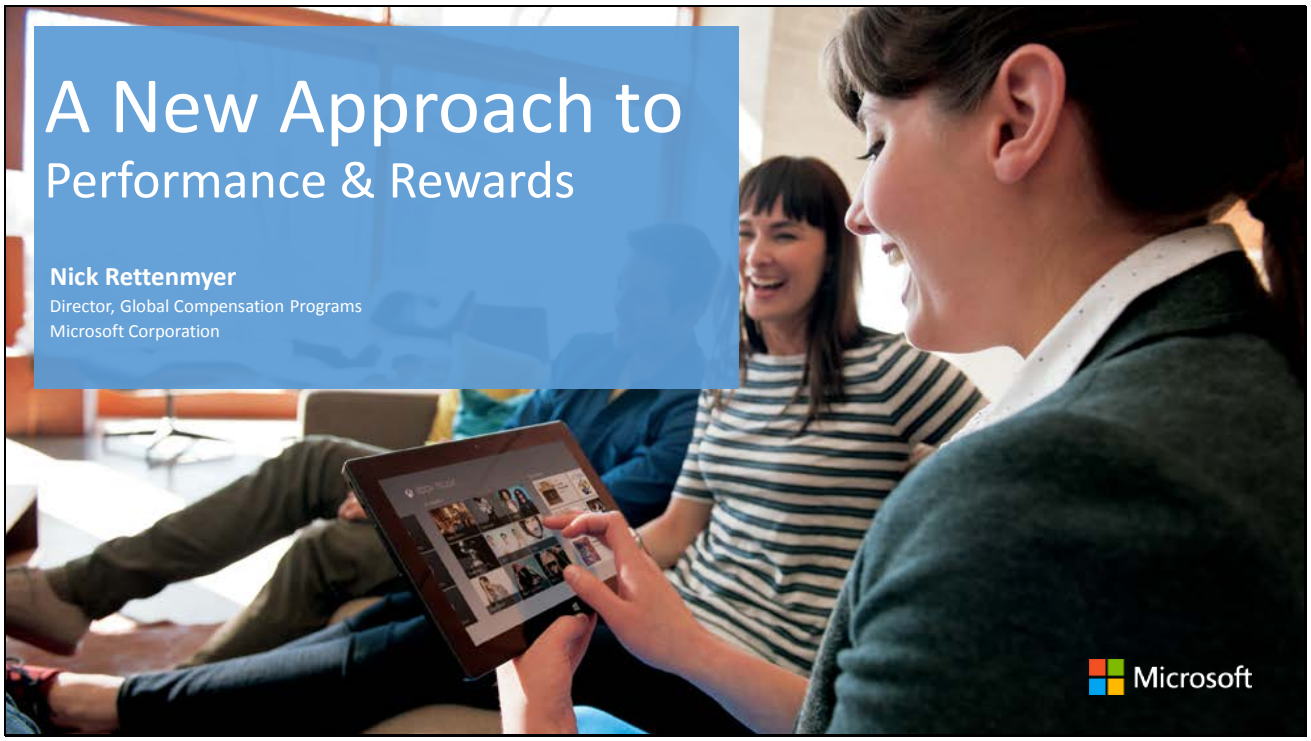
HARRT 2014 Retreat
Session 8
Nick Rettenmyer
Saturday, November 8, 2014

Slide 1



Slide 2

Our Performance 'Management' history

Past performance management and rewards programs have included:

- Some form of Ratings
- Some type of targeted curve
- Rewards linked to Ratings
- Messages delivered via corporate-wide cadence

The shifts between the various programs were primarily on 3 levers:

Several variations, but all based on 'traditional performance management'…

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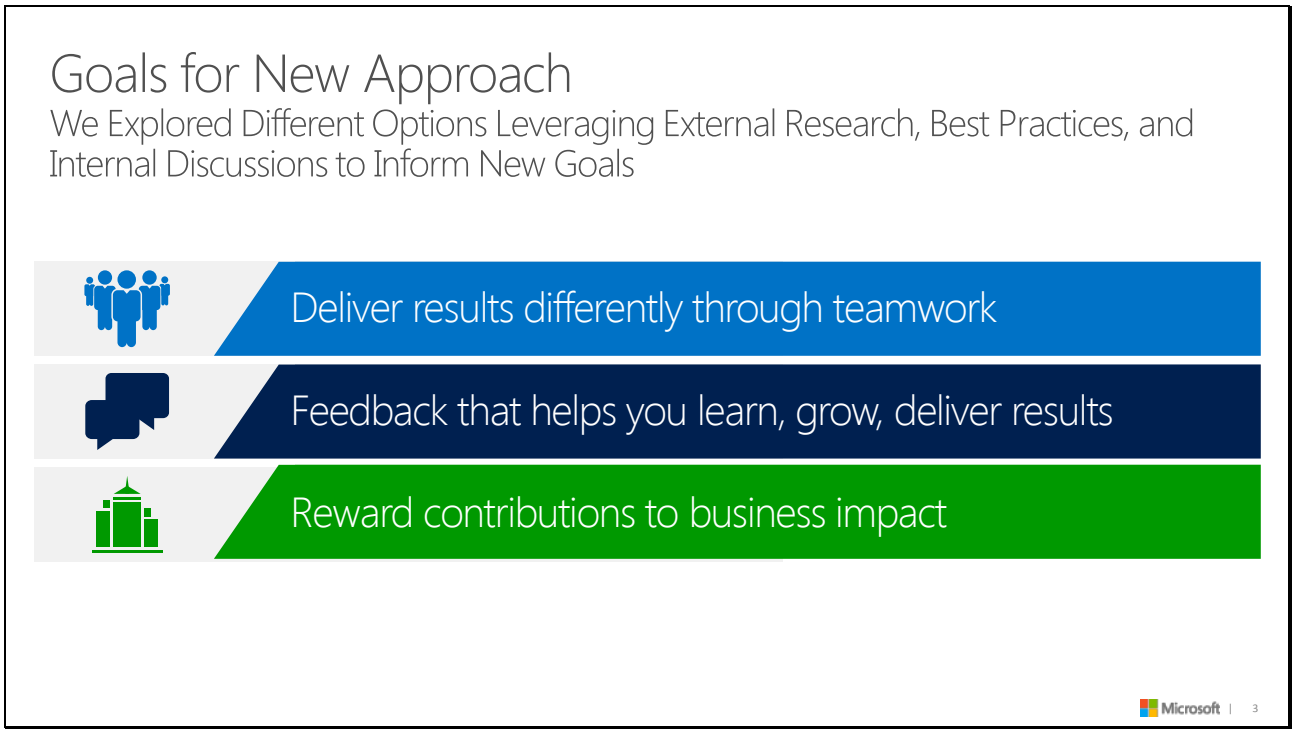
Slide 3


Goals for New Approach
We Explored Different Options Leveraging External Research, Best Practices, and Internal Discussions to Inform New Goals
Deliver results differently through teamwork
Feedback that helps you learn, grow, deliver results
Reward contributions to business impact
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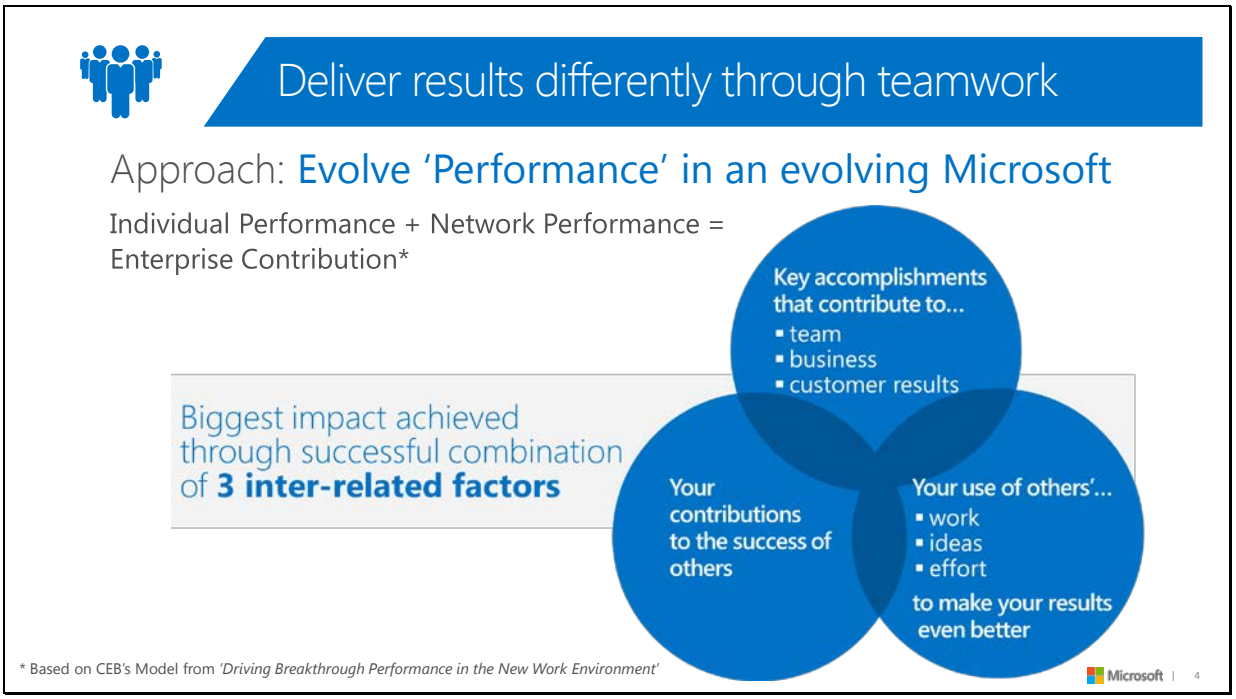
Slide 4


Deliver results differently through teamwork
Approach: Evolve 'Performance' in an evolving Microsoft
Individual Performance + Network Performance = Enterprise Contribution*
Biggest impact achieved through successful combination of 3 inter-related factors
Key accomplishments that contribute to...
team
business
customer results
Your contributions to the success of others
Your use of others'...
work
ideas
effort
to make your results even better
* Based on CEB's Model from 'Driving Breakthrough Performance in the New Work Environment'
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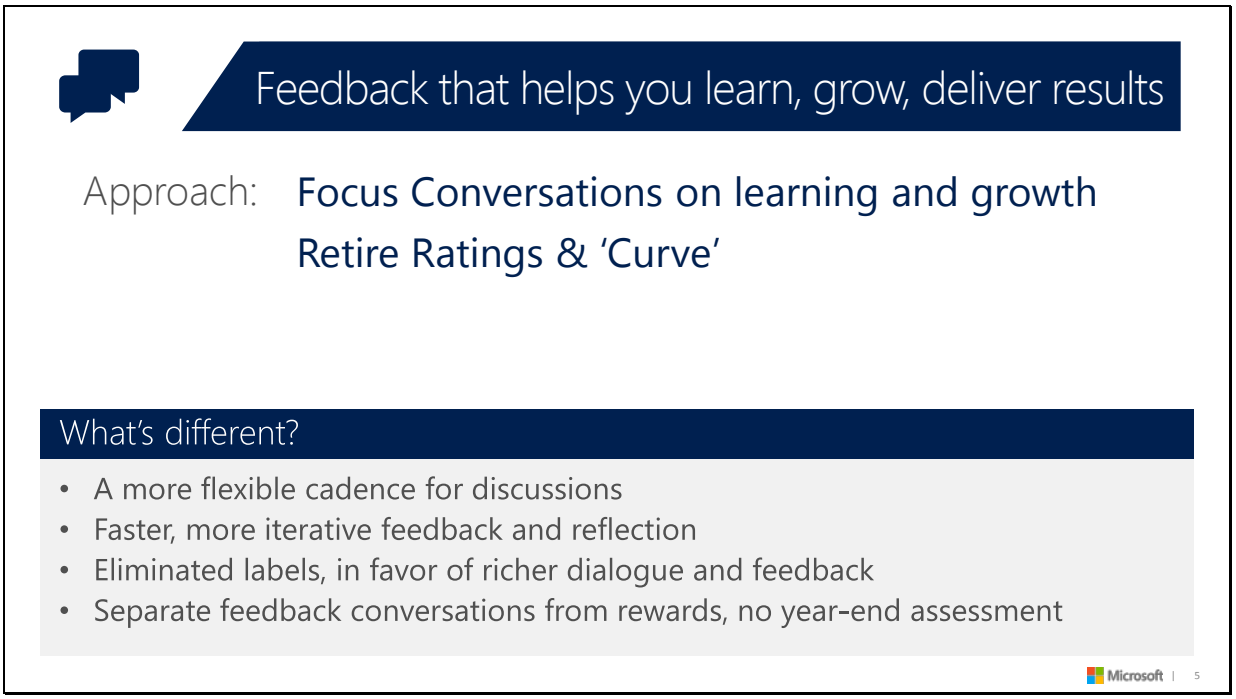
Feedback that helps you learn, grow, deliver results
Approach: Focus Conversations on learning and growth
Retire Ratings & 'Curve'
What's different?
• A more flexible cadence for discussions
• Faster, more iterative feedback and reflection
• Eliminated labels, in favor of richer dialogue and feedback
• Separate feedback conversations from rewards, no year-end assessment
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Reward contributions to business impact

Approach: Shift reward discussions and allocation from *'inputs'* (activity-based) to *'outputs'* (impact)

Deliver top rewards to those with great impact

Continue high investment in reward budgets

What's different?

- No calibration, no review, no rating
- Distributed decision-making
- More flexibility in reward allocation

Implementation of the new Performance approach may vary in some countries as required by local law

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What we did – Rewards

Retired Ratings

Eliminated Targeted Distribution

Empowered Managers

Delivered Rewards in a New Way

ManageRewards

Total Rewards Portal

Why: Reinforce pay for performance culture, encourage working together differently and tell the MS story

Slide 8

What we know - Rewards
Excellent feedback on input of managers in reward decisions
I believe my manager's input played an important part in my rewards outcome.
11%
15%
74%
The final rewards outcomes for my directs were appropriately aligned with their impact.
8%
17%
75%
Managers felt prepared to have reward discussions
During reward discussions with my directs, I felt well prepared and able to land the message without ratings.
15%
15%
70%
Unfavorable
Neutral
Favorable

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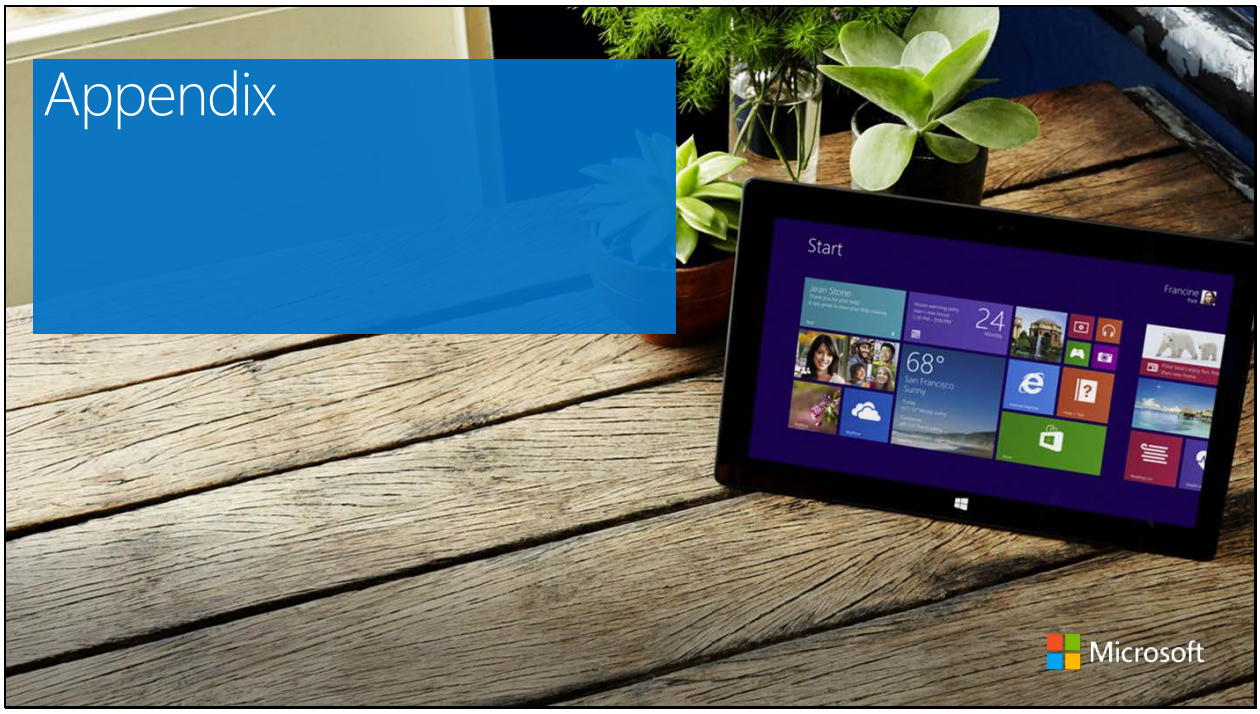

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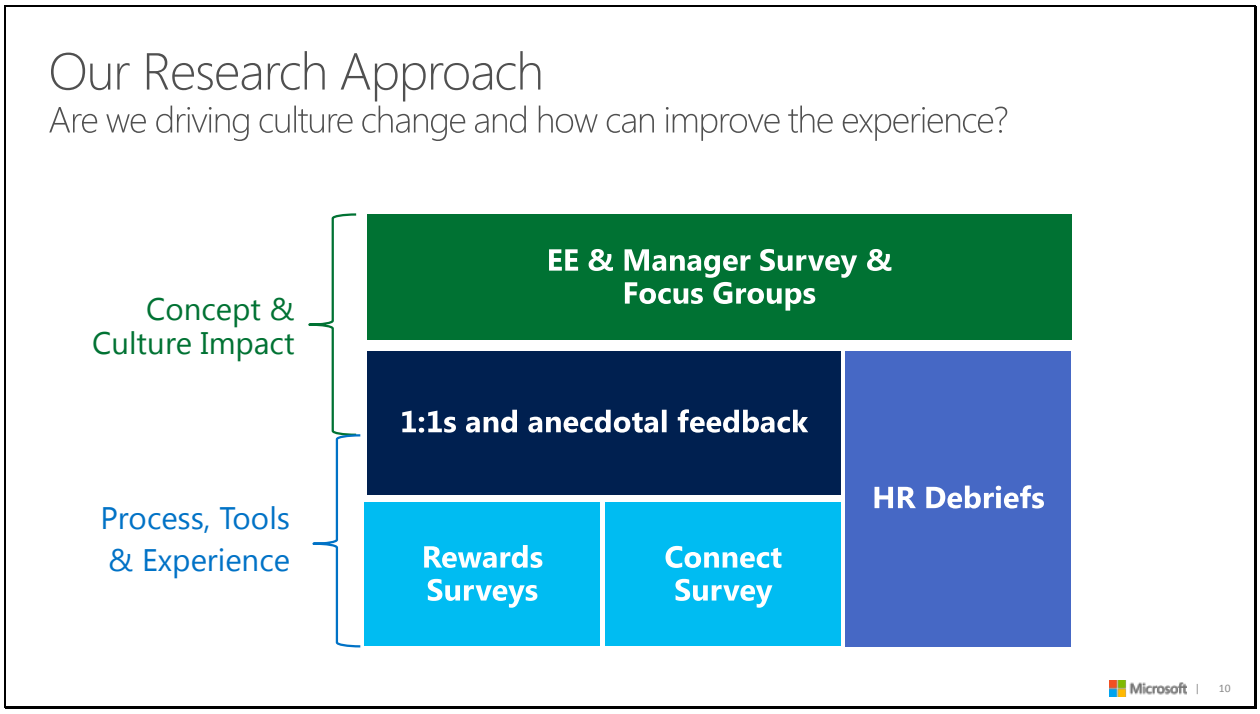
Our Research Approach
Are we driving culture change and how can improve the experience?
Concept & Culture Impact
Process, Tools & Experience
EE & Manager Survey & Focus Groups
1:1s and anecdotal feedback
HR Debriefs
Rewards Surveys
Connect Survey
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