



DEVELOPMENT OF A NEW PERFORMANCE IMPROVEMENT PROCESS

PROJECT DESCRIPTION:

Context : The organization works with a lot of, relatively small, subsidiaries. The central HR department manages the Performance Management Process (classical evaluation procedure, based on a yearly interview, personal objectives, linked to bonuses,...).

Business Issue : The evaluation procedure has become a merely 'administrative process' which is not anymore driving people's behavior and performance and has lost all credibility in the organization. More than 50 percent of the employees do not get feedback on their performance. Most of them have not even individual objectives.

Initial Request : Can you propose a different evaluation format.

Consulting Process / Intervention :

- After having analyzed the existing situation through several focus groups with most of the stakeholders (HQ management, HR, managers subsidiaries, employees, labor union representatives) the following issues occurred :
 - The fact that all subsidiaries had the same centrally decided objectives, made it difficult for the subsidiaries to develop and 'entrepreneurial attitude'
 - Subsidiaries were subsequently mere 'mailboxes' of the decisions and interventions of central and regional managers, which lead to a very 'passive' attitude from most subsidiary managers
 - The performance data did not provide very specific feedback, which meant that the employees of the subsidiaries had no clear idea of their contribution to performance in the organization. (they didn't see the relationship between what and how they did things and good or bad results for the organization)
 - The individual objectives were rarely linked to the business objectives, but were 'invented' because we need to be able to 'evaluate'.

- After the analysis, again with several focus groups as input, a mixed (customer / consultant) design team develop a new process that was based on the following principles :
 - Not focus on evaluation but on 'performance improvement'
 - Create a cycle of events through which each subsidiary as a team (lead by their own manager) : creates an accurate image of their actual performance (SWOT); sets 'subsidiary' objectives; makes a team plan to get their; contracts on the individual contribution to the team. The cycle included also regular 'follow-up' meetings to assess progress and adapt the action plan where necessary.
 - The focus in those team activities was not only on 'business objectives' but also on the process of working and learning as a team.
 - Underneath that team process, we developed an individual coaching process, through which the subsidiary manager coaches the individuals that report to him, in terms of their personal development and how they can achieve the contracted contribution to the team and the business.
 - The implementation of all this was supported through an internal team of facilitators that helped the subsidiary managers to start off this process. These facilitators were trained to use the job-aids and coach and support the managers
 - Introductory training for all managers



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- Individual coaching by Move! where necessary (as a supplement for the internal facilitation)
- A Toolkit with scenarios of the different team meetings (SWOT meeting, planning meeting, review meeting, ...), job-aids, ideas of team activities, formats, etc...

RESULTS & IMPACT :

- A clearly different role and attitude of subsidiary managers (more proactive / entrepreneurial)
- More transparent contribution of subsidiaries to the business objectives
- A far better link between real results, individual objectives, reward
- Team cohesion
- Ownership was felt for the performance of the organization
- An increased knowledge and insight in the business / performance / customer satisfaction by all employees (including operators in the shops)
- This process was generally recognized as a very powerful and innovative way to go about performance management. Internally management took ownership for this process, the group recognized it as a best practice and the organization was awarded the "People Development Award" by Vlerick Leuven Gent Management School (Great Place to Work research).



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