

PERFORMANCE MANAGEMENT

Task force Report - 2019



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PERFORMANCE MANAGEMENT ADVISORY GROUP

Executive Summary

The UC Office of the President commissioned three Employee Engagement surveys in 2012, 2015, and 2017. Associate Vice Chancellor, Campus Human Resources, Lubbe Levin oversaw the survey at UCLA. The purpose of the survey was to gather feedback from policy-covered staff in ten categories and use that data to implement organizational improvements and changes at UCLA and across the UC system.

Staff Assembly invited UCLA staff to a presentation of the 2017 survey results and asked volunteers to serve on four Priority Area Task Force committees, one of which is the Performance Management Advisory Group. This task force was formed in the fall of 2018 to address the gaps revealed in the 2017 UCLA Employee Engagement survey. The survey showed that although Performance Management is one of the most improved areas of the ten categories studied, there were still deep gaps in this area compared to national norms.

The Performance Management Advisory Group focused on three survey results that were significantly lower than the national average: *Staff clearly see a direct connection between contribution and compensation, Personal contributions are recognized, and supervisors manage poor performers effectively.* The group researched, discussed, developed, and presented two targeted actions:

- Revise the performance management process so that supervisors meet in-person with employees at least three times per year (increasing to four) to document progress toward goals and provide feedback and support.
- Require foundational supervisory training for new and current supervisors

Quarterly Performance check-ins have a number of benefits for having regular check-in meetings with the supervisor rather than yearly performance reviews. These quarterly check-ins would likely have a favorable impact on the lowest scoring item in the area of supervision: *Please indicate the extent to which you agree with the following statements about your supervisor: Effectively deals with poor performers.* More than half of the respondents disagreed with this statement.

Mandatory supervisor training is essential to the success of performance management. Mandatory training creates a uniform understanding up and down the chain of command of performance goals, documents expectations and timelines, and aids supervisors in their management skills to hire and retain qualified employees and manage poor performers. These recommendations were presented to the Priority Area Task Force committees in August, 2018 and the research, findings and recommendations from this report will be presented in February, 2019.

The results of the Engagement Survey and a review of current practices at the University make it clear that more needs to be done in the area of performance reviews and mandatory supervisor training.

Introduction

The 2017 UC Engagement Survey Results which had a total of 10,539 respondents, 1,583 of which were from UCLA, demonstrated that there are opportunities for organizational improvements in several areas, one of which is performance management. The chart below lists examples of survey scores where responses fell significantly below the national average:

Performance Management	Total Favorable Score	Percentage BELOW US National Norm
I feel my campus/location does a good job of matching pay to performance.	30%	-16%
My supervisor effectively deals with poor performers.	49%	-9%
My supervisor does a good job of building teamwork.	65%	-8%

The task force sought ways in which to move UCLA away from the yearly performance review to a more regular approach to performance feedback that could lead to better tracking of employee performance, as well as provide opportunities to develop employee skills and abilities. Quarterly check-ins would emphasize building strengths as a way to assist employees in improving their performance, meeting their goals, and preparing for advancement.

Additionally, the task force sought to improve the preparation of supervisors for their role by recommending mandatory supervisor training to equip them with consistent informed knowledge of supervisory principles and best practices. Most successful organizations require that their supervisors receive the fundamentals necessary to excel as people leaders. Mandatory supervision training would ensure that UCLA supervisors are equipped with the knowledge and skills to do their best in leading individuals to meet and exceed the organization's goals. Currently our own Central Human Resources provides many excellent trainings for supervisors, however none of this training is mandatory. To ensure that we see improvements to the above categories and that all supervisors are equipped with the information and tools they need for themselves and their work teams to be successful, we propose that new UCLA supervisors complete a mandatory training program.

Research and Findings

Quarterly Check-ins

Studies have found that performance reviews are the second-most disliked work activity by managers after firing employees (Human Capital Institute staff, 2015), and 86 percent of employers report being unhappy with their performance management systems (Rock, Davis and Jones, 2013). Other research has found that only 8 percent of HR executives thought their performance management systems made a significant contribution to employee performance (Rock, Davis and Jones, 2013). In the US and abroad successful organizations are reconsidering the traditional yearly evaluation approach to managing employee performance. Managers are concerned that the yearly performance review process is resource intensive, emphasizes employee evaluation over development, and tends to be retrospective. Feedback delivered months after an event, can leave employees with an inaccurate assessment of their performance. "Today's work requires goal cycles as short as a month or a week, yet the traditional performance review process remains based on a

12-month cycle” (Business.com, 2015). An alternative would be to drop traditional performance reviews and implement regular feedback sessions with employees every quarter. CNN Money magazine reports, “Check-ins are quick and informal, providing employees the opportunity to constantly get feedback and grow” (Shahadi, 2015). Having performance discussions on a quarterly basis would provide employees with regular feedback to inform them of adjustments needed in their work performance and changes in organizational goals, and may also aid in employee retention. Forbes Magazine reports that “Employees who have a clear idea of what they need to do to improve and advance in their careers are also less inclined to seek employment opportunities elsewhere (Bodell. P.2). What’s more, these quarterly check-ins would be a continuous process that emphasize the professional development and coaching of the employee. The new rules of performance management differ significantly from previous ones. Large organizations such as Google, Microsoft, GE, and Deloitte and others are reporting better employee satisfaction and improved performance with quarterly check-ins (Ransone 2016, Nisen, 2015). These companies are making changes based on the new rules for engaging a fresh generation of workers and leaving the old rules behind:

Old Rules	New Rules
Performance appraisals and goal-setting conducted once per year	Check-ins conducted quarterly or more frequently; regular goal-setting occurs in an open, collaborative process
Feedback collected by manager at end of year	Feedback collected continuously and easily reviewed at end of year (often through apps and mobile tools)
Goals kept confidential with focus on individual achievement	Goals made public and transparent with increased focus on team achievement
Employees evaluated by their manager	Managers also evaluated by their employees
Employees force-ranked on a quantitative scale	Employees rated on a qualitative scale; rankings considered, not forced
Compensation kept confidential and focused on equity; bands based on performance rating	Compensation levels more transparent, more frequently discussed, and focused more on pay for performance than on equity
Managers focused on evaluating performance	Managers focused on coaching and developing people
One leader evaluates each individual in a qualitative, opinion-based process	Man contribute to an individual’s performance evaluation; evaluation draws heavily on data
Process considered to be a burden and waste of time	Process is agile, faster, continuous, and lighter

Mandatory Supervisor Training

The HR Professionals Magazine states that “Front-line managers can have the single largest impact on your organization. A good (or bad) manager affects employee performance and satisfaction, productivity, efficiency, turnover, and the overall health of any organization”. Many state, federal, and public institutions follow this principle and require new supervisors and managers to complete mandated supervisory training. The Office of Personnel Management (OPM) “mandates that (federal) agencies establish supervisory training programs for new supervisors relating to addressing unacceptable performance, mentoring employees, improving employee performance and productivity, and conducting employee performance appraisals”. For employees who hold

supervisory positions with the U.S Department of Health and Human Services (HHS), HHS believes “Mandatory supervisory training is fundamental to the strategic development of all Agency supervisors. Accordingly, this promotes a training policy designed to target the knowledge, skills, and abilities that are essential for supervisors to successfully perform their responsibilities within the Federal Government”. For HHS supervisors, initial training is completed during the first year that an employee is appointed to a supervisory position, with a refresher training required every three years thereafter.

Supervisors appointed through the State of California are required to complete a minimum of 80 hours of training. This requirement is mandated via California legislation where “Upon the initial appointment of an employee to a designated supervisory position, the employee shall be provided a minimum of 80 hours of training, as prescribed by the department. The training shall address the role of the supervisor, techniques of supervision, planning, organizing, staffing, performance standards, performance appraisals, discipline, labor relations, equal employment opportunity principles, and affirmative action for persons with disabilities”. The required training is completed during a new supervisor’s probationary period or within 6 months of the employee’s initial appointment to a supervisory position (Training for Managers and Supervisors. *California Department of Human Resources*).

If UCLA implements mandatory supervisory training, then a primary focus should be to develop employee’s “soft skills” such as communication, conflict resolution, critical thinking, problem solving, and diversity management. The American Management Association states, “Research conducted with Fortune 500 CEOs by the Stanford Research Institute International and the Carnegie Melon Foundation, found that 75% of long-term job success depends on people skills, while only 25% on technical knowledge”.

Also, in his July 2013 blog with Omega HR Solutions, Inc., Michael Haberman stated three reasons why supervisory training is important:

1. To stay out of court – Companies are held liable for their supervisor’s actions, what they do, say and how they interact with their direct reports. They need to be trained in human resources policies and procedures to keep them from violating the law.
2. Productivity – Having a supervisor who is well trained will make employees more productive. The supervisor, in addition to knowing their business processes, should also be skilled in communication to ensure a smooth running operation. Supervisors should be trained on how to deliver assignments, coaching, listening, providing effective feedback and delivering praise.
3. Retention – How often have we heard that one of the reasons an employee leaves a company is because they do not like their supervisor? Liking a supervisor does not mean being Facebook friends. Liking a supervisor means he/she is respected and trusted by their direct reports. But being likable does not come naturally. These are inter-personal skills that need to be cultivated which can be accomplished through proper training and coaching.

Moreover, by training it’s supervisors an organization “can expect your employees to be more engaged, solve their own problems, and put forth more effort, thereby increasing your productivity and profitability. Your turnover rates will decrease and your star employees will stick around, making your organization more profitable” (The Bottom Line – Necessity of Training Your Managers. *HR Professionals Magazine*).

Recommendations and Conclusions

Quarterly Check-ins

The impact of quarterly check-ins is high: 90 percent of companies that have redesigned performance management see direct improvements in engagement, 96 percent say the processes are simpler, and 83 percent say they see the quality of conversations between employees and managers going up.

Recommendations for how to start the process of quarterly check-ins:

- **Identify a strategy and philosophy for Performance Management** What is the organization trying to achieve through a new performance management system? How can it best be aligned with business strategy? What approach will develop leaders most effectively? Instead of cascaded goals that lock employees into a set of activities, consider a more flexible, agile, transparent approach to goal setting.
- **Look to peers:** Identify companies in the industry or region that are leading the performance management revolution and that face comparable challenges, dynamics, and opportunities.
- **See what is working:** Among peers that are experimenting with quarterly check-ins (such as UC Irvine), identify the design elements, tools, and processes that are most effective for them. Internally, study high-performing individuals, teams, and leaders to find ways to incorporate their practices throughout the rest of the organization.
- **Tailor PM to strategic and organizational needs:** The core principles of check-ins, agile goal setting, and frequent feedback are becoming common around the world. But some companies still want formal reviews, numeric ratings, and development plans. Organizational culture takes years to change, so companies should adopt new practices at a speed that works for the business.
- **Upskill managers in coaching skills:** Continuous feedback for employees is a critical feature of the new performance management paradigm, yet managers often need help learning how to be full-time coaches rather than part-time evaluators. Companies adopting a new performance management approach should focus heavily on leadership development, building new “muscles” in managers, and creating discipline around feedback, coaching, and collaboration.
- **Put it all together:** Determine how changes to performance management will inform the organization’s rewards, promotion, and succession processes. Approach this from the employee experience perspective.

Mandatory Supervision Training

Concerning mandatory supervisor training, UCLA offers a variety of voluntary trainings to help supervisors refine and strengthen their supervisory skills. These various courses and programs help participants build foundational knowledge in being an effective supervisor, however, since they are voluntary, it is difficult for the University to establish uniform standards and expectations for supervisors to consistently uphold.

To ensure supervisors are equipped with and acquire consistent knowledge and skills, any new employee who supervises at least two employees, must complete mandatory supervisory training within 6 months of being classified into their position. In terms of which employee groups, bargaining units or job classifications a supervisor needs to be affiliated with to be eligible for these trainings, we recommend consultation with UCLA Campus Human Resources.

We also recommend consultation with UCLA Campus Human Resources to determine the specific course content and the number of required courses that need to be completed within 6 months. However, core concepts of these trainings may include hiring and developing others, coaching, mentoring and giving feedback, tracking performance, delegation skills, and managing conflict and workplace diversity training for supervisors.

In terms of how these trainings will be delivered, for ease of access, we propose that all courses, with the exception of one, be completed in online modules via a learning management system. One course involving concepts of how to manage conflict and have difficult conversations with employees should be administered in-person so that course attendees can work through the course material together, which improves knowledge transfer and retention.

While UCLA Campus Human Resources would be responsible for administering such trainings and monitoring compliance, to mitigate any potential resource challenges in offering a sufficient number of in-person courses to facilitate compliance, a train-the-trainer model could be used. In this model, designated *master trainers* likely with a Training & Development background would coach trainees on the in-person course content, which would build a pool of competent instructors who can teach the material to supervisors.

Of note, as this supervisory training program is mandatory, there is no cost to the departments when their supervisors complete the series of courses.

Conclusion

Based on data from the 2017 UC Engagement Survey Results related to performance management, UCLA stands to benefit from modernizing its performance review process by transitioning to quarterly check-ins. These micro-conversations would be developmental in nature and focus on keeping projects on track and building employee strengths. During these quick check-ins supervisors would provide examples of both positive and negative behaviors in a coaching and relationship building format. Strengthening the ability of our employees to see the goal line and receive support in getting there can increase staff engagement and productivity.

In addition, based on conclusive research on how supervisory training leads to effective organizations, it is clear that consistent, required training is necessary for UCLA employees who are new supervisors. Supervisor training has far reaching benefits and with proper, uniformed training, supervisors will be able to direct and lead their staff to help increase efficiency and improve employee performance, which will result in more satisfied and engaged employees.

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