MHR 7307
Performance Management
Autumn Session 1
Wednesday 6:15-9:30 PM
305 Gerlach Hall

Professor Raymond A. Noe
828 Fisher Hall
Course Website: www.carmen.osu.edu
Phone: 292-3982
E-mail: noe@cob.ohio-state.edu
Twitter: @ProfRay
Office Hours: By appointment

COURSE DESCRIPTION

This course addresses a timely and important issue for all managers and HR professionals: How to measure and develop the performance of individuals and groups and align performance with the organization's strategic objectives. Specifically, this course is designed to expose students to the methods, theories, research findings, and issues regarding employee performance in organizations. At the end of the quarter students will be expected to have a very good knowledge of how to design and implement performance management systems. The class will consist of a combination of lectures, class discussions and analysis of readings and cases.

COURSE OBJECTIVES

This course has these objectives:

1. Students should understand the fundamental theories and best practices in performance management.
2. Students will be able to discuss the dynamic nature of performance management through the presentation of new ideas and addressing controversial issues.
3. Students should be able to develop a new performance management systems or make changes or recommendations to an existing performance management system to insure that it contributes to strategic goals and effective talent management.
4. Students should be able to implement supporting mechanisms needed for the effective use and implementation of a performance management system.
5. Students should be able to identify the strengths and weaknesses of using technology in performance management.
6. Students should be able to identify employee performance and developmental needs and recommend appropriate actions.
7. Students can diagnose problems in performance management systems linked to incentives and provide solutions for how incentives can be best used to motivate performance.

INSTRUCTIONAL PHILOSOPHY:

Each of us is responsible for the success of this class. I have tried to design the course to maximize your learning and I am committed to creating a positive learning environment in the classroom. What you get out of the course is, however, ultimately up to you. My goal is to strikes a balance between my presentation of material and your involvement in discussions, projects, and cases. To facilitate learning we will emphasize three different types of interactions: learner-learner, learner-content, and learner-instructor.

COURSE MATERIALS

Textbook: Grote, D. (2011). How to be good at performance appraisals. Boston, MA: Harvard
University Press. (ISBN#978-1-4221-6228-6)

This is a comprehensive book that covers many of the topics discussed in class.

Articles: You will be asked to read articles from *HR Magazine, HR Executive, Harvard Business Review, Organizational Dynamics, T+D, Training, Workforce Management*, and *The Wall Street Journal* that address performance management issues. Unless otherwise noted, you can access the articles through the OSU Libraries website at http://library.osu.edu/find/databases by clicking on the online journals list and entering the name of the journal. Also, for easier, direct access to the articles I have provided a Library link on the Carmen website.

Cases. Five cases will be used in the class. The cases include Johansen's: The New Scorecard System (UV6911), Performance Management at Vitality Health Enterprises (9-913-501), Attock Refinery Limited: Performance Management (W15452), Southfield Packaging (9-913-562), and Raleigh & Rosse: Measures to Motivate Exceptional Service (4353). The cases can be purchased at UniPrint.

DETERMINATION OF COURSE GRADE

Course grades will be based on a final exam, 3 case analyses, and class contribution.

Final Exam . The final exam will be a cumulative closed-book exam. The final exam will cover topics discussed in class as well as readings from the articles and textbook. I will provide you with a study guide for the exam. The exam will require you to provide short answers, list and discuss, draw figures, etc. For example, "Draw a figure explaining the components of the performance management process", "What should you accomplish in a calibration meeting?"

Case Analyses & Discussion. Students will be assigned a case group to **prepare a case presentation** and **submit a written case analysis**. There are five cases. All groups are required to submit a case analysis for the first case, Johansen's: The New Scorecard System (UV6911) on August 31. This case will be "graded" but is practice in the sense that I will provide you with feedback but the points you earn will not count. All case groups should prepare to discuss each of the remaining cases, but you can choose which three of the remaining four case analyses you want to submit for grading. **We will discuss the cases in class. Every case group should prepare one PowerPoint slide (a) identifying the major case issue and background, and, (b) answers for each case question**, **even if it is a case**

you have not chosen to submit a written case analysis. These slides should be turned in at the end of the class in which the case is discussed. Keep in mind that even if your case group decides not to turn in a case analyses for a particular case, participation in case discussion counts as part of your class participation grade. I will randomly call on case groups to lead the discussion of one or more case questions and/or identify major issues in the case.

What should a case analysis include? Each case analysis should (a) briefly summarize the major issues in the case, and, (b) answer the case questions. The case analyses are due the day the case is discussed in class. The case analyses should be typed and not exceed five to seven double-spaced pages. Excellent case reports correctly identify the major issues in the case, use and interpret case facts, support answers to questions by providing a compelling rationale using evidence from lectures, readings and course materials, and are well-written without typos, spelling errors, missing words, and incomplete sentences.

Class Contribution. Your class contribution points will be based on the quantity and quality of your participation in discussions of the articles, cases, and other class assignments. This includes questions about the weekly readings, participation in case discussions and other class activities. Each student is responsible for being prepared to discuss every case and the case questions even for those cases your case team has decided not to turn in a written case analysis. Unexcused class absences will have a negative impact on the points you receive for your class contribution.

Your final course grade using the OSU grading system will be based on the following points allocation:

	Points
Class Contribution	50
Final Exam	100
Case Analysis (3@ 25 points each)	75
PowerPoint Slides (5@5 points each)	25
TOTAL POINTS	250

OTHER ISSUES

GRADING

Any issues regarding grading of cases should be discussed with me within one week of receiving a grade.

ACADEMIC MISCONDUCT

The Ohio State University's Code of Student Conduct, Section 3335-23-04 defines academic misconduct as: "Any activity that tends to compromise the academic integrity of the University, or subvert the educational process." Examples of academic misconduct include (but are not limited to) plagiarism, collusion (unauthorized collaboration), copying the work of another student, and

possession of unauthorized materials during an examination. Ignorance of the University's Code of Student Conduct is never considered an "excuse" for academic misconduct. The Ohio State University and the Committee on Academic Misconduct (COAM) expect that all students have read and understand the University's Code of Student Conduct, and that all students will complete all academic and scholarly assignments with fairness and honesty. Failure to follow the rules and guidelines established in the University's Code of Student Conduct may constitute "Academic Misconduct." Sanctions for the misconduct could include a failing grade in this course and suspension or dismissal from the University. For more information, please reference: http://oaa.osu.edu/coamfaqs.html#academicmisconductstatement

DIVERSITY

We will, as a group and as individuals, hold ourselves accountable for demonstrating an openness to and appreciation for ideas of others. This means being conspicuously respectful of each other on all occasions.

DISABILITY

Every effort will be made to provide each student with a meaningful learning opportunity. The University strives to make all learning experiences as accessible as possible. If you anticipate or experience academic barriers based on your disability (including mental health, chronic or temporary medical conditions), please let me know immediately so that we can privately discuss options. You are also welcome to register with Student Life Disability Services (SLDS) to establish reasonable accommodations. After registration, make arrangements with me as soon as possible to discuss your accommodations so that they may be implemented in a timely fashion. SLDS contact information: slds@osu.edu; 614-292-3307; slds.osu.edu; 098 Baker Hall, 113 W. 12th Avenue.

Class Schedule

Class 1: August 24

Course Introduction
Performance Management in Context

The focus of this class session is to introduce you to the course, expose you to current thinking about performance management (including criticisms of the process), and get you thinking about ways to improve it.

Grote: Chapter 1

J. Russell & L. Russell, "Talk Me Through It: The Next Level of Performance Management", *T+D* (April 2010): 42-48. (This article discusses the performance management process).

C. Schoenberger, "The Risk of Reviews", Wall Street Journal (October 28, 2015): R5.
M. Weinstein, "Annual Review Under Review", *training* (July/August 2016): 22-29.

Watch the YouTube video about Adobe's "Check-in" Process" at
https://www.youtube.com/results?search_query=Adobe+Performance+Management+.

*E. Pulakos, R. Hanson, S. Arad & N. Moye, "Performance Management Can be Fixed: An On-the-Job Experiential Learning Approach for Complex Behavior Change. *Industrial and Organizational Psychology* (March 2015): 51-76. (Pay particular attention to the five-step plan for PM reform and the Cargill example)
.
These two articles provide alternative perspectives to Pulakos et al "fixing" of PM:

* A. Church, N. Ginther, R. Levine, & C. Rotolo, "Going Beyond the Fix: Taking Performance Management to the Next Level", *Industrial and Organizational Psychology*, March 2015, 121-129.
* S. Hunt, "There is No Single Way to Fix Performance Management: What Works for One Company Can Fail Miserably in Another", *Industrial and Organizational Psychology*, (March 2015): 130-139

Discussion Questions: Why are companies eliminating or changing their performance reviews? What do these articles highlight as problems and weaknesses that plague performance management? What suggestions are provided for improving performance management?

Class 2: August 31

Strategic Performance Management

This week's we focus on ways to insure that the performance management system is linked to and supports business strategy and objectives, with emphasis on use of goals and the Balanced Scorecard.

Grote: Chapter 2

Balanced Scorecard

R. Kaplan & D. Norton, "Using the Balanced Scorecard as a Strategic Management System", *Harvard Business Review* (July-August 2007): 150-161.

K. Thompson & N. Mathys, "The Aligned Balanced Scorecard" *Organizational Dynamics* (2008) 37: 378-393.

K. Thompson & N. Mathys, It's Time to Add The Employee Dimension to the Balanced Scorecard", *Organizational Dynamics* (2013) 42: 135-144.

Discussion Questions: What is the (aligned) balanced scorecard? How can it be useful for performance management?

Case: Johansen's: The New Scorecard System
1. Why did Johansen's introduce the performance scorecard?
2. What are the strengths and weaknesses of the scorecard?
3. What overall rating should Clark receive? Provide support for your rating.

4. What does this case highlight about using the balanced scorecard for performance management?

Goals

A.Fox, "Put Plans Into Action", *HR Magazine* (April 2013): 26-31.

Discussion Questions: Why are goals important for performance management? How should goals be used effectively in performance management?

Read R. Connors & T. Smith, "Want Results? Fix Accountability", *Chief Learning Officer* (February 2015): 44-46.

Discussion Question: What are the implications of this article for insuring performance management is strategic?

Making PM Strategic

R. Silverman, "GE Tries to Reinvent the Employee Review, Encouraging Risks", *Wall Street Journal* (June 8, 2016): B1 & B6; R. Silverman, "GE Scraps Staff Ratings to Spur Feedback", *Wall Street Journal* (July 27, 2016): B8.

L. Gellman & J. Baer, "Goldman Workers are More Than a Number", *Wall Street Journal* (May 27, 2016): A1 & A2

Discussion Questions: What are the key features of GEs and Goldman's new review system? How does each feature enhance or improve performance management? How do these features support the business?

Class 3: September 7

Measuring How and What Gets Done: Behaviors, Competencies, Results, Values

This week we focus on (a) how to identify and use behaviors, values, objectives, and results in performance management systems, and, (b) issues in trying to develop and assess performance.

What Should be Evaluated?

Grote: Chapters 3 & 4

Discussion Questions: Consider the job of a high school teacher. What are the challenges in measuring teachers' performance? What outcomes should be used as part of their performance management system? Why?

Evaluating Values

K. Tyler, "Evaluating Values", *HR Magazine* (April 2011): 57-59.

Discussion Questions: Do you think it is important to assess values in a performance management system? Explain. How should values be measured?

Competencies

M. Campion, A. Fink, B. Ruggeberg, L. Carr, G. Phillips, & R. Odman, "Best Practices in Competency Modeling" *Personnel Psychology*, 64, 225-262. (Skim)

Discussion Questions: What did you learn about competencies that you didn't know already?

Forced Ranking System

One way to overcome rating problems is to use a forced distribution or forced ranking system.

L. Kwoh"Rank and Yank Retains Vocal Fans", *Wall Street Journal* (January 31,2012).

S. Ovide & R. Feintzeig, "Microsoft Abandons Dreaded 'Stack' –Software Giant Drops Forced Ranking of Employees", *Wall Street Journal* (November 13, 2013): B1

J. Welch, "'Rank and Yank'? That's Not How It Is Done" *Wall Street Journal* (November 15, 2013): A15.

Discussion Questions: What are the strengths and weaknesses of a forced distribution or forced ranking system? Are you an advocate or critic of these types of systems? Explain your position.

HBS Case: Performance Management at Vitality Health Enterprises
1. **Identify the key features of the revised performance management system. How did they improve performance management at Vitality Health?**
2. **What changes would you recommend to further improve the new performance management system?**
3. **What grade would you give this system in terms of linking pay to performance? Explain.**

Class 4: September 14

Systems and Implementation Issues

This week's focus is on how to make performance management more effective and reduce poor quality evaluations. Many of these actions focus on the performance appraisal process. The HBS case gives you the opportunity to see the problems plaguing a company's performance management system and provide recommendations for improvement.

Grote: Chapters 6, 7, & 8

D. Meinert, "Reinventing Reviews", *HR Magazine* (April 2015): 36-40.

K. Tyler, "Train Managers Maximize Your Appraisals", *HR Magazine* (December 2012): 68-70.

K. Kuehner-Hebert, "Passport to Performance", *Chief Learning Officer* (July 2013): 42-43, 47.

Watch the YouTube Video "Performance Management at Whirlpool" at
https://www.youtube.com/watch?v=AxJzklCgaz8.

Discussion Questions: What solutions do these articles, chapters, and video offer for improving the performance appraisal and management process?

M. Buckingham & A. Goodhall, "Reinventing Performance Management", *Harvard Business Review* (April 2015): 40-50

Discussion Questions: What are the strengths and weaknesses and boundary conditions of Deloitte's approach to performance management?

HBS Case: Attock Refinery Limited: Performance Management
1. What were the potential causes of the problems ARL was experiencing as a result of changes in its performance management system?
2. As an HR professional what could you do now to eliminate or minimize these problems? Identify and discuss your options.

Class 5: September 21

Using Technology for Performance Management

This class focuses on the use of technology for monitoring employee performance, managing and facilitating the performance management process, and enabling social performance management.

Monitoring

L. Katz, "Big Employer is Watching", *HR Magazine* (June 2015): 66-73.

D. MacMillan, "Uber to Monitor Actions by Drivers in Safety Push", "Wall Street Journal", (June 30, 2016).

Discussion Questions: What are the strengths and weaknesses of using technology to monitor and evaluate performance? How can monitoring be most effectively used for performance management? What are the advantages and disadvantages of Uber's driver monitoring? From the perspective of performance management what should Uber do to maximize the benefits of the new monitoring system?

Technology for Appraisal

Go to Halogen Software e-Appraisal (see the Carmen website for link). Review The Suite Homepage, eAppraisal, and the Multirater 360 demos.

Discussion Questions: What are the strengths and limitations of these products? What features improve performance management from the company's perspective? From the manager's perspective? From the employee's perspective?

Technology for Feedback

Go to www.impraise.com/resources/#videos. Watch the videos "giving Feedback with Impraise: Benefits for Employees and an Organization", "How to Give Good Feedback", and "What Managers Say About Impraise".

Discussion Question: How can the use of apps like Impraise improve the feedback process?

Social Performance Management

Read E. Goldberg, "Performance Management Gets Social", *HR Magazine* (August 2014): 34-38. Watch the video about the video about 7Geese social performance management system at https://www.youtube.com/watch?v=8NGdP6pOL9I.

Discussion Question: What is social performance management? What are its advantages and disadvantages for the performance management process?

Class 6: September 28

Managing Performance & Development

This week we focus on managing employee performance and development.

Grote: Chapters 5 & 9

Feedback and Feedback Culture

R. Feintzeig, "You're Awesome! Firms Scrap Negative Feedback", *Wall Street Journal* (February 11, 2015): B1 & B5.

R. Feintzeig, "When 'Nice' is a Four-Letter Word", *Wall Street Journal* (December 31, 2015): D1 & D3.

D. Meinert, Feedback is a Gift, *HR Magazine* (May 2016): 16.

Discussion Question:

1. How do these articles reinforce, add to, and/or contradict the recommendations Grote provides in Chapter 5 (coaching)?

Giving the Intended Feedback

J. Segal, "Performance Management Blunders", *HR Magazine* (November 2010): 75-76

J. Segal, "Documentation Dangers", *HR Magazine* (October 2014): 64-66.

J. Segal, "That Difficult Conversation" *HR Magazine* (April 2016): 74-75.

Discussion Question: What key "take-aways" do these articles provide about managing performance to avoid lawsuits?

Developing Different Types of Performers

A. Walker, "Is Performance Management as Simple as ABC", *T+D* (February 2007): 54-57.

D. Zweig, "Managing the Invisibles", *Harvard Business Review* (May 2014): 96-103.

R. Kegan, L. Lahey, A. Fleming, & M. Miller, "Making Business Personal", *Harvard Business Review* (April 2014): 44-52..

M. Mankin, A. Bird, & J. Root, "Making Star Teams Out of Star Players", *Harvard Business Review* (January-February 2013): 74-78.

Discussion Question: What are the implications of these articles for developing employees?

HBS Case: Southfield Packaging

1. **What is your evaluation of the appraisal process ("SPR") at Southfield? Is the instrument well-designed? Is the required interview a good idea? What changes could be made to increase its effectiveness?**
2. **What is your opinion of Belby's definition of performance?**
3. **What should Saunders do to help Belby develop and increases his chances for promotion?**

Class 7: October 5

Linking Performance Management to Rewards, Incentives, & Termination

This week's class and HBS case focuses on the link between performance management and incentives and the conditions under which such a link might positively (or negatively) influence employee performance.

Grote: Chapter 10

J. Adamy, "U.S. Ties Hospital Payments to Making Patients Happy", *Wall Street Journal* (October 15, 2012): A1,A15.

F. De Brantes, "Yes: It's clear that it all aligns incentives with the best results" and S. Woolhandler, "No: The System Is Too East To Game – and Too Hard to Set Up" Both from *Wall Street Journal* Journal Report "Should Physician Pay be To Performance"? (June 17, 2013): R2

Watch the YouTube Video "Surprising Science of Motivation" (see Carmen course site)

G. Ledford, Jr., "The Changing Nature of Employee Rewards: Observations and Prescriptions", *Organizational Dynamics* 43 (2014): 168-179.

Discussion Questions: Besides $$$ what other types of incentives can motivate employee performance?
Under what conditions can monetary incentives or rewards motivate employees?

Open-Book Management

K. Berman & J. Knight, "What Your Employees Don't Know Will Hurt You", *Wall Street Journal* (February 27, 2012).

D. Meinert, "An open book", *HR Magazine* (April 2013): 42-46.

Discussion Questions: As an HR professional what types of programs would you recommend to a CEO or top manager to help insure "open book" management (sharing financial data with employees) motivates employees and is effective?

Open-Pay Policies

D. Burkus,"Say Goodbye to the Deepest Corporate Secret: Salaries", Wall Street Journal (May 31, 2016): R2.

Shellenbarger, S. "Open-Pay Policies: Fair, Equitable and….Awkward", Wall Street Journal, (January 13, 2016): D1 & D2.

Discussion Questions: Performance management likely influences employees reactions to a company's open-pay policy. What would be the features of a performance management system that would likely have a positive influence on employees' willingness to accept and react positively to an open-pay policy.

HBS Case: Raleigh & Rosse: Measures to Motivate Exceptional Service

1. Are Raleigh & Rosse's HR policies and practices aligned with the business strategy? Explain.
2. What are the strengths and weaknesses of the SPH program?
3. What recommendations would you make for redesigning compensation and performance appraisal at Raleigh & Rosse?

Tentative Date and Time for Final Exam: Wednesday, October 12th 6:15-9PM 305 Gerlach Hall