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SEARCH & INTERIM

DRIVING AND MEASURING PERFORMANCE
REMOTELY

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We are a driven, highly collaborative team, passionate about what we do. We pride ourselves on being genuine partners to clients and candidates, pro-actively delivering outstanding results, over and above expectations every time.

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Contents:

What works, what doesn't, and how do you develop trust?

As Lockdown 2 continues, and home working looks set to last well into the new year, HR directors' thoughts are turning to annual appraisals.

What on earth do you appraise in a year like this? How do you carry out appraisals when you can't be in a room with the person you're appraising? How do you bring the best out of people? And does anyone really think spying on their screens is a good idea?

Our panel of HR leaders from different industries share their thoughts.

1. Insurance

6. Fuel

2. Cruise Liners

7. Food

3. Healthcare Monitoring

8. Components

4. Engineering and Systems Consulting

9. Pharma

5. Biotech

1. Insurance



Our HR contact in the insurance industry has just kicked off the annual performance review process. Individuals self-evaluate their progress on their objectives for the year, then go through a management assessment before final performance review or appraisal discussions at the end of the year.

In such a turbulent year, one concern that's coming up is that priorities have changed since objectives were set. So managers are being encouraged to use some discretion in how performance in 2020 is assessed, acknowledging that priorities may have changed as they went along.

In the context of remote working, where there's no accidental or incidental contact between workers and managers, regular scheduled check-ins have become especially important. In fact, our contact cites research that found performance ratings did nothing to improve performance; a previous workplace of his actually did ban performance ratings to good effect. Giving ongoing feedback, without pigeonholing people into categories, was more productive. In today's dynamic and uncertain world, he wonders if more companies will choose that route.

Another issue with remote working is how to monitor people while building trust. He's appalled by the new monitoring software that allows you to view your workers' screens remotely, which he sees as the antithesis of building trust. Instead, he focuses on creating very clear performance expectations and encouraging leaders to communicate them clearly to everyone and to hold people accountable. What matters to him is results; "if someone can complete their tasks in 50% of their time, and the rest of the time they sit there and play Candy Crush, that's cool."

Giving negative feedback online without provoking a defensive reaction can be tricky, though, especially to workers who arrived post-COVID with whom there's never been any in-person connection. He sees this as a real limitation of home working; with 90% of human communication being non-verbal, there's no substitute for at least some face-to-face contact, and he anticipates a future where companies have to balance the need to get people to connect in person with the need to appeal to candidates by providing flexibility.

2. Cruise Liners



In a business that's been hard-hit by COVID, traditional appraisal objectives that were already becoming outdated are now completely irrelevant. Our HR contact has realised a long-held ambition to turn the annual appraisal into 12 smaller monthly ones, which will then be assessed at the end of the year for pay reviews, bonuses, and so on.

Although the extra check-ins have enabled managers to spot and solve performance issues with new starters much faster, they tend to be very operational and very reactive, rather than looking at the long-term proactive objectives that people would traditionally set. The HR director sees this as an opportunity to think about what objectives would be relevant in the new normal.

She adds that team meetings need to be much richer and more detailed to give people a sense of what's going on in the "office" when there is no office. Her formula for meetings is to go round the table discussing what people are working on, then get people to tell a story around the issues they're working on – for instance, if they've had to discipline someone seriously, what did that involve and what did they learn? Storytelling keeps everyone feeling connected when they can't listen in on conversations.

The shift to home working has spurred intense reflection on how to get the appraisal process right. Pre-COVID, annual appraisals were very traditional, with paperwork that was "incredibly difficult to fill out, very onerous, and had very little value to people. It certainly wasn't used to get people to do their best and to give them challenging objectives. We were never very clear on what we valued or what the right behaviours were."

Performance ratings and objectives have now become much more measurable and proactive, calling on workers to go above and beyond their job descriptions, where managers were previously handing out vague "good" and "excellent" ratings to almost everyone.

Taking the company values as a basis, the HR department has come up with descriptions of positive behaviours that demonstrate those values and red-flag behaviours that demonstrate the opposite, like clocking off at 5pm sharp when the whole team is struggling to complete a piece of work. This is helping them to identify what they're really looking for: the true team players.

A medical monitor displaying vital signs and waveforms, with a teal overlay.

3. Healthcare Monitoring

Our healthcare contact says she's taken the "old-fashioned route": if somebody's creating output that's in line with expectations, that's all that's needed. Her company has switched from annual appraisals to a quarterly review with a softer and more positive tone. However, she's noticed that those who struggle to meet expectations when working from home are the same people who wasted hours chatting in the office.

During the first lockdown, her CEO actually suggested installing monitoring software to combat this, but the HR department resisted – again, because they want to build an organisation with trust. After observing the realities of remote working for a while, the CEO has completely changed his attitude and is now suggesting that workers take an hour and a half for lunch so they can get some time outside in daylight, as maintaining mental and physical health will be key during a winter lockdown.

"You can't make anybody do anything," she says. "Some people have care responsibilities, for instance. But what you can do is encourage people to take some time away from the desk in the day and just make sure that they're not, becoming a little pumpkin behind their laptops."

Hands working on a circuit board with various components, with a teal overlay.

4. Engineering and Systems Consulting

Our engineering contact says COVID came at the perfect time for her team; they had just started introducing Microsoft Teams, transitioning to an output-focused message, and preparing to ditch annual appraisals (which "are now firmly in the bin") in favour of managing performance and development using their online HR system on Microsoft Talent. The HR team successfully rushed the system into action at the start of home working.

Employees now have a performance journal and a development plan to which they can add their own timed goals and updates. When it comes to review time, all they have to do is hit a button, and the system pulls all the information together and sends it through to managers. The system also allows colleagues to send feedback to each other, and copies both parties' managers. It saves managers from writing a large annual review and makes their role closer to that of an accountability partner.

Over 60% of the business is now using this. The HR team has provided training and regular updates on how to use the tools, and over 90% of the business has attended these sessions. They're also working with the CIPD to provide leaders with extra training on performance management.

As the system is so new, they're currently measuring engagement with the tools, and looking at which company values people's goals are aligned with and whether they're weighted in any one direction. They plan to gather feedback on the success of the system in the spring.

5. Biotech



Our biotech contact has been taking bold steps in trusting newly home-based employees. “We've really pushed the boundaries in terms of putting trust in individuals to do the right thing, down to saying to people, ‘Even if you can't work your full-time hours, as long as you're getting the job done, don't worry about it.’”

After offering staff the option to work flexibly through until the middle of next year, he says he's been inundated with people saying, “This is just fabulous that the organization is doing this, being bold enough to actually set that date.” The reasoning behind the choice was to enable families to plan around the school academic year without worrying about disruptions if they have to quarantine (as they will if anyone in their child's class is diagnosed with COVID).

He admits that his HR department has “not quite got as advanced around putting the performance management process in the bin” as some of our other contacts, and is still using a traditional 9 box. However, in light of the extraordinary circumstances, this year it will just be treated as a rough framework and guide, with more focus on behaviours and values rather than output.

“For team members who are working virtually, their approach is much more important than the output of what they're doing. A lot of leaders really struggle with this. We've tried to help them understand that actually it's the behavioural piece that makes the difference. That's why the business has done so well; if people hadn't been mature and they hadn't still been collaborative and focused on results, we wouldn't have coped so well with a radical cultural change to the whole company working at home within the space of 24 hours.

“The biggest challenge for us is going to be our frontline sales team members, because their goals and objectives, which were set mid-year and then revised mid-year, of course involve customer-facing interaction or virtual interaction. And in some markets, especially in Southern Europe, the uptake of virtual interaction has been much slower. So when we're looking at the half year bonuses for those individuals, we'll need to take that into account.”

6. Fuel



Our HR contact in the fuel industry says that while performance measurement hasn't changed much for driving or call-centre staff, for those on the corporate function side it's become more focused on output rather than presenteeism. “Are you getting your job done? Yes, fine. Let's move on.” Again, a high degree of trust is the theme.

Prior to lockdown, the company was just about to go into its annual appraisal cycle in March. “That's just been binned,” says the HR director, echoing another common theme. “We're not a particularly sophisticated organisation when it comes to performance management anyway, by the nature of the industry, and this year, rather than any grading exercise, it's either ‘you're fine’ or ‘you need to improve’. It's as simple as that. The people who need to improve, however, will have already been spoken to.”

While, in general, those who struggled with productivity and self-starting in the office will continue to struggle at home, she says some have “really flown and are absolute superstars”. The HR department will be looking at these employees from a benchmarking perspective, studying their attributes and trying to replicate them in new hires as they transition to a more home-based working model; because of downsizing, they're closing down offices globally.

For sales and call centre staff, to keep it fair, targets have been adjusted for COVID-related changes. The HR team are also seeking more colleague feedback via Workday during this round of appraisals, so that rather than just managers giving their opinions, it's actually the people the employee has been interacting with on a day-to-day basis.

7. Food



Our contact in the food industry has kept production going throughout COVID, albeit with some workers on furlough and others working remotely where they can.

“We've carried on with our normal appraisal process. but we're looking to focus much more on the behavioural side. So, as well as asking, ‘Did you deliver your goals?’ we look at the core behaviours and how they line up with our own values and behaviours. We are encouraging our managers to check on people’s wellbeing and how they have reacted to the remote environment. Some people have embraced it, but we're also conscious that those who were challenging in the office are equally as challenging when they're not in the office.”

Again, because it’s been such an unusual year, they've asked employees to think about their goals in a slightly different way for this year’s appraisal: to think about what remained a priority that they've worked on and delivered, what new priorities have emerged, and what objectives have been deprioritised. “We know that people will not have delivered all the goals that were set out at the beginning of the year, so we want to be fair and look at how COVID has impacted those goals.”

8. Components



Our contact in components manufacturing has also kept sites open worldwide unless they’ve been closed by a government. However, back-office workers have been sent home where possible to avoid spreading COVID onsite.

In what’s now becoming a familiar refrain, she says of the regular appraisal process: “We chucked it all in the bin. Survival of the fittest was where we got to. But we are now coming up to year end, and we are going to do some form of performance review. We've already agreed it's going to be a light touch. We have extended the 9 box grid to a 12 box grid.”

In addition to the performance view, the HR department has also undertaken a full talent review, which they felt was critical. Carrying out performance reviews and talent reviews separately is a company tradition, although they had been planning to combine the two this year until COVID intervened.

The talent review includes a complete talent map for the whole organisation, down to the level of site managers, and to ensure that there are sufficient people in their pipeline to bring through and fill any gaps.

As in other companies, the performance review has revealed some surprise stars who were not high performers in the office but shine as remote workers, and the HR department is keen to retain these characteristics. On the downside, she says, it’s also revealed that “certain of our leaders will not cut the mustard” under those conditions. So the main metric of the performance review this year is, “Have they had a good COVID?”, and this determines which employees are seen as having the potential to move up a level on the talent map.

Burnout is also proving an issue, with many workers starting to run out of steam after months of uncertainty. “So resilience and ability to cope also need to be reflected in the talent map,” she says, “because this isn't going away. We know we've got a challenge with our lack of leadership for the future in a different world. But I think that's the same for many businesses at the moment as they recalibrate what they need for the future – and what we need for the future is different from what we have today.”

The company is measuring resilience mostly in terms of soft skills such as alignment with company values, how people are engaged as a team, and whether they can take control and get on with it as opposed to looking upwards and waiting for direction. She’s found that those who show the most resilience are often older workers.

9. Pharma



“We’ve done a lot of work around performance management,” says our contact in pharmaceuticals. “We put in place a very high-level, very detailed organisational map of our objectives and made sure that it flowed down through the organization. We set the whole thing up on trust. I put in place performance management training because I was sick of hearing conversations about how much effort people were making. I wanted to know much more about outputs.”

Despite having encouraged empowerment-based leadership, he notes that the company’s second engagement survey has shown a slight decline in engagement and a restlessness among managers, who are more and more keen to “get back to some kind of presenteeism”.

Although this is partly driven by business demands such as product launches and recruitment, the lack of face-to-face interaction is also leading to more general concerns, he says.

“It really is a rising theme that businesses are now starting to really struggle without the face-to-face. There's only so much that video calls can do. Getting a room together, solving a problem between four or five brains where you're reading body language and everything else, you seem to get to a better answer quicker. So what we’re most worried about is collaboration, innovation and creativity.

“But, to be honest,” he adds, “in terms of what we have achieved as a business, we had a really fantastic six months.”

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