The Perfect Marriage:
Introduce Your Culture to Automated Performance Management

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Your unique culture and values are the strength of your small business. The idea of introducing formal processes for performance and goal management may seem at odds with cultural elements that define your small business today. This does not need to be the case. Actually, effective performance management processes teamed with a strong organizational culture creates the perfect marriage: The right combination of people and process can reinforce each other's strengths, improve productivity, increase engagement and deepen commitment.

Now more than ever, businesses are searching for competitive performance accelerators for growth and sustainability. Faced with limited budgets and even leaner staff resources, small companies realize that making the most of in-house talent is critical to executing on strategic goals. Ideally, organizational performance should be connected to individual effort. Every employee should be moving a company's strategy forward. However, less than 10 percent of all strategic business plans are effectively executed.[1]

Automating the performance appraisal process and measuring every employee against clear, objective goals – rather than a manager's subjective assessment of an employee's performance – can unlock improved execution of a company's strategy. For some employees and managers, these changes may be a significant culture shift. Whether you are developing a performance management process for the first time or automating an existing process, paying attention to your unique workplace culture and organizational values should be top of mind as you automate your performance processes.

Introducing performance management automation should be attractive to employees and leaders alike. Complex systems, costly implementations and lengthy learning curves are not complementary to your small business. You know what works and what doesn't within your environment, and you can spot a cultural threat from a mile away.

According to Towers Watson, within most high-performance organizations there is a sustained harmony between strategy and organizational culture. When culture and strategy align, both people and functions work toward a common purpose. Culture, and all the systems that support it, must reinforce and reward these actions, behaviors and attitudes.[2]

Before walking your performance management process down the automation aisle, consider these three steps to ensure a successful union: **Truth, Time and Tone.**

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[1] Robert S. Kaplan and David P. Norton, authors and developers of The Balanced Scorecard.
[2] Towers Watson. Bringing Strategy to Life: Aligning Your Corporate Culture with Business Goals. Research Bulletin 2010.

Truth: Serve It Straight Up

You've surrounded yourself with the best and the brightest talent you can find. Your employees deserve and expect truthful and balanced feedback in return for their contributions.

Because of the dynamic nature of business today, a paper-based performance system can simply no longer provide the critical flexibility to capture and effectively measure matrixed goals and projects. Automating the performance process makes it easier to offer organizations, managers and employees a true look at performance, with an emphasis on three key points:

1. Honesty: The core attribute of any performance management process is that it provides highly personalized coaching. Based on progress toward objective goals, a manager can provide clear feedback to employees with an emphasis on development. While most employees welcome positive comments and kudos, many bristle when receiving constructive coaching or may view suggestions for improvement as biased or vague. By incorporating 360-degree or multi-rater performance feedback into your automated process, employees will more thoughtfully consider and quickly implement suggestions for performance improvement.

2. Fairness: Calibrating performance appraisals and ratings across workgroups or functional departments is difficult to achieve. Especially in small companies with close work cultures that encourage openness, employees may be more apt to share their personal performance feedback discussions and ratings with others. Because software-based appraisals from automated performance management tools focus more on results and actions – rather than personality traits – they are generally regarded by employees to be more objective than paper-based evaluations.

3. Consistency: Let's face it: not all managers relish the idea of the annual performance appraisal process. Using any manual process carries an inherent risk of managers cutting or condensing feedback forms to fit their idea of a "manageable minimum" format. There are many reasons to ensure that a uniform process is followed to ensure credibility and compliance; now, with automated Web-based forms, you can control who can (and can't) make changes to your review forms. And once your managers start using forms developed specifically for your culture and process, automated writing tools guarantee consistency across the board.

Time: The Ultimate Performance Aggregator

Historically, paper-based systems have followed an annual goal review cycle. In reality, today's businesses rarely experience the luxury of extended-timeline goal management. Your business culture is defined by workflow schedules and deadlines uniquely prescribed by your industry, your customers and your business leaders. Marrying the power of a robust and automated performance and goal management system to the cadence of your company brings you the opportunity for real-time insight and integration.

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According to a recent Bersin & Associates survey, only 40 percent of senior leaders and 17 percent of employees revise their goals halfway through the year. Failing to adjust goals as the business changes means that goals, and the focus and structure they give to business activities, fall by the wayside.[3]

Automating the performance process allows your managers and employees to:

- Free up time. When was the last time you gave your managers a little extra "free time" on their calendars? Automating your paper-based process to an online, fully integrated performance management software system means your managers are able to provide better feedback with 62 percent less cycle time.[4] Your managers and employees spend less time on the appraisal process and more time actually improving performance while they're focusing on key priorities aligned with your business strategy.

- Talk about performance more frequently. Even if you've adopted a SMART (Specific, Measurable, Attainable, Relevant, Time-bound) goal format in your manual process today, chances are there is little discipline in managing to individual goal deadlines, and even less real-time follow-up and feedback involved. Streamlining your goal planning process through Web-based automation allows for increased goal visibility and alignment across the company and gives you real-time flexibility to adjust goals to the dynamic nature of your business.

- Streamline workflow. Your employee is in one city, but his manager is in another, and legal requires original signatures for approval – tough to deliver under tight deadlines in a paper-based performance review process. Cascading of top-line goals to frontline workers, bringing visibility to cross-functional project stakeholders, reviewing forms, routing for multiple approvals and retaining records to support compliance requirements are all possible instantly and effortlessly through automation.

- Jump-start reviews. What happens when managers know what they want to say but are just not sure how to get started? Valuable time is lost. If you're providing simple paper-based review forms, there's no getting around the dreaded "blank page" syndrome. Take advantage of built-in writing and coaching assistants made available through automation and be assured of acceptable use of feedback language through built-in legal scan features and functionality.

- Magnify metrics. Realizing that results are falling short of targets after deadlines have passed does little for bottom-line results or credibility. Keeping a sharp focus on projects, deadlines and development needs is challenging when paper forms are filed away. Best practices recommend that to be of value, information must be frequently collected and aggregated through company-wide dashboards available for anytime reporting, allowing employees the opportunity for course-correction.

[3] Bersin & Associates. Creating a High-Performance Culture: Rewarding Results and Contribution. Research Bulletin, 2010.
[4] CedarCrestone HR Systems research
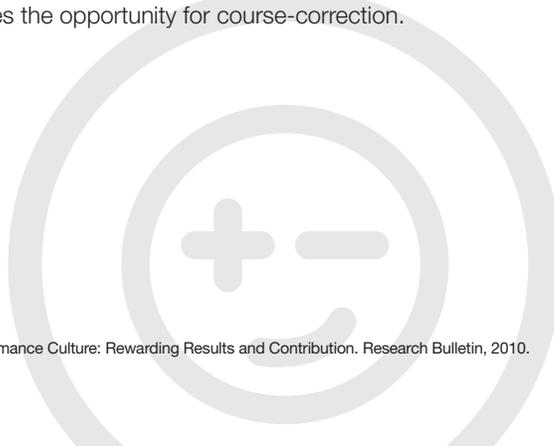
Tone: Speak in Your Company's Native Language

Performance feedback should mirror internal communication styles and the unique dialect within your company in order to resonate as effective and authentic. Using automation, it's easier for an organization to have a common language to talk about performance and improvement.

- **Set the tone:** Absent a formalized process, managers are often left to their own devices and abilities in crafting performance messaging. Adopting an automated approach to providing ongoing, real-time feedback commits consistency to culture and easily standardizes format and quality of performance reviews.

- **Establish consistency:** Ensure that consistent communication styles and approaches are carried throughout the entire performance management process by providing an automated framework for displaying top-level strategic goals, reinforcing core values and interpersonal behaviors, connecting cross-functional projects and assignments, and informing individuals of expectations – all while using language that fits your workgroup and culture.

- **Boost engagement:** When employees are introduced to behavior-based competencies that support culture, strategy and results in a manner that is internally consistent and understandable, there's a much higher likelihood they'll realize how their efforts fit into the big picture. Harnessing the power of automation ensures that your employees will be able to see not only the "what" that's important in their role, but the "how" as well.

Next Steps: The Best Is Yet to Come

Introducing and culturally socializing new processes within a small company may mean taking incremental steps over time toward full, transformational talent management integration. By taking the first step toward performance and goal management automation, you'll soon realize the return on investment resulting from automation efficiencies.

As your business matures, take hold of the automation momentum and layer on more sophisticated functionality that's ready to grow with you at the right pace and at the right time:

- Create visibility and tap into benchmarked insight to identify, anticipate and bridge talent gaps.

- Identify desired competencies proven to succeed in your organization and create succession and development plans.

- Reinforce your culture by hiring right, right from the start, with fully integrated recruitment management tools.

- Accelerate understanding and use of strategic talent information through robust workforce planning and analytics tools.

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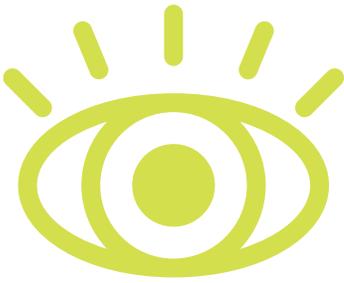
Conclusion

Manually based performance management processes may have suited your business needs in the past. As your small organization faces continued growth, you may be realizing that it's time to put distance between growing business demands and outdated processes.

You can increase efficiency by automating paper-based performance management processes. As a result, you ultimately increase insight into the workforce and transform your business – turning strategy into successful, measurable results. And with careful consideration in planning for your performance management automation, you can ensure your process gets the welcome reception it deserves.

In the world of integrated talent management, no one does it better than SuccessFactors. With performance management technology that's rated as industry-leading by Gartner,[5] and cloud-based solutions that are built on an integrated platform, SuccessFactors just may be your ideal partner in the journey toward maturity, transformation and success. Let's get started today. Make your move. Make a difference.

[5] Gartner Magic Quadrant for Employee Performance Management Software, 2011.

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