

Building Workplace Resiliency

Leveraging
Performance
Management



Igniting the bio-economy's brainpower

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BioTalent Canada

BioTalent Canada supports the people behind life-changing science. Trusted as the go-to source for labour market intelligence, we guide bio-economy stakeholders with evidence-based data and industry-driven standards. We are focused on igniting the industry's brainpower, bridging the gap between job-ready talent and employers, and ensuring the long-term agility, resiliency and sustainability of one of Canada's most vital sectors.

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The information in this resource is based on best practices and should be adapted to your own situation. Required or strongly recommended items are noted explicitly.

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1 How does performance management impact organizational resiliency?

1.1 What is performance management?

Performance management establishes clear priorities for teams and employees and ensures they have the right people in the right roles at the right time. Effective performance management should be a continuous process of aligning individual goals to the company strategy, communicating and clarifying performance expectations, and establishing priorities for both the organization and the individual to improve performance and achieve objectives.

Priorities can include an organization's commitment to providing ongoing opportunities for growth and development to employees through formal training and informal learning (e.g., coaching, mentoring, and exposure to new and challenging work assignments). Effective performance management systems create opportunities for managers to engage with their employees and evaluate their efforts and contributions while supporting their growth, development and success.

For many organizations, the frequency and format of performance management have evolved over time. Once seen as an annual activity and often linked to compensation reviews at the end of each fiscal year, performance management is becoming a more continuous process where managers have regular check-ins with employees, giving them real-time feedback on their work and contributions and providing support as needed. This more fluid communication between manager and employee helps ensure employees are performing at their best throughout the year while providing opportunities to address issues or barriers that may affect performance.

Developing career paths for their organization, re-aligning pay levels and benefits, and providing additional training opportunities are some examples employers can adopt as part of performance management.

1.2 What is resiliency?

Resiliency is the capacity to “bounce back”—to absorb, react, adapt. Recent definitions of organizational resiliency emphasize less the “fortress” approach to addressing challenges and disruption—that is, attempting to rigidly protect the company from external factors that could cause uncertainty—and instead focus on flexibility, adaptability and risk management.¹ For a company, resiliency is the ability to effectively anticipate and address disruptions and their impacts at the organizational level. In this sense, resiliency is characterized as *a set of specific organizational capabilities, routines, practices and processes by which a firm conceptually orients itself, acts to move forward and creates a setting of diversity and adjustable integration.*² Its goal is to support organizational sustainability in the face of disruption and enable organizations to absorb, react and adapt to it now and in the future.

Leaders from Canadian bio-economy companies that successfully responded to disruptions created by the COVID-19 pandemic described resiliency in similar terms, including being adaptable, agile, flexible, financially sound, responsive to change, transparent and open.³

1.3 How does performance management relate to resiliency?

Performance management is an essential component of building resiliency because it helps align employees to the organizational strategy while driving higher employee engagement and business performance—all critical components of resiliency. Combined with other factors such as leadership and employee engagement, performance management even helped bio-economy organizations counter the disruptive impacts of the COVID-19 pandemic, according to a survey by BioTalent Canada.

Effective performance management that is both inclusive and equitable can have a significant impact on job satisfaction, performance and career development. Regular, transparent and two-way dialogue between leaders and employees ensures employees have a strong understanding of the company priorities and purpose, making them feel more included and

1 Denyer, D. (2017). Organizational Resilience: A summary of academic evidence, business insights and new thinking. *British Standards Institution and Cranfield School of Management*, 9.

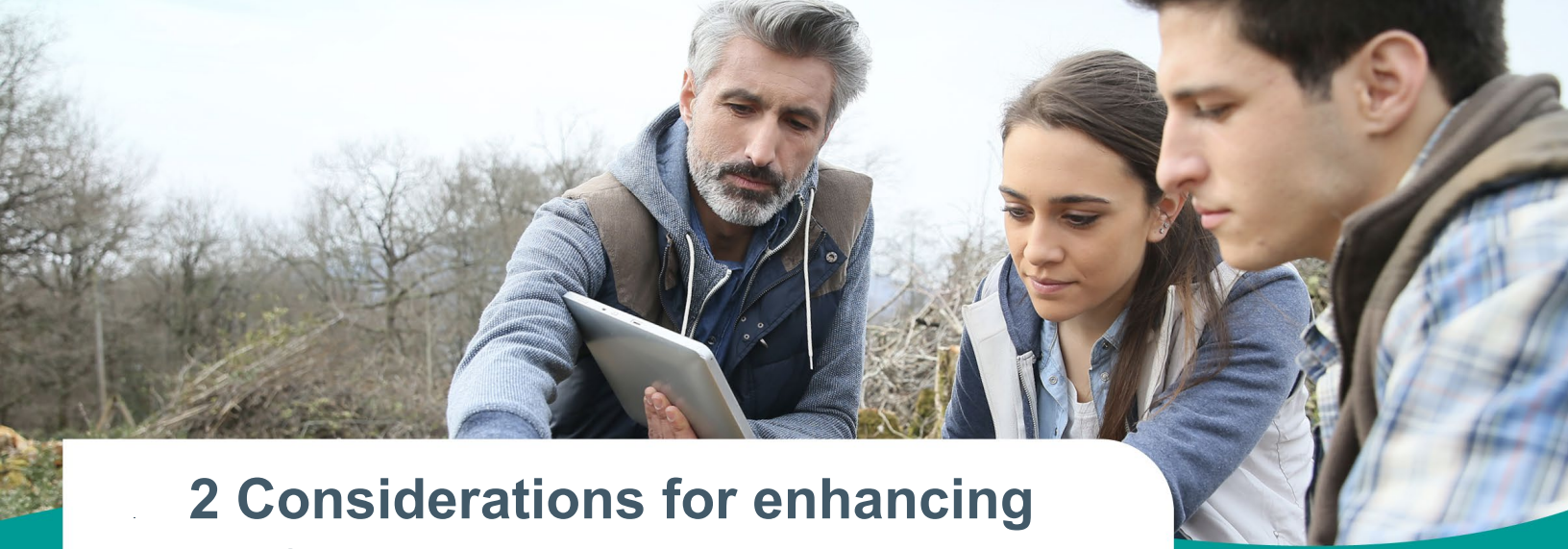
2 Lengnick-Hall, C. A., and Lengnick-Hall, B. (2011). Developing a capacity for organizational resilience through strategic human resource management. *Human Resource Management Review*, 21 (3), 2.

3 From the BioTalent Canada survey for the “[Building resiliency and sustainability for the bio-economy to withstand disruption](#)” research project, which gathered feedback from 344 Canadian bio-economy employers during the COVID-19 pandemic.

connected to the organization. These conversations also equip employees with the information needed to translate organizational priorities into individual goals and action plans.⁴

Regular conversations about performance also help leaders identify and address potential challenges as they arise, keeping everyone on track to meet individual and organizational goals. When managers provide developmental feedback, employees and leaders can create concrete action plans to improve their competencies long term. This process allows employees to develop and refine their skills, which contributes to resiliency and prepares individuals and teams for disruption, change and future challenging projects.

⁴ Birshan, M., et al. (November 2022). [Resilient performance management in volatile times](#). *McKinsey Organization Blog*.



2 Considerations for enhancing performance management to build organizational resiliency

2.1 Leaders' roles in performance management

Leaders are critical to helping employees understand the impact of their roles and contributions on achieving the organization's goals and improving overall performance. Leaders also play a key role in providing employees with the tools, resources and knowledge needed to be successful. When leaders communicate and cascade the organization's short- and long-term strategies and plans, employees can then create individual goals that are aligned with the organization's goals and strategies. This process also raises leader and employee awareness of any gaps that may limit performance and goal achievement, providing opportunities for leaders to take on a coaching role when providing feedback.

It can be challenging for employees to identify how their work impacts the company's strategic goals. Effective performance management helps employees connect the dots on how their roles matter and how their contributions have a measurable impact on their organization's strategic goals.

In addition to helping employees establish clear and achievable goals and providing opportunities and support for development, leaders are also responsible for ensuring that performance management processes are equitable and free from bias. Unmitigated bias can dilute the perception of objectivity and fairness in an organization, according to research by Deloitte. Ultimately, bias negatively impacts employee productivity, engagement and wellbeing.⁵

⁵ Nangia, N. and Enderes, K. (June 2020). [Mitigating bias in performance management](#), *Deloitte Insights*.

2.2 Mitigating bias in performance management

Bias in performance management leads to unfair or irrational results or decisions, limited innovation as well as the risk of discrimination. To ensure a more objective, inclusive and equitable performance management process, the following are recommended for leaders:

1. Check your biases

Be aware of biases impacting your ability to make fair and objective performance evaluations. Common biases that can affect a leader's ability to evaluate an employee's performance include the affirmation bias, gender bias, horn/halo effect and recency bias. (For more information on biases impacting the talent management cycle, please refer to the "[Building Workplace Resiliency: Adopting Inclusion, Diversity, Equity, and Accessibility](https://biotalent.ca/resiliency)" resource at biotalent.ca/resiliency.)

2. Leverage data

Managers should not base employee performance on their gut instincts. Avoid sharing personal opinions when providing feedback or making evaluations. Instead, interpret tangible data that relates to specific goals. Performance evaluations that are based on data will ensure employees receive feedback that is objective, meaningful and free from bias.

3. Approach performance management with empathy and compassion

Take the time to understand the reasons for an employee's underperformance before providing feedback and making evaluations. Ask employees questions about what external or personal factors may be creating challenges that impact their performance and look for ways you can support the employee.

2.2.1. Putting it into practice: Checklist for effective performance management

- ☐ Understand the organization's vision and ideas of success, then translate that into strategic objectives.
- ☐ Communicate organizational updates, vision, purpose and objectives on a regular basis.
- ☐ Clarify roles and responsibilities for each team member.
- ☐ Set individual and team goals that are aligned with the overall business strategy.

- ☐ Engage the employee when setting development goals and align them with their career objectives.
- ☐ Set regular, one-to-one meetings to provide feedback on performance and company updates, make required adjustments to objectives, address challenges and offer support where needed.
- ☐ Have a system in place to monitor, track and reward performance. Document feedback for future reference.
- ☐ Conduct annual performance reviews for processes such as compensation reviews or succession planning. Focus your feedback on acknowledging achievements and highlighting strengths. Then, make a plan for required development and set objectives.
- ☐ Provide opportunities for the employee to share their knowledge.
- ☐ Provide opportunities to the employee for further development by learning new skills or working in other areas to expand their knowledge.
- ☐ Recognize employee contributions.
- ☐ Consider implementing a reward program that is tied to performance (salary increase, bonuses, additional time off).
- ☐ Inform employees of any upcoming career opportunities.
- ☐ Inform employees of any new project opportunities that might interest them.
- ☐ Connect employees with other leaders and teams in the organization.

2.3 Setting goals

Setting goals is an integral part of any performance management program. By setting goals, employees commit to help meet the organization's and their own professional development goals. It also serves as a way of holding employees accountable for their work and directing their actions toward meeting their commitments. Clear and actionable goals help remove bias from the performance management process by ensuring all employees have equitable opportunities to develop skills and advance in an organization.

Goal-setting can help improve employee engagement in a way that elevates performance and benefits organizations overall, according to research by McKinsey.⁶

Tips for setting goals

Tip # 1: Encourage and help employees **set SMART (specific, measurable, achievable, realistic and time bound) goals** by involving them in the entire process, cascading the organization's goals down to teams and individuals. Setting SMART goals is a simple yet effective way to ensure each objective is clear and actionable. Discuss and document each objective and agree on timelines.

Examples of SMART goals:

- Improve communication and efficiency within the project team by condensing team meetings. Post a meeting agenda for all team members to review prior to the meeting. This will allow participants to prepare and present more effectively. Ensure staff meetings take place at a regular cadence.
- Increase market penetration of a specific product by 20% by the end of 2023, leveraging social media channels to market the product to five new customer groups that have been identified through the organization's recent customer research.

Tip # 2: Throughout the goal-setting process, managers should **ask questions** to encourage an open discussion. For example:

- How do you plan on meeting these goals?
- What support do you require from me?
- What are the appropriate milestones?
- How often should we check-in?
- Are there any possible risks or barriers to achieving these goals? If so, how do you plan to manage these?

Tip # 3: To keep employees focused and motivated, **schedule regular check-ins** to review and evaluate progress throughout the year. Provide feedback so the employee can adjust their performance as required. As the business and environment evolve, objectives may need to be changed or adapted. It is important to discuss any changes required.

⁶ Chowdhury, S. and Hioe, E. (December 2017). [How effective goal-setting motivates employees.](#) *McKinsey Organization Blog*.

2.4 Performance feedback conversations

Employees want to feel challenged at work and be able to rely on a manager who is invested in their growth. By giving feedback to employees, leaders support their skill development in a more collaborative and agile way. It also contributes to a more resilient work culture.

2.4.1. Providing future-focused feedback to improve performance and organizational resiliency

Giving employees feedback that will yield positive results for both the employee and the organization can be one of the more challenging tasks of leadership. Performance feedback often focuses on past performance instead of future development and improvements. However, feedback is more likely to be motivating when it includes elements of coaching and mentoring, which help employees focus on specific actions to improve performance.

Additionally, effective feedback is:

1. **Frequent:** Providing feedback on a regular basis is ideal. It ensures the leader's perspective is fresh and allows the employee to start taking steps to improve their performance sooner.
2. **Reciprocal:** Asking employees for feedback about their own performance contributes to a better understanding of their behaviours or challenges.
3. **Specific:** Providing feedback with specific examples is most helpful (e.g., "Last Thursday, when you provided your project update during the team meeting, you did not include details on the budget").
4. **Actionable:** Actionable feedback can either encourage an employee to continue what they are doing or give them an action to correct (e.g., "If you could share what you have learned on the new development project, the wider team could learn about the takeaways. Would you be open to doing this at each monthly team meeting?").
5. **Solution-focused:** Open discussions can help solve issues (e.g., "What can we do next time to ensure this doesn't happen again? How can we approach this situation differently?").
6. **Safe:** Focusing on the behaviour or issue instead of the person is critical. Safe spaces where employees feel free to share their thoughts, ideas and ask questions and know they are supported facilitate productive, two-way discussions.

2.5 Creating high-performance teams

Having a high-performing team can have profound benefits for an organization and the individual team members, especially in today's dynamic and quickly changing business environments. High-performing teams are built with leaders and employees who have specialized and complementary expertise, characteristics and skills, a shared purpose, and a strong focus on achieving goals and getting results. Bio-economy companies with high-performing teams will be more agile, innovative and resilient to change and disruption.

Creating a high-performing team involves more than hiring employees with the right skills. Organizations must leverage their performance management processes to develop and nurture the behaviors and skills required for today and for the future. High-performing leaders also play a critical part in the development of high-performing teams. High-performing leaders are aware of their strengths and weaknesses, manage their emotions, and lead with empathy and inclusion. Teams led by high-performing leaders perform better and raise their standards to challenge themselves.

2.5.1. Performance improvement plans

Underperforming employees impact a team's overall performance and create challenges when building the high-performance teams organizations need. While firing an underperforming employee may seem logical, managers should recognize that terminations do not come without their own risk to the organization. Thus, they should ensure all efforts are made to help employees improve their performance.

One approach is the implementation of a performance improvement plan (PIP). A PIP is usually a written document that provides details on performance issues and expectations as well as an action plan for improvement. Properly implemented, PIPs benefit employees and organizations by:

- Increasing employee engagement and accountability, since the process results in employees holding themselves accountable
- Helping promote a positive work culture that promotes employee success
- Saving time and resources by eliminating the cost and time required to recruit, onboard and train new employees

As with the other parts of the performance management process, PIPs encourage managers to treat employees equitably, check their biases, take the time to review and communicate issues and expectations, offer support and follow up with the employee to review progress.

2.5.2. Termination

Performance management in an organization should be focused on continuously developing employee skills and motivation to perform at their best. There are times when, even after taking steps to improve performance, an individual may need to find a role or organization that is a better match for them. In these situations, termination may be the only alternative.

There are several risks associated with terminating employees. A performance management process that documents performance issues helps to mitigate these risks. Organizations should consider the following risks, and tips to mitigate them, when terminating an employee:

- 1. Risk of damage to an employer's brand if a terminated employee feels hurt or angry and chooses to retaliate**

To mitigate this risk: Treat employees with dignity and respect at all stages of the employee lifecycle, including their termination. Avoid surprises by ensuring regular and transparent conversations about performance, especially when underperformance or behavioural issues negatively impact the team. When termination is the only option, look for opportunities to support the employee.

- 2. Risks of potential lawsuits for wrongful dismissal**

To mitigate this risk: Base terminations on objective and verifiable data. Employers should document all efforts made to address performance issues, including mentoring, coaching and learning opportunities. This can demonstrate that the termination was based on performance issues that the employer and employee were not able to resolve even after exhausting all possible measures.

- 3. Added workload for existing employees until a qualified replacement is found**

To mitigate this risk: Ensure your performance management program includes a talent assessment of internal talent and external candidates so you have candidates to fill the role.

2.5.3. Putting it into practice: Questions to reflect on improving team performance

- Is there anyone on the team who exhibits toxic behaviour that demotivates the rest of the team?
- Is everyone contributing equally to the success of the team, or is there a team member not pulling their weight?
- Is there conflict on the team that needs to be addressed?

- Is everyone clear on their role and responsibilities?
- Does everyone have the support they need to be successful (tools, work/life balance, training)?

Once you have identified areas for improvement, create an action plan and timeline to address any issues and follow-up until they are resolved.

2.5.4. Putting it into practice: Team self-assessment

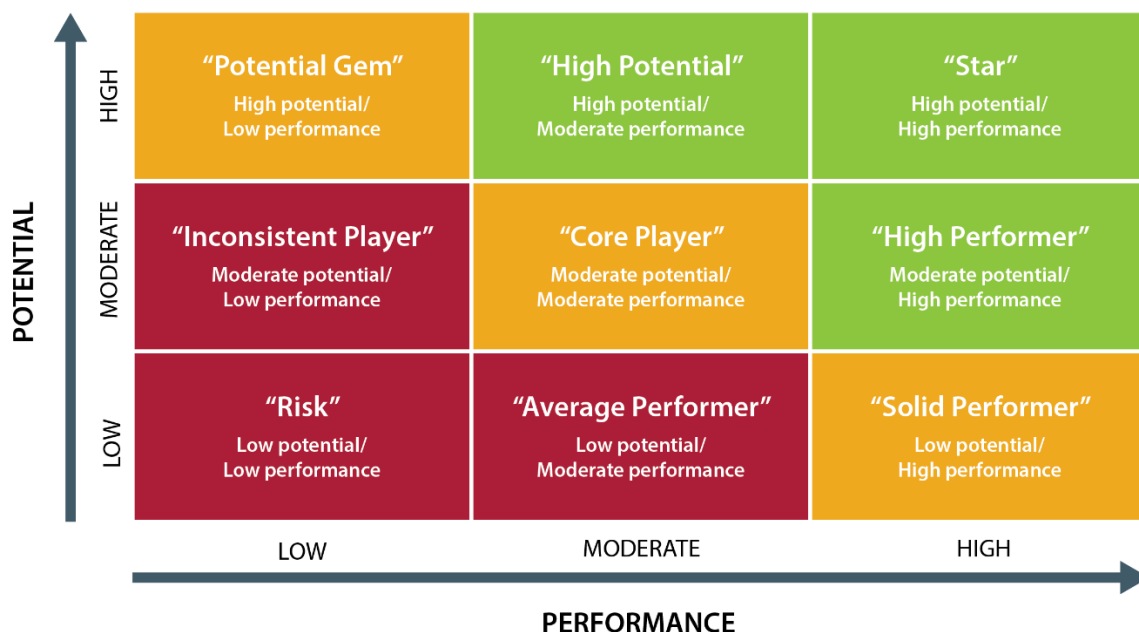
Another approach to creating a high-performance team is engaging team members in assessing the team's performance and helping the leader create a plan for improvement. This can be done through a survey or open discussion. Questions you can have the team answer include:

1. Does our team environment foster creativity?
2. Is our team inclusive? Do we have interaction and involvement from all team members?
3. Do we have the power within our group to make decisions?
4. Is there mutual trust within the team?
5. Do we respect each other's differences?
6. Are we openminded?
7. Do we have constructive conflict resolution within the team?
8. Do we have open communication?
9. Are we motivated? Do we motivate each other?
10. Are we clear on our roles and responsibilities?
11. Are we working toward common goals?
12. Are we supported in our professional development?
13. What are some improvements we can make?
14. As a team, what do we need to stop doing? Start doing? Continue doing?

2.6 Assessing your talent pool

Assessing an organization's overall talent pool is an important part of performance management. An older tool, originally developed by McKinsey in the 1970s, is the 9-box model. This tool, or various updated versions, continue to be used by organizations for talent management and succession planning. While there have been some challenges and criticism regarding transparency and potential bias by the rater/user, there are also benefits given the tool's simplicity.

Typically, the horizontal axis denotes "performance," which is measured by performance reviews, while the vertical axis denotes "potential," referring to an individual's potential to grow in a managerial or professional capacity.



GE-McKinsey Matrix / 9-box model⁷

⁷ B. Anderson (January 2023), [What Is the 9-Box Model? Expert Tips for Performance Management](#), *BambooHR Blog*.

2.6.1. How to use the 9-box model

1. Prepare a list of all team members you are assessing, along with their last performance review or notes on their performance.
2. Add the name of each employee into the box that best describes their performance and potential for growth (one or more levels in a managerial role or professional capacity).
3. Identify your top talent and proceed to work on development plans with each of them. Recognize, develop and reward this group.
4. Identify underperforming/low-potential employees and take action to address issues.

Employees who perform well and show potential can transform your organization in the future. Once you identify your top talent, you can create development plans and offer opportunities to support their growth. Employees showing low potential or low performance should be moved to a more suitable role. A decision to end their employment may also need to be considered.

2.6.2. Developing a diverse succession plan

Look at succession planning as an opportunity to bring in new perspectives to your organization rather than finding a copy of the incumbent in the role. Be intentional about making employees from equity-deserving groups “promotion-ready” by creating opportunities for exposure to leadership and development. Also be open to hiring external candidates from equity-seeking groups to fill diversity gaps in succession plans and talent pools.

Building workplace resiliency in Canada's bio-economy

Effective performance management is just one factor that contributes to workplace resiliency. Strengthening inclusion, diversity, equity and accessibility (IDEA); hiring and retaining internationally educated professionals (IEPs); and fostering an equitable workforce free of discrimination are among other vital steps.

BioTalent Canada has published a series of resources offering tips, plans and other tools to further support your workplace resiliency efforts. Explore them at biotalent.ca/resiliency.

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