BIPO 人力资源服务先行者
Practical & Effective Performance Management During Pandemic & VUCA Era

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Presenter:

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Agenda

01 **Shift of HR Strategy in VUCA**

HR Strategy & Requirement Changes, Common Pain Points

02 **Productivity Effectiveness Optimization**

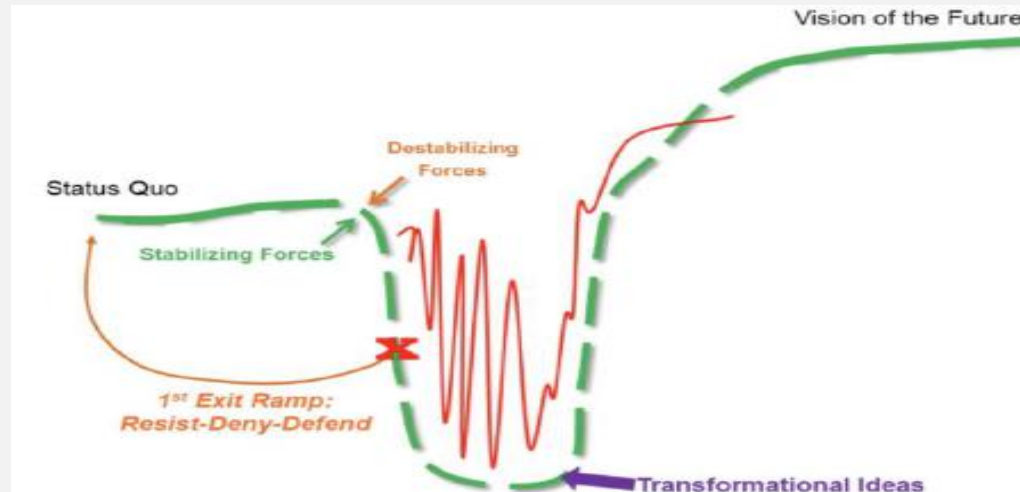What to consider, Market Trends and **Case Sharing**

03 **HR Digitalization for Performance Management**

Key for Future Performance Management

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WHAT WE EXPERIENCE DURING VUCA

Adaptive Change Model

A journey from the Status Quo to a Future
- 3 Phases: Fall, Cauldron, and Road Back
- Dashed line: Highly influenced by VUCA
- Red Line: Ups-and-downs experience

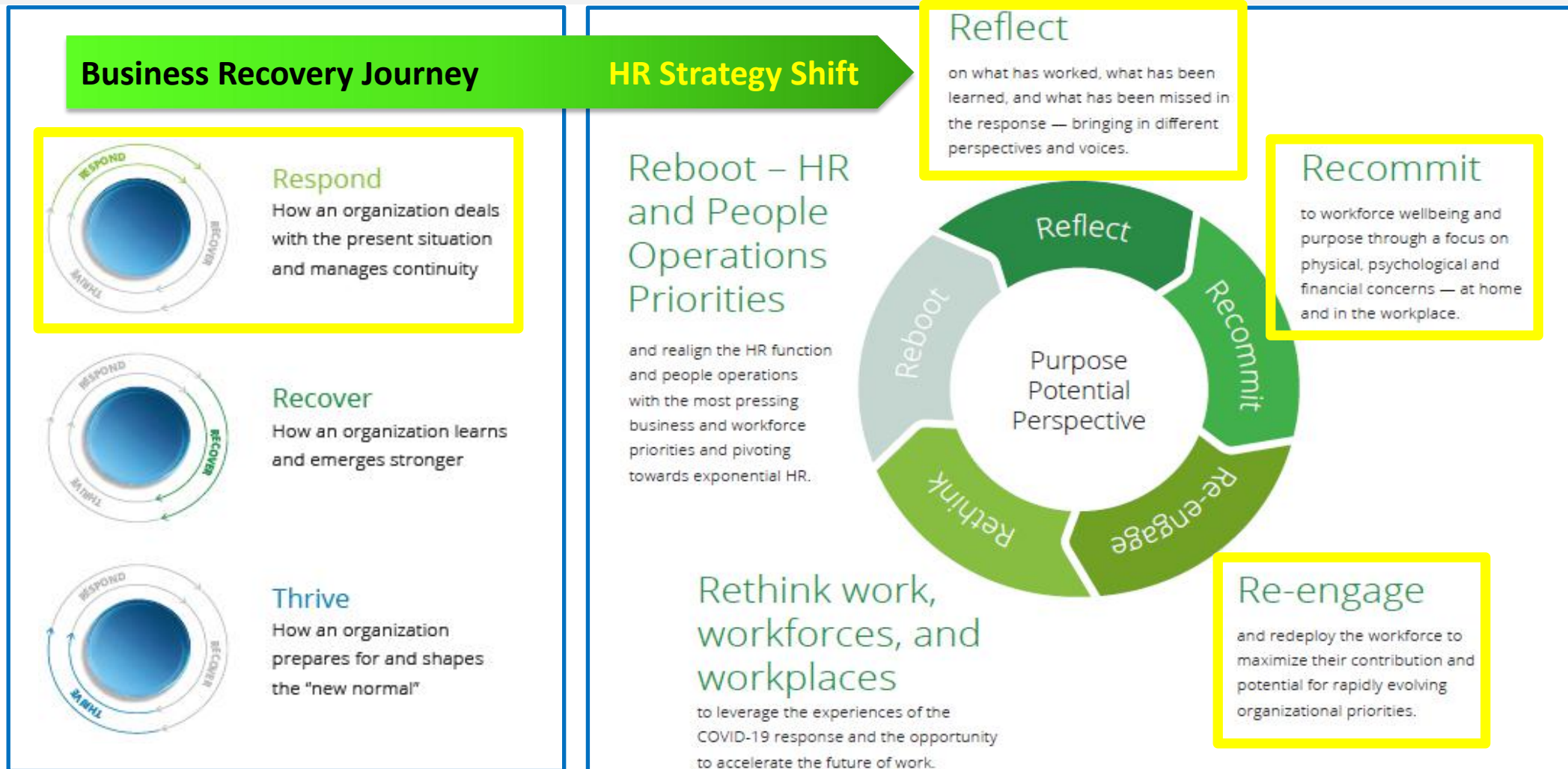| VUCA Experience	Reveals and Amplifies our	Is Resolved, Mitigated and Dampened by
Volatility	**V**ulnerability	**V**igilance
Uncertainty	**U**nwillingness	**U**nderstanding
Complexity	**C**onsequence	**C**ontainment
Ambiguity	**A**ssumptions	**A**gility

Source: 2020 VUCA of COVID-19 Through Adaptive Change (Parallax Consulting and Cairn Consulting)

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COMMON ISSUES THAT MANY ORGANIZATIONS ARE FACING

Crisis Scenario Planning & Management	**Cashflow Management & Rapid Cost Reduction**	**Workforce Planning**	**Employment & Tax**
Business, Technology Resilience & Cyber	**Supply Chain Management**	**Execution Services & Surge Capacity**	**Regulatory, Compliance & Claims**

Source: Considering the potential business impacts of the COVID-19 outbreak, by PWC, 15 Apr 2020

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WORKFORCE STRATEGY IN VUCA

Business Recovery Journey → **HR Strategy Shift**

Respond
How an organization deals with the present situation and manages continuity

Recover
How an organization learns and emerges stronger

Thrive
How an organization prepares for and shapes the "new normal"

Reboot – HR and People Operations Priorities
and realign the HR function and people operations with the most pressing business and workforce priorities and pivoting towards exponential HR.

Rethink work, workforces, and workplaces
to leverage the experiences of the COVID-19 response and the opportunity to accelerate the future of work.

Reflect
on what has worked, what has been learned, and what has been missed in the response — bringing in different perspectives and voices.

Recommit
to workforce wellbeing and purpose through a focus on physical, psychological and financial concerns — at home and in the workplace.

Re-engage
and redeploy the workforce to maximize their contribution and potential for rapidly evolving organizational priorities.

Reflect · Recommit · Re-engage · Rethink · Reboot

Purpose Potential Perspective

Source: Workforce strategy for post-covid recovery, Deloitte 2020

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HR'S FOCUS AND ACTIONS

Top Issues on HR's Minds

41% Top 1	Health and Wellbeing	Health of employees — 26%
		Communicate frequently and clearly — 14%
39% Top 2	Manage Remote Work	Transition to remote work — 17%
		Create engagement working remotely — 16%
		Foster connections w/employees remote — 6%
36% Top3	Jobs & Continuity	Protect employees jobs — 14%
		Continuity of business operations — 12%
		Increase long term viability — 10%
14% Top 4	Mental Health, Uncertainty	Deal with uncertainty — 7%
		Help employees w/mental health — 7%
		Plan workforce utilization — 10%

0%   5%   10%   15%   20%   25%   30%

Health
- Implement protective measures for on-site employees
- Help employees manage stress and mental health

Remote work
- Transition employees to remote work
- Foster connections among employees working remotely
- Provide remote work tools & training

Total rewards
- Base pay, salary increase, allowance, benefits and headcount cuts
- Offer unpaid sabbaticals, expand benefits like paid sick leave
- Offer hazard for essential jobs with public exposure
- Assess sales incentive plan
- Review annual performance bonus
- Address LTI affected by underwater equity

Communication
- Activate a crisis management team
- Covid-19 centralized information center
- Coordinate response across different teams, Bus & regions

Source: HR Pulse Survey by MIT Sloan Management Review and CultureX in Apr 2020, Considerations for Your Total Rewards Strategy in Response to COVID-19 by Aon Mar 2020

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WORKFORCE STRATEGY FOR POST VUCA RECOVERY

Business Recovery Journey → **HR Strategy Shift**

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to leverage the experiences of the COVID-19 response and the opportunity to accelerate the future of work.

Reflect / Recommit / Re-engage / Rethink / Reboot — Purpose Potential Perspective

Source: Workforce strategy for post-covid recovery, Deloitte 2020

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RETHINK WORK, WORKFORCES AND WORKPLACES

Traditional HR Strategy	New HR Strategy	Detailed Practice
Statistic Planning Assumptions	**Dynamic Planning Assumptions** 77% of senior leaders feel poorly prepared for the future.	**Plan** Use labor market analytics to educate leaders on market dynamics and propose strategic solutions. **Build** Drive decisions around skills inventory, and redeployment by educating your enterprise wide skills pipeline in comparison with the market. **Buy** Equip HRBPs and recruiters to develop more effective sourcing strategies and new skills.

Source: The unbounded workforce by Gartner in 2020

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RETHINK WORK, WORKFORCES AND WORKPLACES

Traditional HR Strategy	New HR Strategy	Detailed Practice
Location Bounded	**Talent Anywhere** 48% of employees want to work remotely at least part of the time after COVID-19 versus 30% before the pandemic.	**Plan** Identify the alternative locations to hire remote talent based on high supply, low demand and lower cost for top skills. Reconsider on shoring or alternate low-cost, low-risk global locations for critical supply chain functions such as manufacturing. **Buy** Understand the locations and remote work profiles your traditional and nontraditional competitors are hiring in critical talent segments. Improve the quality and diversity of the candidate pool by understanding talent supply demographics and skills across various locations.

Source: The unbounded workforce by Gartner in 2020

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RETHINK WORK, WORKFORCES AND WORKPLACES

Traditional HR Strategy	New HR Strategy	Detailed Practice
Compensation Restricted	**Compensation Flexibility** 74% of companies plan to permanently shift to more remote work post-COVID-19.	**Plan** Identify areas where existing (or planned) compensation is lagging behind market leaders for mission-critical roles. **Buy** Shift your talent sourcing strategy to less competitive markets by understanding demand, supply and cost pressure. Benchmark against advertised salaries in real time to adjust compensation according to changing market conditions.

Source: The unbounded workforce by Gartner in 2020

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RETHINK WORK, WORKFORCES AND WORKPLACES

Traditional HR Strategy	New HR Strategy	Detailed Practice
Roles Restrict Planning	**Skill Clusters Determine Capability** 40% of employees say they frequently complete tasks that are outside of their job description, proving that roles are ill-designed to capture the skills required for today's workflows.	**Plan** Analyze trends in skill evolution to gain insight into which skills are core vs. new, emerging, growing and declining. **Build** Create resilience in the workforce and improve your internal labor market by identifying needed emerging skills and cross-training individuals to develop broader skill sets. **Buy** Reduce talent acquisition costs by identifying stepping-stone skills prime for reskilling that exist in your organization today.

Source: The unbounded workforce by Gartner in 2020

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RETHINK WORK, WORKFORCES AND WORKPLACES

Traditional HR Strategy		New HR Strategy	Detailed Practice
Digital initiatives	**Digital Imperatives** "Digitalization at scale and velocity" triggers massive skill shifts, with over 58% of workforces reporting skill transformations just since the onset of the pandemic.	**Plan** Empower business leaders with data-driven insight into key transformation initiatives, e.g., enable organization-wide digital and AI transformation by sharing insights on the critical skills of the future for various functions. **Buy** Track hiring trends (volume, talent profiles) of key talent competitors in real time to identify early threats to talent acquisition and retention and to make opportunistic adjustments. Consider a contingent workforce (part-time, gig workers and contractors) to shift to a lower-cost talent portfolio. **Build** Identify new skills that enable effective remote work, including greater digital dexterity.	

Source: The unbounded workforce by Gartner in 2020

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PERFORMANCE MANAGEMENT IN VUCA

	Traditional	Performance Management in VUCA
Mindset	Be statistical and objective	• Dynamically shift aligned to shifting business priorities • Lead performance review with empathy and compassion
Pay Philosophy	Pay for Performance	• With the forces outside the employees' and employers' control are at play, make rapid adjustment to goal setting, ratings and rewards, but what adjustment to make given the uncertainty of the current situation? • Some proactive employers intentionally separated rating and pay decisions during the pandemic until the market stabilized
Budgeting	Based on statistics and forecast	• More specific indicators to be introduced based on the location and time span, with the unanticipated changes of the external market • Differentiate for same jobs but working onsite or online, local or remote, permanent or contingent
Performance Metrics	Unified or a few metrics	• Notify all employees about the changes • Review the key talents or top performers' pay scheme and make adjustment case by case
Talent Retention	Differentiated pay	• Dynamically shift aligned to shifting business priorities • Lead performance review with empathy and compassion

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Source: How to phase out the annual performance review (and what to do instead) by Mercer in June 2020; Risks and opportunities in performance management post covid-19, by Mercer in 2020

TYPICAL HR PROJECT NEEDS (for MNCs & POE/SOE)

NOW

PAST

Pay Benchmarking

Employee Grading / Banding

Total Cash Structure Design

More Sophisticated & Business-Driven Requirement For Survival, Motivation & Growth!

Performance Management Mechanism

Sales Incentive Scheme Design

Long-term Incentive Design (Cash & Stock)

Productivity & Pay Effectiveness

Profit Sharing & Retention

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HR TOP STRATEGY IN 2020

HR Top Strategy in 2020	% of Respondents
Labour Cost Control	75%
Productivity Optimization	69%
Incentive Scheme Review	25%
Omni-Channel Advancement	25%
Employee Care	13%
HR Digitalization	6%
Inclusion & Diversity	6%
HR Policy Update	6%

Although Sales in China are promising, MNCs typically face **Cost Pressure** due to **Global Sales Reduction**.
For example, one company reported they are forced to **reduce people cost by X% due to global direction** (equally cutting X% cost for each region desperate of local situation).

Source: SHCX Market Update (July 2020)

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HC PLANNING & COST OPTIMZATION

5 **Step V:** Execution and optimize

1 **Step I:** Data Cleaning and Analysis

HC Planning Tool Build up and Execution

4 **Step IV:** Define Rostering Principle

2 **Step II:** Summarize Impact Factors

3 **Step III:** Data Import and Cost Simulation
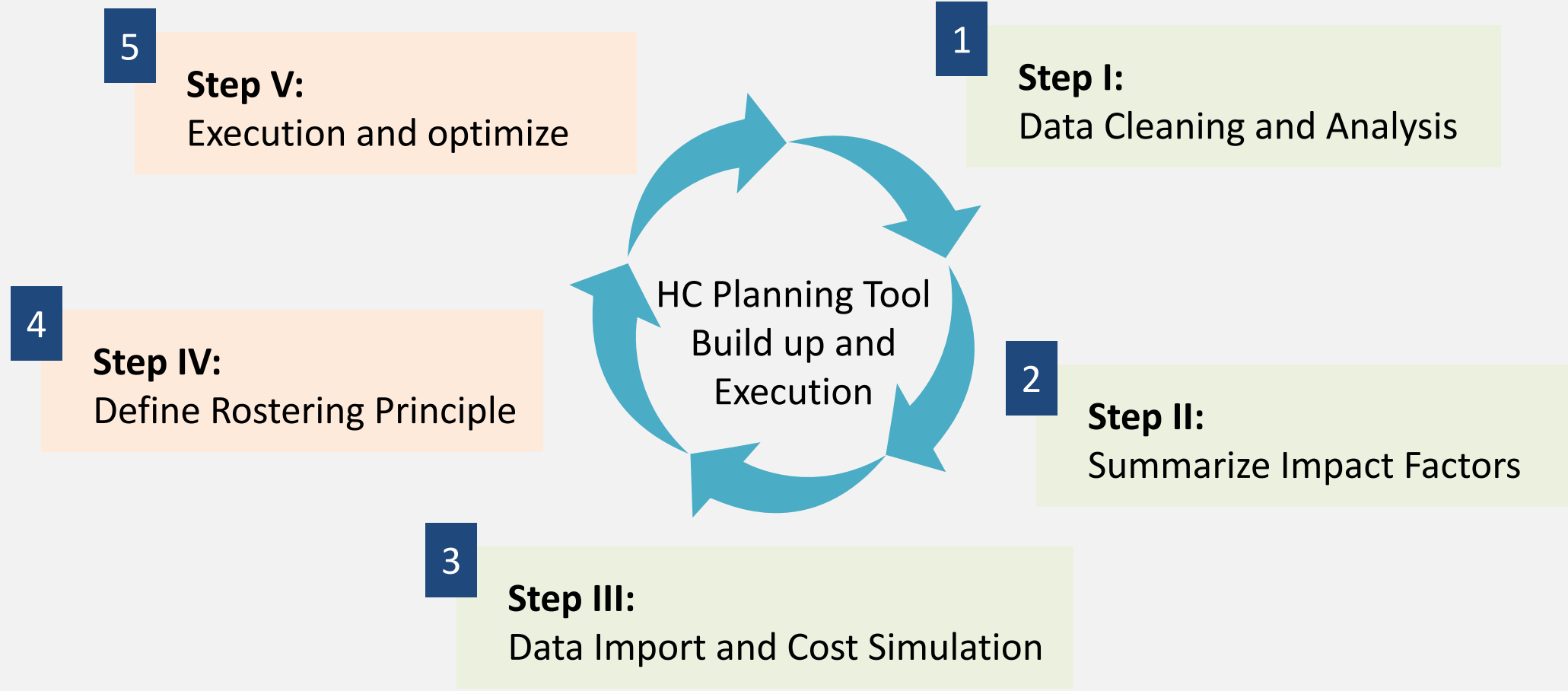
Source: SHCX Past Project on HC Planning

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BALANCE IN BUSINESS RESULT AND MOTIVATION

Where are you for your Company?

2020 Achievement % versus Target (to-date)?

2021 Total Pay Increase (Merit + Promotion/Adjustment)

Who & How to Motivate with Limited Budget?

Change Annual Bonus Mechanism due to Covid-19?

Biz in China is Good but Less Bonus Than 2019?
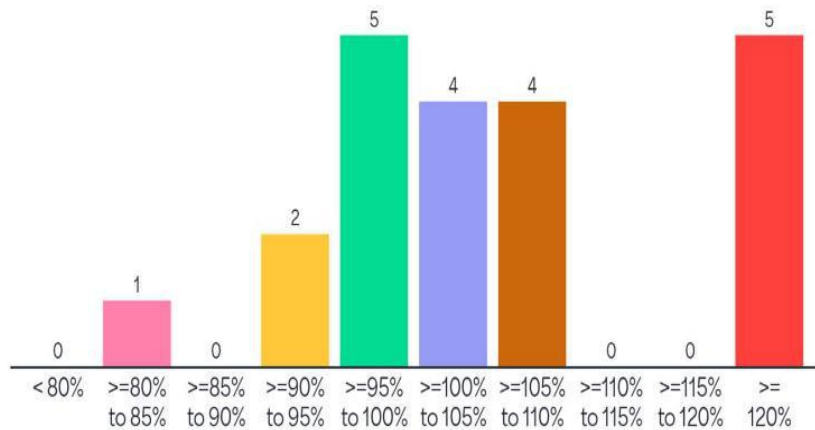
Source: SHCX HR Forum & Round-Table Quick Study
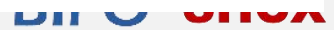
AGILE PERFORMANCE MANAGEMENT FOR POST VUCA RECOVERY

	Traditional	**Agile Performance Management in/after VUCA**
Goal Setting	Annually or semi annually set, and usually can't be changed, based on historical records	• Set goals with **flexibility** or by scenarios to meet changing organizational needs • Goals made public and **transparent** with increased focus on team achievement and **collaboration** • How to reward special contribution and achievement?
Feedback & Coaching	Periodic single-sourced feedback and little coaching	• **Real-time** / **Multi-sourced** / **Interactive** feedback • Train managers for better coaching and developing people • Keep in contact with employees about their performance and overall wellbeing
Review and Assessment	Annual or semi annually review and assess revenue and outcome	• Assess **resilience** instead of revenue • Decide a new review interval, **more frequently** review and assess • Monitor outputs and impact to result. Communicate clearly with focus on **output** instead of outcome • Tie rewards to the continuous performance management process
Technology	System is a plus	• The system becomes a **must** to pay off the drawback of the agile performance management • Success of agile performance management fully relies on effective tools

Source: Performance Management Must Evolve to Survive COVID-19 by Gallup Aug 2020

THE RECOVERY WILL BE DIGITAL - FASTER

The COVID-19 crisis causes a need for acceleration beyond what we had seen before, going from three tiers of speed down to two.

Source: The next normal, the recovery will be digital, by McKinsey, Aug 2020

● Respondents at top economic performers[1]   ● All other respondents[2]   ● New COVID-19 requirements

The new pace that the COVID-19 crisis is driving, median frequency[3]

Quarterly   Weekly
Annually or less often   Monthly

Moving to weekly or faster

- Use multiple sources of customer data to assess their unmet needs
- Dedicate time to learn about digital technologies
- Share test-and-learn findings across organization
- Reallocate digital talent among business units or functions

Moving to monthly or faster

- Use scenarios to time and size potential shifts in industry economics
- Evaluate portfolio for opportunities to add/divest businesses, in light of digital
- Evaluate profit pools based on competitive-landscape shifts
- Reallocate capital expenditures across business units
- Use rigorous process to defund underperforming initiatives

THE RECOVERY WILL BE DIGITAL - AUTOMATION

The level of remote working have skyrocketed during lockdowns and are likely to remain higher than precise level for some time

HR TO BE DIGITALIZED TO LEAD THE DIGITAL TRANSFORMATION

Old rules	New rules
HR departments focus on process design and harmonization to create standard HR practices	HR departments focus on optimizing employee productivity, engagement, teamwork, and career growth
HR selects a cloud vendor and implements out-of-the-box practices to create scale	HR builds innovative, company-specific programs, develops apps, and leverages the platform for scale
HR technology teams focus on ERP implementation and integrated analytics, with a focus on "ease of use"	HR technology team moves beyond ERP to develop digital capabilities and mobile apps with a focus on "productivity at work"
HR centers of excellence focus on process design and process excellence	HR centers of excellence leverage AI, chat, apps, and other advanced technologies to scale and empower employees
HR programs are designed for scale and consistency around the world	HR programs target employee segments, personae, and specific groups, providing them with journey maps relevant to their jobs and careers
HR focuses on "self-service" as a way to scale services and support	HR focuses on "enablement" to help people get work done in more effective and productive ways
HR builds an employee "self-service portal" as a technology platform that makes it easy to find transactional needs and programs	HR builds an integrated "employee experience platform" using digital apps, case management, AI, and bots to support ongoing employee needs

People Analytics

HR is expected to lead the digital transformation, platforms, people and work

We see this change taking place
in three areas:
- Digital workforce
- Digital workplace
- Digital HR

Source: Deloitte Global Human Capital Trends

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PEOPLE ANALYTICS

Recalculating the routing

Predictive analytics tools from many HR technology vendors have arrived, making it possible to analyze data regarding recruitment, performance, employee mobility, and other factors.

Source: Deloitte Global HR Trends

Old rules	New rules
People analytics is viewed as an HR team focused on advanced analytics within HR	People analytics is viewed as a business analytics team that works across the business to drive business results
Analytics focuses on HR topics such as retention, engagement, learning, and recruitment metrics	Analytics focuses on business problems such as sales productivity, workforce effectiveness, high-potential retention, fraud, accident patterns, and other operational needs
The organization makes a business case for better data integration, quality, and tools	The organization has already committed to accurate and integrated data, and has tools and processes to ensure quality and ease of analysis
The people analytics team has a strong understanding of HR data	The people analytics team understands HR data, financial data, and customer data, and it has relationships with all the other analytics groups in the company
The people analytics team lives in HR operations and reports to HR technology, or in functional areas	The people analytics team operates at a senior level, reports to the CHRO, and serves business leaders across the company
The people analytics team is a small set of technical experts with data management and statistical skills	The people analytics team is a multidisciplinary team, with a focus on business consulting, visual communications, and problem solving
People analytics is staffed by PhD statisticians whose primary focus is the development of models and data warehouses	People analytics is a consulting function that helps business leaders solve problems
People analytics focuses on employees	People analytics focuses on the entire workforce, including employees and contingent labor
The people analytics team focuses heavily on engagement survey data and employee happiness and culture	The people analytics team moves beyond engagement to understand the detailed drivers of engagement and builds culture models to understand what drives the workforce

DIGITAL HR ROADMAP

1. • **Refine Your Mission**

2. • **Upgrade Core Technology**

3. • **Develop a Multi-Year HR Technology Strategy**

4. • **Build a Digital HR Team**

5. • **Organize HR into Networks of Expertise with Strong Business Partners**

6. • **Make Innovation a Core Strategy Within HR**

7. • **Benchmark / What Next?**

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BIPO EXPERIENCE: RETAIL PERFORMANCE MANGEMENT SYSTEM - 1

科技赋能 以人为本

基础设置
Basic Configuration

配置组织架构、考核周期、考核人群（组）、考核项目和指标等基础信息。

业绩、佣金统计
Performance and Commission

可通过总部、大区、门店多组织层级、和员工等不同视角查看周期业绩、佣金数据。包括同比、环比或YTD等趋势报表。

规则配置
Commission Rules Setup

灵活定义不同考核人群的考核指标，并直观设置其考核规则和提成方案，如权重、整段/分段计算等规则，并支持奖金池、分离、总计、混合式等不同类型的提成策略。

仪表盘
Dashboard

通过总部、大区、门店等多组织层级，和员工等不同视角，多维度，全方位观测业绩与佣金数据的可视化报表。

目标分配
Target Allocation

设置各个组织层级、员工的周期目标，支持按系数和按数值设置，并可以针对系数进行超范围控制。如有需求，还可以自定义审批流。

员工激励
Employee Motivation

员工可随时随地，通过手机APP查看自己的业绩达标情况。目标、达成、佣金、排名数据清晰展现，更可以看到不同KPI的动态排行榜。
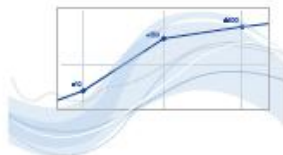
业绩数据
Performance Data

通过 Workio ETL 数据清洗和转换池或 Excel 导入/导出等多方式，从不同的业务系统里获取数据，在绩效佣金系统里使用。

#1 权威顾问定制激励模型

行业权威顾问，为组织诊脉、梳理业务，量身打造匹配的销售激励方案、量化模型和执行策略。

#2 配置引擎支持灵活规则

支持各类销售佣金方案的灵活配置，帮助企业设置团队和个人目标，统计各角色业绩，实时动态计算佣金，为员工做业绩排名、打榜，最终呈现可视化的人效报表辅助决策分析。

#3 系统互联确保数据互通

为组织连接各部门不同的业务系统，打通数据孤岛，整合业务数据，进行汇总计算、合并分析、全面评估。

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