

AEB HR Christmas Party Leadership in “cold” times

HayGroup



The unconventional view:
how downturn spells opportunity for leaders

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Stripping to the bone



Jumping ship





How the Most Admired Companies are excelling in times of economic uncertainty

- **Refusing to compromise long-term objectives** for short-term demands
- Encouraging **teamwork** and **collaboration**, especially within the executive team
- **Focusing** outwardly **on customers** and markets
- Keeping **focus** in an uncertain economy
- Achieving **success through people** (developing and retaining talent and fostering high levels of employee engagement)

How do you stop your top talent from walking out the door when times get tough?

By engaging with your workforce and providing clarity of direction.

Are you certain your employees are engaged?

Unless you capture the hearts and minds of your people, the grass is likely to look greener elsewhere. Therefore it is important to:

- Provide **clarity of direction** – be clear about where the organization is heading
- **Reassure** your most **driven and focused employees** – these are the people who most demand and expect clarity of direction
- **Address** fundamental **concerns** – everyone needs to know what is expected of them, what behaviors they should exhibit, and the objectives they need to achieve
- **Provide the tools** for people to do their jobs – clarity of direction is meaningless unless people have the time, space, support, and resources to get the job done
- Act quickly and **communicate continuously** – don't create a vacuum in which your employees worry and are left to draw their own conclusions

Downturn spells opportunity:
where good times disguise
all manner of ills, bad times
ask for the courage to deal
with poor performance.

Non-performance is a cost.

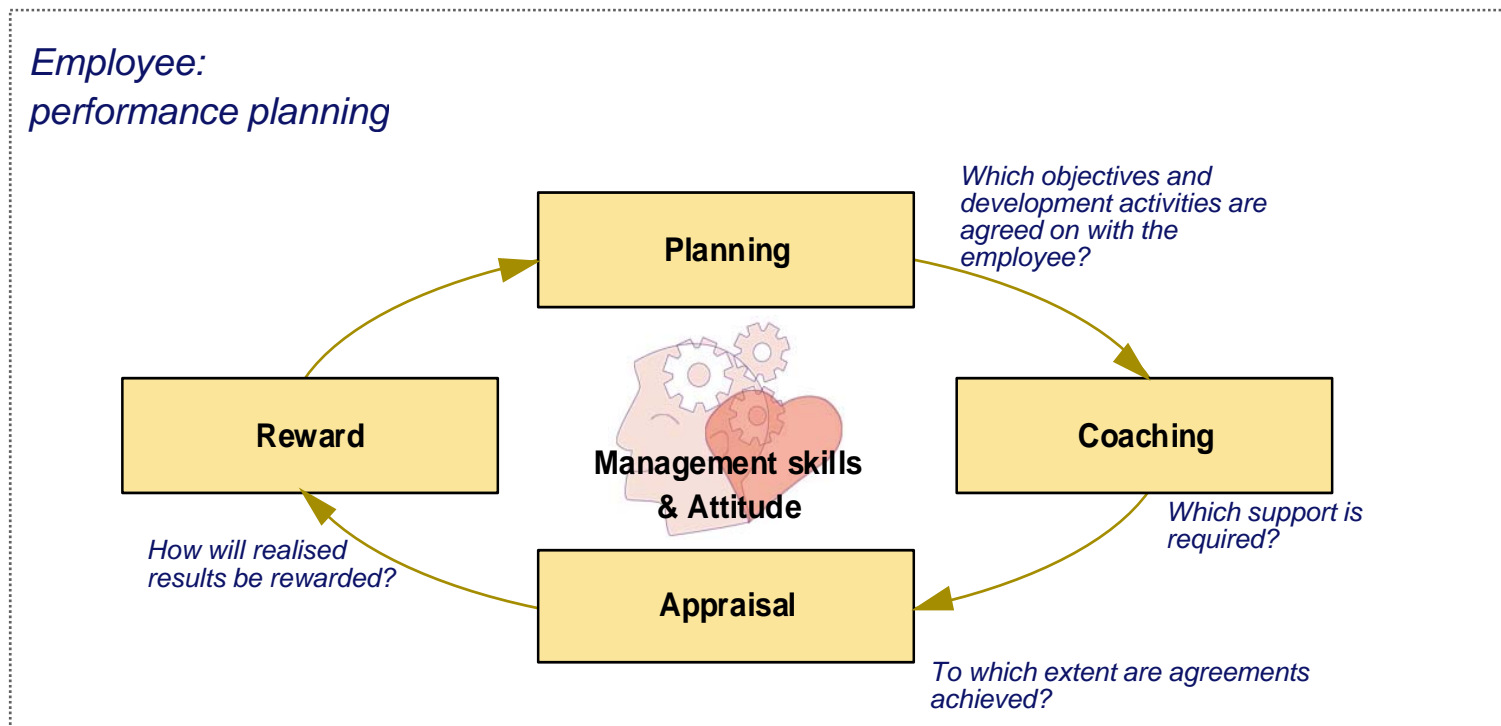


Effective Performance Management

Effective Performance Management (PM)

- The essence of PM is to create a **quality dialog** between the employee and manager, which is truly focused on an employee's performance and development
- Performance focuses on **what** has been achieved (results), but also **how** it has been achieved
- PM is a process that **aligns** the employee's personal objectives with those of the business
- PM is about **looking back** at the past period and **looking forward** to the coming period
- **Development** focuses on the employee becoming better at the current job and growing into other roles in the future
- **Calibration** is used to ensure a fair and realistic assessment and to increase the level of objectivity
- The performance rating is used as input for **reward** decisions

Performance Management cycle



Performance planning

Purpose	reaching agreements for the coming year (objectives, competencies, development activities) explaining consequences
Results	reached agreements on objectives and development activities
Topics for discussion	relationship organization targets / accountabilities / individual objectives and competencies / behavioral objectives; development activities; means/tools necessary; possible external influences
Time frame	future
Meeting parameters	discussion and negotiation

Coaching defined

Coaching is giving the floor to someone's potential that he/she may perform as good as possible

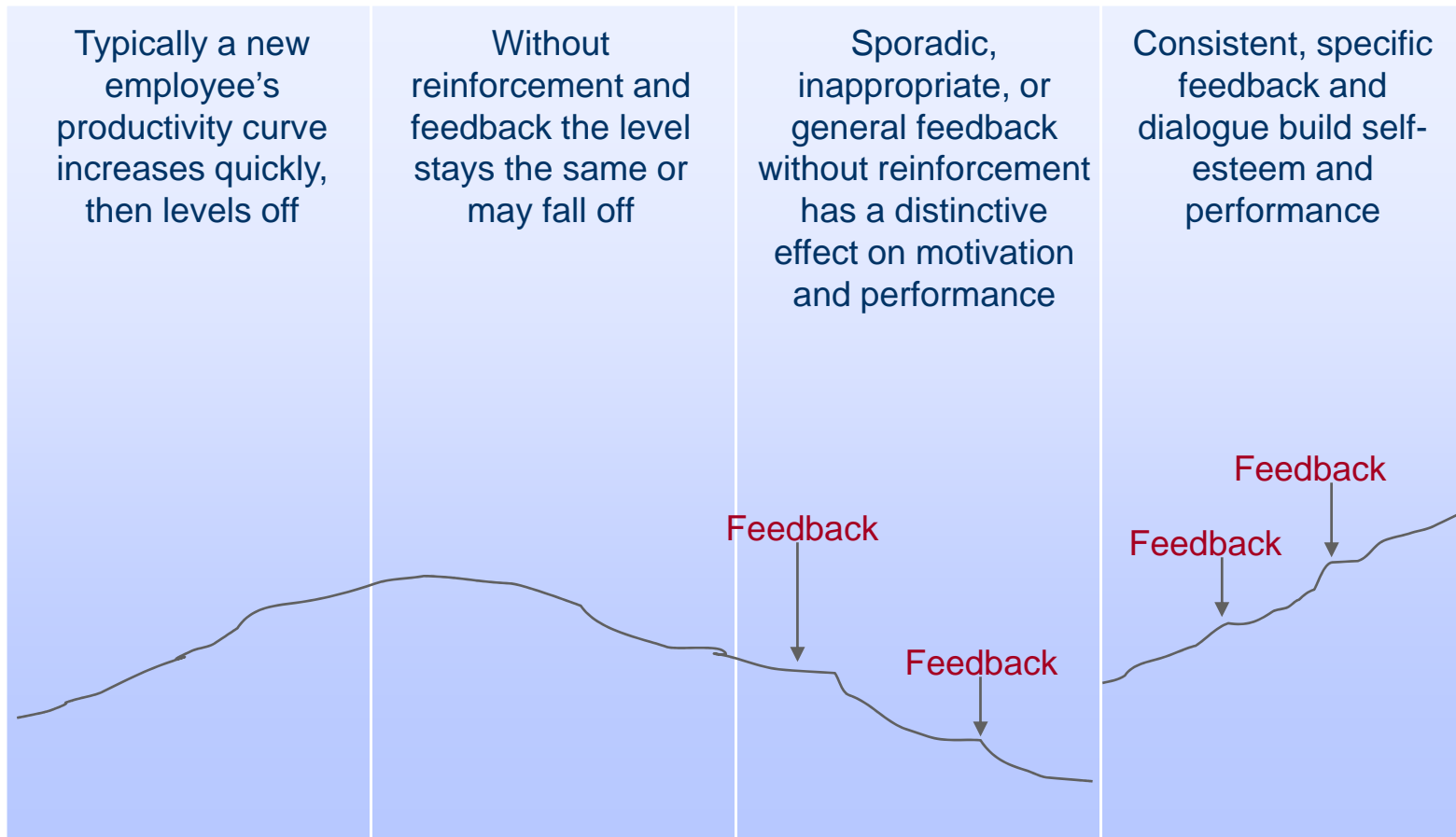
It is not teaching, but helping people to improve

It is about stimulating ownership and commitment for own development

Coaching

Purpose	analyzing / steering progress connecting organization and individual targets
Results	specific plans for professional adjustments (coaching, actions, means)
Topics for discussion	progress based on interim analyses reasons for deviation adjustment (actions to be taken over the next six months) addressing strong/weak points
Time frame	past and future
Meeting parameters	discussion

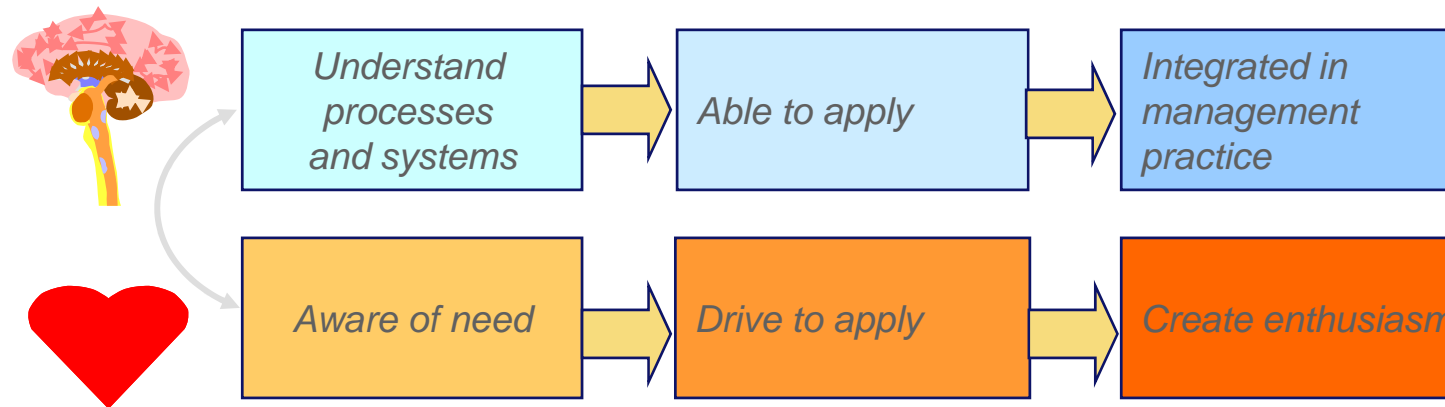
Dialogue and feedback is critical



Appraisal/review

Purpose	evaluation of results and behavior; announcing final appraisal of results and behavior
Results	determining final appraisal
Topics for discussion	discussing all agreements made discussing final appraisal evaluation of strong/weak points actions agreed upon: the state of affairs actions for the coming year
Time frame	past
Meeting parameters	announcement and clarification by the manager
Reward consequences	yes

The “hard” and “soft” sides of PM





Explaining the Game

Hay Group's Performance Game:

- supports management and employees in the PM process by addressing relevant questions in a playful and personal way
- offers managers an opportunity to get a feel for various situations linked to various kinds of meetings (planning, coaching, and appraisal) between managers and employees, based on possible real-life cases
- stimulates conscience on the importance of good appraisals and support by managers
- deals with giving (constructive) feedback as well as receiving it
- provides players with the opportunity to practice differentiating between good, very good or under-performing employees
- deals with learning from other people's experiences

The game forces managers to discuss important PM issues

Example

Rudolph has not realised his targets. He has an excuse for everything, but never looks for the blame within himself. How do you get Rudolph to look at his performance during the appraisal meeting?

PM performance rating definitions

Excellent	Exceptional contribution, exceeds all expectations.
Very Good	Often exceeds expectations
Normal/good	Meets expectations
Moderate	Partly meets expectations
Insufficient	Immediate improvement actions are required

Playing according to the rules

Rules of giving feedback

- Be concrete and specific
- Be short and to the point
- Give constructive feedback
- Give suggestions for improvement

Rules of receiving feedback

- Do not argue and defend
- Only if necessary, ask for clarification
- Only if not clear, ask the other to be more specific
- Respond to the whole package, not details



Concluding the Game

The game stimulates awareness

We hope that this game has made you more aware of the fact that managing performance is not just a rational process and that you have become more aware of:

- your own underlying assumptions of how people should behave
- what you consider 'good' and 'bad' performance and how you differ in that from others
- your own behavior regarding differentiating
- the effect on others of your way of giving feedback
- the great variety of ways to solve difficult situations

Do you have the balls to
differentiate?

Planned activities of AEB HR committees in 2009

December 10, 2008	Round table at MADl (Institute of Road Construction Engineers)
End of January, 2009	HR compliance in the time of crisis (C&B subctee event)
January 30	Intangibles during the crisis. How to maintain your employer brand
March 5	Human Capital Mismanagement. Wasting potential.
March	Update of Salary Survey overview (C&B subctee event)
March 27	Corporate standards of English. Corporate approach to language training
March	Meeting with the Labour Inspection
March	Payroll and tax filing event
April 7	Assessment and development of professional and technical skills
April	Severance policy (Compensation and Benefits subctee event)
May 19	HR conference at Baltschug Hotel

Hay Group's First Annual Reward Forum

10 December 2008 | Hotel Baltschug Kempinski

First Annual Reward Forum devoted to the problems of the management, reward and development of personnel in the midst of recession.



At the Forum Hay Group international experts and Russian consultants will:

- present the results of **Hay Group's recent global and Russian research** "What measures have companies already taken and what are they planning to do regarding personnel management in response to the economic downturn"
- propose the best strategies in **managing personnel during economic crisis**: "The Art of seeing and realizing new opportunities in crisis situation"
- discuss how to retain and **motivate key employees during a cost reduction period**: "How to retain the best people? How to raise morale of personnel? How to motivate the employees to take an active part in the development of the Company?"
- recommend "**How to reward management** during a period of instability?"

More details on www.haygroup.ru

Hay Group presents:

**An exclusive event organized for executives on
26 March 2009, featuring a.o. GUUS HIDDINK**

**Building Leading Teams:
from a team of stars to a star team**



Hay Group International Conference

13-15 May 2009 | Valencia, Spain

“Managing growth, innovation, talent, engagement and performance when the pressure is to do more with less.”

Credit crunch, rising inflation, global economic slow-down. But the pressure for growth from investors and the stock markets remains the same. As business leaders we face demands to sustain growth in revenues and profitability, but the number of factors working against us only seems to grow!



Join us at our international conference in Valencia where we will show how you and your organization can buck the trend and become winners in even the most difficult of markets.

More details on www.haygroup.com