Strategic commentary

AI, performance management and engagement: keeping your best their best

Bryan Buck and John Morrow

One of the biggest impacts of artificial intelligence (AI) on HR is and will continue to be around performance management. Adobe showed us years ago that performance management is not just a one-time discussion at the end of the year, but rather an ongoing, data-driven conversation. Variations of that approach are being recognized by an increasing number of companies that understand the need for continuous touch points, more real-time feedback so employees receive the positive recognition they deserve as well as constructive feedback when appropriate.

We need the ability to understand, without bias, who within organizations are the real performers and future leaders and prioritize their retention. Most managers get caught up in the day-to-day and do not take the time to provide feedback, often leaving talented employees feeling unsatisfied and underappreciated, which leads to disengagement and a direct impact on their performance. When that happens, a (costly) clock starts ticking before another company shows them the investment, recognition and empowerment they have been seeking. When people feel heard and understood, their engagement scores go up – and stay up. When they do not, they become a flight risk or a cultural cancer in an organization, neither of which bodes well.

AI-driven performance management can help eliminate these unwanted surprises, both for the company as well as the employee. Driving real-time touch points – face to face with a manager or through AI-driven platforms such as chatbots – makes it immediate, enterprise-wide and searchable. If there is a cultural or philosophical misalignment between management and an employee, it can be identified and remedied, helping to avoid a costly predicament: losing top talent because there was no two-way dialog, a break in the chain of command or visibility into the employee's disengagement and ultimately their performance.

According to former Apple, Nest and Google executive Jose Cong, HR's "dirty little secret" is that "Career growth is incredibly difficult to quantify and measure with a universal performance measurement tool. Career development is complex and difficult and performance reviews don't work".

To address the problem, the HR veteran created Plause, software that uses analytics to improve the relationship between managers and employees, with a similar idea: How can we better understand what employees are thinking on a daily, weekly, or monthly basis? Under this model, employers can benefit from more transparency and employees can get excited about the work they are doing, take a step back and

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reflect on their job and career path, and be inspired by their careers.

Another former Google executive, Laszlo Block, is using AI to fuel his startup Humu, which is designed "to leverage people analytics [...] to nudge people towards being their best selves, every day." According to the company's website, the tool "measures what matters most to employees, then nudges leaders, managers, and employees towards positive behavioral change. The result? Higher productivity, better retention, and greater happiness".

AI-driven tools such as these can offer a more unbiased approach to performance evaluation, talent management, and employee recognition using raw data and insights driven by algorithms, and can do it enterprise-wide, taking a truly apples-to-apples view and comparison when it comes to identifying top performers and future leaders. Airbnb, Electronic Arts and Tesla are a few examples of companies that recognize the value in leveraging people analytics for unprecedented people-visibility.

One of the reasons most companies struggle with performance management is because it is time-consuming. To undertake the process more than once a year, especially in a large team setting, is not easy and requires significant effort and resources. Adopting AI-driven platforms will not let managers be more hands-off, but it will enable them to make better decisions by automating many of the administrative tasks in order to focus more on the strategic, real-time employee interactions throughout the year. The key is to adapt: Be a first mover and understand that by embracing and promoting intelligent tools, we can cut through the clutter and make more informed decisions, faster.

As AI's adoption continues to build momentum, it will expand its applicability in talent attraction and retention and compensation and benefits, creating a trickle-down effect across all areas of HR that have to do with people. It has the power to impact business in a positive way, leading not just to a more efficient workplace but also to new jobs

focused on concepts and strategy rather than transactions.

Soon to represent the majority of the workforce, younger generations in particular are demanding a new *modus operandi* at work. The faster companies recognize that AI can change work for the better and empower organizations to play both offense and defense in the war for talent, the faster they – and their employees – can reap exponential returns.

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