Improving Employee Performance:
How Technology Can Help

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Introduction

It would be easy to conclude from recent articles that employee performance management is a fundamentally flawed process and should disappear altogether.

The truth is performance management isn't disappearing, but it is changing.

Look behind the headlines, and you'll find that companies aren't giving up on performance management, but they are shifting from an occasional, often backward-looking event, to one that's much more agile, and focused on the future.

This transformation is being driven by a number of different factors:

Greater insight into what motivates us as employees, and our expectations of the people we work for and the work that we do.

Recognition that we – as employees – want regular feedback, especially during the early stages of our careers. We want to know what's expected of us, the skills we should be developing, and the opportunities available to us.

A desire to give employees a voice; we are looking to be active participants in our own career development, and companies often want to help.

The need to respond to today's faster moving business environment, which demands a much more agile and responsive way of working.

A recognition that performance management, when effective, matters. Research from Deloitte and the CIPD, amongst others, has highlighted a strong correlation between business growth and companies that do performance management well.

Given that so many companies still see the value of performance reviews, what is it that's getting in the way of performance management that really works?

> Performance management is being reinvented for a new, forward-looking purpose: to serve as an efficient, focused business process that improves employee engagement and drives business results.
>
> **Performance Management: The secret ingredient.**
> **Deloitte**

What is getting in the way of performance management that really works?

TAKES TOO MUCH TIME

Talk to people on the front-line and they will tell you that performance management is often an unnecessarily difficult and time-consuming process for everyone involved. Instead of facilitating a focus on performance management, there are endless forms to be completed. Instead of a living process, it's an exhausting trawl through paper-based records or Excel spreadsheets to find the information needed to drive effective conversations.

In this scenario, performance management becomes a paperwork chore rather than a tool managers can use to motivate staff and raise performance in their teams. It gets put on the "too difficult" or "not my proper job" pile and doesn't get the attention it deserves.

It's often just as painful for HR. Forms have to be put together, distributed around the organisation and then chased up. Once the planning or review cycle is completed, it's usually HR's task to compile the data and try to make sense of it all.

LACKS IMMEDIACY

Old-style once-a-year appraisals don't reflect today's business realities – or employee expectations. Business goals and markets evolve too quickly for annual reviews to serve businesses well, and employees need frequent feedback if they are to respond in a timely way. No one is going to be motivated by hearing at their annual review that something they did six or nine months ago wasn't quite right, or they missed out on an opportunity because no one knew they were interested in taking their career in that direction. The only way to keep performance and development on track, and employees motivated and engaged, is through regular reviews.

Many managers arrange informal reviews to provide the immediacy that's needed. But this can be unsatisfactory if there's no record of what was discussed and agreed.

AREN'T PERSONAL ENOUGH

Line managers can find themselves having to conduct appraisals using performance forms and practices that don't really fit. It's not necessarily because anyone thinks it's the best approach. It's just too difficult and time consuming to tailor reviews to fit the needs of teams or individuals.

When employees are presented with a list of non-negotiable – and not always relevant – questions or objectives, motivation suffers. Instead of focusing on what they can do to build business success, employees focus on stacking bricks – doing only what's expected of them.

Managers struggle to make the process relevant, so take the path of least resistance, and end up just ticking boxes. And, with data fragmented across different documents or standalone software systems, it's hard to get a full picture of an employee's capabilities, past performance, or career history. At best, conversations may be only partly informed; at worst employees can be set inappropriate goals or left feeling their managers just aren't doing their job.

LOCKS DATA IN

Paper-based or manual approaches leave HR and operational managers in the dark. Once the forms have been sent out, there's no easy way to track whether performance or development objectives have been discussed, goals agreed, or appraisals taken place.

Making use of the information that's gathered manually is equally frustrating. If the data is to have value, it has to be compiled and shared. However, since few organisations have the time - or skill set - to really make the data work for them, analysis can be cursory and the real lessons missed.

EASILY IGNORED

With paper or spreadsheet-based performance management approaches, there is the danger that, once the review is completed, the paperwork is pushed aside until the next round of appraisals are due. What's been agreed is easily forgotten. The training course doesn't get booked, the stretch assignment never happens – and a valuable opportunity to build on an employee's talents and motivation is lost.

Employees assume that their manager isn't interested, and so carry on doing everything exactly as they have done before. The worst-case scenario is that nothing is actioned, nothing changes, motivated employees leave, and performance in the business stagnates.

How technology can help

The right HR software can help companies take the practice of performance management up a notch. It can turn a fragmented and labour-intensive process into a live tool that helps employees and their managers work together towards business objectives.

Of course, no software solution can replace good quality conversations between managers and their teams. But technology can help businesses overcome many of the practical issues that get in the way of good performance management, and provide much greater insight into the skills and motivations of your employees.

REDUCE ADMIN AND SAVE TIME

Orchestrating the flow of forms around the business is tedious and time-consuming. With integrated HR and Performance Management software this pain goes away. The system does it for you, using your HR data about reporting relationships to automatically route the right forms to the right people at the right time.

Integrated software can also makes it easier to run different performance planning and appraisal processes for different groups of employees. Once a group of employees is allocated to a specific performance plan, the system should automatically 'understand' who should be involved at each stage of the process and generate appropriate forms and notifications.

With all of the data in one place, line managers and employees benefit from easier access to information. Current appraisals can be put in the context of past reviews, completed training activities discussed alongside plans for future development. And, as the performance process is managed by the system, it's much easier to keep on top of deadlines. Automatic notifications and routing of forms through each step of the planning and review process help to ensure important activities don't get missed.

BECOME MORE AGILE

Since technology takes away much of the pain associated with managing the review process, it's easier to adopt a more responsive and agile approach to performance management. Instead of a once-a-year, everything-included event, it can become a series of ongoing activities: goal-setting and revising, managing and coaching, development planning, rewarding and recognising; with performance appraisal interspersed throughout these activities.

ENGAGE EMPLOYEES AND THEIR MANAGERS

With online systems, employees and their line managers can simply log on to the system and input or access performance-related information from wherever they are. Rather than having to make do with standard appraisal (and not always relevant) forms, they may be able to add or refine performance and development objectives to ensure they are relevant and motivational. Core organisational goals can be maintained, but employees and their managers are given the flexibility to set their own objectives, and respond to changing business needs.

ENCOURAGE ACCOUNTABILITY

As both data and process is managed in a single system, it's easier for everyone involved to see where they are in the review cycle – and for HR to chase up if needed.

Agreed objectives are more visible too, so managers and their employees can check progress and address potential issues early on. Everyone knows where they are, and there are no nasty surprises.

CREATE A BETTER OUTCOME FOR EVERYONE

Today's performance management software not only takes the pain out of the appraisal process, but helps companies adopt a more agile and connected approach to achieving organisational and individual objectives.

By making performance reviews more immediate and easier to manage, they have the potential to inspire greater and greater levels of success. Performance management becomes perceived as an integral part of "the way we do things around here", and everyone benefits.
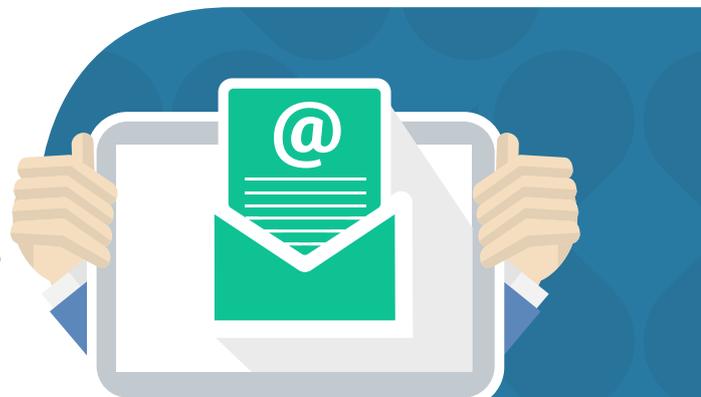
BENEFIT FROM INSIGHT

Since information is automatically collected in one central, easily accessible place, it's instantly available to you – and much more valuable.

For example, it's simpler to:

Maximise the use of training budgets:

Integrated HR and Performance Management software helps companies identify skills gaps and schedule development activities that pay real dividends. Better aligned training has a positive knock-on effect on employee engagement and retention – and on the bottom line.

Decide how to reward:

Better visibility over performance and HR data makes it easier for senior managers to review compensation recommendations in the context of current performance and future objectives. Comparisons can be made and alternative ways to reward employees, such as investing in their development, can be considered.

Resource intelligently:

The financial impact of putting the right person in the right job is huge. Data gathered during performance reviews can be used for internal resourcing, and to help define what makes an ideal employee.

Understand trends:

For any company today, it's important to understand how the workforce is evolving over time. HR systems make it easier to track this information at both an individual and corporate level.
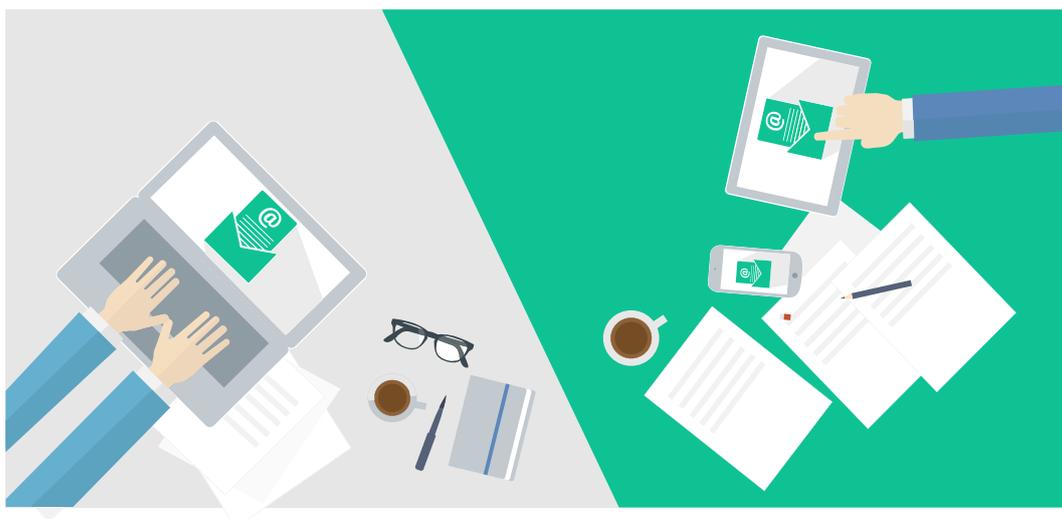
Picking the best performance management solution

Thanks to the latest Cloud and mobile HR technologies, performance management software is now available to, and affordable by, companies of every size. Some solutions are stand alone, others, like Cezanne HR, are part of an integrated HRIS suite. Either could be a good fit for you.

Start by defining your objectives: the kinds of conversations you want your managers and employees to have, what the outcomes should be, who should be involved, and how best to gather the information.

Once you've mapped out your needs, ask solution providers to demonstrate just how closely they can fit your requirements. Since companies don't stand still – and performance management shouldn't either – it's good to look for a system that puts you in control.

If the supplier's sales consultant can't set up their system to reflect the approach you want to take, the chances are you won't be able to either. There's a danger that you'll either out-grow it, or end up spending more than you budgeted each time you need to make a change.

KEY QUESTIONS TO ASK

? **Standalone or integrated?**

If you've already got an HR information system and you are happy with it, this may be the route to take. Make sure that you can easily upload or download relevant data. You don't want to be landed with keying in employee details, or manually updating roles and reporting relationships, every time something changes.

? **SMART objectives or competency led?**

In reality, you should be able to pick a solution that lets you do both. Even if you have a really simple approach to performance reviews right now, it's good to know that you can flex the system to take a new approach if you want to. Helpful features, such as BARS or multiple choice questions and answers, can help speed up review completion, and add a level of consistency that makes reporting more meaningful.

? One-size fits all, or personalised?

Some simpler systems limit you to a single form for all of your employees. While it definitely doesn't make sense to over-complicate performance reviews, it's often the case that an approach that works with one group of employees isn't appropriate to another. Sometimes that can be handled through different weighting against specific competencies (a great telephone manner may be essential for your receptionist, but perhaps not so vital for other roles in the business). In other situations, allowing reviewing managers and/or employee to supplement corporate goals with their own can provide an appropriate level of flexibility.

? Who'll be involved?

Sometimes a straight-forward review process is the best approach. Perhaps just a quarterly check-in between the employee and their line manager. However, it's increasingly common for companies to seek feedback from more than one person: a peer, other managers or perhaps customers or supplies. If you're looking to involve a wider audience, it's obviously important that your software can route reviews through the right people at the right time, and present them with appropriate options. Otherwise, you'll be wasting time trying to figure out whose turn it is next.

? Cloud native or Cloud enabled?

There's a big difference between HR and performance management systems that have been developed for the Cloud, and older systems that have just been moved to it, so can claim their software is "in the Cloud" or "Software as a Service".

Beneath the bonnet, the leading Cloud-native solutions make use of a multi-tenanted architecture. This ensures systems can be deployed very quickly, are purpose built for configuration, and updated seamlessly by the supplier, so you'll always benefit from the latest features. Cloud-native solutions are also optimised for modern Cloud computing environments. They can take advantage of key features, such as load balancing and fail-over support to deliver a higher performance a lower cost.

? Which devices?

Employees and managers expect to be able to access their work information when it suits them. That may mean a PC or laptop in the office,

or their MAC or tablet at home or on the move. Not all HR and performance management software runs on all devices. Check to make sure that you are benefiting from responsive design and an HTML5 interface.

With business performance and employee engagement high on the agenda for most organisations, effective employee performance is becoming more – not less – valuable.

Picking the right approach is obviously critical, but so is having the tools in place to make those appraisals really count. Modern HR and performance management systems provide the framework that's needed to streamline processes, support effective communication, engage employees and liberate data to help everyone make more effective decisions.

About Cezanne HR

We've built something special at Cezanne HR; a powerful, configurable HR software solution that's simple to deploy, easy to manage and remarkably cost-effective, whatever the size of your business. As a team, we've a long track record of delivering successful HR solutions to businesses worldwide. We've worked with companies of every size and across every business sector. That's why we decided from the very start to build an exceptionally robust and scalable SaaS platform for human resources management which, like our customer community, is growing all the time.

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