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December, 2020  
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# Rethinking Performance In The Pandemic

*Responding to COVID-19: How Everything Seems to Have Changed*

# How The World Has Changed

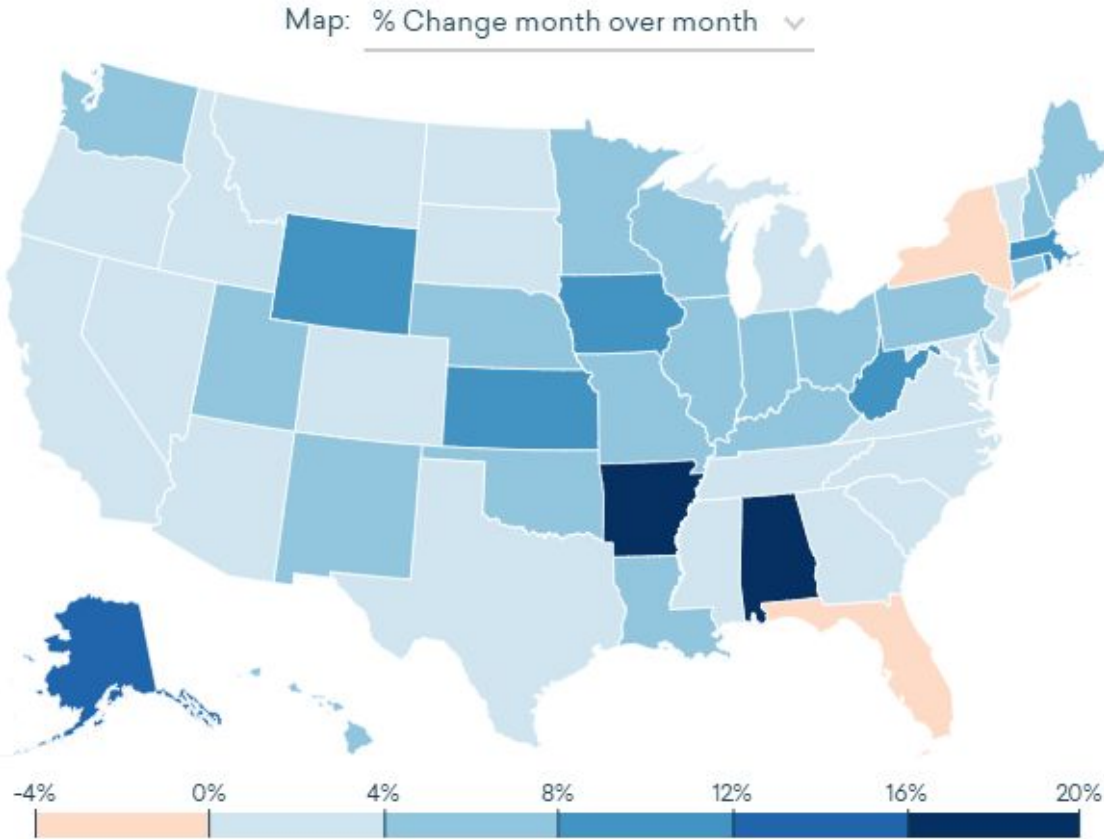


# US Job Market Is Hot Again (12/9/2020)

12,837,318 postings 4% month over month 10% from last year

Name	Postings	Month over month change	Change from last year
Heavy and Tractor-Trailer Truck Drivers	1,555,867	28%	69%
Registered Nurses	694,052	6%	21%
Retail Salespersons	367,011	4%	0.3%
First-Line Supervisors of Retail Sales Workers	350,969	2%	-6%
Software Developers, Applications	329,110	3%	9%
Customer Service Representatives	267,630	-0.9%	6%
Stock Clerks and Order Fillers	226,856	-3%	55%
Light Truck or Delivery Services Drivers	225,628	3%	16%
Computer Occupations, All Other	177,364	3%	13%
Marketing Managers	148,672	7%	12%

Source: Emsi Job Posting Analytics



# The Big Reset: What We've Learned This Year

1. Continuous real-time communication
2. Wellbeing in all its forms
3. Supporting and developing leaders
4. Multi-functional HR
5. Adapted talent practices
6. Digital transformation at speed
7. Agile problem solving, not Agile methods
8. Direct focus on family
9. Maintaining productivity and focus
10. Remote and flexible work
11. Focus on purpose
12. The rise of trust
13. Distributed authority with coordinated control
14. Improved pay and benefits
15. Learning all the time
16. Rules and priorities with consequences
17. Operating under uncertainty
18. Positive psychology
19. New work protocols
20. Unity: coming together as one



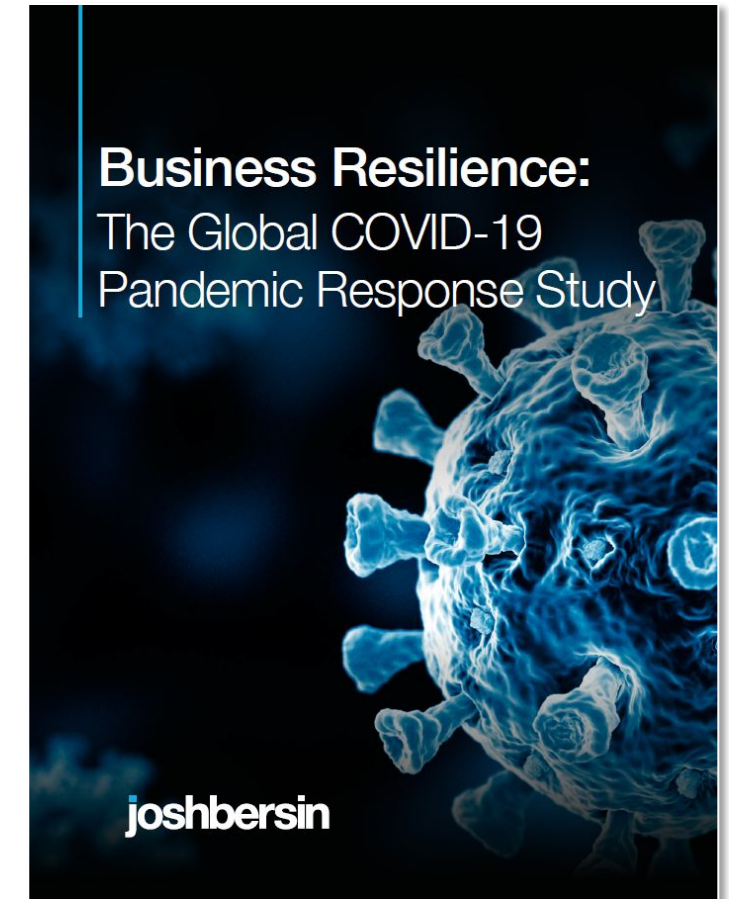
<https://joshbersin.com/big-reset-2020/>



# Not All Companies Responded Well

The Four Stages of Response	
Stage 4: Transform and reinvent Reinvent hiring, job design, performance management, and pay to transform to new business / operating model	21%
Stage 3: Drive agility and culture Educate and support employees and families to move fast, develop cross-functional solutions, and stay resilient and productive	15%
Stage 2: Care for the people Aggressively protect workers, workplace, customers, suppliers, and all supply chain from infection	46%
Stage 1: Hope for the best Try to keep operations running, furlough or layoff people, focus on financial survival	18%

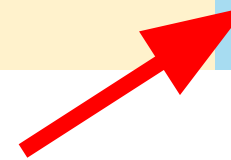
Figure 7. The Four Stages of Response



<https://joshbersin.com/business-resilience-the-global-covid-19-pandemic-response-study/>

# The Ten Practices That Matter

Health & Wellbeing	Business Agility & Change	Business Transformation
Take care of people and their families	Drive agility and change through mission	Reinvent work, jobs, and talent practices
<ol style="list-style-type: none"><li>1. Focus support on <b>employee health and safety</b></li><li>2. Aggressively <b>listen to the workforce</b> to define return to work plans</li><li>3. Create integrated support for <b>families and the entire worker's life</b></li></ol>	<ol style="list-style-type: none"><li>4. Reinforce and invigorate focus on <b>purpose and mission</b></li><li>5. Communicate <b>agile teams</b> to deal with ambiguity</li><li>6. <b>Adapt technology</b> to develop new products and services</li></ol>	<ol style="list-style-type: none"><li>7. <b>Rapidly, creatively, and strategically hire</b> new, needed talent</li><li>8. Heavily leverage <b>contingent and part-time workers</b></li><li>9. Facilitate and support teams to <b>experiment and learn quickly</b></li><li>10. Simplify and <b>speed up performance management</b></li></ol>



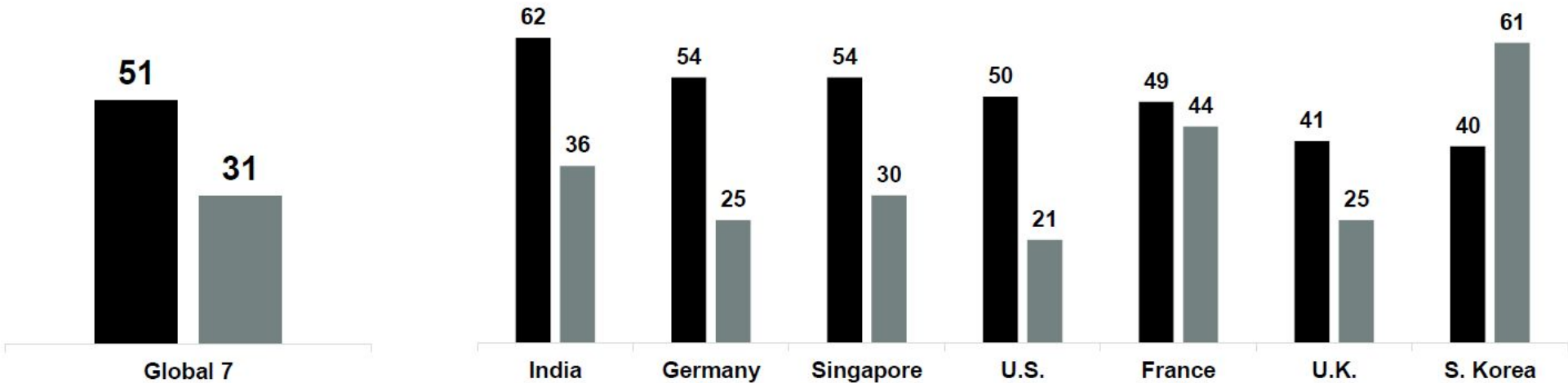
# Even Now, Employees Remain Concerned

## ONLY HALF OF EMPLOYEES DEEM OFFICE SPACES SAFE

September 2020

Percent of employees that...

- Trust corporate offices are safe given the current situation
- Are likely to enter a corporate office in the next three months



# Creating A Resilient Organization

## Organizational Resilience

1. **Operating Model:** distributed authority with central coordination
2. **Capability:** deep levels of training and experience
3. **Relationships:** socio-technical systems and personal relationships
4. **Shared data** and real-time situational awareness
5. **Leadership:** Creates trust and believe in creativity and innovation

## Individual Resilience

1. **Positive attitude** and emotion, growth mindset
2. **Work:** fit, safety, enablement, tools, support
3. **Relationships:** work, home, family, community
4. **Purpose:** meaning and mission of work and life
5. **Progress:** ability to perform, achieve, and grow



# Need for PowerSkills. New Secrets of Success.

Optimism	Curiosity	Tenacity	Flexibility	Integrity
Learning	Generosity	Joy	Teamwork	Communication
Drive	Ethics	Empathy	Followership	Time Management
Happiness	Patience	Kindness	Forgiveness	Awe

Source: IBM, Greater Good Science Center, Pymetrics, Josh Bersin

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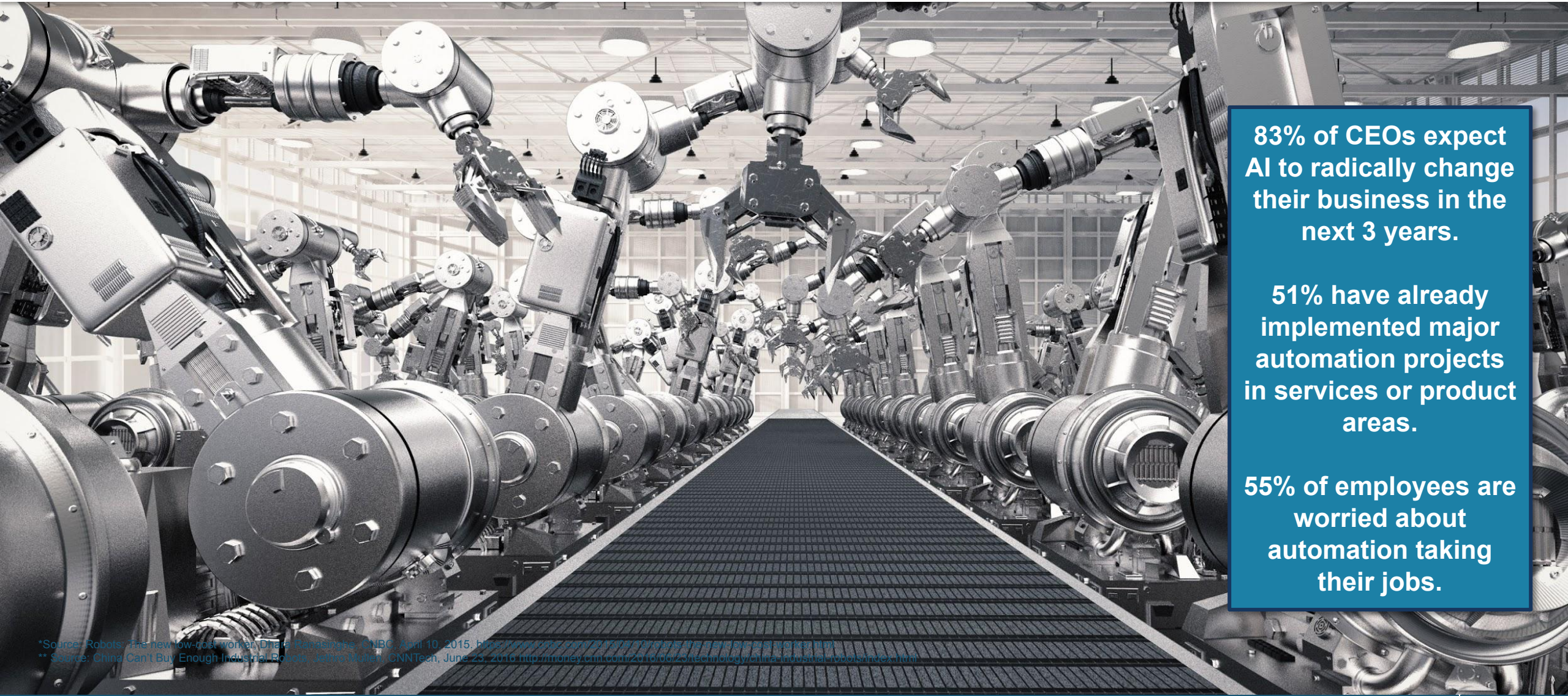
# Rethinking The Role Of Management

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**The Future of Work is Here**

# AI, Robotics, Sensors Have Arrived



**83% of CEOs expect AI to radically change their business in the next 3 years.**

**51% have already implemented major automation projects in services or product areas.**

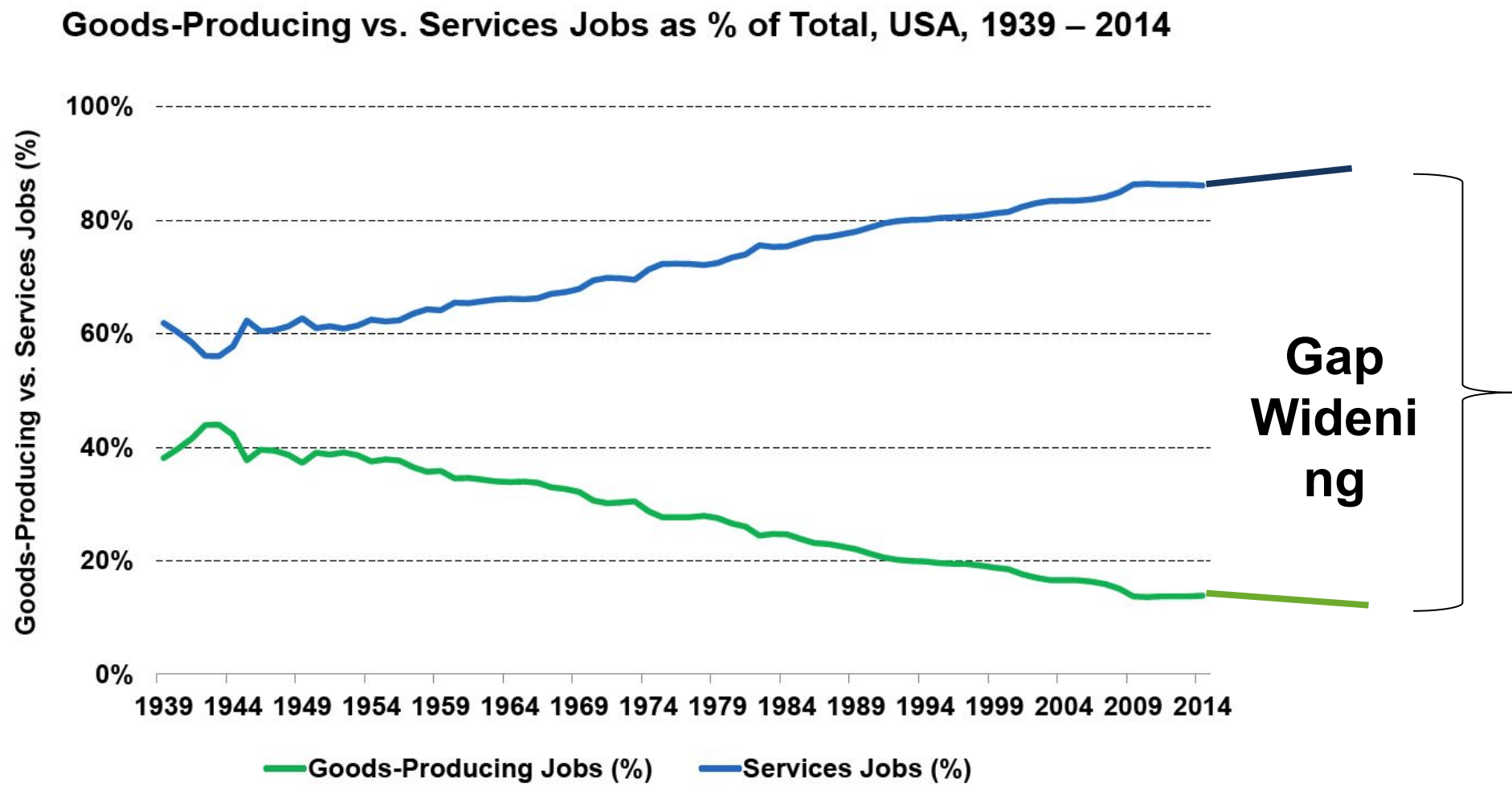
**55% of employees are worried about automation taking their jobs.**

\*Source: Robots: The new low-cost worker, Dhara Ranasinghe, CNBC, April 10, 2015, <http://money.cnn.com/2015/04/10/robots-the-new-low-cost-worker.html>

\*\* Source: China Can't Buy Enough Industrial Robots, Jeeva Mullen, CNNTech, June 23, 2016 <http://money.cnn.com/2016/06/23/technology/china-industrial-robots/index.html>



# Shift to Service and IP-based Economy



Source: U.S. Bureau of Labor Statistics  
“Fully Grown” by Dietrich Vollrath

# Stress, Anxiety, Financial Concerns

## Anxiety or worry

*92% report at least some anxiety from the coronavirus, with 55% indicating a moderate or high degree of anxiety*

## Distractions from work

*70% report at least some distraction from work from coronavirus concerns, with 26% indicating a moderate or high degree of distraction*

## Increased financial concerns

*61% report at least some new financial concerns due to the coronavirus, with 25% indicating a moderate or high degree of worry*

## Impacts on the Employee Experience...

**39%**

Agree fully that colleagues are able to cope well with the stress they are feeling



**57%**

Agree fully that they are able to find ways to manage challenges outside of work



**32%**

Agree fully they can balance working from home with other personal life commitments



**76%**

Have shifted to a work-from-home arrangement



**47%**

Agree fully that they know how to apply company benefits to coronavirus care



**46%**

Agree fully their company is making it easier to access and use benefits



Source: Willis Towers Watson COVID-19 Lockdown (March-April) Norm



# Management Philosophy Has Changed

The Industrial Corporation	Hierarchical Leadership	Collaborative Management	Company As A Network	Empathy, Trust Resilience, Growth
Operational Efficiency	Profit, Growth, Financial Engineering	Customer Service, Employees as Leaders	Mission, Purpose, Sustainability	Citizenship, Trust, Growth, Learning
Industrial Age People as Workers	Management by Objective	Servant Leadership Work Together	Empower the Team	Productivity, Wellness, Responsibility
Andrew Carnegie Henry Ford	Jack Welch Peter Drucker	Howard Schulz Steve Jobs	Netflix, Google, Facebook, Amazon	Unilever, Verizon, Patagonia, Whole Foods
The Corporation is King	The Executives are King	The People are King(s)	The Teams and Team Leaders are Kings	The Individual, Community, and Family
<1950s	1960s-80s	1990s	2019	2020

# What's On CEOs' Minds



## DEALING WITH BUSINESS INTERRUPTION

Movement of business to new economies and *inward focus*  
of business is the mandate for 2020

**Business must  
adapt** and may  
not survive

**87%**

All employees

**Need more  
creativity** to  
reinvent the  
business we're in

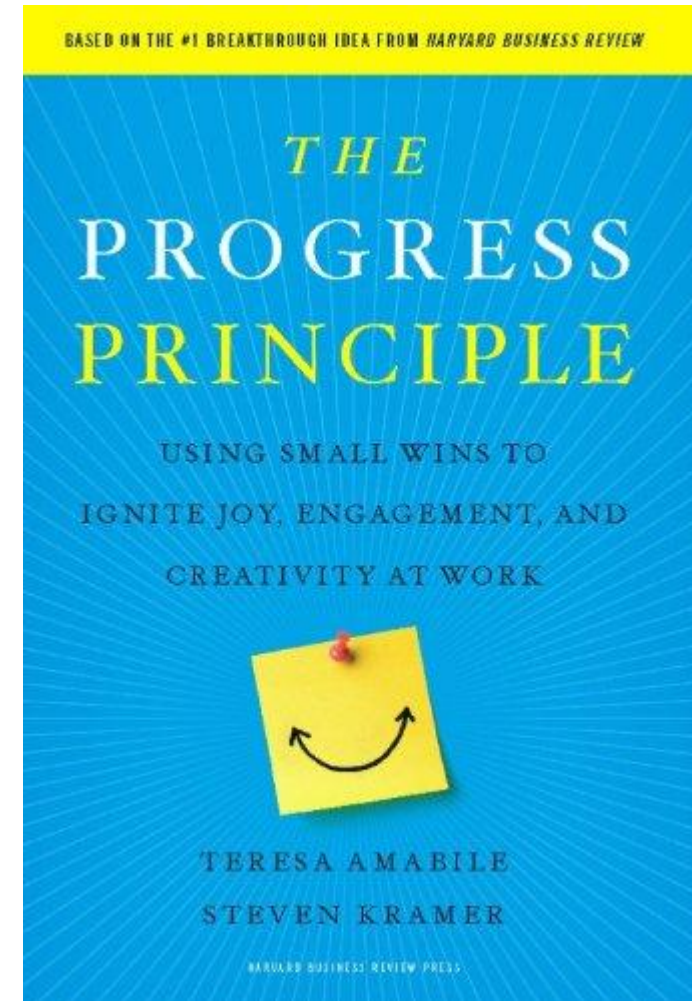
**77%**

**Need to reskill  
the workforce**  
to grow and  
adapt

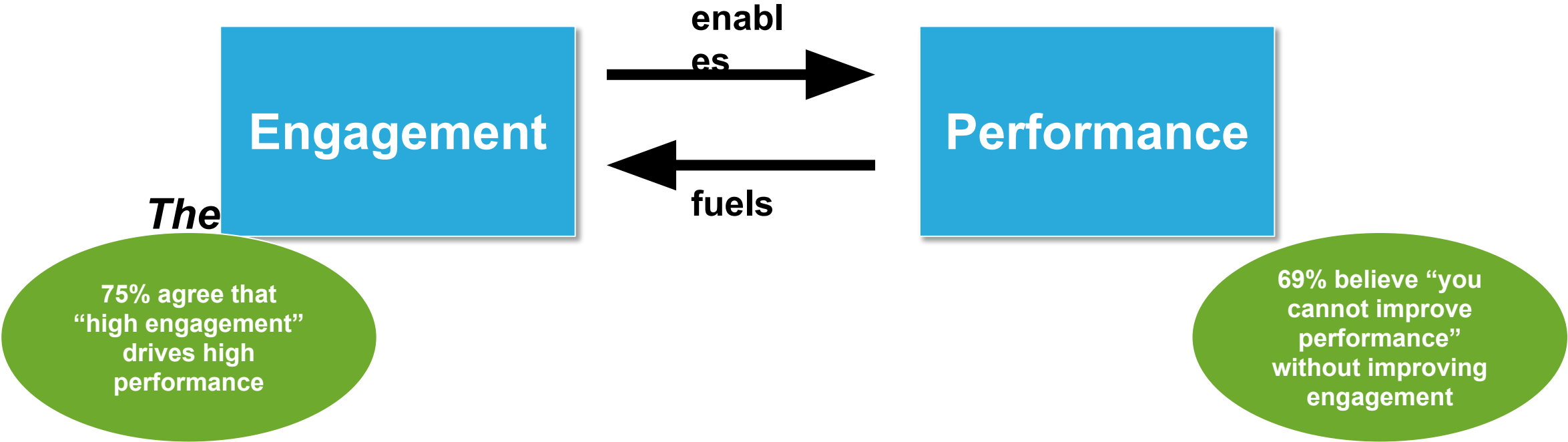
**61%**

# The Link Between Performance and Engagement

- When researchers looked through the job logs of thousands of workers for clues to their engagement, they found one overriding need:
- **The need to “get things done.”**
- **Productivity and engagement are two sides of the same coin.**



# When People Perform Well, They Become Engaged



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Amabile and  
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Business  
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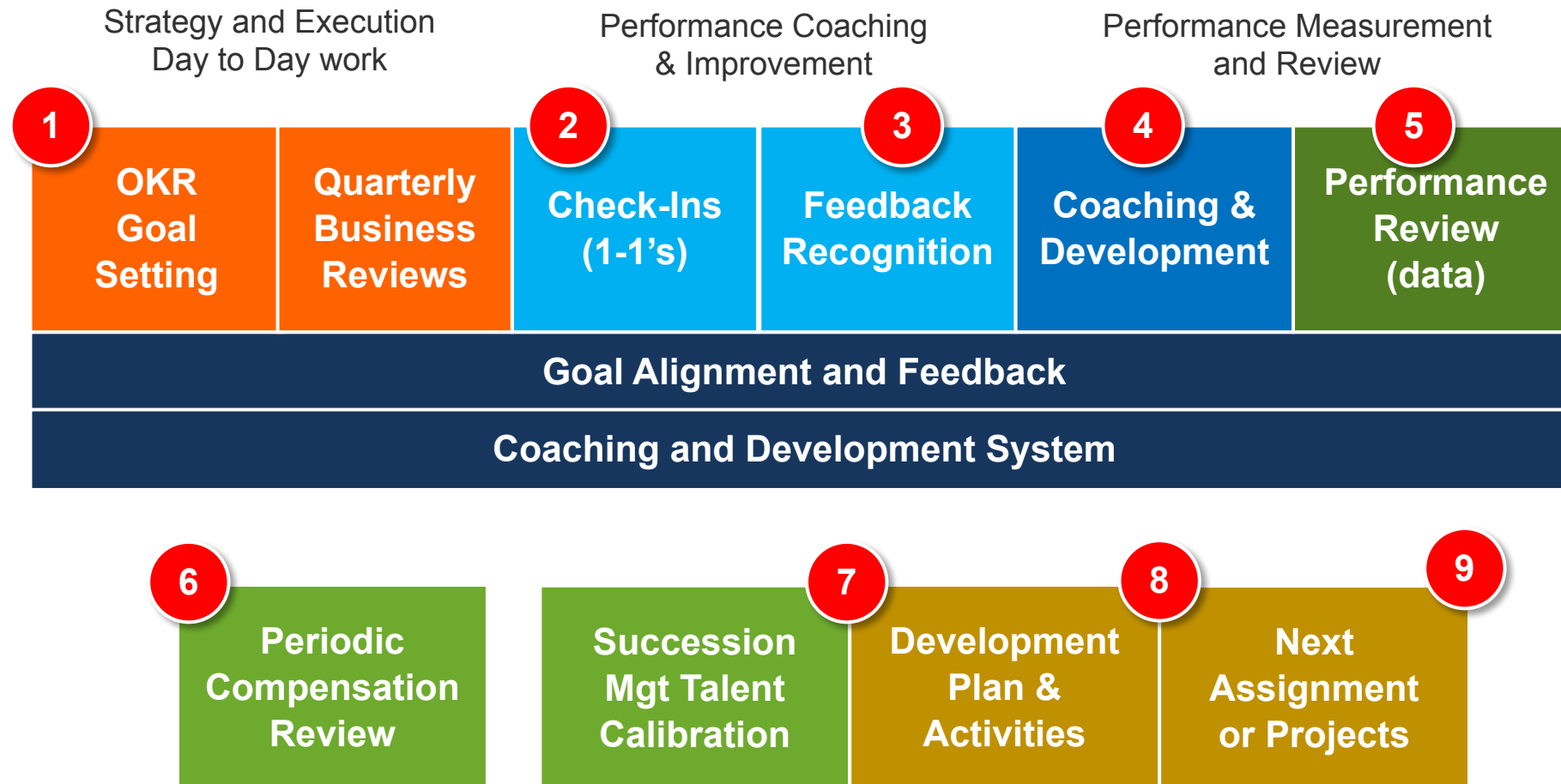
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# How Can We Rethink Performance Management In The Pandemic?

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# The New Performance Management Process



# Make Goals Relevant and Achievable

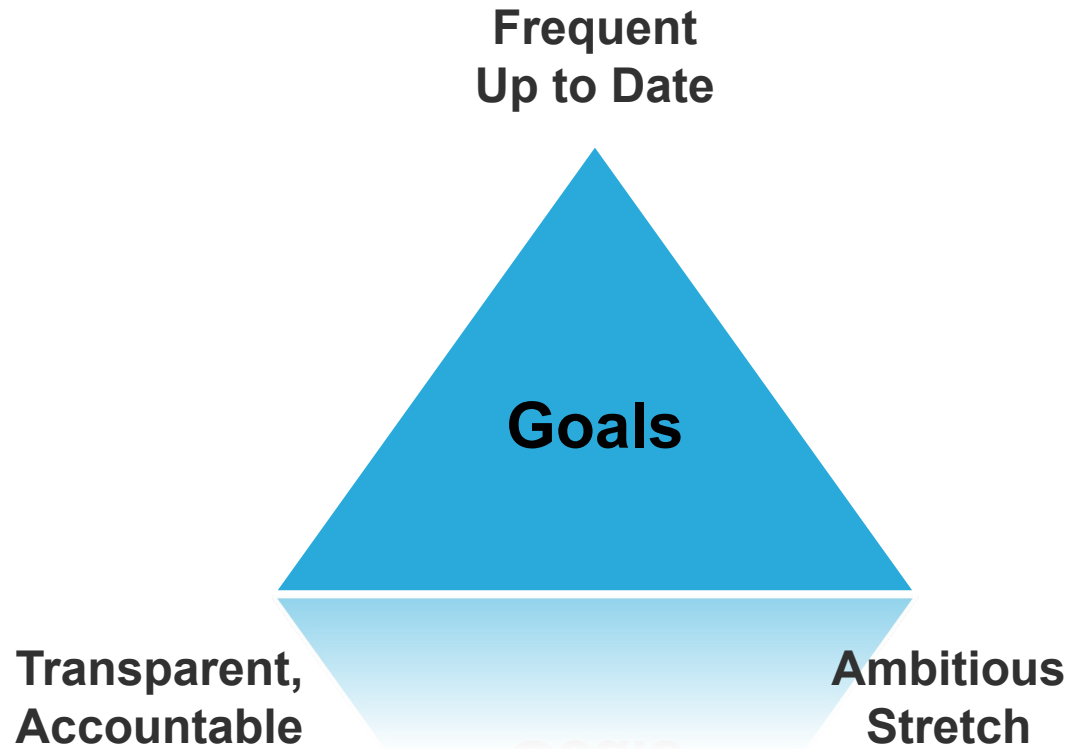


Exhibit 1

Leaders adapt and cascade performance indicators to all staff levels.

Level	Performance indicator	Action
CEO	• EBITDA <sup>1</sup>	"Our key value driver is production."
General manager	• Annual production	"We must identify bottlenecks and recurring equipment problems."
Operations manager	• Daily production • Compressor OEE <sup>2</sup>	"Compressor trip is a major recurring problem. We need to resolve root causes."
Supervisor	• Shift production • Shift training	"Root cause identified. We need to train operators to follow cleaning procedures."
Operator	• SOP <sup>3</sup> adherence	"OK, we will follow these procedures."

Everyone understands and does something

Targets must be tailored to each level to be meaningful

<sup>1</sup>Earnings before interest, taxes, depreciation, and amortization.

<sup>2</sup>Overall equipment effectiveness.

<sup>3</sup>Standard operating procedure.

McKinsey & Company

"Teams with *specific and ambitious goals* increase achievement from 50% to 80%, and to 90% with feedback."

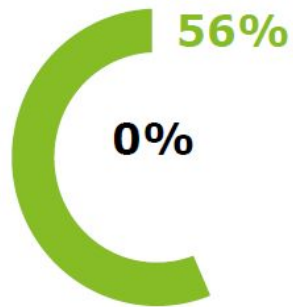
-Don Sull, MIT

# Focus on Learning not Just Results

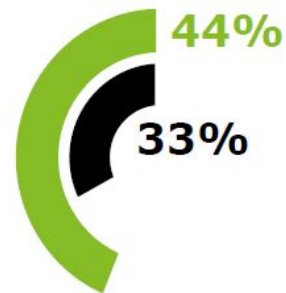
High-impact organizations empower individuals and teams with effective feedback and in-the-flow development



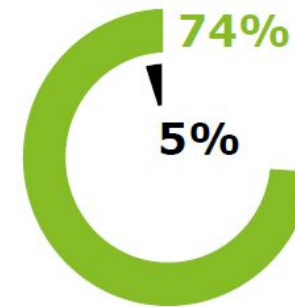
% of organizations who use these practices to a significant extent



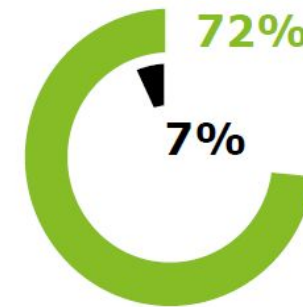
**Continuous performance management** – frequent, multi-source/peer feedback



**Separating performance and development feedback**



**Encouraging peer development**



**Facilitating learning networks**

**Insights through effective feedback**

**Action through in-the-flow development**



Low-impact organizations

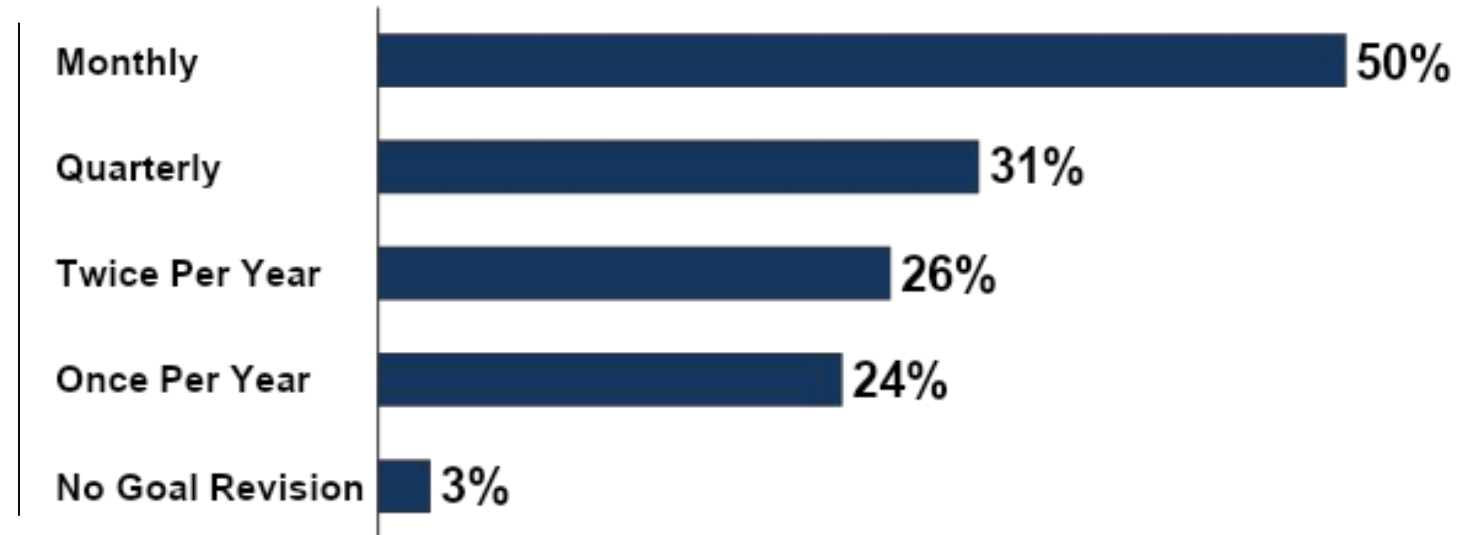


High-impact organizations

# Make Feedback Central and Frequent

## Improvement in Performance Based on Frequency of Goal Review

Organizations that revise or review goals *quarterly* or more are **3.5 X more likely** to score in the top quartile of business performance.



Note: Based on our employee recognition survey, we created a business performance index (BPI1) that averages scores on employee engagement and three business-related outcomes (customer satisfaction, cost structure compared to competitors, and market leadership position). It then ranks organizations on the scale. Organizations that scored in the top 25 percent of the BPI are considered to have “strong” business outcomes.

Source: “High-Impact Performance Management Using Goals to Focus the 21st-Century Workforce,” Stacia Sherman Garr / Bersin by Deloitte, December 2014.

# Evidence That Opening The Feedback Loop Works

## Asking for Feedback Is A Positive Behavior:

90% of companies state that engaged employees are more likely to seek out feedback to improve their performance, and **they set more ambitious goals.**

## Receiving Feedback Creates Performance:

**Employees who received constant regular feedback** were among those scoring four-and-a-half and five on their performance ratings”

## Patagonia, Cisco Have Proven This

These companies have statistically proven that the high performers have higher levels of feedback and dialogue with managers.

## Feedback Creates More Engaged Managers

89% of respondents state that **engaged managers** meet more frequently with their employees than with disengaged Managers.



# Differentiate In A Fair And Transparent Way

## From Feedback to Performance – New Criteria Of Success

1. Reward exceptional performance in an exceptional way
2. Don't assume the team is "bell-curve" in focus
3. Assume everyone can excel under the right conditions

388,382 views | Feb 19, 2014, 10:43pm

### The Myth Of The Bell Curve: Look For The Hyper- Performers



**Josh Bersin** Contributor ⓘ

*I analyze corporate HR, talent management and leadership.*

**f** There is a long standing belief in business that people performance follows the **Bell Curve** (also called the **Normal Distribution**). This  
**tw** belief has been embedded in many business practices: performance appraisals, compensation models, and even how we get graded in  
**in** school. (*Remember "grading by the curve?"*)

Research shows that this statistical model, while easy to understand, does *not* accurately reflect the way people perform. As a result, HR departments and business leaders inadvertently create agonizing problems with employee performance and happiness.

<https://www.forbes.com/sites/joshbersin/2014/02/19/the-myth-of-the-bell-curve-look-for-the-hyper-performers/#488e9ff86bca>

# Pay for Performance (Fair and Transparent)

- Deloitte and McKinsey research both found that **fair and transparent pay for performance** is a significant driver of success
- This means there must be **clear goals**, goals must be aligned, and goals must be relevant to the overall business (OKR methodology)
- Companies with **team-based goals** outperform those with individual goals by over 30% (Deloitte)
- Still, **pay practices** themselves need to be modernized. More flexible, more transparent, more frequently reviewed.

High-performing organizations are . . .



**2.3X** more likely  
to see **development** and  
**growth**, not compensation and  
promotion, as the purpose of PM

**2.1X** more likely  
to use **pay for performance** to  
differentiate and reward

. . . than are low-performing organizations.

*Source: Bersin, Deloitte Consulting LLP, 2018.*

# Making The Process Simple

**High-performing organizations are . . .**

- 2x** more likely to use technology to track performance indicators
- 3.8x** more likely to use technology to track development indicators
- 2.2x** more likely to integrate PM technology with other workflow systems (e.g., email, project management)

**. . . than are low-performing organizations.**

Source: Bersin, Deloitte Consulting LLP, 2018.

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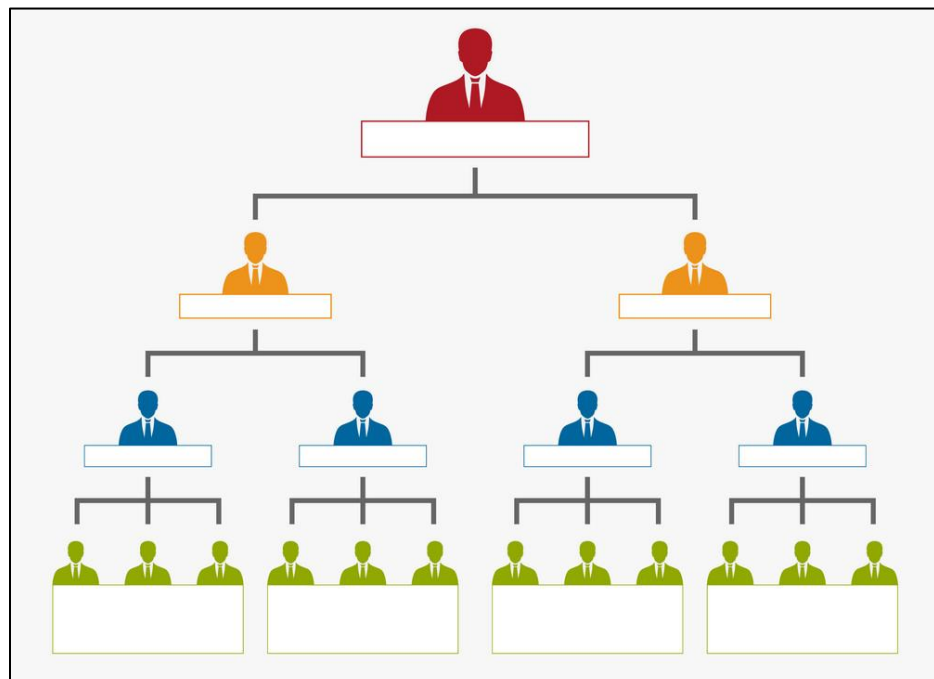


# Seriously Rethinking Your Job Architecture

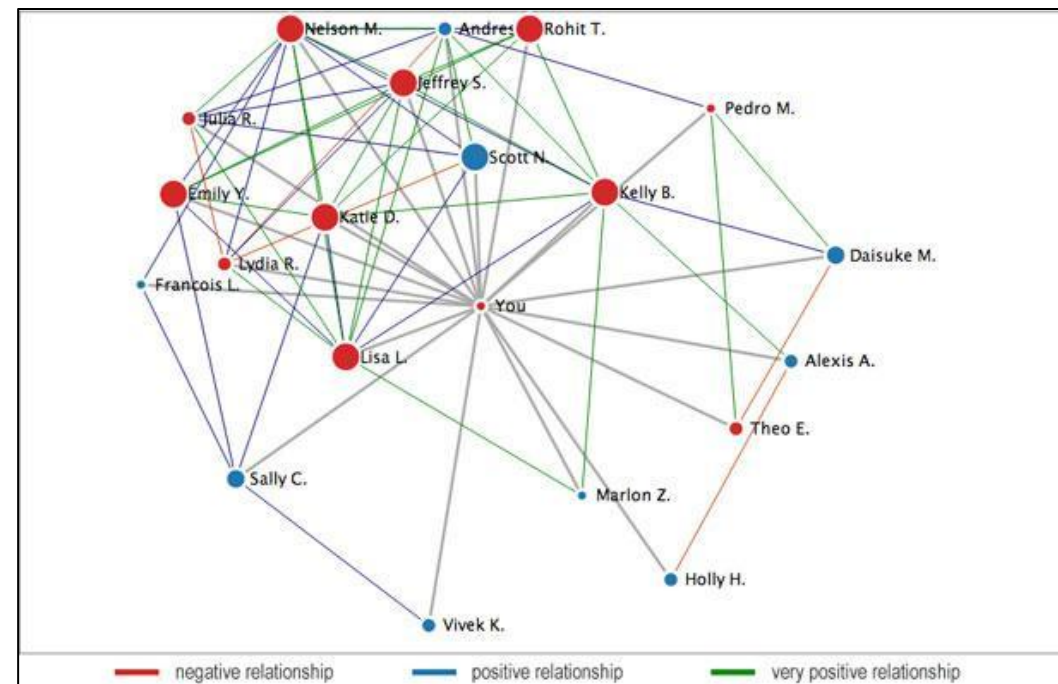
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8

9



Dozens of levels, job families, roles, and descriptions



Fewer levels, simpler job descriptions, simple titles



# Creating Development Plans and Goals

7 8 9



Development Plan
AI
IOT
Data Science
Story Telling
Collaboration
Writing
Project management



Development Plan
Budgeting
Goal setting
Team leadership
Hiring
Competitive Analysis
Communications
Business case

# Three Models for Development Assignments

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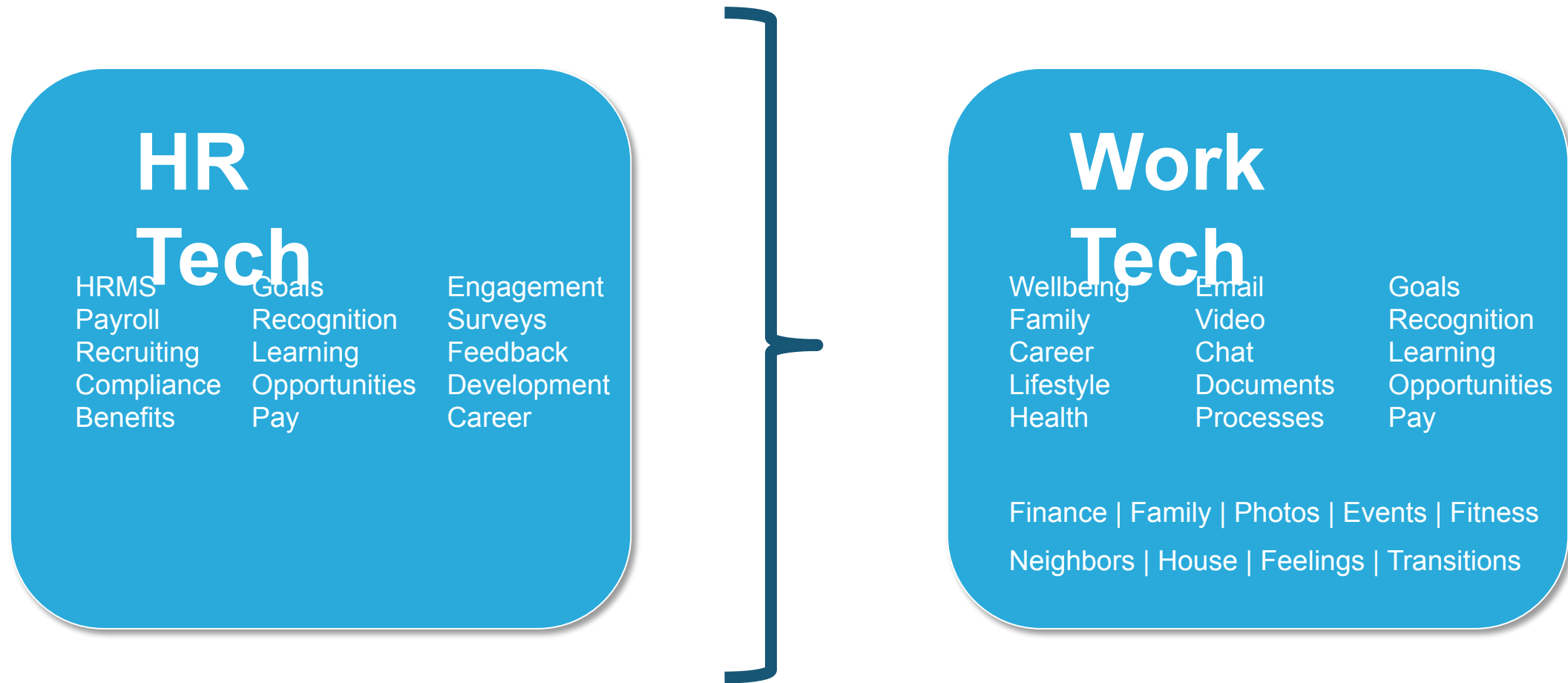
Planned	Facilitated	Agile
<ul style="list-style-type: none"><li>• Skills and experience</li><li>• Tenure and reputation</li><li>• Assessments, gated paths</li></ul>	<ul style="list-style-type: none"><li>• Needs of the business</li><li>• Developmental needs</li><li>• May be stretch assignment</li></ul>	<ul style="list-style-type: none"><li>• Changeable at any time</li><li>• Based on interest and skills</li><li>• Skills models may help</li></ul>

Clear functional career paths which employees traverse over time with succession, talent reviews, and manager-led coaching integrated into talent management.

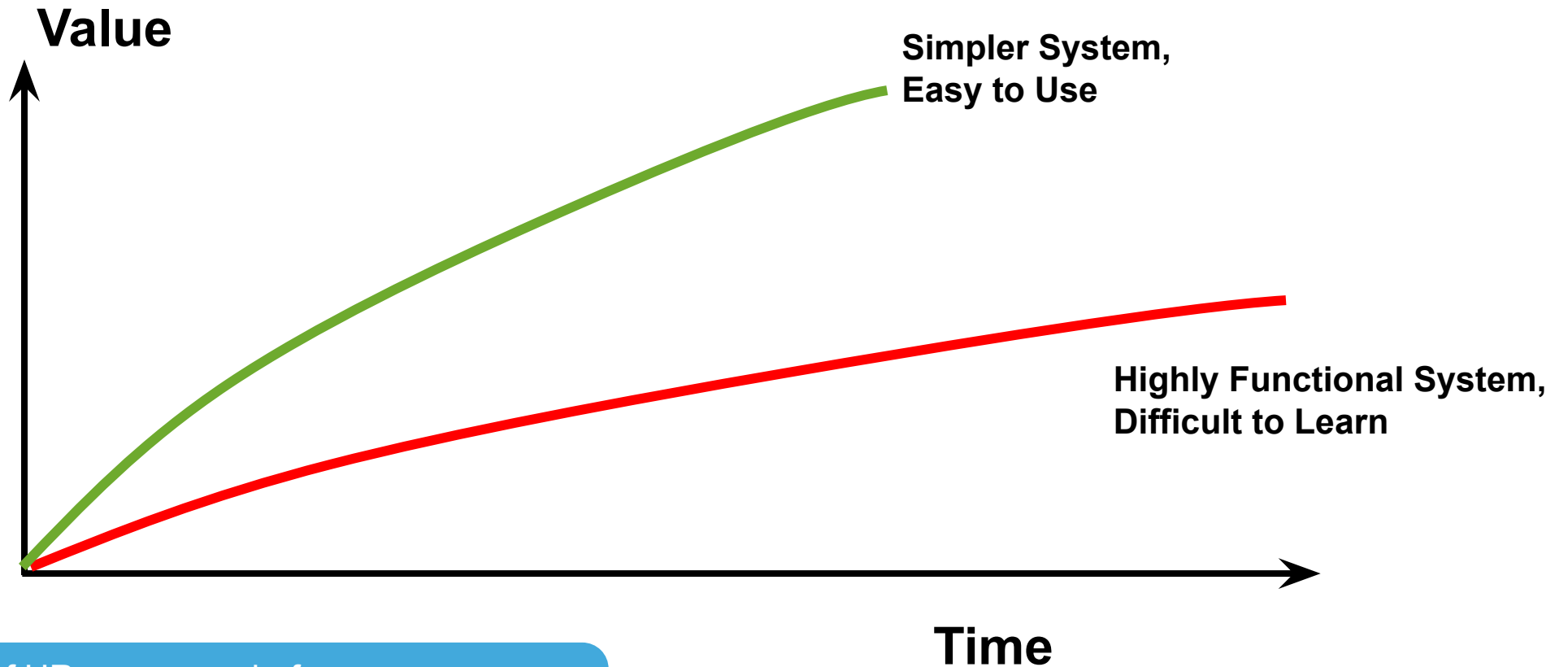
Job moves, relocations, stretch assignments, and promotions are facilitated outside the model for high-potentials, critical talent needs, restructuring, M&A, and other rapid changes.

Individuals can find new gigs, assignments, jobs, and roles themselves, apply for jobs, and move internally – including gig work and projects.

# The Big Shift: *Integrating Work and Life*



# Simplicity, Not Functionality



“Simplification of HR processes before implementation of systems was one of the biggest drivers of successful implementations.”

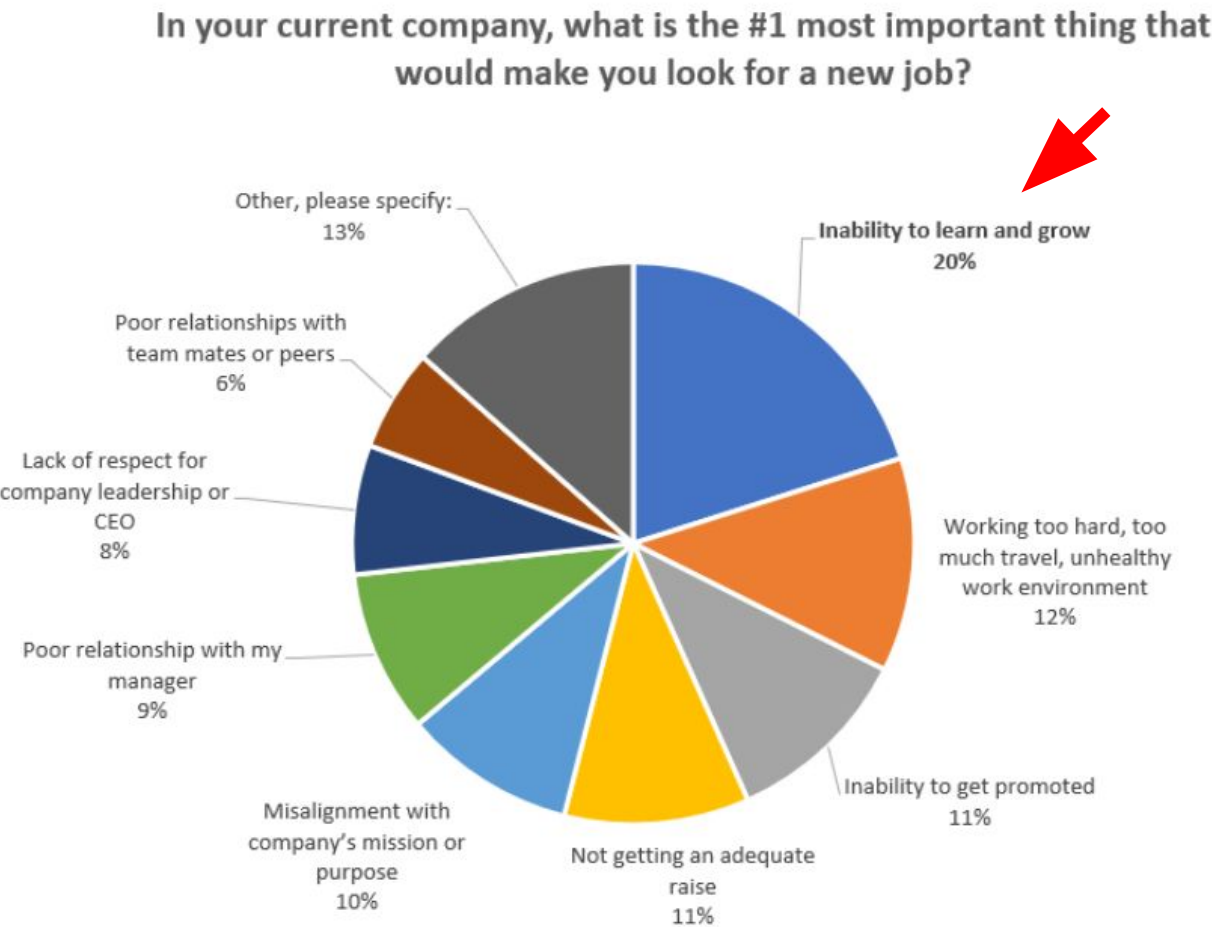
Source: *Deploying HCM Technologies: Making Change Work*,  
Katherine Jones, Bersin by Deloitte, 2018.

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# Why Development is Core To Performance

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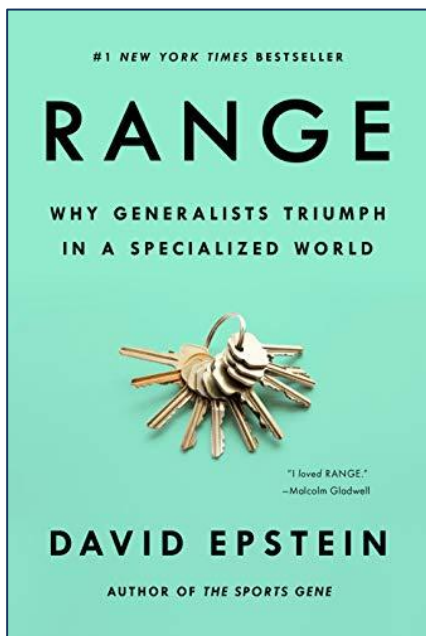
# Development And Growth Drive Engagement



N=2,800 professionals, Fall 2018, Bersin and LinkedIn Research,  
<https://www.linkedin.com/pulse/want-happy-work-spend-time-learning-josh-bersin/>



# Learning: Move from Skills to Capabilities



an opportunity to meet  
t Skills or Expertise  
and (Fast learning)  
learn from others inside or outside your company.

- Academic

Context or Perspective  
(Slow learning)

# All Stakeholders Must Buy In

## EMPLOYEE

- Identify Career Goals
- Maintain Profiles
- Demonstrate Values
- Experiment and take risks
- Create Internal Network
- Be Ready To Learn On The Job

## MANAGER

- Embrace Internal Candidates
- Provide Coaching
- Assess Potential
- Identify Development Opportunities
- Provide Feedback

## HR

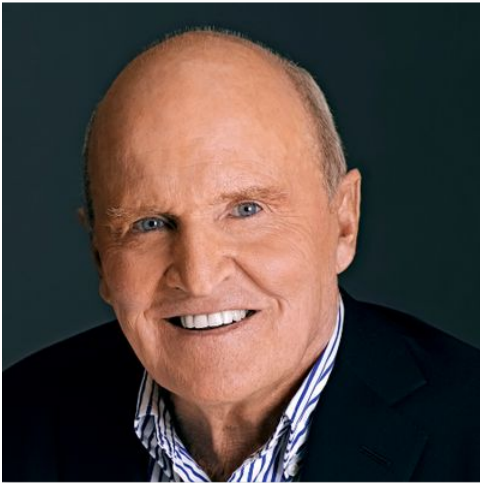
- Tools and Resources
- Facilitate Process
- Offer Career Coaching
- Career Models and Communications
- Open up learning programs
- Integrate with Rewards

## COMPANY

- Implement Infrastructure
- Reward and honor internal growth
- Create Culture
- Communicate Expectations
- Be Transparent

# Rethinking What Leaders Must Do

*From*



*To*



**1. Growth Mindset:**  
everyone can grow, all the time

**2. Strengths Based:**  
find your zone every day

**3. Psychology Safety:**  
inclusion, belonging, esteem

**4. Inspiration and Agency:**  
autonomy, mastery, purpose

**5. Positive Psychology:**  
joy, potential, possibility, abundance

# Proof That Growth Mindset Works



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# The Important Role of Culture

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# The Critical Role of Culture

**Great Corporate University**

**Strong CLO**

**Excellent L&D Skills**

**Strong Talent Process**

**Excellent Training Technology**

**Great L&D Measures & Effectiveness**

**Have we created an organization which truly has a culture to learn?**

**Does Leadership reinforce the need to Learn?**

**Are experts rewarded and valued?**

**Can we get time from experts and leaders?**

**Do people share information openly?**

**Do people feel empowered to point out errors?**

**Do we take the time to reflect?**

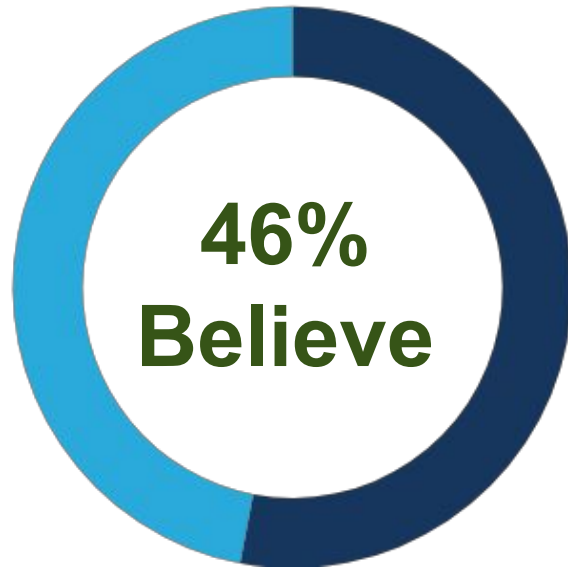
**Do people move around and take risks?**

**Do we listen to customers openly?**

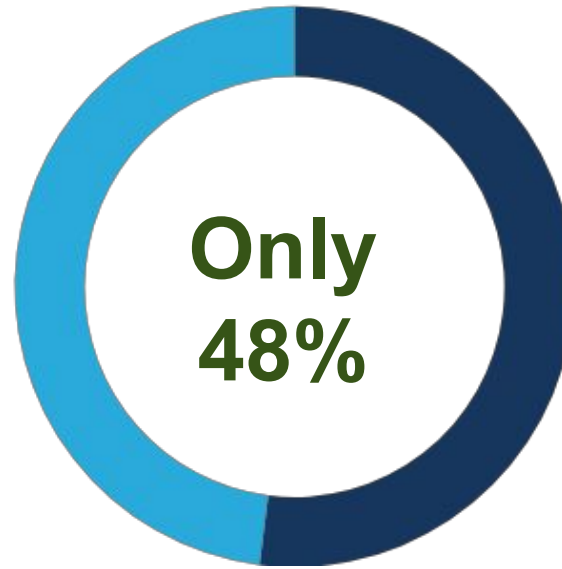


# Trust Is The New Business Currency

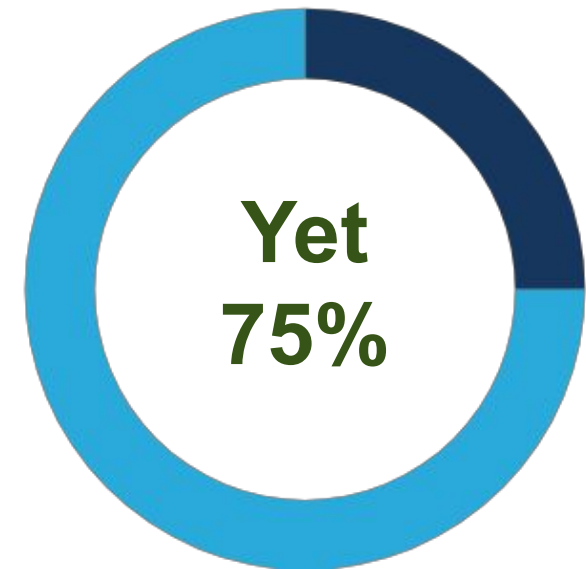
Edelman Trust Data



**The system  
is failing me**



**Trust  
government**



**Trust my  
employer**



# Welcome to the Josh Bersin Academy

Performance Management  
Reinvented – January 18, 2021

The Josh Bersin Academy is a global community of HR professionals connected through powerful digital learning experiences that combine the best HR learning and education on the planet with unparalleled opportunities to collaborate with your peers. The Academy's mission is to prepare the HR community for the radical disruptions already happening in the workplace.



Josh Bersin\*  
Founder, The Josh Bersin Academy



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