



## IN THEIR WORDS: HIGHGROUND CUSTOMERS TACKLE PERFORMANCE MANAGEMENT

**In nearly every sector of the business world, one of HR's longest-standing processes is going through a transformation.**

Once the singular basis for determining an employee's value to the organization, the traditional annual performance review has been deemed an ineffective measuring stick for employees and, actually harmful to their development.

In its place is a process that looks forward instead of through a rearview mirror. Managers are coaches instead of referees. Pre-defined employee expectations are replaced with collaborative, flexible goals.

The new performance management strategy hinges on an organization's values, goals and culture. And because no two

companies are exactly alike, this approach to performance management doesn't look the same at any two organizations. HR leaders and executives must commit to building a process that reflects them.

As with most daunting initiatives, it's helpful to examine those who've already gone down the path. For this, we turned to our customers to understand their journeys from backward-looking, annual performance reviews to a process of continuous feedback, conversations and development.

Here's what they had to say, *in their own words*.

### Why Traditional Performance Management Processes Are Problematic

"We did on-paper reviews for performance management. It was sluggish. It was slow. It was once a year. It wasn't as robust or as dynamic as it could be. We would have conversations relatively inconsistently and they were really drab. It wasn't something that really allowed VRI to stand out with its people."

– Kim Witt, *VRI*

"A performance review is typically a history report, which is not really constructive. We looked at what happened, what didn't happen, what was good and what was bad."

– Kent Frazier, *Lieberman Research Worldwide*

"People set their goals in a drawer and didn't look at them in the system until the end of the year. There was a lot of focus and scurry around this annual review process that wasn't adding a lot of value. We were driving so much administrative work that we were actually constraining the time managers had to spend with their employees in conversation."

– Dean Carter, *Patagonia*

“It wasn't something that really allowed VRI to stand out with its people.”

– Kim Witt, *VRI*

### Establishing A Philosophy Behind A New Way Of Measuring Performance

"We use our platform as an in-the-moment tool to ask, 'How's it going? How are you feeling? How are you doing? Here's coaching. Here's feedback. Here's recognition.' Those conversations happen as part of normal, everyday discussions and they're archived on the platform. [Performance management] is not a once-a-year conversation that everyone dreads."

– Kent Frazier, *Lieberman Research Worldwide*

“Performance isn't something like taking a photograph and then going back to it a year later.”

– Dean Carter, *Patagonia*

"Performance isn't something like taking a photograph and then going back to it a year later. Performance is something that's happening on a regular, agile basis. [Performance management] reflects how the business works -- businesses change over time and goals change over time. You need a system that reflects business reality and real human reality, which changes."

– Dean Carter, *Patagonia*

## Company-specific Challenges That Had To Be Addressed

"From an HR perspective, I'm pushing technology in ways that the organization has never seen. I constantly have to sell why we should be investing in an HR technology. I have to convince the organization that these will drive engagement. If you drive engagement, it will drive business results."

– Cheryl Johnson, *Echo Global Logistics*

"The job of HR is to help people get comfortable with new habits. It was a lot of work helping people develop new habits and understand how they could leverage these systems."

– Dean Carter, *Patagonia*

"A group of people in the organization live and die by the annual performance review. They don't know any better and think it's what has to be done. We continue to push the limits of getting people to change and embrace engagement, feedback and coaching."

– Kent Frazier, *Lieberman Research Worldwide*

"We've come together over the last 14 years through more than 20 acquisitions. We've been working really hard to build a single brand and culture internally. We had a values workshop and that was the launching point of getting everyone onboard to start building one cohesive culture."

– John Hovnanian, *Intermedix*

“From an HR perspective, I'm pushing technology in ways that the organization has never seen.”

– Cheryl Johnson, *Echo Global Logistics*

## Focusing On Coaching, Goals And Social Collaboration

"Coaching allows both managers and employees be in a developmental conversation where they're each influencing one another."

– Kent Frazier, *Lieberman Research Worldwide*

“We believe there is power in the crowd.”

– Dean Carter, *Patagonia*

"We're teaching managers how to coach people so they can be successful. Everything we do, every step we take, every action we take is about helping people realize what they have to do to be successful. If they can't be successful here, we work really hard to act quickly and be transparent."

– Cheryl Johnson, *Echo Global Logistics*

"We believe there is power in the crowd. A lot of new learnings say the crowd is actually much smarter than the individual or the manager. There is a lot of bias an individual has when they do a self-rating. There's a lot of bias that a manager has when they rate their employees – and this is also proven in a lot of the new research around neuroscience."

– Dean Carter, *Patagonia*

"Sixty percent of our workforce is in commission-based roles so we measure performance differently... We're more transparent about how rewards and performance are tied to compensation so employees are now actually demanding feedback. They're demanding that managers give them coaching, clear goals and feedback."

– Cheryl Johnson, *Echo Global Logistics*

"We're building the performance management process and goal setting. We look at how people achieve goals, how they do it – and we've built a competency model around those. We consider recognition employees receive during the year, understand how they've impacted others and how their peers and superiors view them. It's a data point we use for performance."

– John Hovnanian, *Intermedix*

## The Ultimate Vision For Performance Management

"When organizations create a shared sense of purpose so everyone has a deep connection to work, then we're a highly engaged, high-performing organization. We now look at the relationship between employee and customer engagement, overall brand health and the overall success of the organization."

– Kent Frazier, *Lieberman Research Worldwide*

"We want everybody here to be successful. This is not about managing a process. This is about helping you be successful. If you're successful, you're also happy, engaged and taking care of customers. Customers are going to come back to us, and we're going to keep growing."

– Cheryl Johnson, *Echo Global Logistics*

"Performance management is really important for us. By performance management I'm not saying how we rate employees. Instead, it's about understanding employees' talents."

– John Hovnanian, *Intermedix*

"We now provide more frequent, transparent feedback through coaching, or through performance management. It really allowed us to deliver a dynamic review faster. We do things differently and are able to get out ahead and be cutting-edge. The system has allowed us to make that good news travel faster."

– Kim Witt, *VRI*

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To learn more about how HighGround can help you design a performance management process that meets your needs, visit [www.highground.com](http://www.highground.com)