



“It’s About the Dialogue!”

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Topics for Today

- *Performance Management in Context*
 - *The Research*
 - *A “Real World” Example*
 - *Q&A*

About Talent Alignment



Alan Mead, PhD



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Services

Selection

Rewards

Performance

Development

Structure

Culture

Strategy



Click for Your Development!

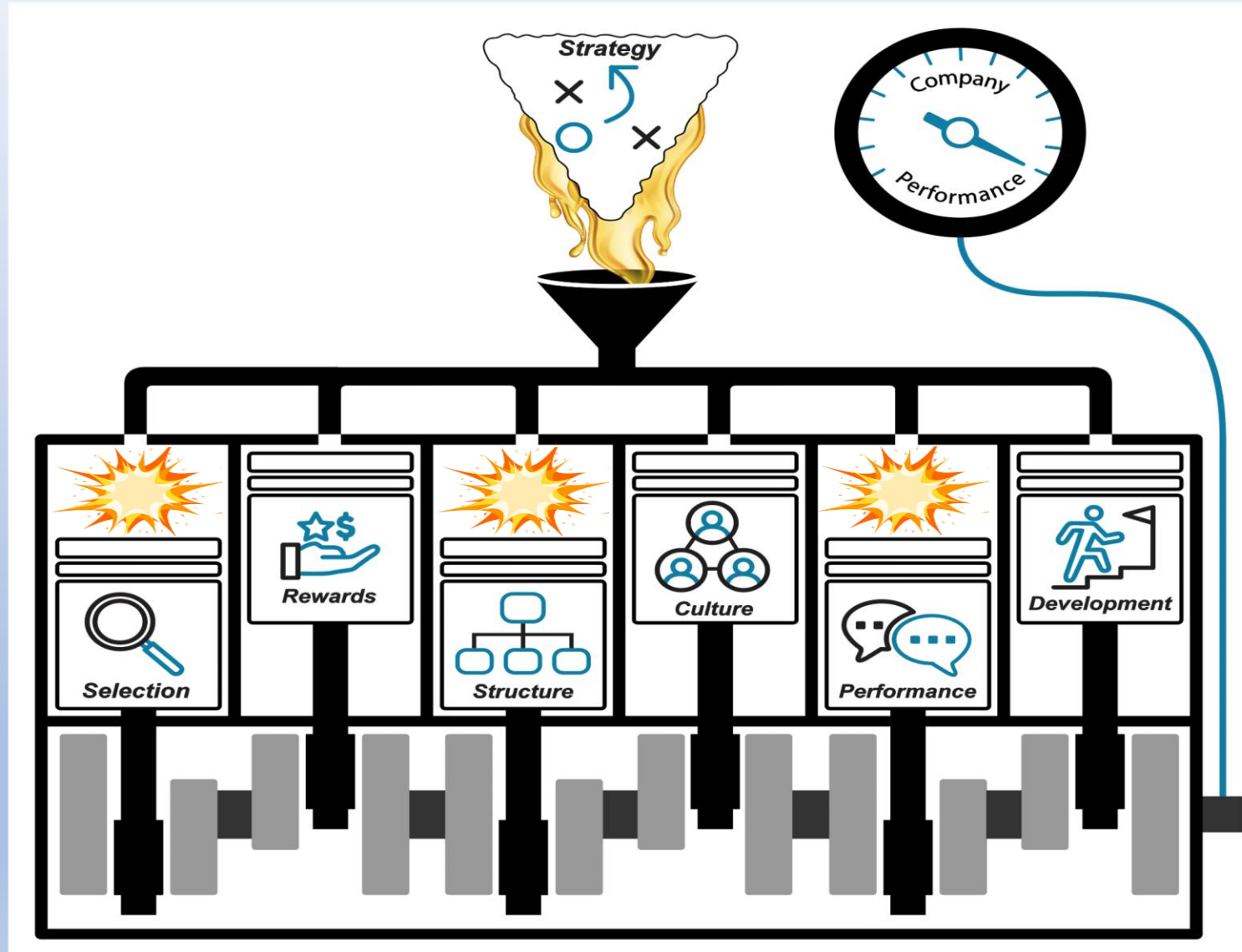


www.talentalignment.net

After My Seattle SHRM Mentor Meeting...



The People Engine: Six Cylinders that Convert Strategy to Company Performance



What is Performance Management?

Journal of Applied Psychology
2017, Vol. 102, No. 3, 421–433

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0021-9010/17/\$12.00 http://dx.doi.org/10.1037/apl0000085

Performance Appraisal and Performance Management: 100 Years of Progress?

Angelo S. DeNisi
Tulane University

Kevin R. Murphy
University of Limerick

We review 100 years of research on performance appraisal and performance management, highlighting the articles published in JAP, but including significant work from other journals as well. We discuss trends in eight substantive areas: (1) scale formats, (2) criteria for evaluating ratings, (3) training, (4) reactions to appraisal, (5) purpose of rating, (6) rating sources, (7) demographic differences in ratings, and (8) cognitive processes, and discuss what we have learned from research in each area. We also focus on trends during the heyday of performance appraisal research in JAP (1970-2000), noting which were more productive and which potentially hampered progress. Our overall conclusion is that JAP's role in this literature has not been to propose models and new ideas, but has been primarily to test ideas and models proposed elsewhere. Nonetheless, we conclude that the papers published in JAP made important contribution to the field by addressing many of the critical questions raised by others. We also suggest several areas for future research, especially research focusing on performance management.

Keywords: performance, criteria, ratings, appraisal, evaluation

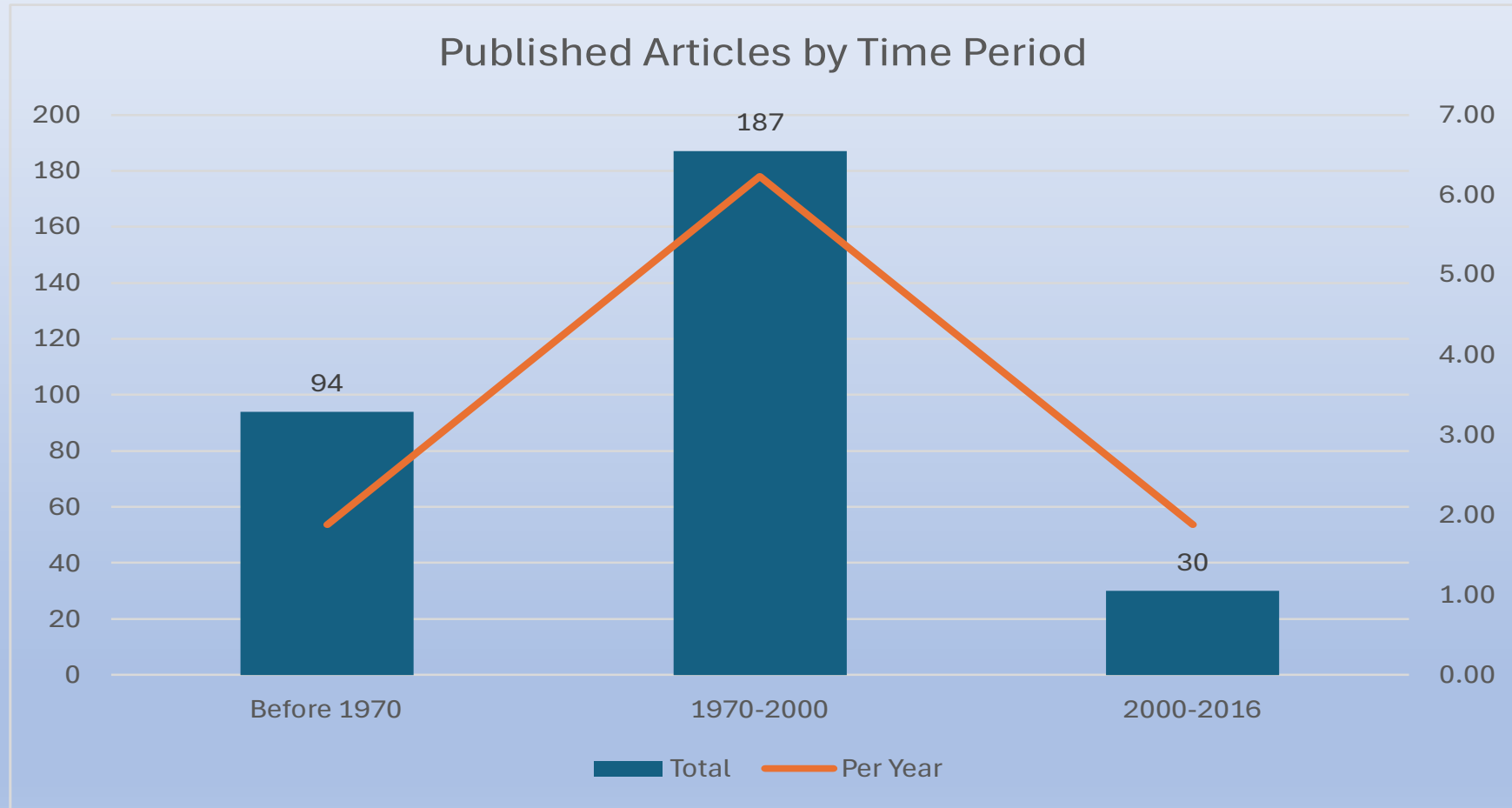
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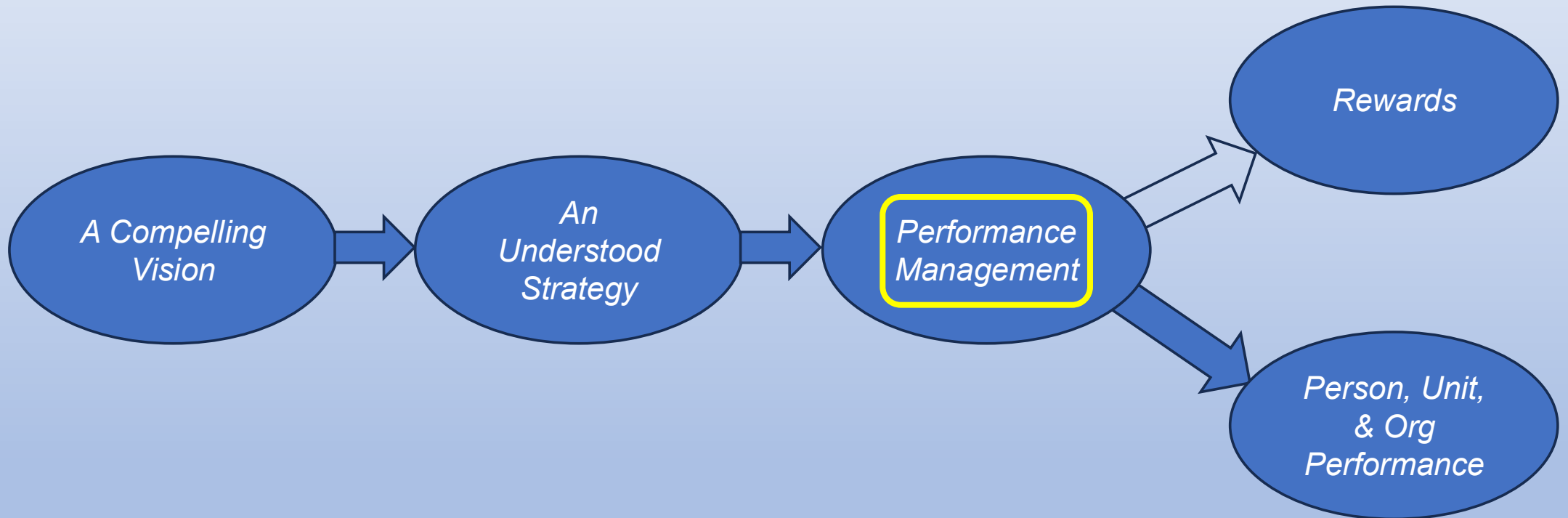
Since 1970...



Factors Impacting Performance Dialogue Quality



Performance Management's Value Chain



Research

What is the Most Effective Driver of Employee Performance?

Specific
Measurable
Attainable (but Difficult!)
Realistic
Time Bound
Strategic

This template helps create strategic goals:

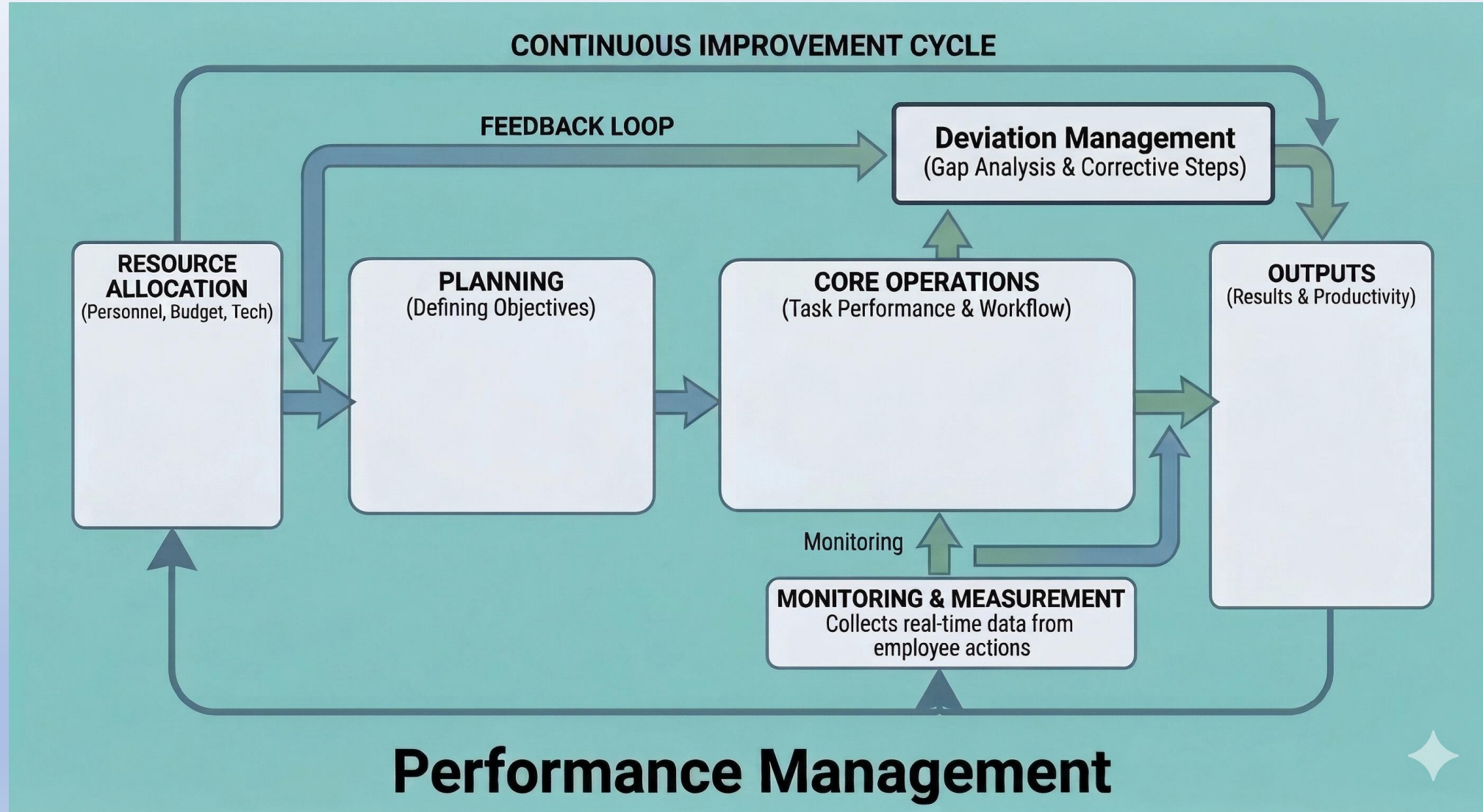
Step 1 - <WHO?> is going to do <WHAT?>
by <WHEN?> and <WHY?>.

Step 2 - <METRICS?>

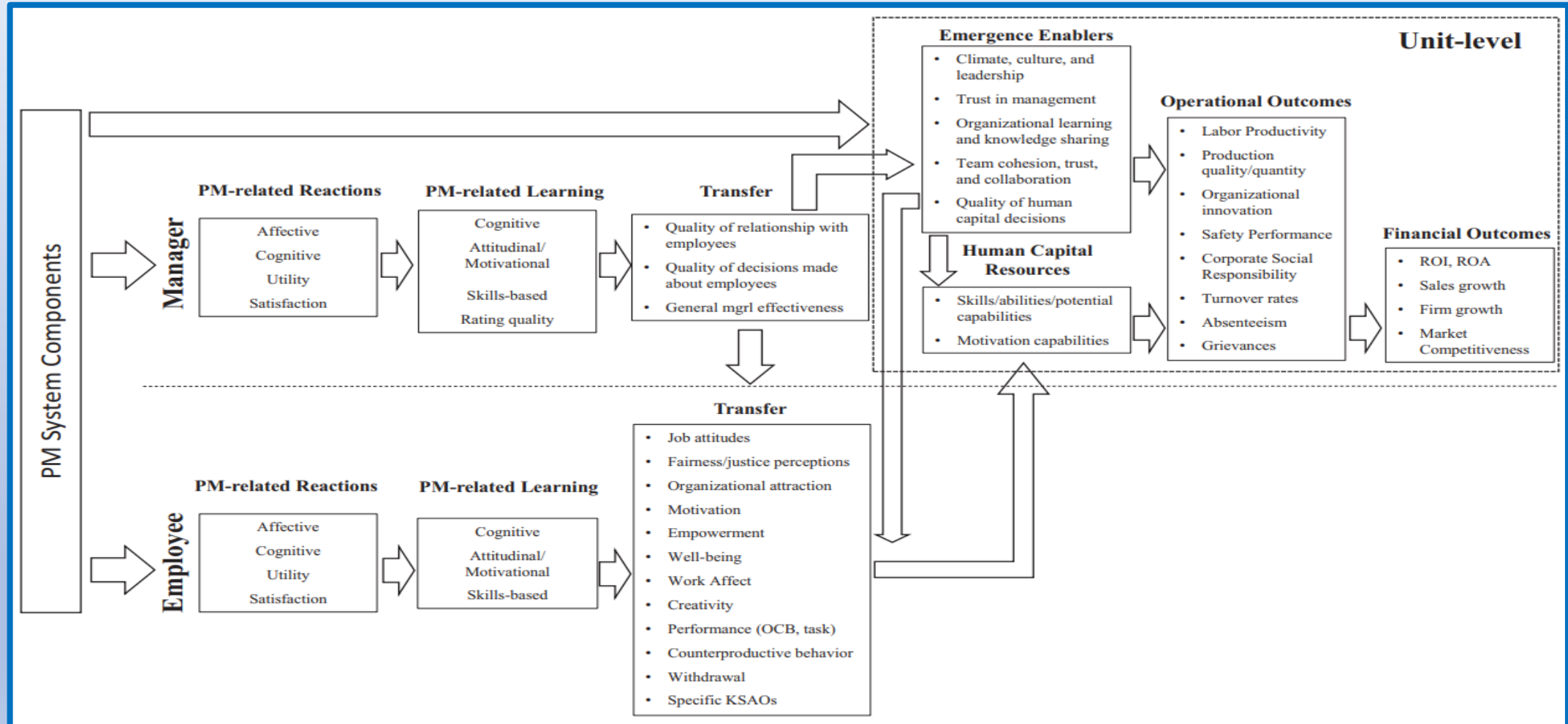
- *Responsibilities* – “Blueprint Design and Management” is a responsibility. It might involve gathering requirements, choosing materials, using engineering standards, and quality checks. This content is usually found in job descriptions.

About Feedback on Goals

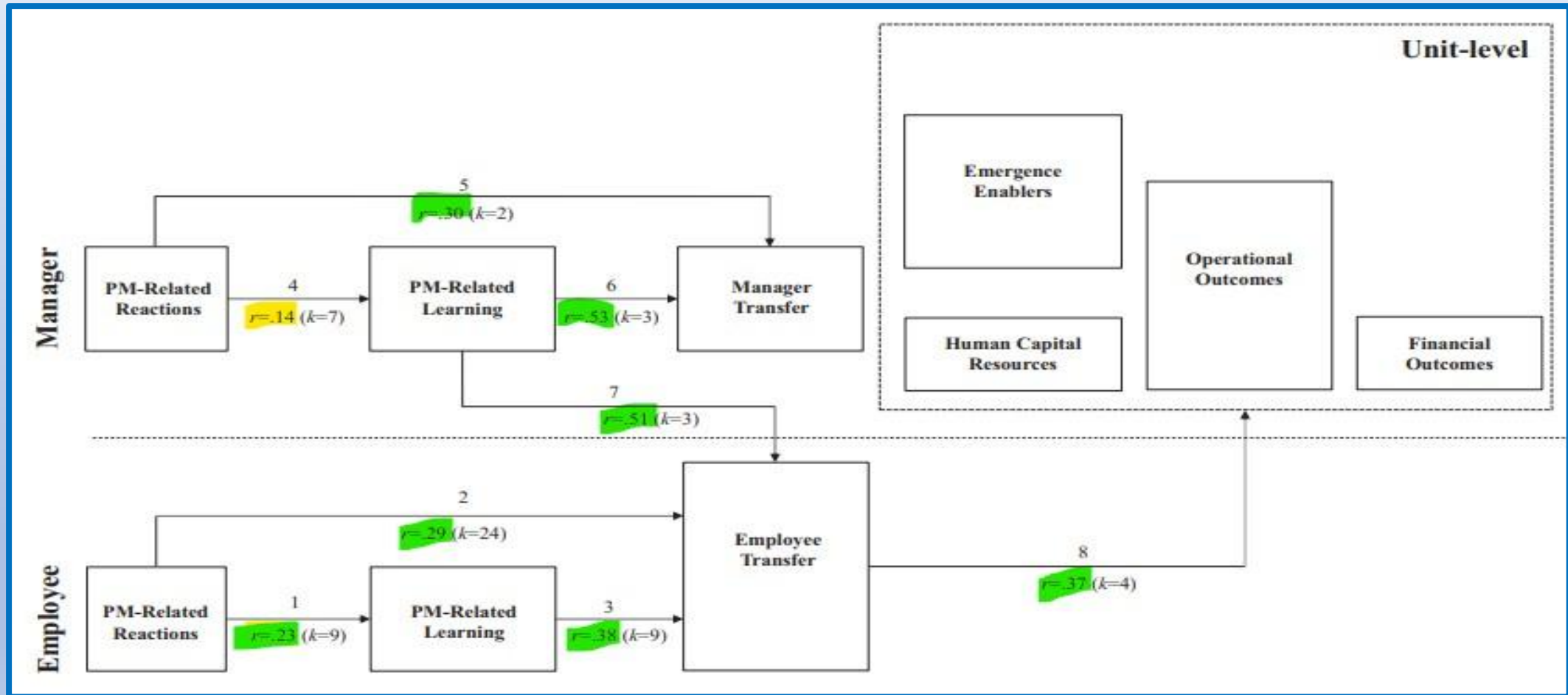
- *Discrepancy (Future Focused)*
 - *What Has Been Accomplished Relative to a Goal*
- *Velocity (Past Focused)*
 - *Progress Made*
- *Research – Adding Velocity to Discrepancy Improves*
 - *Employee Reactions*
 - *Employee Understanding*
 - *Goal Commitment*
 - *Job Satisfaction*
 - *Expected Success*



Diagnosing Your Performance Program



The Value of the Value Chain 😊



Sample Performance Management Content

Sample Performance Management Content

| | |
|--|--|
| <p style="text-align: center;">GOAL</p> <p style="text-align: center;"><i>Reduce scrap rate on Machine 7 by 5%</i></p> <p style="text-align: center;"> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> </p> <p style="text-align: center;"> <i>Little to No Progress Made</i> <i>Some Progress Made</i> <i>Met</i> <i>Exceeded</i> <i>Greatly Exceeded</i> </p> <p>Observations:</p> | <p style="text-align: center;">ACCOUNTABILITIES</p> <p style="text-align: center;"><i>Blueprint Design and Maintenance – Is a role model when gathering product requirements, preparing drafts, engaging customers, avoiding errors , etc</i></p> <p style="text-align: center;"> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> </p> <p style="text-align: center;"> <i>Strongly Disagree</i> <i>Disagree</i> <i>Neither Agree or Disagree</i> <i>Agree</i> <i>Strongly Agree</i> </p> <p>Observations:</p> |
| <p style="text-align: center;">OKR</p> <p style="text-align: center;">OBJECTIVE - <i>Lead the Industry in Customer Support</i></p> <p style="text-align: center;">KEY RESULTS:</p> <ul style="list-style-type: none"> • <i>Reduce initial hold time by 5%</i> • <i>Reduce escalations by 4%</i> • <i>Improve customer survey scores by 10%</i> • <i>Reduce customer input required by our phone tree by three elements.</i> <p style="text-align: center;"> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> </p> <p style="text-align: center;"> <i>Little to No Progress Made</i> <i>Some Progress Made</i> <i>Met</i> <i>Exceeded</i> <i>Greatly Exceeded</i> </p> <p>Observations:</p> | <p style="text-align: center;">SKILLS & VALUES</p> <p style="text-align: center;"><i>Business Acumen – clearly understands the company's operations and its impact on profitability and other important performance metrics.</i></p> <p style="text-align: center;"> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> </p> <p style="text-align: center;"> <i>Strongly Disagree</i> <i>Disagree</i> <i>Neither Agree or Disagree</i> <i>Agree</i> <i>Strongly Agree</i> </p> <p>Observations:</p> |

We Ask Too Much of Performance Processes

- *“Purpose Strain”*
 - *Connected to Rewards*
 - *Dell Separates Performance and Rewards Dialogue*
 - *Development*
 - *Evaluate Performance*
 - *Promotions*
 - *Documentation*
 - *Compare Employees*

Improving Rater Accuracy

The Errors...

- *Halo*
- *Horns*
- *Leniency*
- *Severity*
- *Central Tendency*
- *Recency*
- *Contrast*
- *Similar to Me*

Root Causes

- *Heuristics*
- *Attribution Error*

Outcomes

- *Legal Risk*
- *No/Wrong Growth*
- *Frustration*

“Solutions”

- *Behavior*
- *BARS*
- *RAT/RET*
- *Calibration*
- *Disassociate Pay*
- *Solicit Input*
- *Journaling*
- *Regular Dialogue*

Name That Error...

- *“<Manager name> doesn’t give 5’s. That would be walking on water.”*

- *Central Tendency*

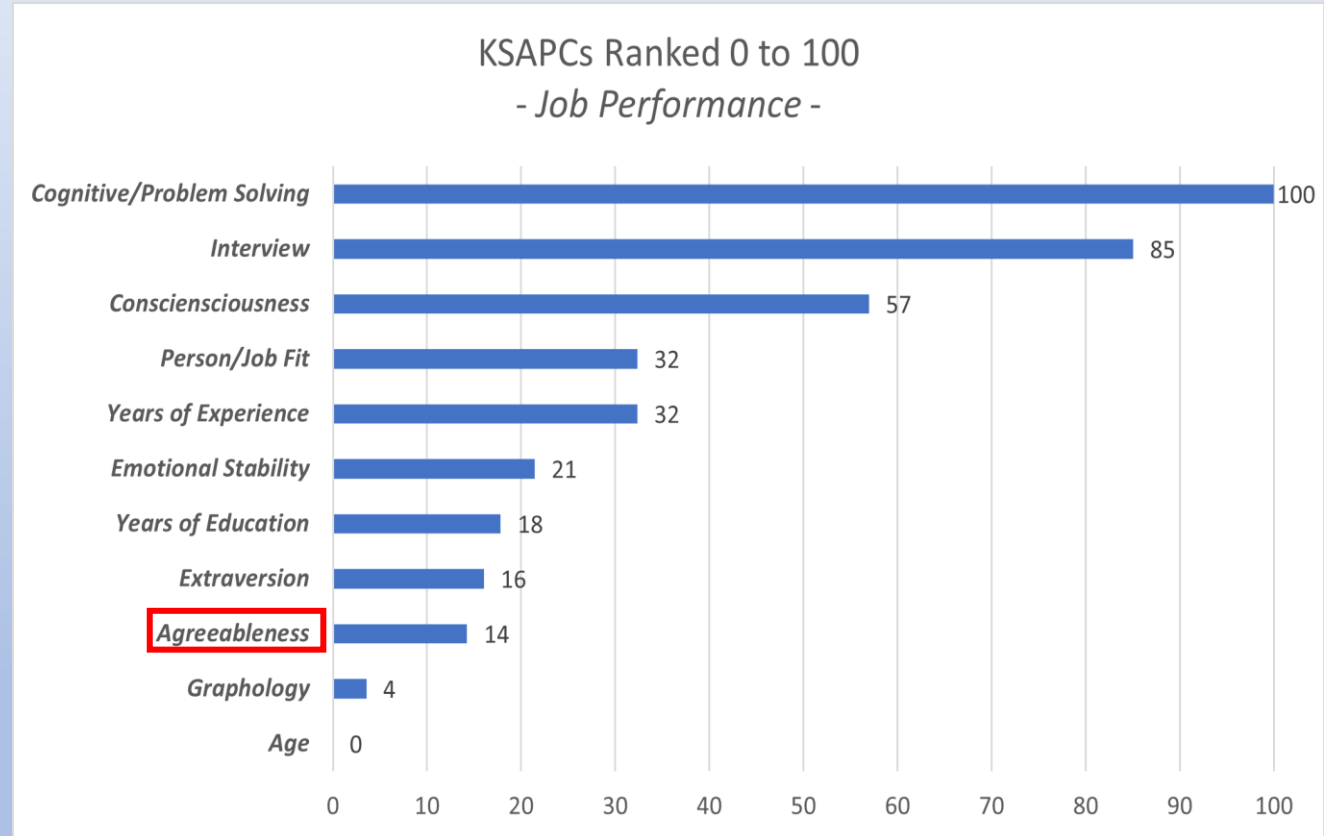
Social Media on Performance

#1 skill employees need?
Empathy. Be a great listener instead of a talker.

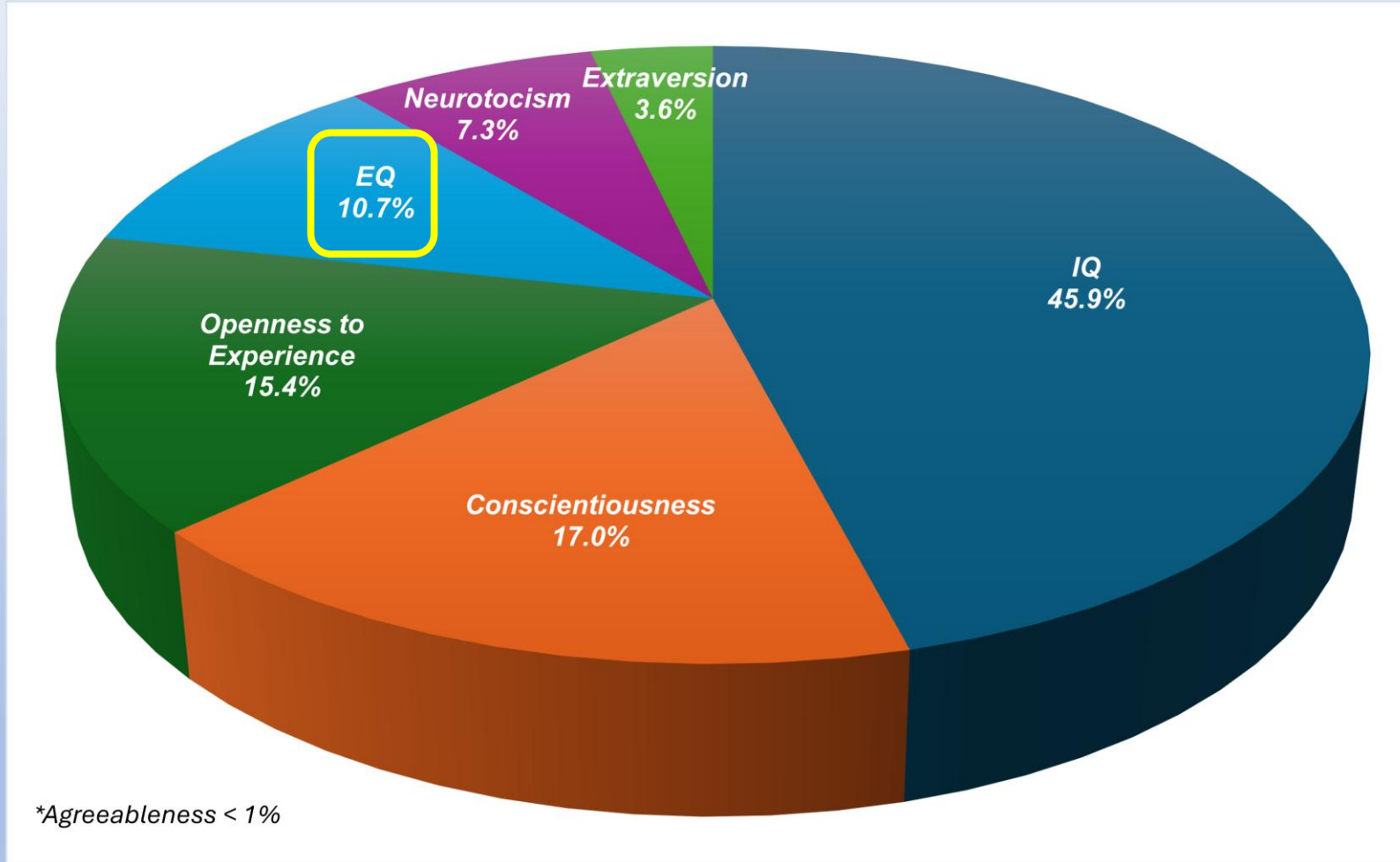


Top Voice

5,913,743 followers



The Relative Value of IQ, EQ, and Big 5 Personality Characteristics
in Predicting Job Performance as a Percent of Total*



Geography Matters

- *KSB – German Manufacturer. 13 Generic Skills/0 Goals:*
 - *Analysis*
 - *Customer Service*

- *Expedia Eastern Europe – Government Approved Terminations*

RESEARCH - Overall Performance Factors

- *Required technical duties*
 - *Communication*
- *Initiative, persistence, and effort*
- *Counterproductive work behavior*
- *Leadership with authority (positional power)*
 - *Allocating resources*
 - *Leading peers/teammates*
- *“Management” (workload balance, planning, etc.)*

Some “Management” Performance Factors

- *Decision making, problem solving, & strategic execution*
 - *Goal setting, planning, and budgeting*
 - *Coordinating with other people/teams*
 - *Monitoring effectiveness*
 - *External representation*
 - *Staffing and development*
 - *Administration*
- *Policy commitment and compliance (and criticism)*

Some “Leadership” Performance Factors

- *Recognizing and encouraging team members*
 - *Assigning tasks*
 - *Explaining work methods*
- *Encouraging enthusiasm and commitment for organizational goals*
- *Emphasizing organizational mission as a foundation for activities*
 - *Modeling appropriate behavior when interacting with others*

Other Stuff...

- *Peer/Direct Input*
- *Rate v. Rank v. Forced Distribution*
 - *DBA Performance v. Rewards (Constrained)*
 - *Rating Format Doesn't Matter That Much*
- *Metrics – A Double-Edged Sword*
 - *Perceived as the Ideal*
 - *“You gotta be smarter than the numbers!”*
- *Behavioral Observation Training with Video*
- *Team v. Individual*
- *Self Ratings > Supervisor*

Example – ED WSBA

Executive Director Performance Review - Pilot Version

Overview

The *Executive Director Performance Review* has two sections:

1. *Goals, Responsibilities, and Projects* - This section captures what the ED is/was expected to accomplish during the review period
2. *Knowledge, Skills, and Abilities* - This section captures critical capabilities associated with the role.

Both of these sections have several important areas to help guide your input and facilitate meaningful feedback to the Executive Director:

- specific area definitions or behaviors to help you focus on a critical component of the ED role,
- a rating scale to capture your overall assessment of the area - including a "Cannot Rate" option for use when you have no exposure to the ED's performance in the area, and
- a text box where you can augment your rating in narrative form.

Once you and your colleagues complete the performance review, your responses will be combined with those of your peers and shared with the BOG to review with the Executive Director.

Thanks in advance for your thoughtful responses!

The “What”

Section 1 - Goals, Responsibilities, and Projects

2. Program Design and Management - Defines and delivers valuable programs that clearly address current and/or future member needs, legal trends, and organizational strategy. Prepares key internal and external constituents for the offering including adjusting internal capabilities and processes.

- Did Not Meet Expectations Partially Met Expectations Met Expectations Exceeded Expectations Greatly Exceeded Expectations

Cannot Rate

Observations

3. Budget Design and Management - Proposes funding based on a clear assessment of existing/future programs, legal trends, member needs, and organizational strategy. Makes the right calls in terms of tradeoffs between cost and benefits and makes them transparent. Scrutinizes budget performance at the appropriate level.

- Did Not Meet Expectations Partially Met Expectations Met Expectations Exceeded Expectations Greatly Exceeded Expectations

Cannot Rate

Observations

The “How”

Section 2 - Knowledge, Skills, and Abilities

10. Strategic Thinking

Alec exemplifies these characteristics/behaviors:

Has a clear vision regarding the future of the organization. Regularly questions the status quo. Effectively debates and defends her strategic vision and plans. Considers both internal and external factors in the context of the organization's desired future. Makes difficult but necessary decisions in the context of the future

- Strongly disagree Disagree Neither agree nor disagree Agree Strongly agree
- Cannot Rate**

Observations

11. Leadership

Alec exemplifies these characteristics/behaviors:

Engages key constituents in formulating her vision and associated changes. Vision and associated changes are well-understood by key constituents (BOG, employees, members, partners, etc.). Easily garners support for changes that support of the vision. Takes and defends unpopular positions without losing credibility. Is respected as a fair but firm professional. Actively seeks and integrates alternative ideas where appropriate - even those that oppose her own

- Strongly disagree Disagree Neither agree nor disagree Agree Strongly agree
- Cannot Rate**

Observations





Final Thought...

“It’s About the Dialogue (Still)”



HR's Creed

- *I create a competitive advantage for my business by maximizing the number of employees who:*
 - *Understand their role in strategy execution,*
 - *Are capable of contributing to strategy execution, and*
 - *Work diligently to do so.*
- *I help managers help their employees with these three things.*