



# THE PSYCHOLOGY OF **PERFORMANCE MANAGEMENT:**

Understanding motivation, feedback  
and aptitude to improve performance



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## **Acknowledgments**

Our thanks go to Kelly Scott, L&D Manager at Ayesa, and Neil Gibbs, HR Director at AB Dynamics for their time and insights as shared throughout this report and in the case studies. Thank you also to our survey respondents who helped us to understand how employees experience performance management.

# INTRODUCTION

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**Performance management has been a feature of working lives for many decades. But, it's often seen as a formality, requiring managers and employees to take time away from their 'actual' work to keep up with HR 'paperwork'.**

The introduction of continuous performance management, or a hybrid between ongoing conversations and formal appraisals has gone some way towards integrating performance management with people's day-to-day working lives. However, it can still feel like a task being imposed from above, rather than one that staff embrace as fundamental to their future career success.

It's time for businesses to better understand human psychology and to adapt their performance management processes accordingly. And, organisations need to ask themselves:

**What are we really trying to achieve through performance management?**

and,

**Are our goals feasible, given what we know about motivation, aptitude and how people respond to feedback/criticism?**

Doing something just because "that's the way it's always been done around here" is never a substantial reason in and of itself. Performance management has great potential to transform employee engagement, talent pools and succession planning; but the process needs to be married up with a thorough understanding of psychology to make the most of the time and energy involved.



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“Our message to our people is that **performance management isn't a box ticking exercise;** we want to highlight how it can benefit employees. Our staff receive feedback throughout the year that allows them to quickly identify and act on learning opportunities.”



**Kelly Scott**  
**L&D Manager**  
Ayesa



# **WHAT'S THE PURPOSE** OF PERFORMANCE MANAGEMENT - REALLY?



# THE OBVIOUS ANSWER...

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## **Performance management has a time-cost for HR, line managers and employees alike, but what are they really hoping to achieve?**

The obvious answer is that performance management is about maintaining and hopefully improving performance – setting a minimum expectation and stretch goals as desired.

Traditional appraisals would set goals for the coming year/cycle, perhaps aligned with company goals, and then review those goals and set new ones at the next review. People can be forgiven for seeing this process as a ‘box-ticking exercise’ that only skims the surface of what performance management can achieve.

Even less appealing to employees is the other side of performance management – when it’s used to manage under-performance. In these instances, performance management might be used to try to bring the employee in question up to par, or to provide evidence for why the employee is being terminated from the business.

Neither of these two purposes would particularly endear performance management to employees. To use a marketing analogy, employees could be left wondering: what’s in it for me?



# WHAT ABOUT ENGAGEMENT & SUCCESSION PLANNING?

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**Performance management, just like onboarding, can achieve so much more than its well-articulated traditional applications would suggest. HR should lead the way in promoting performance management as an engagement and succession planning exercise, too.**

What if performance management was seen as an essential tool for employee engagement? A shift to this mindset would change both the overall performance management process and how performance conversations are approached.

Continuous performance management has already started this journey by increasing the touch points a manager has with their staff members. By more regularly engaging with staff, line managers can build stronger and deeper relationships with them, hopefully inspiring increased loyalty and hard work in their employees.

But, for this to work, performance conversations need to be mindful of the employee's needs, too. More check ins focused purely on company goals, and/or where the employee needs to improve aren't likely to increase engagement.

Keeping good employees via employee engagement is just the first step. Using performance management to organise future talent pools and create strong succession plans should be a key goal for HR and line managers alike.

It can be tempting to feel like performance management already takes up enough time without also using it to nurture long-term career development.


The typical focus for performance conversations is on what the business needs right now – has the employee fulfilled the goals set at the last conversation/appraisal, what goals need to be set for the next cycle to meet the business' current needs?

But how well do managers really know their staff and their aspirations? And could the performance management conversation also include checking in with staff on skills they might have that aren't being put to good use?


Often, if the line manager isn't the person who originally hired the staff member, additional skills can be forgotten as manager and employee focus on getting the day-to-day job done.

So, adding a few questions about what skills the employee isn't using that they think could contribute to the business, and then where they see themselves in 5 and 10 years' time (just as in an interview scenario), gives line managers, and in turn HR, a much better picture of their employees' skills and interest areas.

An HR system that includes integrated performance management software is a great way to map these skills for future reference. To learn more about how integrated performance management software is a game changer when it comes to performance management, [just follow this link.](#)



# **THE KEY PSYCHOLOGICAL ELEMENTS OF PERFORMANCE MANAGEMENT**



HR and line managers should use a knowledge of motivation, feedback and aptitude to optimise results from the energy they expend in performance management. Using an understanding of these three areas to shape performance management processes, moves performance management away from box-ticking towards engagement and succession planning.



# MOTIVATION

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**Kendra Cherry, in 6 Key Ideas Behind Theories of Motivation, lists instinct, incentive, drive, arousal, humanistic, and expectancy as different motivation theories. The very fact that so many theories abound shows that people respond to a wide variety of motivators, and a one-size-fits-all solution to trying to motivate staff is likely to prove inadequate.**

But, pairing a basic understanding of these different motivators with more targeted insights into what drives a particular workforce is a good first step in creating a performance management process that achieves tangible performance results.

HR can lead the way in better understanding their business by organising a questionnaire for their workforce to identify their top motivations, and then exploring how these motivators can be woven into performance managing employees.

Given that a survey such as this will highlight a variety of different motivators, it may be prudent for HR to group similar ones together and advise line managers on how to approach each group accordingly. A bespoke approach to motivating each and every staff member might not be possible, but a nuanced process that can flex according to an employee's broad general motivations is a great first step.

It's a given these days that most people are motivated by more than just the salary they bring home at the end of the month – a lot of people are looking for purpose in their work. If in doubt about what will motivate someone, why not ask them?

## Unleash the power of a pulse survey

An employee pulse survey can help HR teams and businesses get quick, targeted feedback from employees about specific issues - including levels of motivation.

They're short questionnaires – often only between 5-15 questions – that are sent to employees on a regular basis and contain a consistent set of questions.

They can be extremely useful in helping track employee engagement and sentiment throughout a year - and a vital tool in discovering what really motivates a workforce.

### Questions you could ask include:

- I feel motivated by my daily duties
- I know what is expected of me at work
- Are you clear about how your work contributes to the overall goals of the organisation?
- I regularly receive recognition or praise for doing good work
- On a scale of 1-10, how would you rate the work-life balance in your current role?

When you have the answers to these types of questions, you'll be able to make more informed decisions when it comes to creating strategies that really motivate your workforce.

To learn more about pulse surveys, [just follow this link](#)

# FEEDBACK/CRITICISM

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**Any negative feedback in a performance review context will be seen by an employee as criticism, regardless if it's delivered constructively or not. HR and line managers could therefore benefit from better understanding how people react to criticism.**

Courtney Seiter notes in [The Art And Science Of Giving And Receiving Criticism At Work](#):

*'Our brains view criticism as a threat to our survival.'*

So, how effective can performance conversations really be when people are on high alert, ready to defend themselves from attack?

With an understanding about how people react to feedback/criticism, a new light is shone on the traditional performance appraisal – a dedicated meeting where someone expects criticism might not be all that productive.

As Clare Roth states in [Workplace feedback doesn't have to crush you](#):

*'Workplace feedback is often associated with the classic dread one experiences before a visit to the dentist.'*

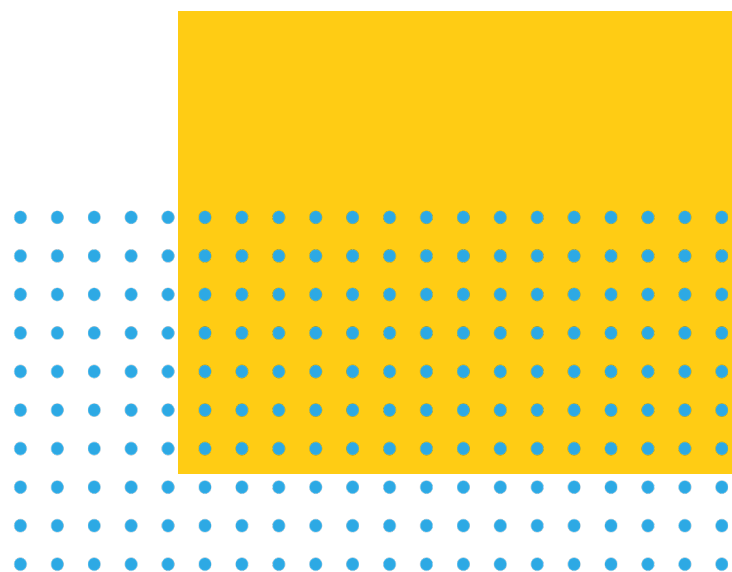
There is a lot of research on how to improve the feedback process. Seiter, for instance, explains ways that feedback can be better given and received, including covering one topic at a time in a feedback conversation so that the information can be properly digested by the listener.

And [Corey Dysick and David Rock](#) advocate working on getting people more comfortable with asking for feedback:

*'[NLI's research](#) suggests that we need to rethink the conventional paradigm and focus much less on encouraging and training people to give feedback, and focus more on cultivating the habit of "asking for feedback."*

*'A recent [NLI study](#) of managers in the workplace showed that the "asking for feedback" approach makes the experience much less threatening for everyone involved.'*

But again, the best place for HR to start might be with the opinions of their own people. Asking staff how they want to give and get feedback brings them into the fold responsible for designing the process, and moves them away from older performance management approaches that probably felt like a 'compulsory' school assignment.



# APTITUDE

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**If HR and/or line managers think purely from the perspective of what the organisation needs and fail to take into account the employee's aptitude for the goals and tasks being set, they might be lining that employee up for failure; and that is certainly not going to increase employee engagement.**

So, although it might seem self-evident, an important consideration in performance management should be aptitude.

[The Dictionary of Psychology](#) defines aptitude as:

*'a condition or set of characteristics regarded as symptomatic of an individual's ability to acquire with training some (usually specified) knowledge, skill, or set of responses, such as the ability to speak a language, to produce music, etc. ... – Ger. Begabung.'*

HR and line managers need to remember not to view employees as homogenous teams – even where people share the same job title. Each employee's route to their current role will have been different, and their capacity to progress is likewise unique.

If there are any concerns about an employee's ability to perform a new task, aptitude tests may be appropriate to manage expectations. Frequent check-in conversations (continuous performance management) will also help with understanding employee aptitude – by working more closely with an employee, a manager will get a much better understanding of that employee's potential.

The fulfillment of aptitude is also no doubt influenced by circumstance – people with similar aptitude may rise to opportunities and challenges in completely different ways depending on many factors. For example, it can still be considered taboo for an employee to be unambitious and happy with their status quo – but for many, this is exactly how they view work, often as they juggle other commitments.

## Perfect your performance check-ins

Performance check-ins are an essential part of effective performance management. To learn more about the type of questions you should be asking, and some general best practice tips, [just follow this link](#).





# PERFORMANCE MANAGEMENT **YESTERDAY AND TODAY**



# A HISTORY LESSON IN PERFORMANCE MANAGEMENT

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**Peter Cappelli and Anna Tavis have written a comprehensive but easily digestible history of performance management for Harvard Business Review: The Performance Management Revolution.**

Spanning from World War I to 2016, it paints a picture that shows performance management swinging backwards and forwards between a focus on past achievements to looking towards future goals.

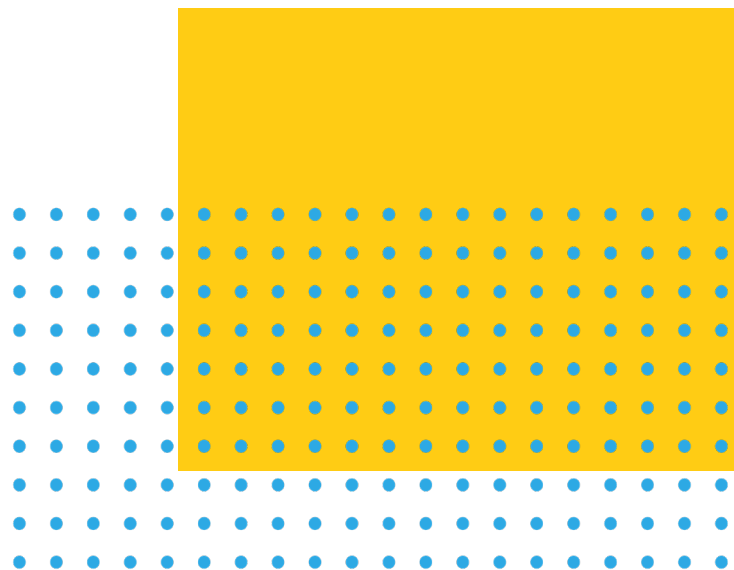
Cappelli and Tavis state:

*‘Historical and economic context has played a large role in the evolution of performance management over the decades. When human capital was plentiful, the focus was on which people to let go, which to keep, and which to reward—and for those purposes, traditional appraisals (with their emphasis on individual accountability) worked pretty well. But when talent was in shorter supply, as it is now [publication date: October 2016], developing people became a greater concern—and organizations had to find new ways of meeting that need.’*

A notable point in this history, as presented by Cappelli and Tavis, is the influence the Agile methodology has had on performance management. They highlight:

*‘Although not directed at performance per se, these principles [Agile] changed the definition of effectiveness on the job—and they were at odds with the usual practice of cascading goals from the top down and assessing people against them once a year.’*

Cappelli and Tavis’ article is well worth reading for anyone who would like to understand performance management better, and how businesses have landed where they are today.



# WHAT DOES PERFORMANCE MANAGEMENT LOOK LIKE IN THE UK TODAY?

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**Today, it's common to see performance management processes that are a mix of regular appraisals (perhaps annual, half yearly or quarterly) alongside continuous performance management (regular, more informal conversations). This gives organisations the opportunity to retain some formality by way of an appraisal alongside more friendly ongoing conversations.**

The appraisals, crucially for many, allow organisations to dot their i's and cross their t's in the event an employee needs to be managed out of the business. The appraisal also helps to establish the business' expectations and conveys the gravity of those goals; for some employees, this level of formality is important in motivating them to perform at an expected level.

And the ongoing check ins should mean that come appraisal time, there are no surprising conversations for managers or employees, as any problems should have already been raised and attempts made to address them.

These conversations – often weekly or fortnightly – are the best opportunity that line managers have to engage with their staff, understanding how they're getting on with their work, and if there's anything they can do to support them. Ongoing conversations also give employees an opportunity to talk about factors that may be impacting their work, including outside pressures that come from balancing work and home lives.



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“To enable our employees to share in the success of the business, **all employees are eligible to participate in our company bonus scheme.** There are many different considerations we take into account in determining actual bonus awards and pay reviews including the financial performance of the company, performance against personal objectives and line management feedback.”



**Neil Gibbs**  
**HR Director**  
AB Dynamics

# REMUNERATION AND PERFORMANCE REVIEWS

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**Cezanne’s survey on performance management found that 47% of respondents would like to have remuneration and benefits covered as part of their performance conversations, but only 21% of respondents said that it actually was included.**

Most employees have a fundamental link in their minds between pay and performance. The reality is that a poor performing employee is unlikely to be rewarded with a pay increase; but a high performing employee probably has an expectation that they will be financially rewarded – more so in some industries than others.

Granted, a variety of factors not related to individual performance do usually influence remuneration – overall business performance and benchmarking salaries against the market, for instance. But any employer who espouses that individual performance and pay aren’t linked at all isn’t likely to win trust with this message.

Pay seems to be a topic many people want to cover in performance conversations, so employers would do well to be as transparent and forthcoming on the subject as possible.



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**“We’ve used Cezanne to create an easy-to-complete form so it’s not an onerous administrative task.** We believe that appraisals should be a chance to sit back and reflect, and explore areas that need improvement. The appraisal process for us is about moving forward. We’re very development focused at Ayesa and want our people to be able to learn throughout their career.”



**Kelly Scott**  
L&D Manager  
Ayesa

# PERFORMANCE INNOVATIONS

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**Innovations in performance management include a growing partnership with technology. By shouldering the admin burden, HR software makes performance management an easier to follow, less arduous process.**

HR systems are only increasing in popularity and necessity. With new demands levelled at HR to manage changes in how people work due to how people work since the COVID-19 pandemic, fewer and fewer businesses will continue with manual HR processes, such as spreadsheets and paper forms.

Performance management modules, like Cezanne's, allow line managers and employees to keep a more convenient and organised record of past appraisals and check-in conversations. Paper appraisals of yesteryear could too easily go missing.

Having this information easily available now, means that every time an employee and line manager discuss performance, they're better able to build on past conversations rather than rehashing or arguing about things that have already been addressed/agreed.

From a psychology point of view, this high degree of documentation can hopefully remove some of the tension from performance conversations as expectations are clear, and it can reduce cases of 'he said', 'she said'. Both parties are held to account because the record of conversation is there in black and white. For example, managers can't unfairly spring targets on employees that were never previously discussed, and employees can't argue that they didn't know what they were meant to achieve.

Having a system like Cezanne's Performance Management module, that organises goals and check ins, also removes barriers around these activities. Setting goals is convenient when there is software to record them in; and it's also easy for employees to stay aligned with their goals when they can quickly find them online. And there's no excuse for check ins being forgotten. Check-in frequency can be set so reminders go out when they are due, and check-in outcomes can be documented and recorded as incomplete or complete to keep a note of where tasks are up to.

Whether staff overtly realise it or not, performance management software reassures people that their organisation is invested in their performance, and including check-in functionality helps to reinforce that employee wellbeing is important, too.

In our report, ['The Psychology of Onboarding: Optimising the new-starter experience in the digital age'](#), we advised:

*'Using an HR portal to reach out to new hires also demonstrates a business' technological maturity, showing new starters that they are joining a forward-thinking, technically adept employer.'*

This is also true for performance management software. Having an organised digital approach to performance management will influence the workforce's attitude towards performance management, HR and how the business is managed in general.

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“Our approach is a mix of looking forwards and backwards. We look back so we can recognise performance, and where there might be opportunities for improvement. We ask that the individual document this – it’s up to them to demonstrate what they’ve achieved. And we want to know about more than just achieving the formal goals, **we want to hear about the unexpected wins**, too. These conversations are our catalyst to then really start focusing on looking forward.”



**Neil Gibbs**  
**HR Director**  
AB Dynamics



# CEZANNE

## **SURVEY FINDINGS**

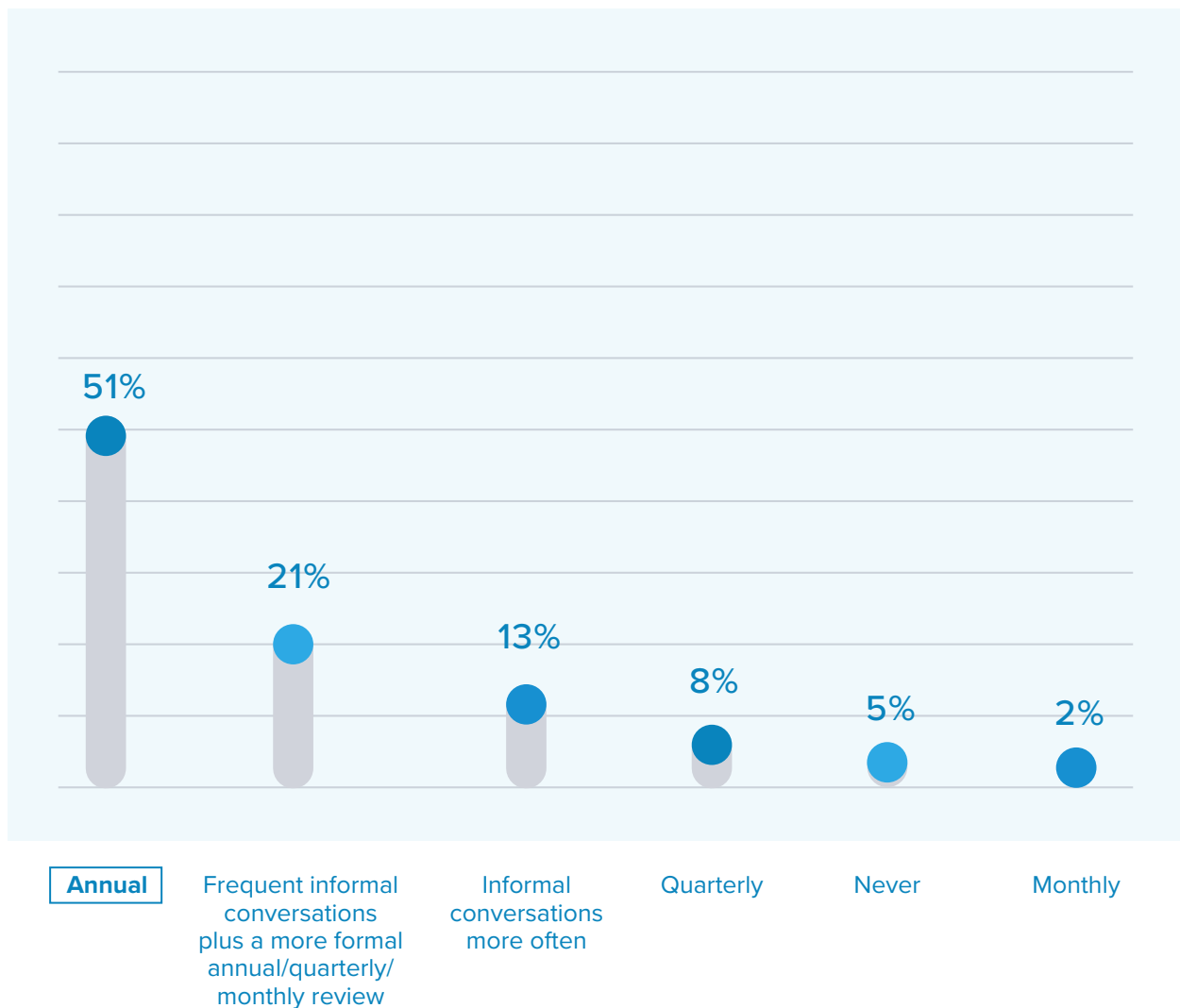
Cezanne ran a limited survey to gain a better understanding of the current performance management experience for employees. 85% of respondents were based in the UK and in employment at the time they completed the questionnaire.

# FREQUENCY

**51% of respondents reported that they have a documented performance review annually, so this traditional approach is still alive and well!**

But encouragingly, the next most popular response to 'How often do you have a documented performance review? (Current or most recent role)' was 'Frequent informal conversations plus a more formal annual/ quarterly/monthly review' at 21%.

## How often do you have a documented performance review? (Current or most recent role)



# SENTIMENT

We then wanted to better understand how employees felt about their performance management, so we asked how they would best describe their performance management conversations.

The highest percentage of respondents said, 'Insightful in understanding how my manager feels I am performing' (44%), and this was followed by, 'A good opportunity to talk about skills/career development' (25%). Fortunately no one selected, 'An upsetting meeting which focusses too heavily on any mistakes I may have made', but a small number of respondents did choose, 'A very uncomfortable conversation that I want to end as quickly as possible' (3%).

## How would you best describe your performance conversations? (Current or most recent role)

Insightful in understanding  
how my manager feels I am  
performing

A good opportunity to  
talk about skills/career  
development

Insightful in understanding how  
my colleagues/ stakeholders  
feel I am performing

A waste of time

Motivating and inspiring

A very uncomfortable  
conversation that I want to  
end as

An upsetting meeting which  
focusses too heavily on any  
mistakes I may have made

44%

25%

11%

11%

5%

3%

0%

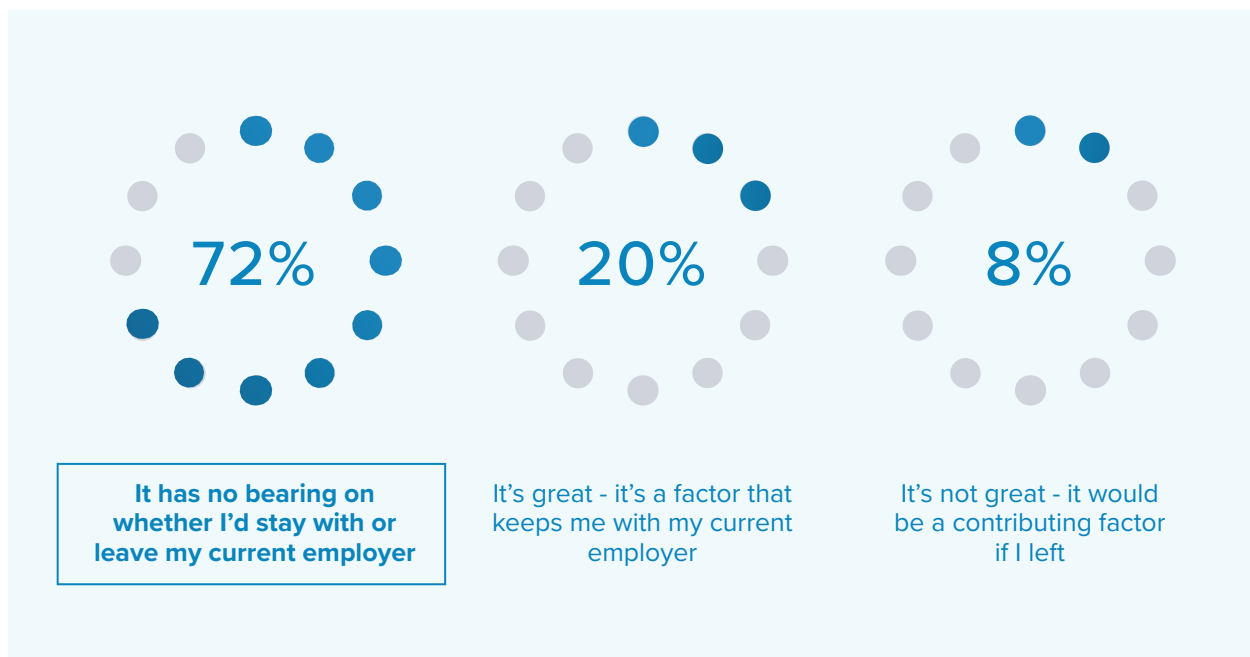
# ENGAGEMENT & RETENTION

To better gauge how performance management affects employee engagement and retention, we asked how respondents felt that their organisation's approach to performance management influenced their likelihood of staying in their current or most recent role.

Results showed a fairly neutral response with 72% of people saying it had no bearing on whether they'd stay or leave. But, 20% did say it's great and a factor keeping them with their employer, and 8% said it's not great and would contribute to them leaving.

So, while for the majority of people performance management might not have a big influence on engagement and retention, it does have an impact on enough people to keep this factor on HR's radar.

## How does your organisation's approach to performance management influence your likelihood of staying? (Current or most recent role)

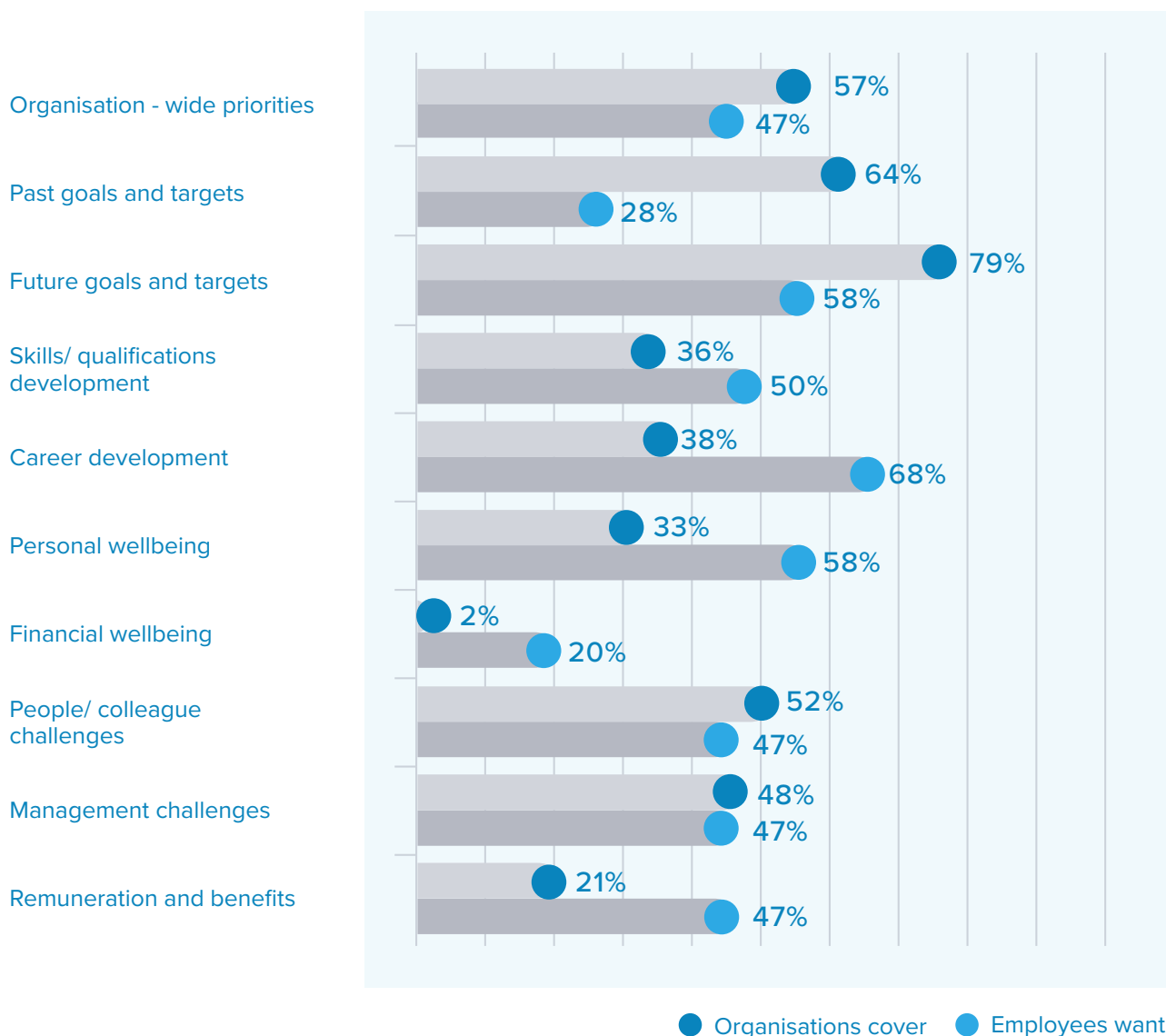


# THE AGENDA

We suspected there might be a disconnect between what organisations cover in their performance reviews and what employees would like to talk about. Topics such as skills/qualifications development, career development, personal wellbeing, financial wellbeing and remuneration and benefits all resulted in more employees indicating this is what they'd like to see covered as opposed to what is covered.

To increase employee cooperation with the performance management process, organisations should look to give these topics more time on the agenda. It would also be a good idea to run a similar questionnaire to the one Cezanne conducted on performance management topic areas within each business to gain an accurate picture of reality versus expectations for that individual workforce.

## What organisations cover vs what employees want



# ENGAGEMENT & RETENTION

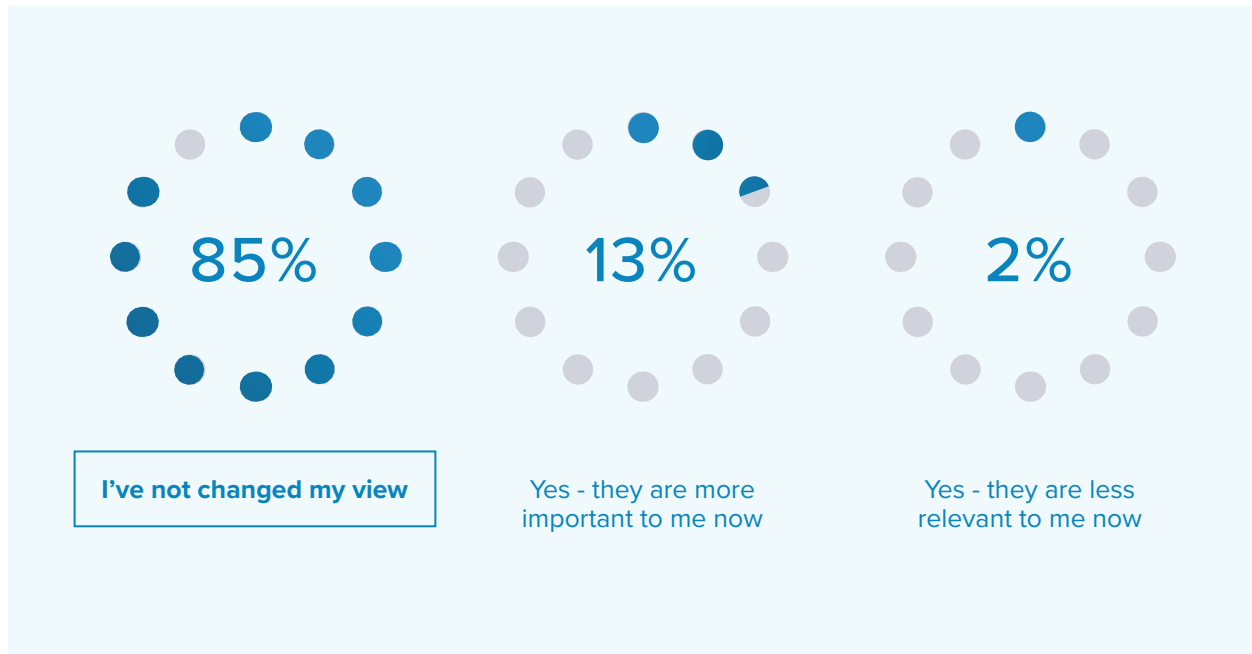
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**Our survey posed some questions to see how the COVID-19 pandemic influenced performance reviews.**

85% of people didn't change their attitude towards performance reviews during COVID-19, but 13% of people said that reviews were more important to them now, with only 2% saying reviews are less relevant now.

Given the uncertainty many people have faced about their employment futures during and since the pandemic, performance reviews will likely remain incredibly important as people seek reassurance they're doing a good job.

## Did your attitude to performance reviews change during COVID-19?

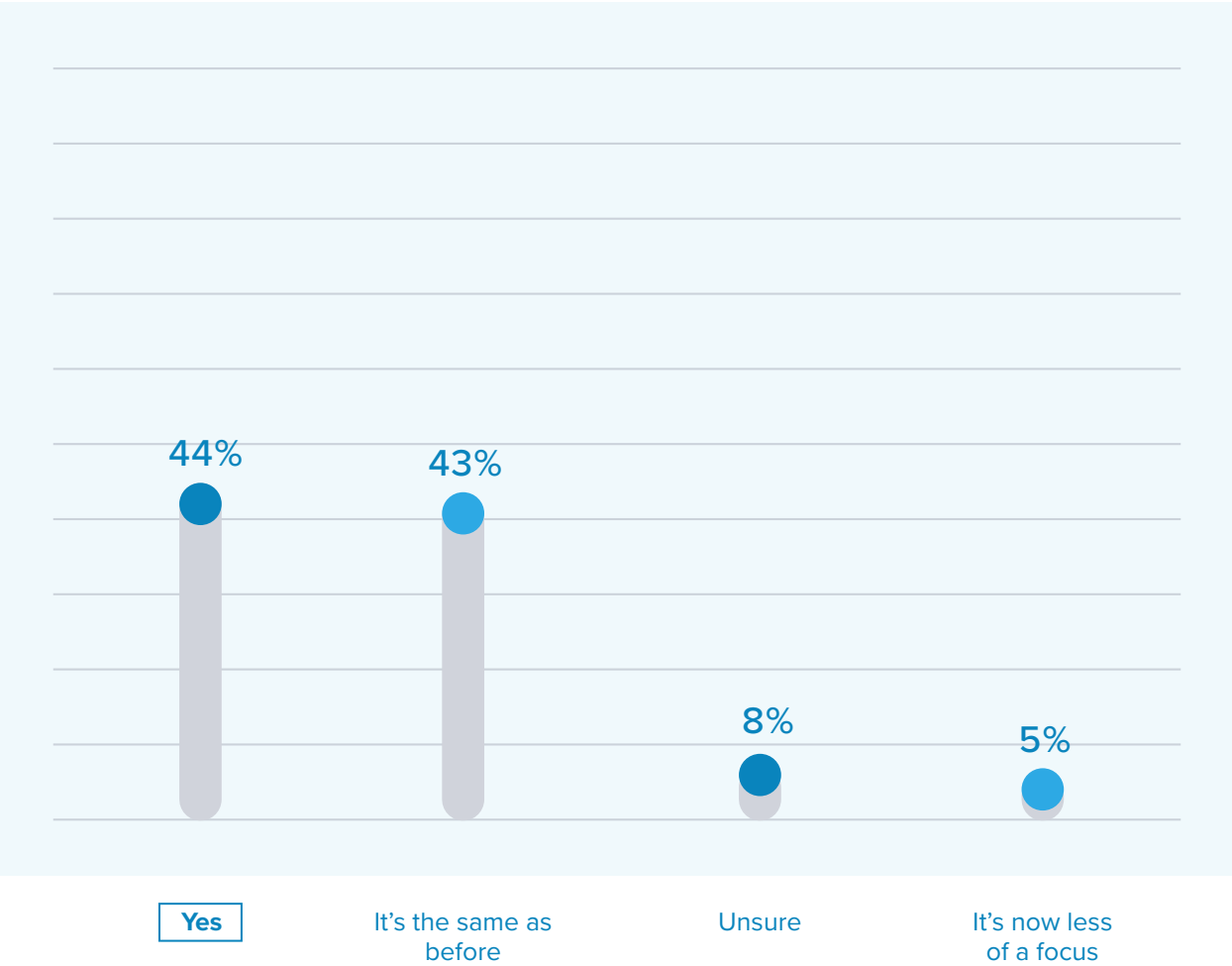


# COVID-19

Encouragingly, 44% of respondents said that wellbeing has become more of a focus for their performance reviews since the COVID-19 pandemic.

Given personal wellbeing and financial wellbeing were two areas that more people cited as wanting to see covered during performance reviews than were actually seeing it covered, COVID-19 looks to have permanently increased the priority given to these talking points.

## Has wellbeing become more of a focus for your performance reviews since COVID-19?

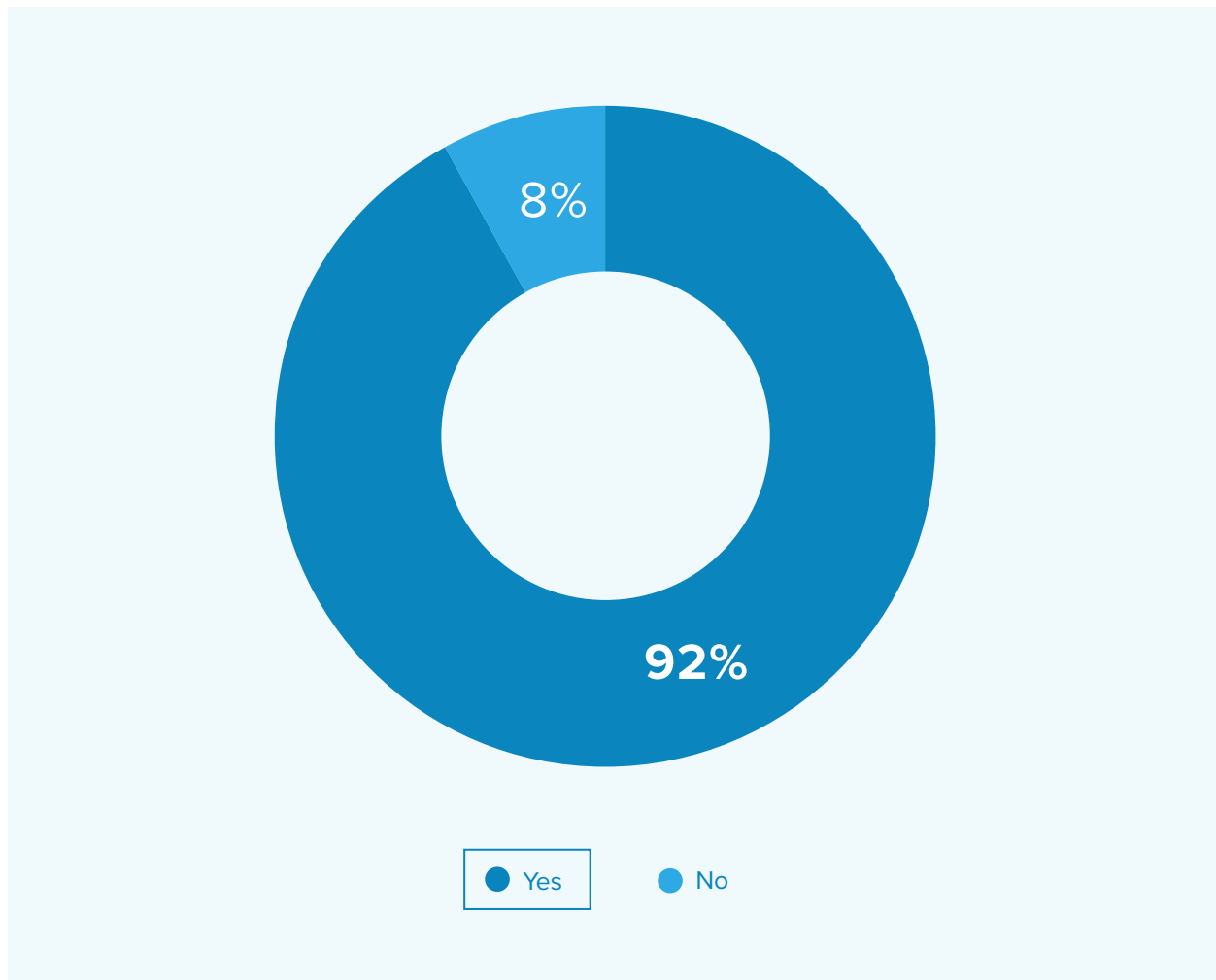


# MANAGEMENT

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To round out the survey, we asked respondents if they think line managers need more training on doing performance reviews. The response shows this needs to be firmly on HR's agenda, with 92% of people saying yes.

**Do you think line managers need more training on doing performance reviews?**





# HOW CAN PERFORMANCE MANAGEMENT BE **IMPROVED?**



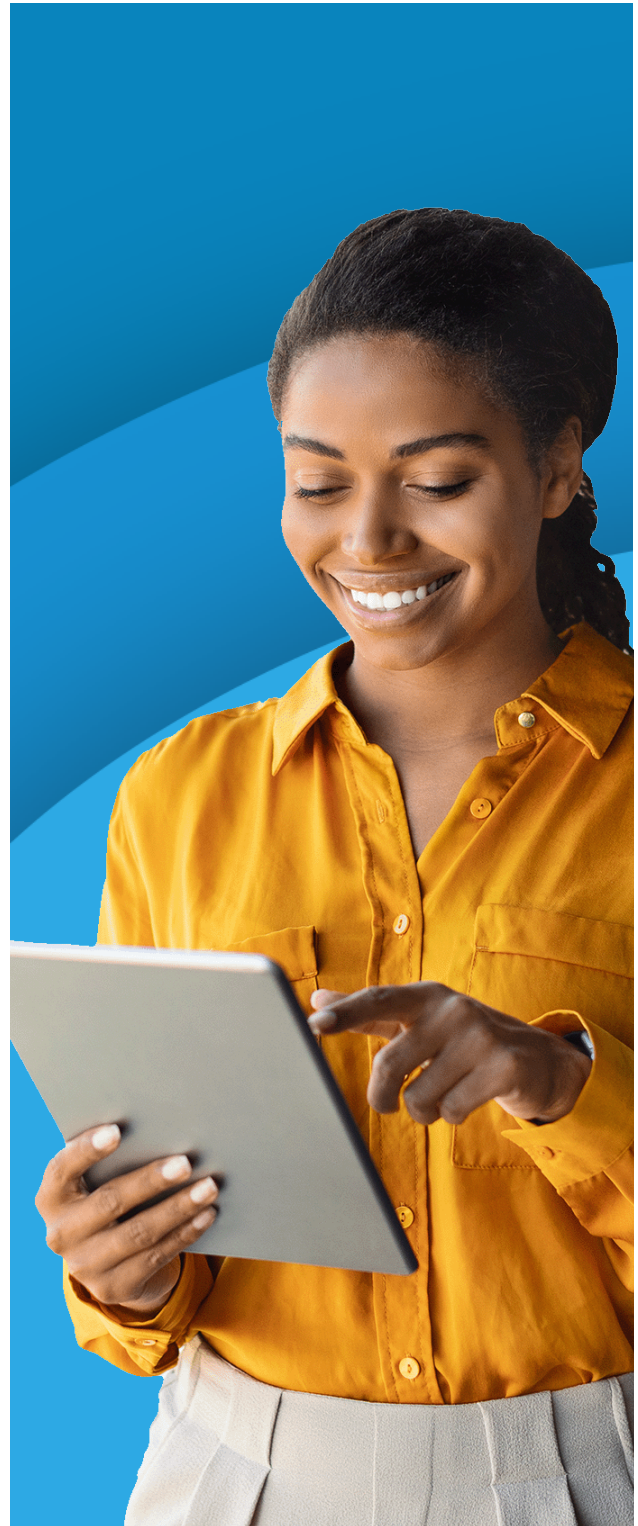
# SO, WHAT'S NEXT FOR PERFORMANCE MANAGEMENT?

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## What are the questions business leaders really need to be asking to move things forward?

You might wish to consider:

- Who/what is your current performance management process meant to be supporting – the employee, the business, both?
- Is your process really fulfilling your purpose or is your business just going through the motions?
- How do people genuinely feel about performance management in your organisation, and if it's not positive, is it time for a revamp?
- Are temporary or contract staff included in your performance management process? Would this be beneficial for those who are on medium- to long-term contracts?
- How are you measuring performance? And how do you measure the cost of your performance management process and your ROI?
- How do you encourage sideways moves?
- Are your managers trained to spot talent within their teams that might thrive in other parts of the business, and are they encouraged to 'share' talent?



Cezanne spoke with Ayesa and AB Dynamics to gain insights into how these two innovative organisations are improving performance management for their workforce. The following case studies offer practical advice on how to move performance management forward.

# CASE STUDY

## AYESA

### How is performance managed in your organisation?

We did an employee engagement survey last year which showed us that some employees didn't know what their goals and objectives were and that they hadn't been receiving enough feedback. So, following on from the survey, we formulated a three-year strategy for our performance management.

For Ayesa, it's all about getting buy in from our workforce, so everyone is on plan with the intention that we'll be pushing for higher levels of performance. This year is focused on building trust in performance management; we've really wanted to engage people with the process. Going forward, we expect our employees and line managers to drive performance management.

Everyone has a role in the performance management process at Ayesa: HR, line managers and employees. We want our employees to be meeting with their managers at least quarterly and to be having informal conversations in between those quarterly meetings.

We really started driving more goal setting last year. Now all employees should be setting goals at the start of the year or within the first 60 days of joining Ayesa. And we're also reinforcing that those goals should be SMART goals. Having goals and check ins really helps us in terms of having a summary of the conversations that have taken place – it keeps our people all on the one page.

In regard to our appraisal forms, we've used Cezanne to



**Kelly Scott**  
L&D Manager  
Ayesa

create an easy-to-complete form so it's not an onerous administrative task. We believe that appraisals should be a chance to sit back and reflect, and explore areas that need improvement. The appraisal process for us is about moving forward. We're very development focused at Ayesa and want our people to be able to learn throughout their career.

To make our new approach a success, we're encouraging employees to be more proactive about their own performance, to take responsibility for it themselves.

### What metrics does Ayesa use to measure performance?

In terms of our goals, the metric we use is the SMART goal approach. We can also measure who is engaging with setting goals and objectives through Cezanne. In 2021, we have set a target of having 90% of people setting goals in the HR system – and they need to be SMART, quality goals.

We're also keeping an eye on any themes that come up in regard to training requests. If we see commonalities, we'll be able to act on that and tailor the training we offer accordingly.

### How early in the employment relationship do you introduce ByrneLooby's approach to performance management?

When new recruits join us, they are introduced to the performance management section in Cezanne and shown how to add goals and check ins at induction. Then our appraisal process training is completed with all employees at the end of the calendar year.

We expect employees to be setting goals with their line managers at the start of each year, followed with quarterly check ins. If any performance issues come up, having the goals and check ins to refer to is really helpful. It shows us where training might be needed and means that a formal performance improvement process should never come as a surprise for an employee.

### How do you think your approach to performance management uses an understanding of human psychology to get the best from your people?

We know that people want to know what's in it for them, and our strong focus on learning provides the answer! Career progression and training and development are given high priority at Ayesa. We believe in providing a blended learning approach through our 70:20:10 model. This can be shaped by stretched projects, interactions with colleagues (mentoring) and formal training programmes. Performance management gives our workforce a chance to reflect on where they need to improve and where skills gaps might lie.

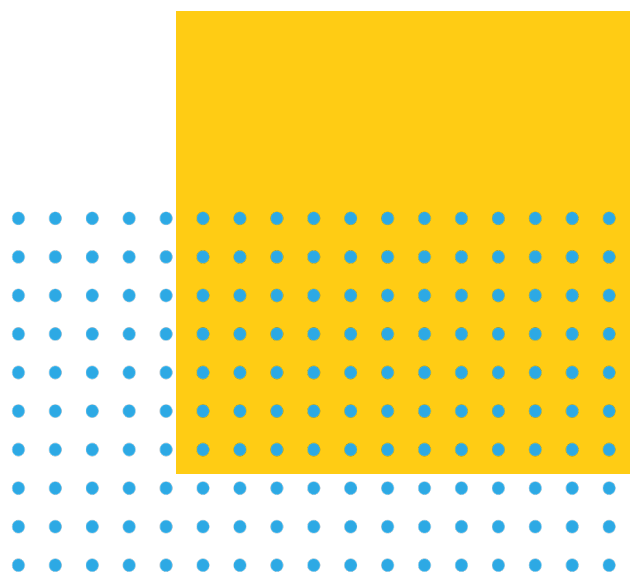
Having a competency framework is also helpful. If people are motivated by promotion, the framework can be used to guide and inspire them in reaching for that goal.

We also know how important buy-in is in making our performance management process a success. We brought all our staff on the journey with us as we launched our 3-year performance management programme through dedicated workshops, so it's not just HR dictating to them what they have to do.

### How does your performance management develop talent for Ayesa?

In our industry, the recruitment of talent is very competitive – engineers are thin on the ground. So, we want to give people an excellent chance to learn and develop with us so we can keep them!

Cezanne really helps Ayesa with succession planning – it's great to have the tech behind us. It enables and streamlines both our performance management and succession planning.



# CASE STUDY

## AB DYNAMICS

### Can you please explain AB Dynamic's approach to performance management?

Our performance management process is very much evolving. As the business has grown, our headcount has increased, too, creating a clear need for a more organised approach to performance management.

We've created a new performance management format, and we've just rolled that out. We want our employees to really own this process – we figure that they know their role better than anyone else, and they know their development needs and personal career aspirations. Our employees draft their documentation, taking into account company and line manager objectives, but we also expect staff to input on that. It all starts with a discussion between the employee and their line manager as a two-way, non-hierarchical process.

We want to minimise bureaucracy. We don't want a performance management process that dictates everything, but we do need to make sure people are aligned with strategic objectives. What's important is that the process starts a discussion between manager and employee. For some employee/manager relationships this happens quite naturally, for others, having this process in place is a way to ensure some level of dialogue is definitely happening.



**Neil Gibbs**  
HR Director  
AB Dynamics

### We also expect that regular check ins will be completed. This is done on a fairly informal basis.

Our approach is a mix of looking forwards and backwards. We look back so we can recognise performance, and where there might be opportunities for improvement. We ask that the individual document this – it's up to them to demonstrate what they've achieved. And we want to know about more than just achieving the formal goals, we want to hear about the unexpected wins, too. These conversations are our catalyst to then really start focusing on looking forward.

### What metrics do you have in place to measure performance at AB Dynamics?

We're still developing our metrics, but we are looking at delivery against set objectives and KPIs. We also want to tie performance expectations into the financial targets for the organisation.

## How is performance management linked to onboarding and employee engagement?

We start to set objectives for new employees at the end of their probation period. Those objectives last for that financial year.

Our vision is that performance management and employee engagement will seamlessly flow through from one to the other. We want all of our performance management process online so we can minimise bureaucracy and paperwork, allowing people to focus on performance discussions.

## Do you get any feedback from the wider business about performance management at AB Dynamics?

Our new approach has been generally well received. People are happy that we've taken away the paperwork – literally, there were a lot of paper forms in the past, and reviews were quite variable.

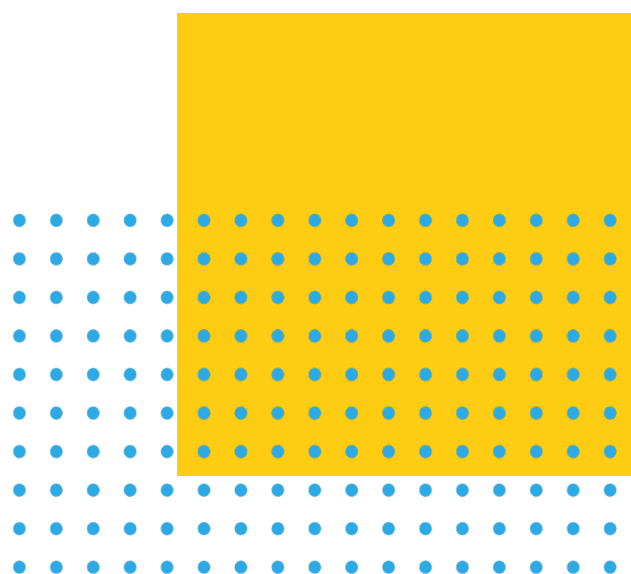
Aligning employees' plans with business objectives has also been welcomed.

The only nervousness we've had to overcome has been around locking down target dates, but people are usually reassured when we explain that this is undertaken with a degree of common sense and an understanding that targets might move.

## How does your performance management process develop talent?

What we've found so far is that having a structured performance management process helps to remove preconceptions about who might or might not be suitable for progression – the halo or horns effect. What our performance management does is give us a better understanding of suitability for roles rather than relying on reputations – we've really grounded the process in something tangible.

We do really put the onus on the individual when it comes to performance management, and this helps us to identify who is ambitious and wants to get on, versus the people who are happy with status quo (at any one time a large proportion of people are happy with where they're at, though this group is constantly adjusting due to changes in personal circumstances and career aspirations).



# CONCLUSION

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**For performance management to be a success, it needs to leave its box-ticking reputation in the past and wholeheartedly become a process built on understanding what motivates people, how they respond to feedback, and how to spot and nurture aptitude. It's all well and good to talk about talent, but there is so much more to performance than simply finding and keeping the right talent.**

There is still a tension that needs to be resolved as to who performance management is there to serve. Cezanne's survey results show some disconnects between what is covered in performance conversations versus what employees would like to see covered. Hopefully this divide will narrow as more and more organisations see the merit in continuous performance management, giving managers and employees more opportunities to align their priorities.

HR software is a business' best asset when it comes to moving performance management forward. For businesses that might have struggled in the past to deliver their HR expertise to their workforce, an online solution can be what the business has been looking for. It's great for HR to be educated about motivation, feedback and aptitude as they relate to performance management, but that's little use to the business if there isn't a way for HR to reach the workforce with this knowledge.

An online HR system gives HR the tool it needs to standardise and optimise appraisal processes and forms and get them in front of the workforce; and an online appraisal process and form is much easier for the end user to work with, too. HR can also promote ongoing conversations and goal setting, using the HR

system itself to remind staff members to keep up with these tasks and to record them in one central place.

An HR system helps increase compliance with performance management processes and allows HR and the workforce to make the most of the process at the same time.

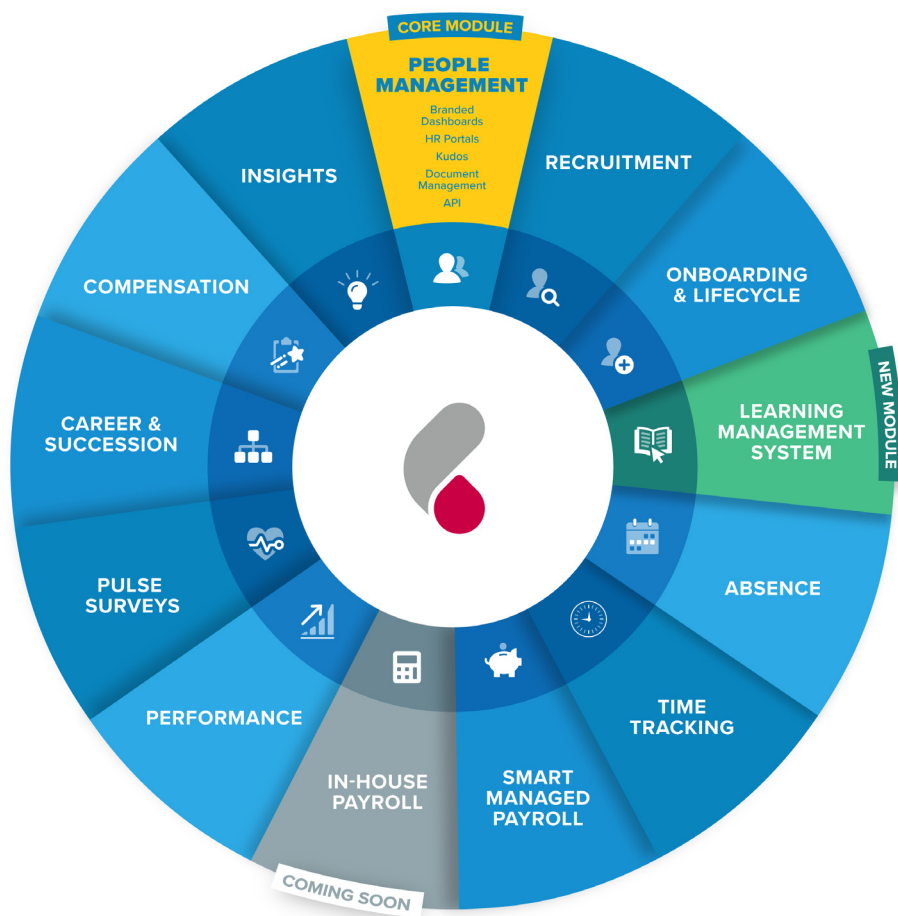
Comprehensive online HR systems like Cezanne are also one of the best ways to link performance management with other HR processes, such as onboarding, employee engagement and succession planning. When all the data is conveniently stored in one place, it's much easier for HR and business leaders to roll out and measure a joined-up approach to people management.

**Our survey was completed in October 2020, by 60+ respondents. 85% of people completing the survey were based in the UK and employed at the time they responded.**

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Cezanne's software offers incredible value for money without sacrificing the flexibility or depth of features required to support complex and evolving HR needs.

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