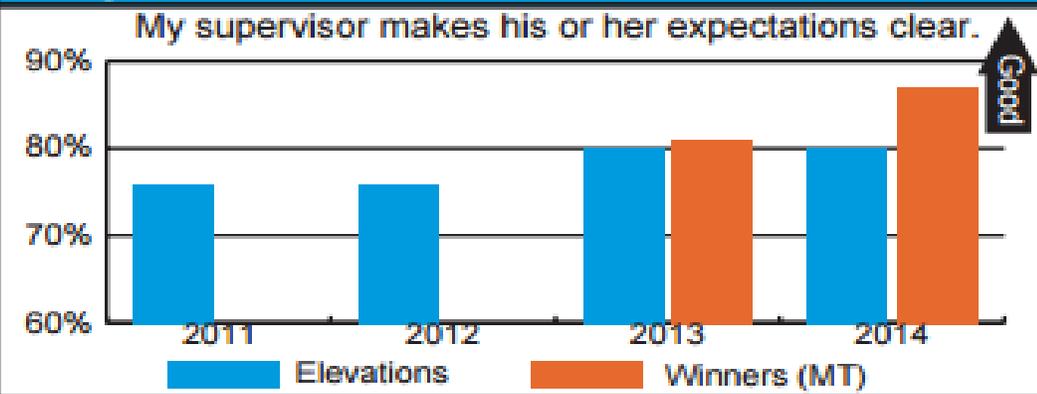


Figure 7.3-26 Employee Satisfaction - Committed Colleagues

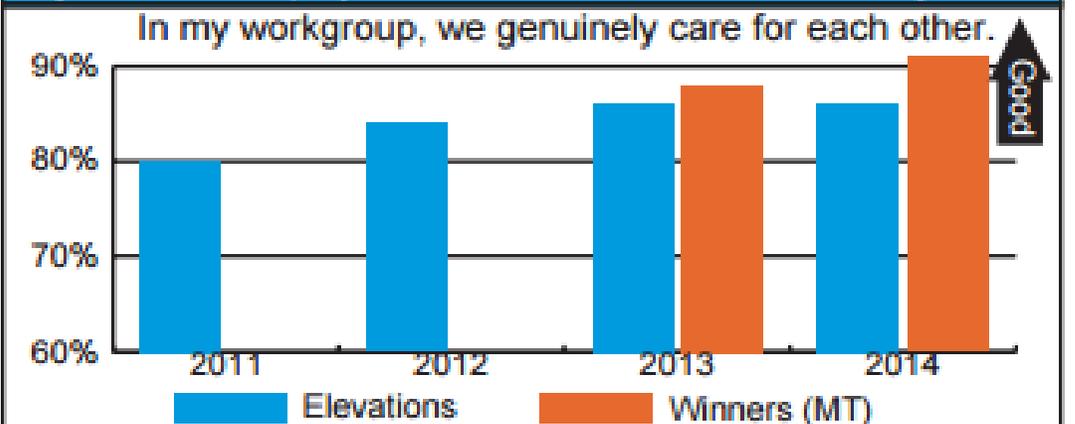


Figure 7.3-25 Employee Satisfaction - Committed Colleagues

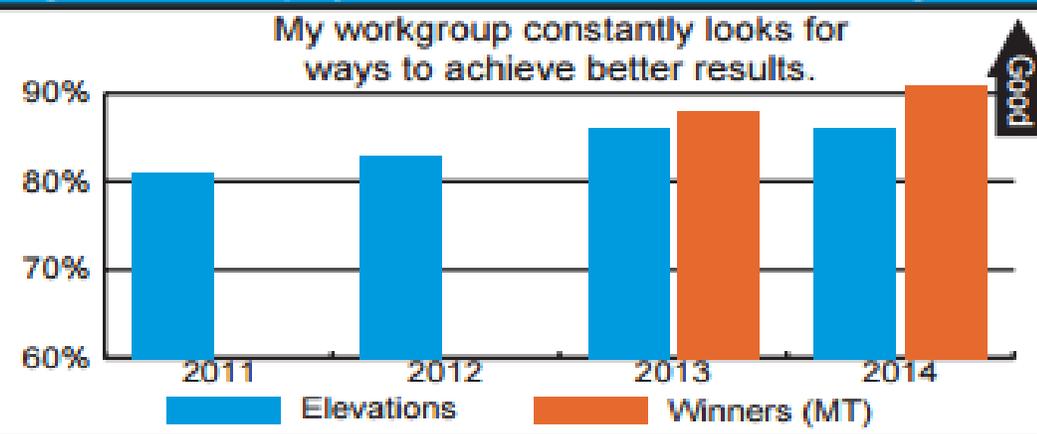
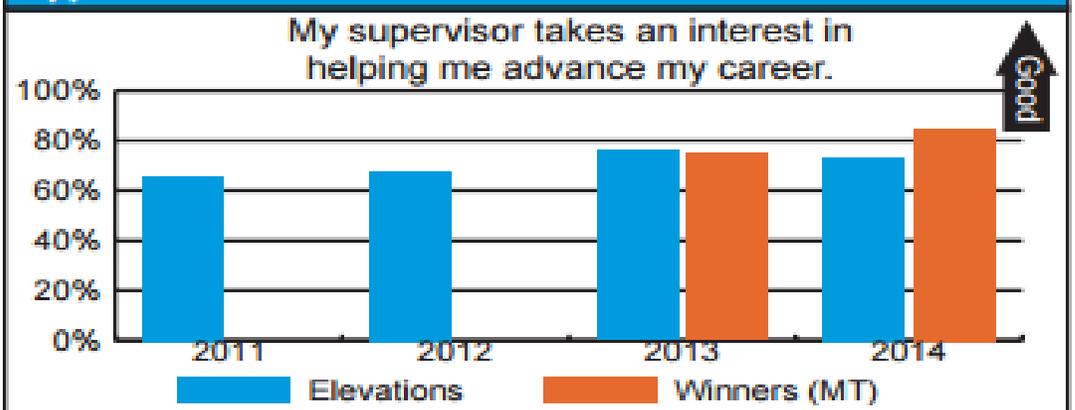


Figure 7.3-27 Employee Satisfaction - Learning and Growth Opportunities





- The City of Irving, located between Dallas and Fort Worth, is the 13th most populous city in Texas and the 94th in the United States.
- The city, home to approximately 217,700 residents, encompasses an area of 68 square miles, including Dallas-Fort Worth International Airport.
- Core services provided include law enforcement and compliance, fire protection and emergency medical, water and sewer, refuse collection, street maintenance and traffic management, parks, libraries, recreational and cultural programming, and capital improvements.



- The City of Irving is one of five cities in the state and 89 in the nation with a AAA rating from both Standard and Poor's (S&P) and Moody's—ratings that it has maintained since 2007 and during the worst recession in U.S. history.
- Irving's 2012 employee survey results show that its employee ratings exceed the highest comparable score received by a U.S. government agency. For example, 95 percent of Irving employees say the city government is a good place to work compared to a federal agency high of 84 percent.
- Since 2006, the percentage of residents rating many of the city's key services—including police, code enforcement, libraries, and recreational—as good or excellent has increased by double digits.
- Irving's police utilize best practices such as community policing, a problem-solving team, Twitter-based community crime watch groups, and increased use of volunteers. Violent crime decreased from approximately 700 incidents in 2007 to 500 in 2011. Overall violent crime per 1,000 persons decreased 35.5 percent from 2006 to 2011. This decrease compared favorably to neighboring cities, one of which saw an 8.6 percent increase for the same time period.



Figure 5.1-3 Performance Management System

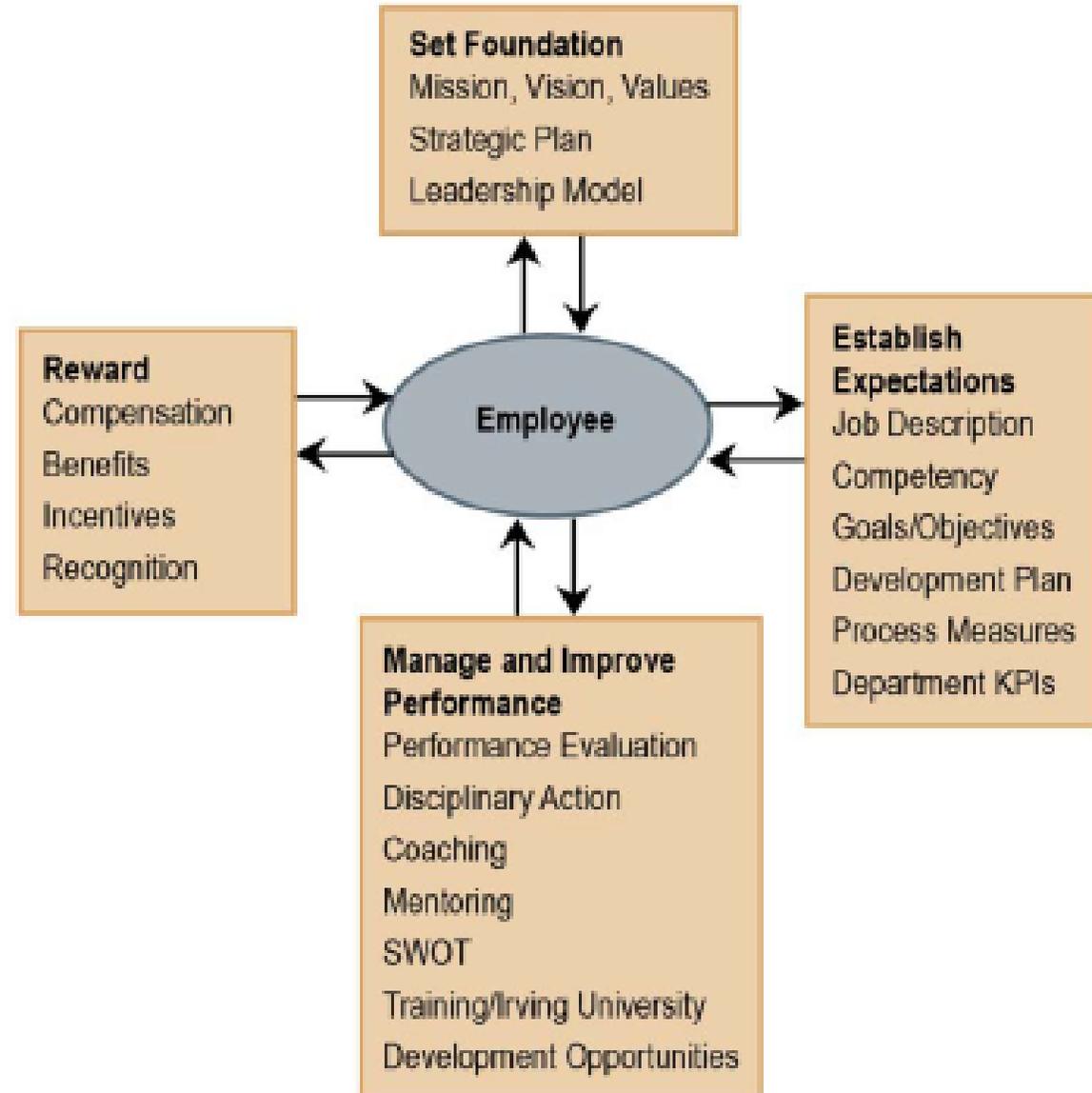




Figure 7.3-24 Employee Engagement, Learning and Development by Workforce Segment (Key Employee Requirement) (SA 5)

	2008	2009	2010	2012 ALL	2012 GG	Trend	COMPARATIVE		G1	G2	G3	G4	G5	G6
							Baldrige	Highest Fed Agency						
ENGAGEMENT														
a. I am recognized for my work	N/A	73%	77%	85%	86%	↗	84%	70%	100%	90%	90%	82%	89%	81%
b. I am able to make changes that improve my work	N/A	86%	84%	89%	92%	↗	78%	92%	95%	96%	93%	90%	85%	82%
c. Our organizational culture encourages new ideas	N/A	80%	79%	83%	87%	↗	87%	72%	95%	92%	95%	81%	86%	73%
d. My department listens to customers to improve	N/A	92%	93%	95%	97%	↗	92%		95%	98%	95%	97%	97%	92%
e. I understand how the Strategic Plan relates to my department	54%	84%	84%	88%	93%	↗		91%	100%	95%	96%	91%	93%	75%
f. I know how my department measures its success	67%	84%	84%	89%	91%	↗			95%	98%	92%	87%	96%	81%
g. I know exactly what is expected of me	88%	92%	96%	97%	97%	↗	98%	84%	100%	99%	97%	97%	97%	98%
h. Teamwork is encouraged	81%	88%	89%	94%	95%	↗	83%	76%	100%	99%	98%	91%	99%	91%
LEARNING AND DEVELOPMENT														
i. Opportunities for growth/development	N/A	73%	75%	81%	80%	↗		55%	90%	92%	80%	74%	83%	88%
j. Employees have leadership opportunities	67%	79%	81%	88%	87%	↗		79%	95%	99%	92%	82%	88%	89%
k. Training is relevant/available	76%	82%	82%	91%	91%	↗	93%	76%	100%	94%	92%	88%	94%	93%
l. My supervisor encourages me to develop my skills	N/A	79%	83%	92%	92%	↗	94%	84%	95%	97%	93%	91%	92%	91%

LEGEND-G1: Directors/Assistant Directors; G2: Managers/Supervisors; G3: Professional/Technical; G4: Maintenance/Trade; G5: Administrative Support/Clerical/Office; G6: Civil Service.

GG=General Government



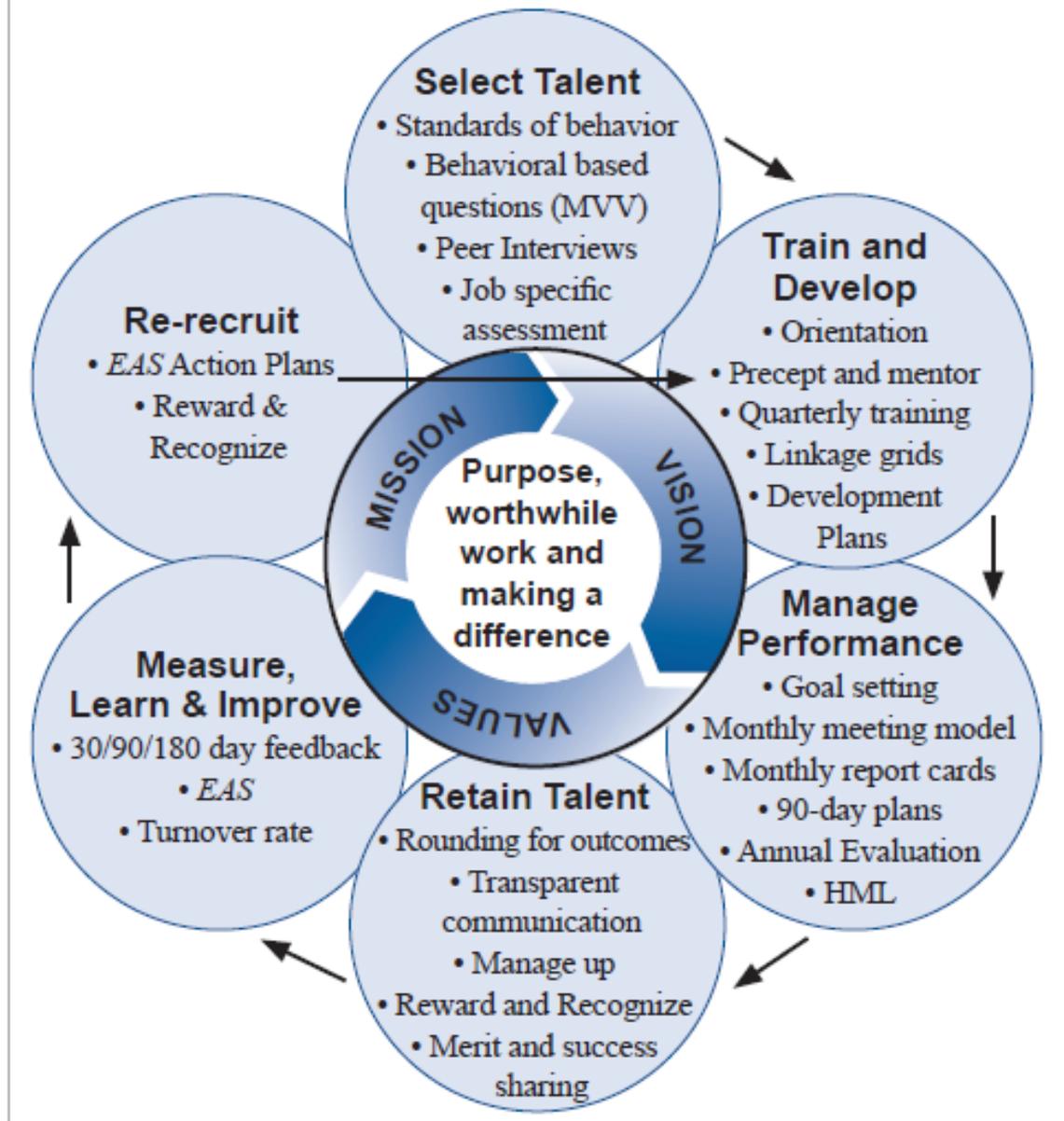
- Founded in 1999, the Studer Group is a private, for-profit health care consulting firm providing coaching, teaching, and evidenced-based tools and tactics to health care organizations and rural hospitals throughout the United States.
- Corporate offices are located in Gulf Breeze, Florida, with satellite offices in Dallas, Texas; New South Wales, New Zealand; and Queensland, Australia.
- Virtual home offices are located across the United States. Revenues were approximately \$47 million in 2010, and the company employs 119 persons.



- Key innovations have helped annualized revenue grow from less than \$5 million during the period 1999 to 2001 to \$45 million for 2009 to 2010.
- Studer Group has sustained high levels of CEO satisfaction and overall satisfaction with its coaching services. Since 2006, satisfaction ratings have ranged from 4.6 to 4.9 on a 5-point scale, exceeding the Service Performance Insight (SPI) Best Benchmark of 4.3.
- Studer Group was named as one of the “Top 25 Best Small Companies to Work for in America” by the Society for Human Resource Management and the Great Places to Work Institute in 2008, 2009, and 2010.
- Studer Group’s revenues grown more than 30 percent annually since 2001, exceeding the Association of Management Consulting Firms (AMCF) average of 10 percent annual growth.



Figure 5.1-2: Selecting and Retaining Talent System



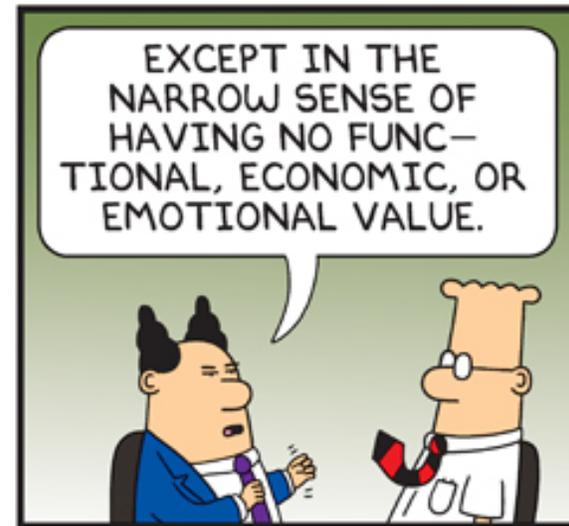
The Keys to Success

- Performance Reviews Ought to be Part of a Broader Management System
- Align What is Assessed to Your Overall Business / Strategy
- It Is a Process
- Continually Improve

*One Last Piece of Advice From
Dilbert*

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BY SCOTT ADAMS



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Thank You!

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