

best practices

Six ways to encourage great performance and engage employees



For many organizations, employee engagement is the No. 1 HR metric on the CEO's dashboard — and with good reason. Research from the Hay Group finds that companies with highly engaged people outperform organizations with the most disengaged people across a wide spectrum of metrics — by 54 percent in employee retention, by 89 percent in customer satisfaction, and by fourfold in revenue growth.¹

Employee engagement and employee performance are clearly linked, and the place where engagement ignites into high performance — or doesn't — is in the performance review and goal-setting process. Most employees come to work each day wanting to do great work. You as an HR leader can channel this innate motivation into behavior that benefits the organization if you can facilitate a clear, productive, frequent, and consistent conversation between your managers and employees.

Think about what employees want to know: Why does my work matter? How can I be better at my job? How can I do work that helps the organization — and the world? And how can I develop skills and behaviors that will benefit my own career development? To answer these questions, your managers must deliver clear, direct feedback that encourages and nurtures great performance rather than demotivates. It's an ongoing conversation, and it's mostly out of your hands.

However, you can help managers encourage engagement and nurture better performance with their direct reports. Advise them to keep these six things in mind as they work with their people:

1. **Tell employees why.** Listening to employees is the first step toward engaging them, and many organizations use annual employee engagement surveys to hear their voices. With individual reports about their departments, line managers are in a unique position to understand what employees are telling the organization — and explain what the organization is doing as a result.

Ask managers to walk their employees through the results, interpret what they mean to their teams, and decide which activities they should start, stop, or continue. Engagement begins when employees understand the “why” behind their jobs — what they're expected to achieve and why it's important to the greater good. After employees are clear on the “why,” it's easier for everyone to connect actions to specific measurable goals.



On average, highly engaged employees are 50 percent more likely to exceed expectations than the least-engaged workers.

1 <http://hbr.org/2013/05/creating-the-best-workplace-on-earth/>

- 2. Guide employee goals based on engagement survey results.** Collecting data and communicating the results is only part of the story. At SAP, line managers get the results of engagement surveys at year's end so they can inform goal development and alignment. Managers must explain survey results, connect them to changes adopted as a result, and link those changes to each employee's role in achieving the company's strategy. Every employee needs to understand how his or her work is important and how other employees and managers depend on it.

For example, survey results might show that employees believe better collaboration would lead to greater production efficiency. As a result, a line manager might set specific goals such as "reduce product development timelines by 20 percent," or "reduce production costs by \$10 per unit."²

- 3. Develop goals specifically with engagement in mind.** Goals won't be effective if they're not specific; this concept is the core idea behind SMART goals³ that also applies to engagement. General criteria — such as "business acumen" or "perseverance" — that are not directly connected to the job or are difficult to validate won't increase engagement or improve performance.⁴ To see improvement in employee engagement, employees must have specific, measurable goals related to engagement that they stay on top of with tools such as the mobile at-a-glance overviews in SuccessFactors Performance & Goals.

Accountability might come from a single goal related to an organization-wide performance metric for engagement, or it might require several engagement-related goals for retention, turnover, or customer satisfaction as measured by NPS scores. But the measurement must be specific, measurable, and top of mind throughout the year.

Managers also need to be held accountable for engagement with clear goals.⁵ The goals could be based on a specific engagement KPI in the annual employee survey or a related metric such a voluntary turnover percentage. In any case, managers must know that they will be held accountable for their teams' engagement.

- 4. Communicate clearly and consistently with employees.** There are few things more disengaging for employees than finding out they're the last to know important information. If you want engaged employees, you need to tell them what's really going on. One frequent cause of communication breakdowns is changing goals midyear because of shifting business conditions. It's easier to overcome this obstacle with tools such as the Touchbase feature in SuccessFactors Performance & Goals. A manager can easily update goals and send out automatic alerts on a team level — even from a mobile device.

One easy opportunity that too many line managers don't take full advantage of is scheduling regular feedback meetings with direct reports. A regular monthly 10- to 15-minute touch-base meeting to share progress about regular work and key initiatives helps employees know whether they, their team, and their organization are doing well (or not). The ongoing communication creates the real relationship employees want with their managers — candid feedback about what they are doing well and areas for improvement based on recent work.⁶

² <http://news.thomasnet.com/IMT/2013/09/24/7-tips-to-boost-employee-engagement-with-performance-management/>

³ Specific, Measureable, Achievable, Relevant, and Timebound

⁴ <http://www.tlnt.com/2013/09/04/why-we-need-to-hold-managers-accountable-for-employee-performance/>

⁵ <http://news.thomasnet.com/IMT/2013/09/24/7-tips-to-boost-employee-engagement-with-performance-management/>

⁶ <http://www.enterpriseengagement.org/articles/content/8289281/10-steps-that-ensure-employee-engagement-success/>

5. Create a safe environment for feedback. Research shows that psychological safety — the perception that employees can bring themselves fully into their roles without fear of damage to self-image, status, or career — is essential to achieve true engagement. Surprising an employee with negative feedback at the end of the year doesn't encourage trust or safety. Managers must build trust with regular, honest feedback on performance throughout the year.⁷

Although performance against specific, measurable goals is critical, managers should also take time to ask employees how they feel about their performance. Open-ended questions about feelings earn trust — *“What did you learn this year?” “What would you do differently?” “What do you feel were your biggest successes?”* The conversation should never focus solely on ways the manager believes the employee is lacking; soliciting feedback about management skills and style creates a sense of partnership and teamwork.⁸

6. Connect goals to development. So much of engagement is about employees understanding the “why” behind their job, but the “how” is just as important. The “how” is more than just measurement and goals — employees also want to know how to be better at their jobs and build careers. Development helps employees gain the necessary knowledge and skills. Providing training and other opportunities for growth sends a clear message of support from both the manager and the organization.

Because SuccessFactors Performance & Goals is connected to other talent processes, it's easy to link with goals from different areas — such as development and learning — as you complete your performance planning. Combining performance, goals, and development makes it easier to go beyond enabling specific yearly goals to address the broader goals for both the individual and the organization. Do employees need to develop competencies for their next role? Do their personal goals align with the organization's needs? Employees who see what's in it for them will be more engaged — and easier to retain.

You can't do the work for your managers and employees when it comes to creating optimal performance and engagement. However, you can play a valuable role by putting in place the structure for a performance review and goal-setting process and providing the tools so engagement can flourish. SuccessFactors, as part of SAP, is the global leader in performance and goals solutions. We know how to link employee engagement and performance so your people can spend more time making it happen. We're ready to get started when you are.

⁷ <http://www.sciencedaily.com/releases/2011/08/110817135400.htm>

⁸ <http://www.inc.com/guides/how-to-provide-constructive-criticism.html>

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