Performance Management in the Cloud

Keep Employees Engaged and Motivated: Transform an Unpopular Task into an Integral Part of your Talent Management Strategy
Corporations today are focused on employee engagement – but the task of keeping employees engaged is not that easy. Recent research shows that 38 percent of the respondents to PwC’s Annual CEO Survey see effective performance management as a critical factor when they were asked “what aspects of their talent strategy would make the greatest impact on attracting, retaining and engaging the people you need to remain relevant and competitive.”¹ Achieving simultaneous growth in top-line revenue and bottom-line profitability has come, and likely will continue to come, through greater levels of workforce efficiency.

Today, CEOs and leadership teams look for breakthrough performance and productivity gains from their employees. To achieve these gains, organizations need to understand the dramatic shifts underway in the work environment and refocus on enabling higher levels of workforce performance while keeping employees engaged.

After years of discussion, many organizations are now totally rethinking their performance management processes—sometimes eliminating ratings and often focusing more heavily on coaching, feedback, development, and agile goal management – setting expectations right what the business needs to get the work done.

Engage and Transform Performance Management

Many organizations have looked at their performance management processes but still have not found a way to make them more effective. So what are organizations doing today to make a difference?

Bersin by Deloitte surveyed organizations in their research report 2016 Predictions and found that “the hottest and most disruptive area of HR [is] the redesign of performance management.” More than 60 percent of all companies responded in the same report that they “are redesigning (or have redesigned) their performance management process, typically moving from top-down rating and ranking to a feedback-centric, developmental, often rating-less model.”²

Employee Coaching

Employees need to be coached throughout their work experience and get constant

² Bersin by Deloitte: 10 Predictions to Guide your Talent Strategy on 2016
Oracle Performance Management Cloud provides:

» Constant employee feedback, with peer kudos and questionnaires incorporated into the performance document.

» Insight into performance; a view into ratings; performance evaluation progress; goal alignment to strategy; and information about top-performing, high-potential, and at-risk employees.

» Intuitive, user-friendly system that can be configured to fit varying organizational processes and seamlessly integrates with full talent suite.

feedback and appropriate rewards. Organizations need to

» Connect employee goals to organizational strategy
» Ensure an ongoing performance discussion
» Align rewards to performance
» Gain insight into the performance and goal process with metrics
» Include a focus on employee development

Organizations also need to be able to answer the following questions:

» How do you ensure that employees are measured on factors that directly apply to organizational strategy and objectives?
» How do you measure the impact of your performance review process and keep track of employee and organizational progress?

Today’s performance management solutions need to fully automate the performance process and provide executives, managers, and employees with valuable and immediate insight into workforce performance progression and its alignment with organizational objectives.

Enable Managers and Employees with the Right Performance Management Tool

The right performance management tool should be an integral part of a talent management solution and should fully automate the goal and performance management process to provide executives, managers, and employees with valuable and immediate insight into workforce performance progression and its alignment with organizational objectives.

Goal management enables the setting and tracking of goals across the various levels of an organization, supporting an ongoing performance conversation throughout the year. Business leaders communicate high-level initiatives, and managers and employees can collaborate to set appropriate goals. Development plans allow employees to track their personal growth and career development.

Goal Attainment

Collaboration among employees is fostered by goal sharing and the ability to collaborate on goals in the enterprise social network. Goal management provides visibility into your organization’s strategic goals to ensure alignment across the business as well as to empower employees to

» Track goals on an ongoing basis
» Publish organization goals for strategy visibility
» Promote collaboration using goal sharing and a social network
» View goal progress for your team at a glance
» Track tasks as milestones for goal achievement

Be Aligned to the Business

It isn't always easy to be aligned to the business and "do the right thing" for work—
that matters to the business. So how can HR, managers, and employees get aligned?

According to CEB, “employee performance and engagement are substantially higher in the presence of key [Performance Management] PM behaviors: managers setting clear expectations, providing informal feedback, and helping employees develop and succeed.”

Employees in this environment have more-ambiguous objectives, and their work is interconnected with a growing, more dispersed network.

Employees will be aligned with the business, and its goals will be met, when all understand what matters to customers and other business partners. Understanding how employees can contribute to add value that touches every business decision will help line managers to coach them successfully.

Modern organizations use a variety of methods designed to help employees be successful at work. Organizations collect data about employee performance and deliver that feedback to the individual in the form of manager assessment of performance, 360-degree feedback, coaching, and development conversations. In almost all organizations, these methods focus on feedback, on a review of past events, and constructive criticism on how the employee might have done things better. Providing feedback enables employees to excel within a constantly changing work environment.

Inform and Predict Worker Performance

Today managers have to be forward-looking. Knowing your team performance is crucial. Any organizational change may turn a good performer into someone that suddenly needs more coaching. Predicting worker and team performance, identifying workers who are flight risks, understanding trends that affect the performance of your organization. Anticipating and managing these challenges can affect the success of your business. The data you need exists—that’s not the problem. What’s needed is the analytic capability to do predictive human capital analysis quickly and make predictions for your organization.

Predicting Through Analytics

What if you had forward-looking insight into workforce trends and could take early action to align your workforce with the needs of the organization? To have better insight and to encourage more-efficient planning—especially before making big organizational changes—you need to be able to predict how the changes will affect performance and retention in your workforce. Once you have accurate predictions, you can move forward to determine the best corrective actions using “what-if” scenario modeling. Effective predictive analysis minimizes disruptive decisions by accurately predicting both team and individual performance. Having the processes you need for effective predictive analysis in a single tool saves time and makes it possible to take preemptive action to retain valued employees before they decide to leave.

Heads Up

3 CEB, Performance Management Ca Be Fixed, 2016
Imagine having advance warning of potential problems. You could take action that could cut off the problem altogether and avoid a costly hit to morale and to the bottom line. Being able to look ahead and prepare for upcoming workforce trends—in the industry and in your organization—also gives you a competitive edge. With the right predictive analytics for HR you can

- Track goals on an ongoing basis
- Give your managers a heads-up about everything from potential flight risks to possible reasons for low performance
- Offer managers scenarios to show them how changes (such as pay increases, promotions, less vacation time, relocation) could affect their teams
- Shift the management of your workforce from history-based to future-based

The information people need to make more-educated decisions already exists. The trick is bringing it all together and finding the right analytics to transform the data into insightful information. With today’s access, you can cross-source your analytics and bring data across your organization as well as from outside and third-party sources into your decision-making.

Evaluate and Develop your Employees

Even the best job in the world will eventually lose its luster if there’s no room to grow. Likewise, a job that ceases to be challenging will also likely cease to be engaging. When that happens, your employee is already halfway out the door. So how do you stem this exodus? You do so by evaluating carefully and offering the learning and development opportunities that will allow your employees to grow professionally. And you do so not just because today’s workers demand it—expecting the same kind of easy-to-access continuous learning they’ve experienced in their own educations—but also because your business demands it. With the economy improving and technology advancing at breakneck speed, even your most experienced staff members—managers, sales teams, and professionals—need to continually refresh their skills (and add new ones) if you are to maintain a competitive edge.

Continuous Learning

Drive the development of your workers and future leaders and introduce a continuous learning strategy across your organization. Leverage a modern technology platform to capture and share knowledge anywhere, anytime. Embrace a cultural shift to enable self-directed learning leveraging the diverse wealth of external content.

Differentiate and Pay for Potential

The idea of paying employees for their impact on the business is not new and can be traced back to ancient times. Pay for performance and Pay for Potential is an admirable goal for managers, yet businesses have struggled with implementing these practices. Cultural barriers play a significant role in this struggle. Pay for Performance and Pay for Potential requires managers to clearly articulate expectations for employees and then
PAY FOR POTENTIAL
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The difference between Pay for Performance and Pay for Potential.
Organizations use a variety of methods designed to collect data about employee performance and to deliver that feedback to the individual, such as manager assessment of performance, 360-degree feedback, coaching, and development conversations. In almost all organizations, these methods focus on feedback, on a review of past events, and constructive criticism on how the employee might have done things better.

But formal feedback, despite a manager’s best intentions, often feels like judgment and criticism. While important and effective in some contexts, other methods may be more effective for day-to-day interactions and in-the-moment coaching. The most effective feedback focuses not on what went wrong in the past, but on what can go right in the future.

Forward-looking input is typically interpreted as encouragement and a boost forward. It emphasizes solutions rather than problems. Furthermore, the person accepting such feedback receives good ideas for completing the task, making the change, and delivering the result. That’s why pay for potential is so powerful. This method not only focuses on the solution rather than the problem, but also urges employees to think creatively and proactively, building an organization that thinks and works as a collaborative team.

What’s different about Oracle Performance Management Cloud?
With Oracle Performance Management Cloud, Oracle has rethought the business of performance management and designed the system to support HR’s shift from an administrative to a strategic, modern role. In areas from goal setting and alignment with the business, to performance management and employee development management, Oracle Performance Management Cloud provides the necessary collaboration support and insight during the performance process. When managers provide employees with ongoing feedback and coaching supported by modern technology, employee productivity will likely increase—and employees, managers, and the entire organization will be poised to achieve important goals.

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Performance Management is designed to support employees, managers, and business leaders with point-in-time evaluation of worker performance. Organizations can configure the performance process to match their business practices.

Workforce Predictions uses current and historical indicators to predict performance and attrition, determines corrective action through “what if” scenario modeling, and provides the ability to implement that corrective action.
Oracle Learning Cloud’s transcoding and adaptive streaming infrastructure makes anytime, anywhere publishing and consumption of learning simple. It enables your enterprise to crowd-source knowledge creation, curation, and discovery.

Pay-for-Performance is at the center of Oracle’s compensation process. Performance-based recommendations can be generated for managers making budget and compensation decisions.

Understanding and influencing talent is critical to the success of an organization. Reviewing talent, aligning individual goals to business strategies, rewarding top talent, and providing easy-to-use social tools are key steps. With Oracle Performance Management Cloud, managers can provide the strategic guidance, engage and retain the best talent so the organization stays ahead of the competition.