HOW TO CRUSH BIAS IN PERFORMANCE MANAGEMENT

HI! I'M MARC EFFRON

The Talent Strategy Group

SCIENCE + SIMPLICITY

| CONSULT | DEVELOP | PUBLISH |

TODAY'S SPECIAL GUEST
ANGELA LANE
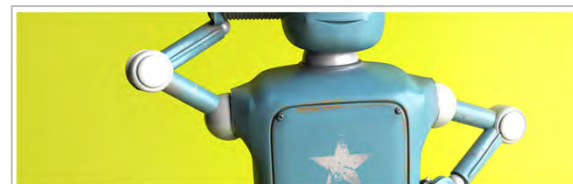
SERGEY GORBATOV & ANGELA LANE

FAIR TALK

THREE STEPS TO
POWERFUL FEEDBACK

MITSloan
Management Review

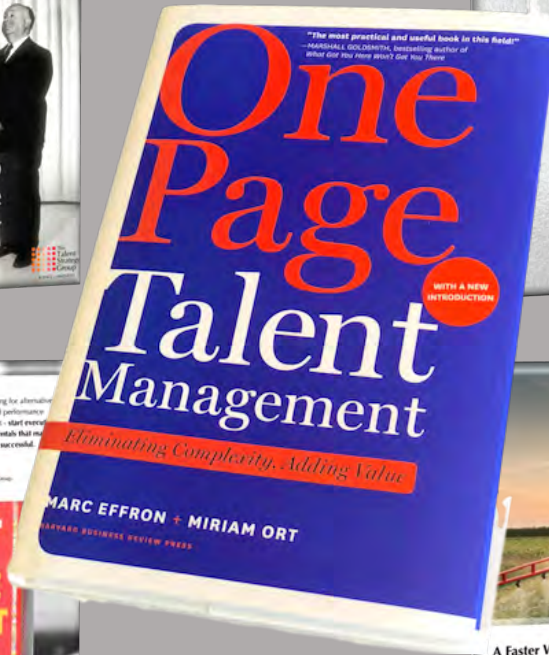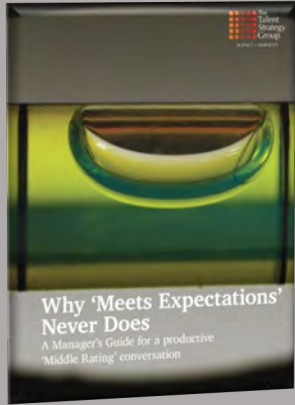## Is HR Missing the Point on Performance Feedback?

Scientific and empirical evidence demonstrates the value of
feedback and ratings for performance. But HR is moving
away from traditional performance reviews because
managers and employees say they don't like them. It's a
mistake that will backfire.

IDEAS

THE REAL REASON WOMEN AREN'T ADVANCING

OUR FAVORITE TOPIC TO WRITE ABOUT, CONSULT & RESEARCH

Why 'Meets Expectations' Never Does
A Manager's Guide for a productive 'Middle Rating' conversation

5 Reasons to Eliminate the Self-Review

"The most practical and useful book in this field!"
—MARSHALL GOLDSMITH, bestselling author of What Got You Here Won't Get You There

WITH A NEW INTRODUCTION

One Page Talent Management
Eliminating Complexity, Adding Value

MARC EFFRON + MIRIAM ORT

HARVARD BUSINESS REVIEW PRESS

BE TRANSPARENT NOW

How to Manage Performance Management in 2020

After the Storm
Five years of Performance Management

The Hard Truth about Effective Performance Management
Stop searching for alternatives to traditional performance management - start executing the fundamentals that make this process successful.

YOU MUST BE AT LEAST 140 cm. TALL TO RIDE

A Faster Way to Remove Bias from Performance Management

WE LOVE RATINGS!

There's plenty of passion and noise behind the movement to eliminate performance ratings. Now might be a good time to examine what the science and practical realities say about the validity of this approach.

THE GOOD STUFF IS HERE

WE KNOW WHAT DOESN'T WORK . . .

Harvard Business Review

Why Diversity Programs Fail

And what works better by Frank Dobbin and Alexandra Kalev

SCIENTIFIC AMERICAN

BEHAVIOR & SOCIETY | OPINION

The Problem with Implicit Bias Training

It's well motivated, but there's little evidence that it leads to meaningful changes in behavior

NO ACCOUNTABILITY
TRAIN AND PRAY?

SO,
DO YOU WANT TO KEEP TALKING ABOUT THIS OR DO YOU WANT TO MAKE SOME REAL CHANGE?

LET'S USE THE PROCESS TO CRUSH BIAS

AWARENESS + DESIGN

WHY PROCESS?
YOU CAN CONTROL THE PROCESS MORE EASILY THAN INDIVIDUAL BEHAVIORS

1. MORE, DIVERSE EYES REDUCES OUTLIERS

2. ANALYTICS CAN BRING FACTS TO BEAR

3. CLEAR STANDARDS ADD OBJECTIVITY

THREE PLACES TO CRUSH IT

SET BIG GOALS

PROVIDE FEEDBACK & COACHING

CONDUCT FAIR REVIEWS

WHERE DO WE HAVE THE BEST OPPORTUNITY TO CRUSH BIAS?

MAKE THE BUSINESS CASE: WHAT'S THE OBJECTIVE OF PERFORMANCE MANAGEMENT IN YOUR ORGANIZATION?

BIAS UNDERCUTS YOUR ABILITY TO DELIVER THAT OBJECTIVE

CRUSHING BIAS IN GOAL SETTING

FIX IT HERE OR IT'S A LOT TOUGHER LATER

STEREOTYPE BIAS

USE A STEREOTYPE OF HOW A 'GROUP' WOULD WANT TO BE MANAGED

"Deepak's a young, single guy who's talked about moving up here. I'm sure he'd want to be on this big global project."

"Suzie is just back from a short maternity leave so she's probably exhausted. I won't stress her our by putting her on this big global project."

CRUSHING BIAS IN GOAL SETTING

LIKE-ME BIAS
PROJECT ON OTHERS THE TYPES OF CHALLENGES YOU WOULD WANT

"Bob's a few years away from retirement like I am, so I'm sure he doesn't want the stress of really big goals."

"Top graphic artists like me love having many different projects to work on, so I'll assign Nguyen 7 to 8 goals for this year."

CRUSHING BIAS IN GOAL SETTING

SOFT BIGOTRY

SET LOW GOALS BECAUSE YOU DOUBT SOMEONE CAN PERFORM BETTER

"Ellie just phones it in every year, but her role isn't that important. So, I'm not going to my waste time setting challenging goals."

"Juan had a few great years but didn't deliver much for the past two years. Let's see if he can meet lowered expectations or we'll have to let him go."

STEREOTYPE BIAS

USE A STEREOTYPE OF HOW A 'GROUP' WOULD WANT TO BE MANAGED

LIKE-ME BIAS

PROJECT ON OTHERS THE TYPES OF CHALLENGES YOU WOULD WANT

SOFT BIGOTRY

SET LOW GOALS BECAUSE YOU DOUBT SOMEONE CAN PERFORM BETTER

1. **STRETCH EVERYONE:** WHAT DOES 10% BETTER THAN LAST YEAR LOOK LIKE? WHAT WOULD THEY HAVE TO LEARN OR DO TO DELIVER SUPERIOR RESULTS THIS YEAR?

2. **ASK YOUR DIRECT REPORTS:** I WANT TO MAKE THIS YOUR HIGHEST PERFORMING YEAR YET. DO YOU WANT THAT? IF SO, HOW CAN I HELP YOU PERFORM AT A SUPERIOR LEVEL?

3. **GOAL CALIBRATION:** PUBLIC GOAL READ-OUT AND COMPARISON. READ "A FASTER WAY TO REMOVE BIAS"

4. **TWO-LEVEL UP REVIEW:** MANAGER OF MANAGER READS ALL GOALS AND SCANS FOR OBVIOUS CHALLENGE DIFFERENCES; FLAGS TO MANAGER

5. **HR REVIEW:** HR AUDITS FOR QUALITY (SIMple) AND BIAS; FLAGS TO MANAGER ANY FINDINGS. SURPRISING RESISTANCE TO THIS AT MANY COMPANIES!

THREE PLACES TO CRUSH IT

SET BIG GOALS

PROVIDE FEEDBACK & COACHING

CONDUCT FAIR REVIEWS

Women Get Less Feedback. Fact!

The Feedback Women Get Is About Personality. Fact!

The Feedback Women Get Is Bogus. Fact!

So, what can HR do about it?

Don't make me ask!

Force Frequency

Create "processes regular check-ins and quarterly connections [to] provide a platform."

FORCE

VALIDATION

LINK

PERFORMANCE MANAGEMENT (FEEDBACK) TO CULTURE

CRUSHING BIAS IN REVIEWS

ALL THE BIASES YOU KNOW ABOUT – RECENCY, HALO, CONFIRMATION, ETC. (BUT NOT IDIOSYNCRATIC RATER BIAS)

CRUSHING BIAS IN REVIEWS

ILLUSION OF TRANSPARENCY

MANAGERS BELIEVE THEY ACCURATELY COMMUNICATE NEGATIVE FEEDBACK

"I'm confident that they understood that they need to meaningfully improve performance next year."

CRUSHING BIAS IN REVIEWS

ILLUSION OF SUPERIORITY

MOST OF US SELF-RATE AS ABOVE-AVERAGE

"I did everything my boss asked me to do and did it well."

ALL THE TYPICAL BIASES (HALO, LENIENCY, RECENCY, CONFIRMATION)

ILLUSION OF TRANSPARENCY

MANAGERS BELIEVE THEY ACCURATELY COMMUNICATE NEGATIVE FEEDBACK

ILLUSION OF SUPERIORITY

MOST OF US SELF-RATE AS ABOVE-AVERAGE

1. **QUARTERLY 2+2 COACHING:** STRUCTURED REGULAR CONVERSATIONS TO ELIMINATE SURPRISES

2. **ONE-QUESTION SURVEY:** "DID YOU HAVE A HIGH QUALITY 2+2 COACHING CONVERSATION WITH YOUR MANAGER IN THE LAST 90 DAYS?" TRACK AND REPORT BY MANAGER

3. **ELIMINATE SELF-REVIEWS:** GIVE EMPLOYEES A VOICE, NOT A VOTE. MAKE SELF-REVIEWS VOLUNTARY AND EXPLAIN THEIR ACTUAL IMPACT

4. **RATING CALIBRATION WITH DIVERSITY DATA:** RATING CALIBRATION WITH DIVERSITY DATA PRESENTED BEFORE DISCUSSION

5. **MORE RATERS:** PEERS WHO KNOW YOU WELL MORE ACCURATELY RATE YOUR PEER BEHAVIOR

THANK YOU & QUESTIONS