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Humanizing productivity and performance
Productivity and performance in times of disruption

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Going virtual: An opportunity to define shared outcomes

Now more than ever, productivity is top of mind for business leaders—and rightfully so. By being thrown out of the routine of our day-to-day work, we have started to see the fissures in that routine that were not obvious before. There's a lack of clarity in why we do certain tasks, how to do them digitally, and how to measure results. In order to effectively operate your business and manage your talent in this new reality, you likely need to redefine what success looks like, asking: What is productivity? How can it be measured? And how can people's performance be evaluated virtually?

This paradigm shift serves as a catalyst to perform a health check on your organization, allowing you to more clearly define what productivity looks like and refocus on desired outcomes. And while you're at it, you can also cultivate a stronger sense of team well-being by being even more intentional about checking in with your team members. This health check, and the subsequent changes you make to the work your team does and how they do it, allows you to exercise key habits that can help you continuously adapt to rapid market changes in the future.

While we feel that defining clear metrics and goals is essential, we are not advocating for organizations to monitor workers' every move, implement tighter controls, or micromanage work. We feel these behaviors can be detrimental because they send a message of distrust, neglect workers' need for autonomy, and confuse activity for productivity. If approached from a place of trust, focusing on a shared outcome can motivate teams—but producing greater value, not greater output, should be the goal. Let's explore what productivity is, why quantifying it matters, and how that can help you better manage, measure, and reward your workforce in a virtual environment.

Productivity: It's more than output

During times of uncertainty, a natural inclination of even the best leaders might be to tighten controls and look at the most obvious measure of productivity: output. We like to look to what is certain, and output metrics are often easy to define and quantify. Output feels familiar. Safe. This is the way it has always been done. For over a century, output has been the goal, from the production of Model T Fords on the assembly line to Taylorism and the application of production principles to the workforce. This hyper focus on output is found in modern practices like LEAN and Six Sigma as well. We like trying to optimize, find efficiencies, and look for tried and true solutions. These are necessary activities, but they aren't sufficient for driving value.

The problem with focusing solely on output is that the world is no longer predictable. The metrics of success from the past are not necessarily indicative of future success. This has never been more apparent than now—who could have foreseen in December 2019 that the world would change so dramatically, so quickly? With this in mind, the question becomes: how do we define success targets in a rapidly changing environment?

Productivity today can't be defined as the rate of output per unit of input. After all, why does it matter how many widgets people produce if nobody wants to buy them? Instead, we need to look at productivity as creating more value with the same resources. To do this, it's not just about making people and machines more efficient—it's also about defining the value you are hoping they'll create.

Outcomes are strong measure both of productivity and of workforce alignment to your organization's purpose. To define the right outcome for the team to pursue, start by asking what problem you are trying to solve and for who. Outcomes can be focused on decreasing costs, expanding opportunities, and creating meaning for customers, the workforce, and the company[i]. For many organizations, goals, priorities, and outcomes have shifted because of COVID-19. The outcome you were targeting three months ago could be very different than the one you are focused on today.

	COST: Seek to optimize efficiency	VALUE: Seek to expand opportunities	MEANING: Seek to make a difference that matters/motivates
Customers	Acquire product or service for minimal resources	Satisfy known and unmet needs	Achieve aspirations for oneself and others
Workforce	Reduce effort and time required for work	Develop skills/capabilities and potential for future advancement	Connect to a larger purpose and do work that achieves more of my potential
Company	Operate faster and cheaper	Grow revenues and expand margins	Articulate a purpose that matters across stakeholders

Making it real: Localizing outcomes

While definitions of performance and productivity are dependent upon an individual's role, organization, and industry, common measures do exist. Broadly, business outcomes and workforce outcomes[ii] can be categorized as depicted in the graphic below.
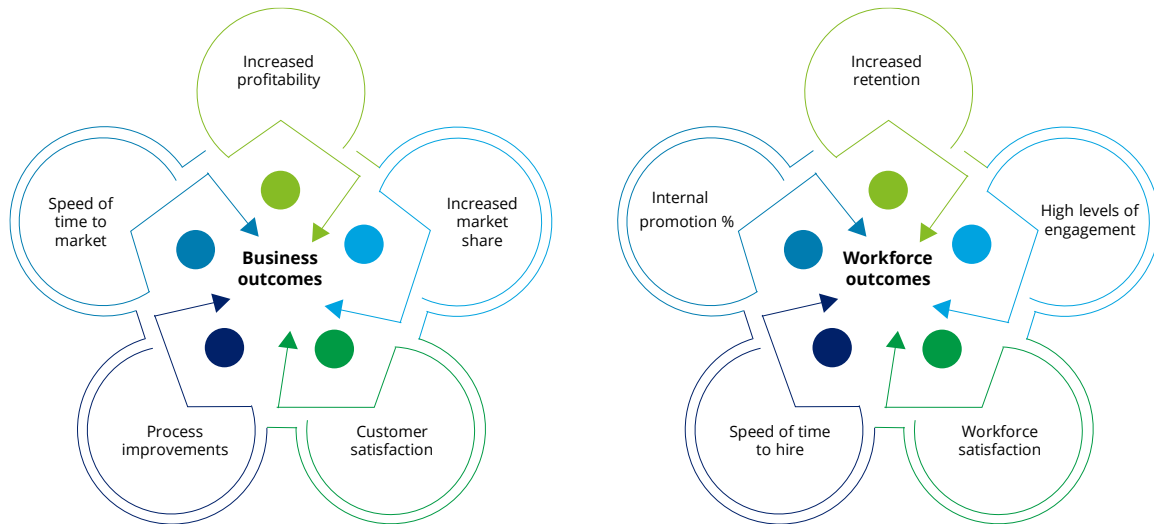
This list is by no means exhaustive, but these are great examples of measures that are focused on outcomes rather than mere outputs (e.g., widgets produced, sales calls completed, or revenue targets hit). Establishing the right outcome—whether business, workforce, or any other relevant type—is essential, but it's just the first step.

People generally work best when they understand the goal and how they can contribute to the outcome. This is no different in a virtual environment but is a key success factor because the work will still be done individually or in small, dispersed teams. Getting clarity on a goal provides the flexibility to workers to figure out their best way to execute it, and enables the leader to determine if the outcomes are meeting or have met the objective along the way.

By gaining alignment, employees can be empowered to work independently or in small teams (as necessary) without a manager prescribing their every step. This requires a new degree of trust in the manager-employee relationship, and the belief that what matters more is the ends versus the means. Precisely how you got there is less important than what "there" looked like when you arrived.

Activities like coaching, feedback, goal setting, measurement of progress, recognition and rewards continue to remain critical steps in the performance management life cycle, but they must be done with more agility and frequency in a virtual environment. The "scrum" like daily stand up helps drive alignment, while in the moment feedback becomes very important to steering work.

Performance management practices that enable greater productivity

Practice 1: Communicate shared outcomes and expectations

After defining the desired outcomes, it is critical to communicate these outcomes with the team so that everyone is working toward the same shared goal and understands the role they each play in achieving it. That role may be dramatically different than what team members are used to playing. A focus on outcomes gives team members the opportunity and choice to try different ways of working and get creative with how they solve problems. Working longer hours doesn't always equate to a better outcome, and many team members have less time to devote to work while also balancing challenges like virtual school, child care, elder care and other personal obligations while being quarantined during the COVID-19 crises. If your workforce feels they have permission to try new solutions, they may find better ways to achieve the shared outcome against a similar deadline. Constraints have a way of bringing out people's creativity, and enabling flexibility builds trust between the employee and employer.

Practice 2: Define the behaviors, team norms, and values that matter

Corporate values may remain constant, but how those values are lived out and the expectations of the workforce will evolve as we work differently during COVID 19 and beyond. Expectations regarding the ways in which workers need to collaborate virtually, work towards a common purpose, share resources, and disseminate knowledge should be clarified as these behaviors contribute to the team's culture and morale. Further, virtual work may require new team norms be established to protect boundaries in work and in life. Working remotely presents different challenges and we can take for granted the typical behaviors that were practiced, often instinctually, in colocated physical environments (e.g., meeting in the break room, passing one another in the hallway, popping in to someone's office to have an impromptu conversation). Teams need to jointly define how they are going to work together in this new virtual environment, check in on how their ways of interacting are working, and refine them over time as necessary.

Practice 3: Establish agile goals to define individual outcomes and measures of productivity

For many people, remote work is significantly less structured than work in the office—and can be more stressful. During times of uncertainty, it is important to build greater structure into work by defining individual measures of worker productivity that guide work along the way to a desired outcome. Goals are a great way to promote alignment while still providing workers with appropriate degrees of autonomy in their day-to-day tasks. Worker input is crucial as the utility of goals is largely dependent upon the quality of the goal being set, and goals are more reliable measures of productivity if the achievement of a goal is largely within the individual's control[iii]. To further increase reliability, the goals being set should be as measurable and objective as possible. The exact method of goal setting (Agile Goals, OKRs, Priorities, etc.) and number of goals set can remain flexible based on industry, organizational, and team preferences; however, the frequency of setting, revisiting, and revising goals must be increased to account for the fluidity of changing business conditions.

Practice 4: Create transparency into goals within and across teams

Creating visibility within and across teams allows leaders to promote the achievement of shared outcomes by keeping team members up-to-date on goal progress and enabling them to cheer, nudge, and encourage their peers. Goal visibility can also reduce information asymmetry, empowers team members to own their work and support that of others, and minimizes friction in virtual collaboration

Practice 5: Check-in often—but don't check-up

To reduce the distance, leaders should be intentional about making themselves available, responsive to worker needs, and willing to check-in on their employees' well-being. Trust is always important, but it is crucial when managing a distributed workforce. In order to build trust, leaders cannot only check in on the status of work— sometimes it's helpful just to personally connect and converse about something other than the work. Leaders should check in with their employees on a cadence appropriate to the needs of their team and the pace of their work, but it is critical to check in with a posture of support and advocacy— not micro-management. With the lines becoming increasingly blurred between work and life, most workers will crave some semblance of control, autonomy, and connection within their work life, and a leader that is constantly checking up on their progress could impede productivity, erode trust, and will likely reduce morale.

Practice 6: Measure progress against goals and clearly defined performance criteria

Goals and clearly defined performance criteria provide a more objective measure of performance and productivity than peer and leader feedback alone. The use of goals as a measure of productivity is especially helpful when the work has changed or when a worker's contribution is not readily observable. As workforces are distributed in light of COVID-19, work is increasingly difficult to observe directly, so it is more critical than ever to align on goals and clearly defined performance criteria and assess against those.

Effective assessment of goal progress, however, should consider not just the output but also the quality of the work, the value that was created, or the efficiency of the process. Ongoing measurement of goals and other performance criteria is critical to promote alignment and progress, but there must be sufficient flexibility in the goal process to account for shifts in external factors like customer demand, market conditions, and resources availability. As such, goal targets and milestones should be updated on an ongoing basis in response to changing conditions. Leaders should be cautious not to shift the target too frequently though. When goals change too quickly, the clarity that otherwise is promoted by goal setting is lost to confusion.

Practice 7: Recognize and reward contributions towards agreed upon outcomes

Bersin research indicates that the use of goal achievement when making pay decisions drives the perception of fairness, transparency, development, and overall engagement[iv]. One of the biggest desires for change we hear when working with clients is that their employees want to clearly understand how their performance drives pay decisions as well as non-monetary recognition.

In addition to clearly communicating goals and how to meet those goals, leaders will likely need to be even more intentional about finding ways to recognize their team members through ongoing appreciative feedback and something as simple as the power of "thank you". Sixty-nine percent of employees say they would work harder if they were better appreciated.

Many of our clients are encouraging their managers to personally connect with their team members, recognize them for their efforts and contributions as they work toward meeting their goals, and find ways to remove roadblocks or barriers to help their team members be the most productive they can be while working from home.

Our research on the transition from "total rewards" to "total relationships" indicates that there may be opportunities to optimize the rewards experience by providing workers with new types of rewards that address specific needs[v]. In light of COVID-19, workers may appreciate a slightly different menu of potential rewards that support them working in an "at home" environment (e.g., a wellness stipend, a food delivery gift card, virtual tutoring for children, added childcare support, or mental health support).

Responding to COVID 19: Performance reviews in times of crisis

As the work, workforce, and workplace evolve, so too should various talent practices. Performance management redesigns in particular require continuous evolution in response to changing workforce and business needs. With this in mind, many of you might be wondering how you should approach performance reviews during the COVID-19 crisis. Responses will of course need to consider the impact your organization has experienced to date and the forecast for how your customers and workforce will recover over time.

Some organizations in the midst of or near their annual review processes are considering canceling their reviews due to time, resource availability, or financial implications, while other organizations are continuing forward as planned with only adjustments to their performance and rewards processes. If you are early on in your annual cycle, you may not require any changes to the review process as your organization may have time to recover before you reach that time of year. If you are in the middle or end of your cycle, you may consider streamlining your approach to evaluating and rewarding your workforce. Potential adjustments may include limiting the number of feedback providers, shifting the focus of reviews onto the most critical workforce segments (e.g., high and low performers, promotion candidates, or other hard-to-fill roles), and/or eliminating the calibration process by empowering managers to make the performance and reward decision with guidelines. No matter what you decide to do, it is critical to consider the impact any proposed changes will have on workforce morale and how leadership can best communicate the change.

Looking ahead: Managing performance and productivity

The benefits of defining productivity and rethinking performance management will likely pay dividends beyond the current crisis—though we recognize the need to make adjustments in your approach and implement new practices in response to today's challenges. Getting in the habit of doing routine health checks on both organizational objectives and team norms and behaviors can enable you to be more agile and responsive in the face of future disruptions. Research suggests that highly engaged workforces are more profitable and productive[vi], so we believe that slowing down today, reflecting on the right outcomes you hope to drive, and communicating those clearly to your team will promote greater engagement and cohesion and allow you to increase productivity tomorrow.

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