PERFORMANCE MANAGEMENT

# Implementing real-time performance

## Assessing technology can be time-consuming – but worth the effort

By Cissy Pau

How effective is real-time performance management software? Is it just the latest fad in the ever-growing "HR meets technology" space?

Several years ago, an employer hired us to help it develop a new performance management process. The 15 managers were relatively inexperienced and needed a simple way to provide performance feedback to over 100 team members. Employees were spread throughout the province, working in engineering-related project teams that changed from project to project, reporting to different project managers for each.

The employer wanted to have a more traditional annual performance review for all employees — with each employee officially assigned to a manager — plus have regular one-on-one check-ins on a more frequent basis.

Over the subsequent two years, managers followed the process with some degree of success and some challenges. Managers liked the guidelines provided in the performance review and one-on-one processes so they could focus their conversations. Employees, for the most part, appreciated having regular discussions with their manager regarding work and career potential.

But, as expected, the diverse geography of project teams made it difficult for managers to know how their employees were doing, especially when they worked with other project managers during the year. Managers also found the forms a bit cumbersome to complete when they were in the field, and found it difficult to find time to meet with distant employees.

And after having gone through the performance review process with employees over two years, both managers and employees found the conversations were becoming repetitive.

In year three, the employer asked us about any performance management apps available that would allow for more real-time feedback. It wanted a system that would allow project managers, upon completion of a project, to confidentially evaluate the work performance of each team member — employees could be on up to 15 project teams each year.

It also wanted employees to be able to see the comments provided at the end of their projects, and for department heads to compile an annual, summarized report of all ratings and comments for a particular employee, or all responses provided by a project manager for all employees who have been part of their teams.

While there are human resources information systems (HRIS) that include a performance management component, none met this employer's needs.

And in looking at the many software options available, it was apparent none would quite work. They were either cost-prohibitive or unable to accommodate a key component of what was required.

In the end, the simplest, most cost-effective solution was to create a custom survey using a low-fee survey tool to which the employer already subscribed.

Here are some takeaways from this experience with performance management software:

**Understand the requirements upfront:** Know what you want the software to do and what capabilities it should have. There are many options — some systems work better for certain industries — and each one will likely meet some of an employer's needs but not necessarily all. Know your parameters to objectively evaluate the options available.

**Be patient:** Speak to your network about the software they use and what they like and don't like about it. Be prepared to sit through multiple demos from the companies being considered to learn about their functionality and capabilities. From connecting with colleagues, reading online reviews and checking out service provider websites to participating in demos, it can take a lot of time.

**Budget appropriately:** Many companies operate a software as a service (SaaS) model where clients subscribe to the service and pay a monthly fee for access to the service. For an employer with 100 employees, prices can range from about $3 to $10 per employee per month, which would total $3,600 to $12,000 per year.

**Communicate, coach, train:** The software is merely a tool to complement an already sound performance management process. The software itself will not miraculously make the process work. An employer still requires a process for communicating performance expectations, providing coaching and training, observing performance, conveying both positive and constructive performance feedback, and training managers and employees on the process.

Employers also need to ensure that whatever process they follow is respectful of all staff — both givers and receivers of feedback — and serves to boost employee morale and enhance retention. The software can neither replace effective performance management nor fix a broken process.

**Go back to the basics:** Perhaps the biggest lesson learned is to keep it simple. While submitting online employee feedback is easy to do, it's not always effective. It is still critically important to talk to employees. Reading online commentary only conveys part of the message. Nothing can replace communicating with employees face-to-face and having an open, honest two-way conversation. It's easy to hide behind a computer or phone screen and give pats on the back or pithy criticisms. Unfortunately, too much of the message can be lost in translation, or tone and meaning is inferred by the recipient in a way that is not intended.

So, is real-time performance feedback here to stay or is it simply a passing fad? The concept definitely sounds ideal, as providing immediate insight into how people are doing should be helpful.

However, companies need to be very careful about how it is implemented and whether information is communicated in a positive, respectful way. With a free-for-all instant messaging approach, another real-time app could become noise and lose its impact.

While having many positives, real-time feedback will only work if overall performance feedback processes are sound and there is commitment at all levels to use it properly. Otherwise, let the fad pass and go back to the basics.