BEST PRACTICES
GUIDE TO

TRANSFORMING

PERFORMANCE MANAGEMENT

IN HIGHER EDUCATION

Actionable advice and
tips based on leading
research and experts'
experiences

PEOPLEADMIN

Ineffective performance management processes permeate higher education and nearly every other industry, with as much as 88 percent of U.S. companies reporting they plan to rethink performance management systems to help their employees and their organizations realize their full potential. [1]
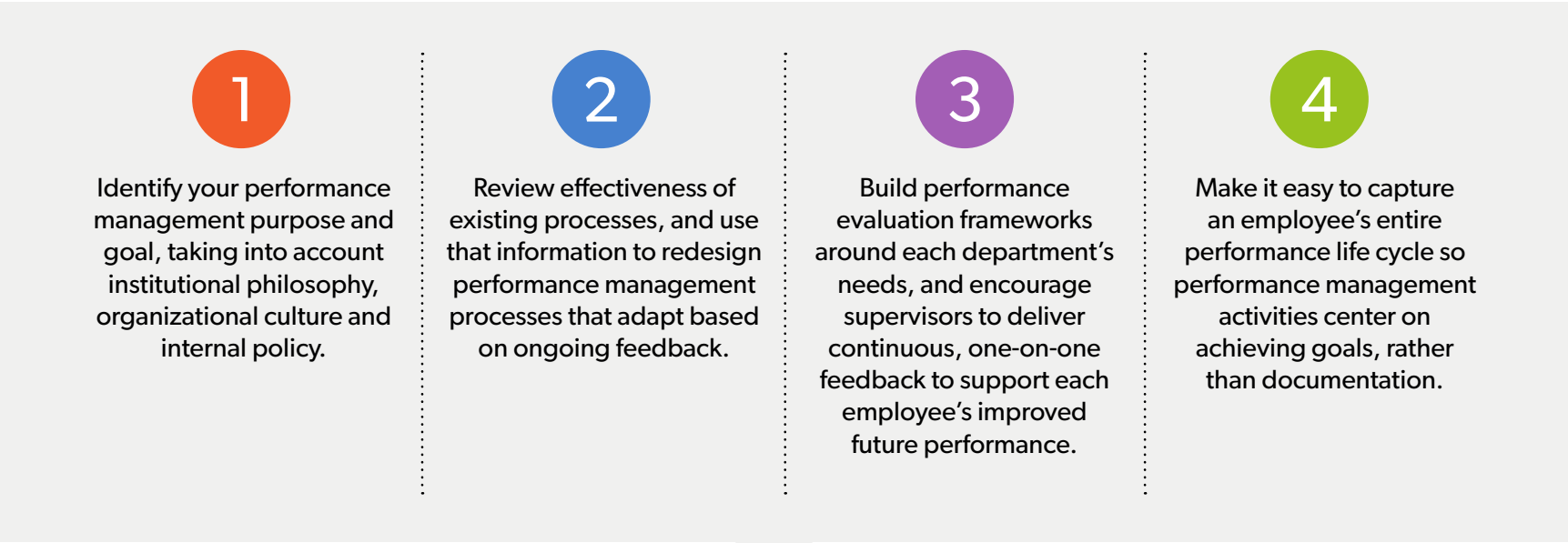
But most struggle to understand exactly how to improve performance management effectiveness.

Researchers and individual leaders have studied high-profile, forward-thinking companies — such as General Electric, Adobe, Cargill, Gap, Deloitte, and more — to determine what new-and-improved performance management practices should look like. Results of these studies, therefore, focus on how for-profit companies can implement more effective performance management processes to better achieve their business goals.

But higher education's performance management history, challenges and opportunities differ significantly from the corporate sector.

Understanding the magnitude of those differences, PeopleAdmin conducted a focus group and one-on-one interviews with representatives from 15 higher education institutions — including consortiums, private institutions, state universities, community colleges and Ivy League schools — to learn what they believe is the key to higher education talent management reform.

Participants articulated clearly that performance management in higher education doesn't have a single, unified goal or one-size-fits-all template that applies to all employees. However, from this research emerged four best practices — gleaned from higher education experts' experiences and corporate studies — that can help colleges and universities build more effective processes:

1 Identify your performance management purpose and goal, taking into account institutional philosophy, organizational culture and internal policy.

2 Review effectiveness of existing processes, and use that information to redesign performance management processes that adapt based on ongoing feedback.

3 Build performance evaluation frameworks around each department's needs, and encourage supervisors to deliver continuous, one-on-one feedback to support each employee's improved future performance.

4 Make it easy to capture an employee's entire performance life cycle so performance management activities center on achieving goals, rather than documentation.

Continue reading for research, real-life examples and actionable exercises designed to help higher education institutions transform performance management by incorporating these best practices.

1

Identify your performance management purpose and goal, taking into account institutional philosophy, organizational culture and internal policy.

A well-defined goal will serve as the foundation for performance management reform, and building the right foundation means accommodating institutional philosophy, organizational culture and internal policy.

"Before you can decide what great performance management looks like, you have to answer the question, why are you doing this in the first place?" said John Whelan, associate vice president and chief human resources officer at Indiana University in Bloomington. "Sure, you want to have a record and documentation, and the ability to justify merit increases — but is it designed to empower an employee to perform better and to achieve institutional goals?"

Corporate studies that sought answers to these very questions began by assessing traditional performance management activities — such as annual reviews, numeric ratings, 360-degree feedback and cascading goals. The research overwhelmingly found that these exercises hold people accountable for past behavior, rather than inspire improvement. [2, 3, 4]

According to a Deloitte study: "Performance management is taking a new turn and is becoming a forward-looking process: its aim is to impro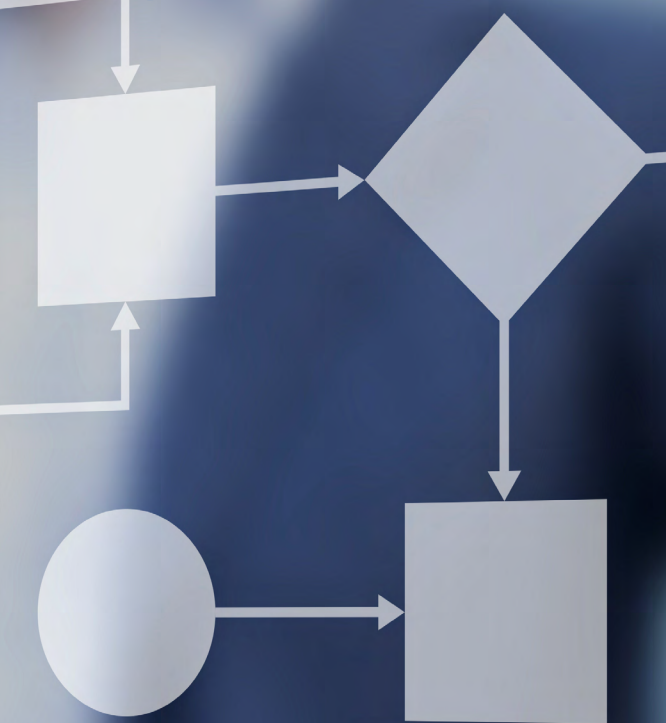ve employee engagement and drive enhanced financial results. Redesigned performance management processes sometimes include year-end evaluations but they tend to focus less and less on the assessment itself and more on the best ways to set goals, give regular feedback, do more and more coaching, and invest in employee development." [5]

To achieve this aim, Deloitte articulated three goals for their new performance management process:

- Recognize performance, particularly through variable compensation
- See each person's performance clearly
- Fuel future performance

"Higher education institutions can start developing forward-looking performance management processes that meet their institutional goals by answering a series of questions," said Heather Murray, customer advancement executive at PeopleAdmin and former associate director of human resources at Gonzaga University in Spokane, Washington.

FOCUS ON THE FUTURE

"Redesigned performance management processes sometimes include year-end evaluations but they tend to focus less and less on the assessment itself and more on the best ways to set goals, give regular feedback, do more and more coaching, and invest in employee development."

To determine goals, she recommends gathering college or university leaders to answer these five questions:

1 What is your organization's current performance management philosophy?

2 What do you want to gain from having a performance management program within your organization?

3 What are you looking to achieve from a cultural perspective?

4 What are you looking to achieve from a performance perspective?

5 What are you looking to achieve from an investment in human capital perspective?

Write the answers down, and make sure all future process decisions support these goals.

2

Review effectiveness of existing processes, and use that information to redesign performance management processes that adapt based on ongoing feedback.

With performance management goals clearly articulated, it's time to decide how to achieve those goals. This requires ongoing review of what's currently working and not working, and likely, making significant changes to past or present processes to secure buy-in from institutional leaders.

The *Harvard Business Review* found employers are "finally acknowledging that both supervisors and subordinates despise the appraisal process — a perennial problem that feels more urgent now that the labor market is picking up and concerns about retention have returned." [6]

Emily Wilson, assistant director of learning and organizational development at Appalachian State University (App State) in Boone, North Carolina, put it more simply: "Performance management — the idea of being reviewed — is not something people enjoy."

Studies show that determining what employees like or dislike about performance management is the first step toward delivering improvements; higher education institutions can do this by reviewing employee survey and system data. [7, 8, 9]

REVIEW SURVEY AND SYSTEM DATA

Studies show that determining what employees like or dislike about performance management is the first step toward delivering improvements; higher education institutions can do this by reviewing employee survey and system data.

Information shared during PeopleAdmin's focus group with higher education talent management professionals led to the development of these suggested employee survey questions:

Q: Do you feel your conversations during performance reviews are candid and honest? If not, what needs to change to make that happen?

Q: How frequently do you and your manager engage in performance-related conversations? What is the ideal frequency?

Q: Do your annual/semester/quarterly goals contribute to your professional growth and the institution's mission? If not, what barriers prevent this?

Q: Faculty only: Are your accomplishments — published articles, research findings, etc. — accurately documented and fairly weighted as part of your performance reviews? What's the ideal way to include your accomplishments?

Q: How well do current performance management processes contribute to your institution's newly identified goals? Should they align? If so, what could be done to improve alignment?

Q: What do you believe are the purposes of performance reviews? Are those purposes met?

Q: Do you think performance reviews should be tied to pay raises? If so, how should performance-based compensation work? If not, how do you think the institution can effectively motivate exemplary performance? What other employee engagement tactics do you think will be effective?

Institutions with performance management documentation currently stored in a data-minable format — such as an electronic talent management solution designed to track performance evaluations — should also review those records to determine where improvements can be made.

"Data can tell a beautiful story when it comes to performance management trend analysis," Heather said. "By reviewing system data, institutions can identify pockets of disconnect with respect to completion rates, how ratings are applied and whether we need to recalibrate ratings for a more consistent process. It can also invoke conversation around process quality, quality of the programs and the desired outcomes."

Gathering this information may take a while, but Heather says collecting and reviewing data to adapt performance management processes as part of an ongoing effort — not a one-time redesign initiative — is key to building relevant frameworks.

Heather and other higher education leaders also recommend incorporating feedback from as many constituents as possible.

"The more people you bring on board and get feedback from, the better your product will be and the more people will buy in," Emily said, noting the importance of incorporating feedback and gaining buy-in from entry-level employees through leadership, as well as educating supervisors on *why* and *how* to provide meaningful employee feedback.

"The folks at App State who have gotten on board with it see it as an investment, an investment in their people," she said. "You have to sell the merits of how important performance feedback is and that performance management is about making sure your employees perform their jobs well. If they're successful, then you'll become successful yourself."

People will also more readily invest in performance management when they experience the benefits themselves, a process that often begins with senior leadership and trickles down.

"One key to securing buy-in across the institution is getting senior-level support," said John from Indiana University. "This includes promoting it in words, and explaining why performance management is important for the organization. But most important is for leadership to model effective processes by providing feedback and adhering to frameworks — delivering valuable feedback to their direct reports and building on it in future conversations to develop competencies and move the organization forward."

But getting employees to engage honestly with performance evaluations may also require deep systemic changes, as Villanova University in Pennsylvania experienced. In surveys and conversations, employees expressed that they wouldn't fully engage in performance management activities unless HR removed themselves from the evaluation process and empowered supervisors to handle performance reviews on their own.

So, that's what Villanova did.

"We're hearing over and over again that employees and supervisors are more willing to be honest with each other in their feedback because they don't feel like they're reporting one another to HR," said Jennifer Derry, director of training and staff development at Villanova.

This leads to more effective performance reviews, supports improved communication between team members, and frees the HR team to focus on other tasks.

"People always look at me like I'm crazy when I tell them to analyze HR's role in performance appraisals and consider what it's accomplishing," Jennifer said. "But we're not involved in the day-to-day work of most of our employees. What do we gain by reading their appraisals?"

Heather Murray sees value in Jennifer's strategy.

"HR should not be the police of performance management," she said. "HR is the facilitator. They ensure that the program and the tools in place are utilized consistently and with integrity — two critical elements to success. HR is there to ensure everyone has the necessary tools in their toolbox to effectively manage performance, such as the ability to be effective in giving and receiving feedback, competency-based and soft-skills training, and using technology effectively."

SECURING BUY-IN

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3

ONE SIZE FITS ONE

"Within those departmental frameworks, managers should work with employees to set individual goals, and hold them accountable for course correction. This approach helps employees see where they currently stand in their department, and where they could potentially contribute more value."

Build performance evaluation frameworks around each department's needs, and encourage supervisors to deliver continuous, one-on-one feedback to support each employee's improved future performance.

After identifying opportunities for improvement, design replacement performance management processes to fit the unique needs of your various departments and employees.

"Many different employees have many different responsibilities in higher education, and granting each department the freedom to develop evaluation frameworks — while maintaining completion, consistency and continuous feedback — will best prepare team members to contribute to institutional goals," Heather said. "Within those departmental frameworks, managers should work with employees to set individual goals, and hold them accountable for course correction. This approach helps employees see where they currently stand in their department, and where they could potentially contribute more value."

The *Harvard Business Review* also advocates this one-size-fits-one approach, and identified speed, agility, constant learning, and collecting reliable performance data as keys to effective performance management. [10]

Emily's experience at App State confirms these suggestions: "Make performance management agile, constant and consistent — and encourage others to look at it from a coaching standpoint, instead of as something that you do at the beginning and end of the year. That will lead to more effective processes and minimize the time commitment," she said.

Several reports agreed that annual or semi-annual feedback is too infrequent to impact behavior and performance, and recommend more frequent one-on-one meetings between employees and supervisors to discuss performance, develop strategies to overcome challenges, and adapt goals and expectations in real time. [11, 12, 13]

"Research shows that the closer to an event that you receive feedback, the more likely you are to either stop doing that thing your supervisor doesn't want you to do or continuing doing the activity that brought you praise," Emily said.

The *Harvard Business Review* found frequent performance conversations between employees and managers led to increased performance, and CEB suggested providing real-time, informal feedback did the same. [14, 15]

Higher education leaders that we spoke to agreed that increased frequency and reduced formality were important, but the specific terms should differ based on roles.

Here are some actions colleges and universities can take to determine meeting frequencies that may work well for different types of higher education employees:

1 Examine responses from the survey conducted in step 2 (Page 4) and group together frequency information based on respondents' roles and departments.

"This is an opportunity to make a detailed self-examination of current programs," Heather said. "Think of it as a listening tour or department-specific cultural-readiness assessment."

2 Review this information with department leaders, and facilitate discussion around what frequency, methods and frameworks will best enable their department to meet performance management goals.

For example, the Deloitte team found that their employees spent around 2 million hours per year talking about employee ratings prior to completing annual performance evaluations. To improve efficiency and effectiveness, they encouraged in-the-moment performance feedback and end-of-project or end-of quarter reviews that document future-focused answers to the following questions: [16]

a) Given what I know of this person's performance, and if it were my money, I would award this person the highest possible compensation increase and bonus *[measures overall performance and unique value to the organization on a five-point scale from "strongly agree" to "strongly disagree"]*.

b) Given what I know of this person's performance, I would always want him or her on my team *[measures ability to work well with others on the same five-point scale]*.

c) This person is at risk for low performance *[identifies problems that might harm the customer or the team on a yes-or-no basis]*.

d) This person is ready for promotion today *[measures potential on a yes-or-no basis]*.

3 Work with department leaders to build guidelines that will support meaningful performance feedback, meet the institution's overall goals, and assimilate easily into the department's culture.

"One goal should be to keep it simple," said John from Indiana University. "Use language that's specific for higher education, and find a way to consistently apply ratings that are easy to use and intuitive. This will eliminate stress and anxiety, help with the design of relevant programs, and make it easy to have more meaningful future conversations."

INCREASE FREQUENCY, REDUCE FORMALITY

Higher education leaders that we spoke to agreed that increased frequency and reduced formality were important, but the specific terms should differ based on roles.

4

Make it easy to capture an employee's entire performance life cycle so performance management activities center on achieving goals, rather than documentation.

Documentation seemingly goes against the one-on-one, mentor-style, goal-oriented processes discussed above, but it remains a necessary component for higher education performance management.

"The most effective evaluations happen when an employee feels free to talk," John said. Focus group members agreed with this, and acknowledged that at most institutions, current documentation requirements get in the way of open conversation.

"The second documentation starts, people put up barriers. Everybody is afraid of what it's going to look like on paper as opposed to opening up about what they're doing well and what they need. There's a human emotional component that the more structured it gets, the less open employees are," John said, as the crowd of higher education talent management professionals nodded in agreement.

So, what's the trick to documenting performance evaluations while maintaining open, honest communication?

"Making it easy to enter comments and ratings, and giving supervisors the option to do so during or after conversations," Emily said. "This reinforces that feedback is important, and that it's all about success, not just documentation."

App State and Villanova both transitioned from cumbersome, paper-based performance management processes to using Performance Management, the automated solution from PeopleAdmin with intuitive, higher education-specific tools that prevent documentation from getting in the way of one-on-one conversations.

"The system is configurable, and the way we've framed documentation questions and forms facilitates conversations around growing and developing. Our documentation is really set up like more of a planning tool," Jennifer of Villanova said. "This leads to far more productive conversations, so rather than saying, 'Oh, six months ago you botched this project,' we're helping managers say, 'We learned some lessons in the past. When we run into this project again, here's what we should look for and do differently.' That's far more useful than kind of having a tit-for-tat over the past."

Giving employees access to their performance documentation further helps demonstrate that the entire process exists for their benefit, not detriment.

"Having a tool that can help you efficiently manage your workflows and provide transparency for employees is very valuable," Heather said. "It's difficult to do that with paper."

But you can't rely on just any electronic solution, said NeeCee Cornish, director of enterprise & database integrations at the Western University of Health Sciences in Pomona, California.

"We have a homegrown system that is pretty much on everyone's last nerves," NeeCee said, pointing to frequent system crashes and hours of lost work as the main sources of frustration.

"You can never really pinpoint the problem," NeeCee said. "Things disappear, and you can't get them back. Even in the IT department, there's nothing we can really do about it."

EFFICIENCY AND TRANSPARENCY ARE KEY

"Having a tool that can help you efficiently manage your workflows and provide transparency for employees is very valuable, It's difficult to do that with paper."

NeeCee also noted that even when the system is up and running, it's cumbersome, difficult to use and requires constant copying and pasting from previous evaluations, which keeps reviewers looking back at past performance, rather than focusing on guiding improved future performance.

To better manage performance reviews moving forward, the Western University of Health Sciences is implementing PeopleAdmin's Performance Management — an implementation that NeeCee expects users to welcome joyfully, because of the higher education-specific features, functionality and supports.

Some Performance Management features NeeCee and other higher education leaders find particularly useful include:

- System-scored, unscored or manually scored evaluations.

- Flexible scoring methodology, including multi-rater reviews, co-reviewers and weighted overall scores.

- Concurrent program eligibility.

- The ability to establish regular check-ins and tasks throughout the year with automated reminders that keep employees and supervisors aligned and accountable.

- Form acknowledgments and approvals.

- Employee portal gives all employees easy, private access to their evaluation feedback and personal progress notes.

- Progress notes capture relevant information anytime, allowing employees and supervisors to capture regular, bidirectional feedback.

- Objectives from the previous evaluation keep each employee on a growth trajectory.

- Document attachments provide additional information and context.

- HR annotations provide guidance to supervisors, as needed.

- Clear task completion dashboards offer visibility into who has completed what and who may need encouragement.

"Performance Management's configuration, support, training and guidance are all designed to holistically support college and university performance management initiatives," Heather said. "Because it's part of a complete talent management suite, it's easy to follow the applicant to becoming a candidate, then a new hire, aligning the position description, and monitoring a person's growth based on the department's and institution's objectives. It's more than housing a performance review or score, it's about guiding goal-setting, holding employees and managers accountable, improving employee relations and performance improvement."

But maximizing the benefits of simplified documentation begins with training … not only on how to use your institution's system, but also on what does and doesn't need to be put in writing.

"This is an area where HR has an opportunity to lead the transformation," Heather said. "If you're using ratings, apply them consistently. Eliminate managers' anxiety by providing guidance on what to document. Have conversations with university leaders about walking the talk."

Learn more about PeopleAdmin's Performance Management solution.

LEADING THE TRANSFORMATION

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HR can lead the performance management transformation

A PeopleAdmin survey found that improving performance management was a top priority for college and university leaders in 2015, but in the 2016 survey, performance management prioritization dropped, replaced by retaining, engaging and developing faculty and staff.[17]

This suggests that higher education leaders seek the benefits of transformational performance management — employee retention, engagement and development — but may not realize that replacing transactional performance management processes is the key to getting there.

"HR has almost a calling to recognize the benefits of facilitating a person's journey and growth as an employee of a higher education institution," Heather said. "If we look at our work through that lens, it can be a game-changer and deliver significant benefits to the college or university."

How we can help

PeopleAdmin has partnered with hundreds of higher education institutions for the past 15 years, providing technology solutions that help facilitate employee life cycle management and assist HR in delivering strategic value.

Our Performance Management software is easy-to-use and automates the technical aspects of employee development, so departments can design programs that meet their specific performance and development goals, managers and employees can focus on future performance — rather than system documentation — and HR has visibility into every process, each step of the way.

To learn more about our solutions or access more industry-leading resources, visit PeopleAdmin.com.

Featured experts

NeeCee Cornish
Director of Enterprise & Database Integrations
Western University of Health Sciences

Jennifer Derry
Director of Training and Staff Development
Villanova University

Heather Murray
Customer Advancement Executive at PeopleAdmin and former Associate Director of Human Resources at Gonzaga University

John Whelan
Associate Vice President and Chief Human Resources Officer
Indiana University

Emily Wilson
Assistant Director of Learning and Organizational Development
Appalachian State University

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A higher degree of talent management

[1]Cappelli, Peter and Tavis, Anna. "The Performance Management Revolution." *Harvard Business Review*. October 2016.

[2]ibid

[3]Buckingham, Marcus and Goodall, Ashley. "Reinventing Performance Management." *Harvard Business Review*, April 2015.

[4]Sommerfield, Basil and Kiss, Borbala. "Engaging the 21st Century workforce in performance management." *Inside* magazine, issue 12, June 2016.

[5]ibid

[6]Cappelli, Peter and Tavis, Anna. "The Performance Management Revolution." *Harvard Business Review*. October 2016.

[7]ibid

[8]"Performance Management Can Be Fixed." CEB, 2016.

[9]Bersin, Josh. "HR Technology Disruptions for 2017: Nine Trends Reinventing the HR Software Market." Deloitte Development LLC, 2016.
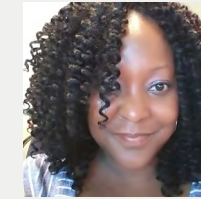
[10]Buckingham, Marcus and Goodall, Ashley. "Reinventing Performance Management." *Harvard Business Review*, April 2015.

[11]Mueller-Hanson, Rose and Pulakos, Elaine. CEB, "Putting the 'Performance' Back into Performance Management." CEB, 2015.

[12]"Performance Management Can Be Fixed." CEB, 2016.

[13]Cappelli, Peter and Tavis, Anna. "The Performance Management Revolution." *Harvard Business Review*. October 2016.

[14]Buckingham, Marcus and Goodall, Ashley. "Reinventing Performance Management." *Harvard Business Review*, April 2015.

[15]Mueller-Hanson, Rose and Pulakos, Elaine. CEB, "Putting the 'Performance' Back into Performance Management." CEB, 2015.
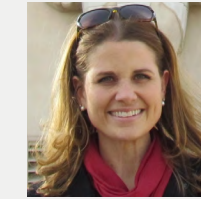
[16]Buckingham, Marcus and Goodall, Ashley. "Reinventing Performance Management." *Harvard Business Review*, April 2015.

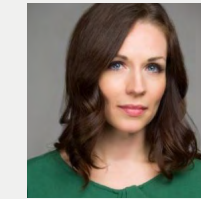[17]"TalentIndex: A Comprehensive Report of Higher Education Benchmarks." PeopleAdmin, 2016. www.PeopleAdmin.com/talentindex16.