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Building a High-Performance Culture

Part III: Growing Your People

By Raymond E. DiDonna

Editor's note: Part I of this series, "Acquiring the Best Talent," was published in the November 2019 issue of The Stepping Stone. Part II, "Building the Right Environment," was published in the March 2020 issue.

The true value of any leader is measured by how much they are able to accomplish through the work of their team. Actuaries in leadership roles are no different. But, to get the most out of teams, leaders must first focus on building a high-performance culture: one that rewards measurable success and challenges everyone to reach farther all the time.

There is no easy path to building a high-performance culture, but a leader's efforts will pay substantial dividends for the team, the leader and the company. This three-part series of articles is intended to educate actuarial professionals on how to build a high-performance culture and achieve outstanding results.

As a leader, you should consider three critical steps in the process: acquiring the best talent, building the right organizational environment and growing your people. This installment focuses on the influence leaders have on the professional growth and development of their employees.

Although everyone's career is, first and foremost, their responsibility to manage, it is a leader's job to support each employee's professional journey. Make no mistake, this support takes lots of time and plenty of energy. But it is all worth it when your employees continue to develop as professionals, achieve new levels of performance and, as a result, help you create a high-performance team.



SET EXPECTATIONS

There's nothing more important for an employee than understanding what success looks like in the eyes of their manager. There needs to be very clear alignment between what's in a leader's head and what an employee thinks they are supposed to accomplish. So, the first step in growing your employees is setting clear expectations.

In a typical company, there is a performance management rhythm. That always starts with setting goals and objectives early in the year. The rhythm continues throughout the year with periodic one-on-one meetings between employees and supervisors to check on the progress of objectives, talk about development opportunities and so on. Often there is a midyear review, which, in some companies, is a very formal process and in others is less so. Finally, at the end of the year, or early the following year, a robust performance evaluation is created and communicated.

The rhythm just described can't be effective if it doesn't start out with clear objectives for an employee to achieve. So, one of the most important responsibilities of a leader is to set

those objectives with their employees in a way that is clear and comprehensive.

First, your employees' goals should be as perfectly aligned with your overall team goals as possible. Those team goals, of course, should flow down from your department's goals, which should come directly from your company's goals. It's never easy to get perfect alignment, but you must keep in mind that it's critical to every employee's motivation to understand where they fit in, how the job they are doing helps the cause. And there is no better way to ensure that's the case than aligning their goals with those above them.

Second, an employee's goals should focus on their most important objectives. It should not be a laundry list of every possible task they may perform throughout the year. If you try to do that

- there will be confusion about what's most important,
- the employees' time will be spread too thin and
- they will likely deliver mediocre results across the board.

Instead, focus on the most important responsibilities and key projects for the year. As a general rule, which may vary based on the role and level, consider three to five high-level goals (or goal categories) with the possibility of having a few subgoals within those categories if appropriate. However, don't use the goal/subgoals structure to try to include everything an employee does. Consider one to two subgoals, at most, in each goal category.

Third, make sure you set measurable targets for each goal. Measurements take many forms, such as target date for completion, productivity levels, quality, customer service levels, profitability and revenue. The specific target for each goal, and its form, will differ, which is fine. The most important part is simply setting a target for each goal that is reasonable to achieve and for which it is clearly understood what is expected. It's at this point you should be discussing goals and targets with each employee so you begin to get aligned in your thinking together. The goal-setting process should be collaborative and iterative.

Finally, besides setting achievable (but challenging) targets, you should also set "stretch" targets. You want to be clear not only about what good performance looks like (via the targets themselves) but also what great performance looks like. Be as specific as you can.

For example, if a target is to complete a project by June 30, then a stretch target might be May 31. If a target is a customer satisfaction level of 4.0 out of 5, then a stretch goal might be 4.5. It's their job to challenge themselves to achieve not only the targets you set but also the stretch targets whenever possible. And, if they do, your job is to reward them for those outstanding results.

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GIVE FEEDBACK

Here's the part that, unfortunately, trips up managers and leaders the most. Providing valuable feedback to employees is absolutely essential to their development, yet this area tends to get only limited attention. More specifically, providing critical feedback when an employee's performance is not up to par is very difficult for a lot of managers. However, you must understand that withholding feedback about an employee's development is unfair to them. If what they are doing is correctable, they deserve the chance to correct it. If you don't give them that chance, they risk developing a negative reputation around the organization that they may ultimately not be able to rebound from.

It's tough to do, but you need to think about providing critical feedback as a developmental gift for your employees. You are giving them an opportunity to understand how their performance (or perhaps behavior) is being perceived by others—and, importantly, the opportunity to improve. Poor performance is not usually the end of a career, but not knowing you are performing poorly could be.

So, here's a way to get started in terms of providing feedback, positive or critical. Make sure the feedback you provide is frequent, specific and candid. In terms of frequency, there is no specific rule of thumb here except to say if you wait too long to provide feedback, the impact will probably be lost. Employees need to hear about performance highlights and performance challenges right away. If you wait until December to tell an employee about a performance problem you observed in May, they have every right to ask, "Why did you wait until now to tell me? I could have been working on that for six months." Similarly, if an employee is doing really great on a project, let them know that as the project goes along. That will motivate them even further.

Also, the feedback you provide needs to be specific. Feedback such as "You're doing a good job" or "It looks like you are struggling" isn't helpful. You need to be very clear about what you are observing in their performance (good or bad) and, hopefully, tie those observations back to their objectives.

Here's an example: An employee is halfway through a two-month project and you observe that they aren't nearly far enough along to finish on time. Discuss that very issue with them. Ask about their confidence level in being able to finish on time. Ask about any unex-

To ensure your legacy outlasts your employment, develop your employees and make sure they become stars on someone else's team.

pected hurdles they are encountering. Let them know you are there to help, not by doing the project for them, but as a sounding board for how they can get back on track. Once again, it doesn't help to provide this feedback only after the project is already late.

Finally, you need to be candid when you deliver feedback. Now, being candid doesn't mean being harsh; it simply means providing an honest assessment of the performance you are seeing. Although crafting the right message to deliver can be difficult, making sure the message is honest simplifies the exercise. If you are observing an employee having a difficult time with their performance, then simply tell them exactly what you are seeing. Just be honest.

Example: "Hey, Joe, I know you have a deadline coming up quickly on that important project. When I read your latest project status notes, it seemed like the current pace will not allow you to deliver the completed work on time. I'm worried about that and want to discuss it now before we get too much further. I also saw a few errors in the latest summary of results. You may be rushing to ensure you finish on time. Let's meet this afternoon and cover both the timing and accuracy of the project."

This direct style of communication sets up a more detailed conversation you can have and also gives Joe the opportunity to prepare. Hopefully, he will come to the meeting ready to be constructive, and he won't feel blindsided.

One final point to emphasize on providing feedback: Don't over-reward (or overcompliment) performance that meets expectations. Although some goals will always be more difficult than others to achieve, you agreed with your employee at the beginning of the year what was expected of them via the goals and targets you set. If they achieve them, that means they are performing well, but not great. And that, again, is why it's important to also be clear in setting stretch goals. If your employee is achieving all of their goals, and even reaching a few stretch goals, then they are clearly a high-performer and deserve to be rewarded as such.

PROVIDE OPPORTUNITIES

In order to grow your people, you need to provide opportunities for them to shine. Now, those opportunities come in many shapes and sizes, but without really planning them out, your em-

ployees may miss valuable experiences that help them move up in their careers.

First things first: Who should get those opportunities?

Well, there are different schools of thought here, but my preference is providing most of the opportunities to your best employees. Let's face it, they continue working hard and producing excellent results just so they can continue to expand as professionals. Your job is to give them new experiences to test them in new circumstances, new roles and new environments.

I'm not saying merely good performers don't also deserve some opportunities; however, if you spread them evenly throughout your team, that can actually act as a demotivator to your best people. Just like giving everyone the same merit increase or bonus regardless of performance, your best people will wonder whether it's worth it to keep performing at a high level (or whether they should keep working for you at all) if they don't earn special recognition. You need to think of providing unique opportunities to grow as another reward for strong performance.

What kind of opportunities can you provide?

As you think about your best performers, consider what they are strong at and, importantly, where they still need to develop. That, initially, will point you in the right direction in terms of new opportunities. You need to consider allowing employees the chance to lead a special project or fill in for you at an important meeting so they can get exposure to senior leaders, or give them a long-term research assignment or send them to an industry conference. All of those opportunities provide experiences for growth outside an employee's normal responsibilities. Make sure as a leader you are spending enough time thinking about your best performers, what sorts of skills they need to develop and what opportunities you can put in front of them so they develop those skills and shine even more.

Here's the final point on providing development opportunities and, also, one of the most difficult things to do as a leader: When a star employee has done all they can do in their current role, and they've developed as much as they can, you must recommend them for a more senior role, even if it means losing them (and it usually does). Their career is your legacy and to ensure your legacy outlasts your employment, develop your employees and make sure they become stars on someone else's team. ■



Raymond E. DiDonna, FSA, is chief executive officer at LOGIQ³ Corp. in Bloomfield, Connecticut. He can be reached at raymond.didonna@rgax.com.