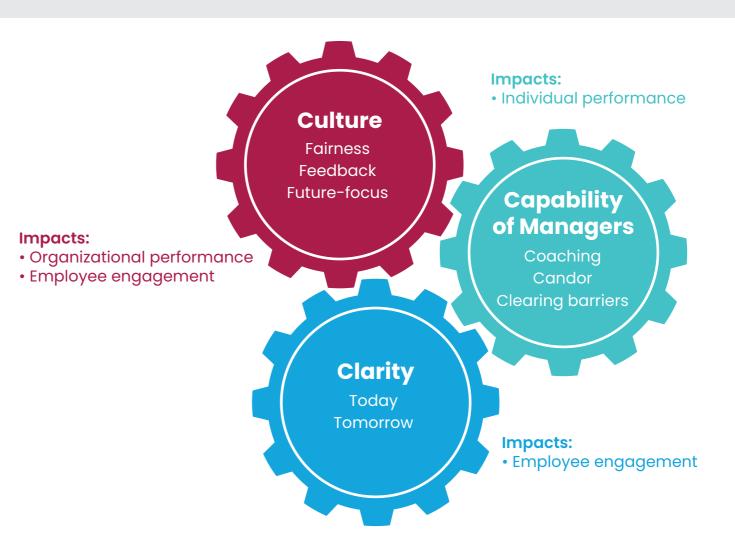
HOW EFFECTIVE ARE YOUR PERFORMANCE MANAGEMENT PRACTICES?

Of all the modern changes to performance management practices, which ones actually make a difference?

LEVERS THAT AFFECT PERFORMANCE AND ENGAGEMENT

Our recent study identified 3 levers that organizations can use to increase organizational and individual performance, as well as engagement.

This model highlights a different mindset - one that focuses on culture, managers, and clarity. And it illustrates the differences in modern practices versus the way we've always done it.



HOW LEVERS CHANGE MODERN PM

Historically, performance management practices have been a structured and inflexible checklist designed primarily to meet organziation needs. Today, a focus on culture, capability of managers, and clarity means that organizations are creating a series of ongoing habits - making PM as much about enagement and development as it is about performance. Note: colors align with levers introduced above.

Modern additions Historical check-the-box **Agile goals** approach Goals aren't static- they're updated when work or circumstances change. Focused goal-setting **HISTORICAL PM** Goals focus on things we need to do today and development for **CHECKLIST** tomorrow. **Continuous development** Goals are set at beginning Employees are encouraged to of the year and approved continuously learn and develop new skills - with an eye to the future. by managers. **Training for all** Managers and employees both get training to help with communication **Employees are offered** and expectations. structured opportunities for development. Frequent check-ins Frequent check-ins address both performance improvement and development opportunities. Managers are encouraged to give meaningful Peer feedback feedback and may get Employees are given additional training on how. datapoints through peer feedback. Peers work together and give open, honest feedback. End-of-year prep, **Data-based insights** including collecting data, Employees get data about their performance in a way that helps writing reviews, and them improve. calibration. **Clear barriers** Good lines of communication ensure End-of-year performance employees feel comfortable asking review - covers entire for the help they need and that they learn from their mistakes. year. Performance rating assigned. **Ongoing focus** Focus is on continued development along with past performance. Goals often roll over into new years to **Compensation** is reinforce continuous development. determined and delivered. Methods are often not clear. **Year-end discussions** Final check-ins recap the year; there are no surprises. Evaluation criteria are clear and understood. Pay transparency **Note: Modern addition** Organization is transparent about colors align with levers

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https://redthreadresearch.com/2019/10/04/mpm-download/



introduced above.

compensation and the factors that

affect it.