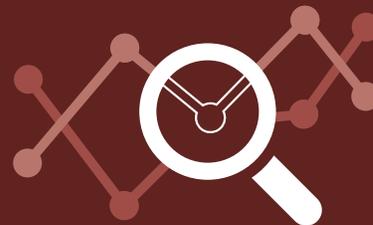




*Transform human
capital*

Fast take on Talent Innovation Performance management



“If you want a high-performance organization... find ways to evaluate people that recognize the unique role each person has played in moving the organization forward.”

PwC's Strategy + Business, Autumn 2014





Our world is transforming

Breakthroughs in technology, shifts in global economic power, resource scarcity and changes in workforce demographics are putting more and more pressure on companies to perform at new levels and solve important problems.

In this landscape, your talent strategy needs to be just as innovative as your business strategy. Companies now have the opportunity to move away from making incremental improvements in functional HR silos and instead drive toward enterprise-wide talent strategies that accelerate business performance. The benefits? A more compelling talent brand, stronger employee engagement, reduced costs, increased productivity and efficiency and room for innovation.

The traditional performance management experience does not support an innovative employee experience

Conventional performance management has been linked to high levels of attrition, low productivity and significant problems with collaboration¹. And it's far from an organizational fan favorite. Most leaders are dissatisfied with their current performance management experience:

95%
of managers



90%
of CEOs



80% to 90%
of Human Capital
professionals

That's because traditional performance management approaches take considerable time and resources to manage. They are based on old understandings of what drives people and rely on outdated means of communication and technologies—ultimately, demotivating employees and damaging their performance. In the end, they don't fuel the kind of performance that drives C-Suite business priorities.

Most organizations today are looking the wrong way on performance management. Conventional approaches base employee evaluations on the previous year's activities and performance. But an organization's primary focus should be on the forward-looking development of their people. So they can advance their careers—and strengthen the company's competitive position. This modern tilt on performance management is fast becoming a “must have” for organizations competing in today's rapidly changing world. Why?

- ***It establishes a culture of trust.*** This is one of the biggest factors in employee retention—and a modern performance management system provides transparency around expectations, progression and rewards, fostering that trust.
- ***The expanding millennial workforce demands it.*** This highly social, “now” generation doesn't want to wait for an annual review to get feedback—they want it in real time. In addition, the old school “rank-and-yank” performance evaluation model—a de-motivator that kills productivity—doesn't resonate with this growth-minded population.
- ***Workforce shifts call for it.*** Today's workforce comprises a growing number of freelance and “flexible” employees. This emerging population of workers requires net new approaches to managing, evaluating and engaging people.

¹ PwC's Strategy + Business, Autumn 2014

Digitize for rapid results

81% of CEOs say mobile technologies are strategically important for their business.

PwC's 18th Annual CEO Survey, 2015

How to get there

The most successful performance management systems are closely aligned with the organization's strategic goals—and represent just one element of a talent ecosystem custom-built to drive business performance. As a result, you should view performance management as a strategic process that, when done right, leads to new heights for employee experience, engagement and performance.

This will require a collaborative process—involving key stakeholders across different functions of the business—all working to simplify your existing performance management system and align your new one with your business strategy. That's just the beginning.

Create modern, transparent, simplified approach **to foster culture of trust**

Establish a model reliant on ongoing learning and feedback to **fuel individual, team performance**

Provide modern technology tools that enable your people to **perform any talent function at any time, from anywhere**



Set clear goals that people can work toward, be evaluated against

Shift from an annual, forced ranking system to continual discussions throughout the year

Create digital talent experience that fuels engagement, achievement and progression

When you take these steps to modernizing your performance management approach, you begin to transform your organization's entire talent experience ...which leads to measurable results:



25%+
potential time savings



Up to **50%**
decrease in turnover



Up to **15%**
cost savings due to
streamlined technologies



Up to **20%**
increased productivity

Spotlight on PwC's talent transformation and our new performance management experience

PwC's Talent Transformation Journey

We realized that to continue to achieve our firm purpose to solve important problems for our clients, we needed to accelerate our ability to build leaders at all levels. To do so, we made a series of key changes to our own talent strategy:

- **Implemented flexibility and diversity programs to gain access to unique and differentiated capability.** We introduced flexibility, contingent workforce and diversity programs to attract and engage the right capability at the right time, in the right place—to deliver game-changing value to our clients.
- **Created a real-time development culture.** Emphasizing frequent, informal feedback, we created an environment where our people always know where they stand and are always developing rather than waiting for feedback from a yearly review.
- **Embraced a common standard for leadership development.** We developed a new global career progression framework—the PwC Professional—to help us develop leaders at all levels with more speed, consistency and purpose.
- **Streamlined our talent ecosystem.** We rationalized and modernized the user experience across the

talent lifecycle from recruiting to development—and we drive real-time management with analytics and dashboards.

- **Leveraged technology and created a simplified digital experience to accelerate change.** With a goal to give our people constant visibility and transparency into their development from anywhere and at any time, we introduced new processes and innovative tools that save people significant time and streamline the leadership development process.



The snapshot tool

The Snapshot is just one of the new tools that is really reinventing the way we work and drive performance.

Two significant benefits:

- It gives our people ongoing visibility into their development all year long—enabling them to build on strengths and fill gaps all along the way, instead of waiting for a year-end review.
- For managers and partners, rather than taking hours filling out paperwork once a year to tell people how they're doing, Snapshot lets us do it in minutes.

Performance summary

The Snapshot gives our individual staff members just that—a “snapshot”—a point-in-time picture of their progression and performance against each dimension of PwC Professional. You can easily see the five dimensions: whole leadership, relationships, global acumen, business acumen and technical capabilities.

Leadership view

The coach and leadership dashboard provides real-time insight into the performance of their individuals. Our leadership and human capital teams all have access to this information—and that helps us give our staff the tools they need to quickly close gaps and improve their performance.

Talent hub analysis

The Snapshot tool is part of a larger digital Talent Hub that provides individuals with contextual views of their performance over time and connects them to personalized development content and opportunities.

Next release: Multi-Generational Workforce



How PwC can help

For a deeper discussion about building a capability model that helps you embed leaders throughout your organization, contact the PwC Talent Innovation team:

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