EMPLOYEE ENGAGEMENT

It’s Time to Give Your Performance Review … a Performance Review

If you’ve felt the itch to reimagine your company’s performance review structure, your head is probably in the right place.

According to a recent Deloitte survey, 58 percent of executives believe that their current performance management processes neither drive employee engagement nor high performance. If engagement and performance are low, it’s time to start addressing how you’re conducting performance reviews.

History of Performance Reviews

The modern performance review originated during the Industrial Revolution, when a laborer’s performance could be accurately measured by their product output: the number of railroad ties installed, textiles produced, for example.

In today’s economy, there are more “knowledge workers” than ever before: people who are paid to think and produce ideas rather than material goods. In this type of work model, that traditional approach to performance reviews is no longer suitable.

The Problem

Beyond their outdated structure, today’s widespread ranking- and ratings-based performance reviews damage employee engagement by isolating high performers and costing managers more overhead evaluation time. Only eight percent of companies report that their performance management process drives high levels of value, while 58 percent said it isn’t an effective use of time.

Tips to Improve Your Performance Review Model

Consider an Ongoing Conversation vs Yearly Review

Many employees find that annual check-ins are simply not enough to gain a big-picture understanding of performance over time. Instead of waiting until the end of the year to evaluate, consider bi-weekly or quarterly check-ins with all direct managers. Accenture—one of the largest consultancies in the world—recently scrapped annual performance reviews in favor of a system in which employees receive timely feedback from their managers immediately after a completed assignment.

The big takeaway is that leading organizations are ditching the annual evaluation cycle and replacing it with ongoing feedback and coaching. By opting for a
continuous review model, organizations can promote more gradual, holistic employee
development.

DECOUPLING YEARLY PERFORMANCE FROM COMPENSATION

Several years back, the separation of pay from performance was making its way into
corporate playbooks. In 2015, General Electric actually abandoned its merit pay
model.

The most common method for decoupling salary and performance (in a linear way), is
to install more continuous, instant feedback per project, while still retaining a single
annual conversation about money.

This approach fosters a 360-degree view of compensation and gives employees more
time to think about their performance and ways to improve throughout the year.

ADMINISTRATION

A RECESSION IN 2020? HERE’S WHAT THE EXPERTS SAY, AND HOW YOU CAN PREP FOR IT

With the upcoming decade bringing new benefit opportunities, open enrollment, and
brand new positions, the future looks bright for businesses of every size and sector. But
as the world looks to 2020 and beyond, some finance experts say the next decade
won’t be all smooth sailing.

While unemployment rates have hit record lows since the last labor recession in 2009,
experts say we could very well be headed into a new recession. One poll conducted
just last August found that nearly three out of four economists surveyed by the National
Association for Business Economics expected a recession by 2021.

Nearly nine million Americans lost their jobs during the last recession. The unemployment
rate peaked at 10 percent. More than 170,000 small businesses closed. And it could
very well happen again—perhaps even this year or next.

So what can your HR team do to prepare for a possible 2020 recession?

FLEXIBLE STAFFING APPROACHES (WITH A DASH OF CONFIDENCE)

If we’re indeed faced with a recession in the next few years, many businesses may
reduce hours to 30-hour workweeks, which limit costs while still preserving business, sales,
and production continuity.

While this can be an effective strategy, it’s also critical to maintain confidence in your
team and business, even in the face of uncertainty. This separates the company’s
success from failure more than any other factor. The biggest danger in a company
experiencing falling demand and profit is panic. When C-level teams begin to talk
urgently about headcount and cutting non-essential costs, senior management is often
thrown into a frenzy of cost-cutting.
**Prepare for Outsourcing**

A great way to cut costs and prepare for an impending labor recession is to audit your labor and decide what tasks can be outsourced.

So many Americans think of outsourcing as a dirty word – but it no longer means simply sending your work out of the country. Thanks to cloud-based technology, many office tasks can be completed from virtually anywhere.

By developing an outsourcing strategy, your business is taking steps to be more agile and flexible in the face of a possible economic downturn. Outsourcing can even lead to a stronger bottom line, so your senior management has more time and resources to spend on things like strategy and research.

**Embrace and Early-Adopt Technology**

If you’ve been holding off on implementing new technology at your organization, Leesa Schipani, SHRM-SCP and partner at KardasLarson LLC, believes that now is the time to make the move—before a downturn potentially takes effect. Similar to outsourcing, embracing AI technology can help free up employee time to focus on complex customer and business issues. Embracing a technology-first approach to business operations is one of the simplest ways to safeguard against a labor recession.

**Employee Benefits**

**How to Train and Develop Your Employees — The Right Way**

In today’s corporate landscape, training and development, or learning and development (L&D), plays an integral role in the way employees are scouted, retained, and promoted.

One state-of-the-industry L&D study from LinkedIn indicated that 82 percent of L&D pros say that their executives actively support employees pursuing professional learning and career development. Many employers are becoming increasingly engaged in learning and development, and if your team is not, it’s time to get going!

Below we will explore three ways to boost your L&D programs in a way that benefits both you and your employees.

**Get Your Ducks in a Row**

Before you kick off an L&D program, you must strategically assess your existing talent pool. First, identify skill gaps within your organization, while also noting which employees are ‘HiPos,’ or high potential employees. HiPos exhibit more leadership skills, autonomy, and better performance than their colleagues—but only ten percent of respondents to a Harvard Business Review survey say they are actively identifying and developing HiPos.
Once you have strategically identified your high performers, you have to develop career pipelines for them to be promoted within. This could include performance guidelines, benchmarks, or other ways of tracking workplace achievements.

**TAILOR YOUR PROGRAM**

Once you’ve identified high potential employees within your organization, it’s time to decide whether your training and development programs are going to be catered exclusively to them, or to everyone within the organization. The way high achievers learn is going to be different from the way other employees learn. Another thing to consider is the age demographic you are positioning for. For example, one study indicates that 74 percent of talent developers say they plan to make changes to their L&D program to accommodate Gen Z workers, who learn differently than millennials or Gen X.

**CONSIDER FURTHER LEARNING OPPORTUNITIES**

Some businesses offer employee stipends for further learning. These stipends could include going back to school to obtain a degree or certification, or just to take classes related to a job or position an employee is being groomed for. Including money for further learning is a great way to boost your benefits package in a way that returns value to your organization.

**PRODUCTIVITY**

**The Three Key Phrases for a Smarter Adoption of AI**

Like so many other rapidly modernizing professions, HR is undergoing a massive transformation from the advent of AI-assisted technology. When used properly, machine learning and artificial intelligence (AI) can be a powerful and valuable assistant, one that can automate tedious and time-consuming tasks, augment human capabilities, and amplify human functions. The cost of AI, when used properly, can be almost nominal, and it can even pay off a high ROI after increases in productivity.

At its core, machine learning is about developing technology that mimics the complexity of the human mind, memory, and emotional capabilities. If your company has not been an early adopter of AI technology, consider implementing it in phases, rather than all at once. Below we will outline a three-stage model for using machine learning to assist and streamline processes at work.

**Step 1: Integrate AI for Hiring**

One of the key benefits of machine learning and AI technology is the ability to help hiring managers compose more effective and attractive job descriptions. These apps have the power to gather information from a company’s former job postings—as well as similar postings from other companies—to make intelligent recommendations on keywords and search engine optimization (SEO).
**STEP 2: LET AI HELP YOU ELIMINATE REPETITIVE TASKS**

If you’ve ever spent a chunk of your morning scheduling meetings or transcribing notes, you will benefit enormously from AI-assisted technology that can make these simpler and shorter for you. Administrative tasks like scheduling, rescheduling, and canceling meetings can all be automated with AI technology currently available on the market today.

**STEP 3: USE AI CHATBOTS TO TRANSFORM AD STRATEGY, CUSTOMER SERVICE, AND MORE**

If you work for an agency or consultancy, you may find that your digital ad strategy can be enhanced with chatbots that answer product questions and act as a customer service medium. When this strategy is woven into your sales journey, it eliminates the need for manpower to answer FAQs and route customer service questions, freeing up your team’s time for more complex transactions.

**EMPLOYER WEBINAR**

**WHAT EMPLOYERS NEED TO KNOW ABOUT IRS REPORTING IN 2020**

**TUESDAY, DECEMBER 10, 2019 • 2:00 P.M. ET / 1:00 P.M. CT**

The Patient Protection and Affordable Care Act’s reporting requirements are rapidly approaching for employers with group health plans or with 50 or more full-time or full-time equivalent employees. This webinar will provide an overview of the reporting process, what we learned from earlier rounds of reporting, and how employers should be tracking employees.

This webinar will:

- Review the 2019 final reporting forms and instructions (provided the final forms are released before December 10)
- Review the deadlines for employers to submit forms to the IRS and to employees
- Discuss reporting offers of COBRA coverage
- Explain the difference in reporting requirements for small (less than 50 employees) and large (50 or more employees) employers, and self-funded versus fully insured plans
- Discuss the two measurement methods to determine which employees receive a Form 1095-C
- Provide best practices on the monthly measurement method and the lookback measurement method
- Discuss the importance of accurate reporting in light of the IRS’ proposed penalty assessment letters
- Specify the plan years for which the IRS is currently sending proposed penalty letters
- Describe what we learned about reporting based on errors that led to IRS proposed penalty assessment letters
This 60-minute intermediate level webinar will help employers determine the best practices for reporting in 2020.

**Registration**

Click [here](#) to register for this webinar, or contact your Stephens account rep.

**About the Presenter**

*Tiffani Greene* is a member of the Employee Benefits Practice Group and the Prevention and Compliance Team at Fisher Phillips. She brings a unique mix of experience in the complex areas of employee benefits law and corporate compliance. From counseling on the day-to-day operations of employee benefits plans to assist with regulatory risk mitigation, she has a deep understanding of her clients’ needs and how to create effective solutions.

Tiffani partners with in-house counsel and HR professionals to ensure employee benefit programs are designed and administered to maximize tax benefits and provide exceptional value to participants. She advises on retirement, health, and welfare plan compliance pursuant to the Internal Revenue Code, the Employee Retirement Income Security Act (ERISA), the Health Insurance Portability and Accountability Act (HIPAA), the Consolidated Omnibus Budget Reconciliation Act (COBRA), and the Affordable Care Act (ACA). In addition to resolving complex challenges, she assists clients with plan documentation, participant claims, employee leaves, fiduciary inquiries, and annual reporting obligations.

**Certification**

This webinar has been submitted to the [Human Resource Certification Institute](#) and the [Society for Human Resource Management](#) to qualify for 1 recertification credit hour.