Transforming Performance Management: Embracing Agile Principles with Sarah Katherine Schmidt

00:02.346-00:17.337 Announcer: You're listening to the HR Mixtape, your podcast with the perfect mix of practical advice, thought-provoking interviews, and stories that just hit different so that work doesn't have to feel, well, like work. Now, your host, Shari Simpson.

00:17.818-00:30.127 Shari Simpson: Joining me today is Sarah Katherine Schmidt, VP of Customer Experience at PeopleLogic. She has 16 years of experience in HR and customer experience, focusing on improving workplace culture through data-driven strategies.

00:35.342-00:56.688 Shari SImpson: Sarah Katherine, thank you so much for joining me on the podcast today. Of course. Thank you, Shari, for the opportunity. Excited to chat with you. So we were just talking a little bit offline about our own kind of journeys on how we ended up where we are today. I'd love if maybe you could share just a little bit about your journey and how you got to this place where you're focusing on performance management.

00:57.296-01:59.354 Sarah Katherine Schmidt: Sure, absolutely. Having been in HR and people operations roles for the last 15 years, I've led traditional performance management processes more than I would like to admit. I've transitioned into an HR tech company as the VP of customer experience over services, as well as helping our customers. I recognized, you know, as I was making the transition, you know, it's just been super painful to be in the space of traditional performance management. And as a mindset coach, I knew that we needed to have a growth mindset about performance management. And so, you know, I was, I've pushed so many rocks up a hill around agile performance management or around traditional performance management. I just know that there has to be a better way. And so that's why we developed the 12 Agile Performance Management Principles, so that there's not that discomfort and arduous review process. It's more of a continuous thread for folks.

02:00.055-02:10.581 Shari SImpson: And if you're from a tech company, you will know how much we talk about agile mindsets and agile approaches to things. So walk us through, what does agile performance management mean?

02:11.385-02:55.585 Sarah Katherine Schmidt: Sure, so agile performance management is about real-time feedback loops and continuous performance management versus point-in-time performance management. And it's a cultural shift that takes time and effort. And so it's really about these real-time feedback loops that you can see an uptick in performance. You can see that people are more engaged. And so it's all about having those conversations more frequently being communicative, creating psychologically safe environments for people to actually share openly and honestly, and to experience more feedback more frequently and promote growth more often in the organization.

02:56.451-03:20.314 Shari SImpson: How did that align with employee expectations and leadership expectations around the dreaded annual performance review? If you're doing these consistent feedback loops,

which I think is great. I think we're all trying to strive to do that in some way. But we always get stuck with this question, OK, how do I make comp decisions? How do I rate people? How are you addressing that?

03:21.155–04:16.134 Sarah Katherine Schmidt: Sure. And what I say is those things still have to happen from a fiscal responsibility perspective, right? We still need to be able to plan for promotions and plan for salary increases. But what we want to do is make those decisions based on the growth that you've seen far, far longer than just that point in time. It's really hard for us to go back in our minds six or even 12 months. And so while it needs to be an activity that's done so that you can make business decisions, What you need to be able to lean on is this continuous thread versus that thread that's just everybody giving feedback all at once that you then have to analyze and decipher and make decisions on. So the two go together because they have to. But yes, leadership always has that mindset of like, we've always done it this way. So that's where we need to continue. But the two can coexist.

04:16.903–04:43.164 Shari SImpson: So you had to make definitely some culture changes. You talked about that a little bit already. What are those pieces? If somebody's listening, they're like, hey, you know what? I really want to move to a more agile, feed-forward, feedback-loop way of doing performance management. What are the baby steps they need to take to start building an environment where leadership and managers, employees can be ripe for this kind of performance management?

04:43.635–05:58.141 Sarah Katherine Schmidt: Yeah, absolutely. So I think there are some some key points. So first and foremost, this transformation takes time. And it's, you know, a consistent effort, which is often hard for us to, you know, take two steps forward, take one step back, but it's one of those growth mindset exercises. And so that growth mindset really has to exist within the organization in order for this to be a philosophy that's nurtured. And so teams, you know, need to embrace that belief and you've got to find your change champions within that leadership team that are truly excited and they're going to be your rah-rah super users, so to speak. You know, psychological safety has to exist. And so a lot of that comes down to the leadership, how they're building psychologically safe teams, so that people can feel like they can take risks and get constructive and positive feedback more consistently. And then, you know, what I love about agile performance management is it drives trust and transparency and it drives collaborative leadership. And those are things that must be true in order for it to be successful. So communication is really key in that cultural shift as well.

05:59.005–06:39.086 Shari SImpson: What do you say to those managers who aren't necessarily adept or comfortable at that constant feedback? I'm sure you've run into this in your career. I know I have. I've been in that conversation with a leader who said, hey, you know what, I think I need to go down the road of a performance improvement plan or potentially maybe think about exiting this employee, and you sit down

with them and you're like, all right, walk me through the conversations you've had with the employee. And it'll be like one conversation six months ago and why I told them. So there is managers that need help understanding what constant feedback looks like. How did you work through that?

06:40.066-07:49.903 Sarah Katherine Schmidt: Sure. So I think the first is to push through that fear of damaging relationships, right? And you do that through structured training, feedback techniques, best practices, and getting them building that feedback muscle so that they know they're not going to damage the relationship. If they deliver feedback in a way that is meaningful and actionable, they're actually going to build that relationship and that trust equity even further. You know, there's often this, I don't have time, right? And that speaks to your example that I have heard so much, right? I don't have time to document, I don't have time to have these conversations that are really, really hard. Or there's just uncertainty about timing of those conversations. And so you have to sort of give them a blueprint and a template for what your expectation is, but also how that conversation can be really fruitful and not necessarily just managing someone out. And so there's practicing through role-playing that needs to happen. There's, you know, pairing with mentors that can happen, but ultimately you've got to break through that fear of damaging the relationship and break through that fear of just, I've never done it before, so.

07:52.011-08:38.766 Shari SImpson: Well, and it's changing the view of what, we need a new word besides feedback. I really hate that word. I don't know if I said that on the podcast before, but I just think it's not what we're doing. We're not giving people feedback. We're helping them look forward and make the transitions that they need to make going forward. Because the things that they already did in the past are done. They can't go back and fix them. So if you and I come up with a new word at some point, I will make sure to share it. But as you think about, you know, that idea of a feed forward and the business aspect of being able to measure where our talent is at, how did that change your view of KPIs or metrics that you were tracking before? What do you track now?

08:39.146-10:09.698 Sarah Katherine Schmidt: It's a great question. I don't know that it changed what I track. I just pay more attention to it from a quantitative and qualitative perspective. And I think the frequency by which you look at that feedback has to change. And so if you're having these continuous conversations, then you need to continuously be looking at your data and what it's telling you. Because if it's truly continuous performance management, your frequency of conversation should be higher. Your manager should be having those frequent conversations about growth and performance. And you should be making sure that those are really valuable one-on-ones. And so we look at those objectives or those KPIs regularly. It just needs to be more continuous and we need to be paying attention to it, greater attention to it. I also look at goal attainment a lot more regularly now. Yes, we're setting annual or quarterly KPIs or OKRs,

but let's look at goal attainment more so on a biweekly basis or a monthly basis. Let's look to see how those goals are tying to skill improvement. So putting some of those pieces together versus one KPI, two KPIs, three KPIs. Let's meld them into something that is telling us really valuable information about, okay, this individual is having more frequent conversations. They're attaining their goals. We're seeing these skills being developed. Let's start to pull that thread, right? And so you think about KPIs as this more living organism, I think,

10:10.350-10:34.813 Shari SImpson: So if you're like me, as you were talking through that, all I kept thinking was, oh my gosh, so much more stuff for me to track. How are you keeping your head around all of the movement in your organization? I mean, it sounds fantastic, right? To be able to know where somebody sits every week, every two weeks. Where does the onus lie on who's providing that information?

10:35.402-11:53.359 Sarah Katherine Schmidt: Sure. So technology is really an enabler here, uh, in terms of gathering that feedback, being able to report on it in real time, a lot of our customers and I, I love them. And this is what I love most about my job is I get to take them from spreadsheets to superpowers. And so when we think about spreadsheets of doom, we're helping them get into a platform that is giving them those real time insights so that they can go and look in one place versus looking in five different places. And. That's real-time communication tools, that's performance tracking software, right? We're trying to condense down. many different sources of truth and information into one, ideally, separate from your HRAS, probably, because that manages a whole host of other things. But when you're looking at KPIs, what you want to do is you want to have them in a central place as much as possible so that you're not managing all of these spreadsheets that can be overwhelming and are overwhelming, right? So in terms of getting started, that can be the first barrier is like, How do I do this? How do I actually report on this? And it goes back to being simple and getting to simplicity and what you're measuring, how you're measuring it, and what you're using to do that by.

11:53.960-12:23.203 Shari SImpson: And the simplicity is so important. I think in HR, sometimes we want perfection in the best way possible, right? We want to deliver excellence. And so sometimes we get stuck in this. design space where we're just iterating and iterating and it's not, it's never quite right. So sometimes something as simple as, you know, an emoji feedback, right? How are you feeling today? Some of those kinds of things, right? Get real, real simple, but it gives you more data.

12:23.763-13:01.725 Sarah Katherine Schmidt: Yes, absolutely. I always think about simplicity and looking at friction. and the friction points in your process for your employees, for your managers, for yourselves, doing sort of this friction audit. And where can you make it easier, more simplistic to still get the insights that you need and for people to still get the feedback and information that they're desiring of? But can you make it fun? Can you make it easier to give

that? Can you make it less arduous to do these things? And that's what simplicity is all about, is getting back to the basics of what you need and what's most valuable.

13:03.066–13:33.022 Shari SImpson: What do you say to the leader who's coming to you, who's behind it, supportive of this approach, but goes, hey, you know what, I'm just worried this approach is going to backfire. It's either going to be too much feedback, or maybe not the right feedback, or how do I balance my one-on-ones now so that I'm giving you know, reward and recognition, but also constructive criticism all at the same time. How have you coached managers through kind of all those things when it comes to their concerns?

13:33.916–14:48.346 Sarah Katherine Schmidt: That's a lot of coaching and a lot of concerns. And I get it because there can be unintended negative consequences if you don't implement it thoughtfully. A lot of what I do with managers is education and coaching. And so we do talk about feedback fatigue, and we look at what their feedback routine is today. and figure out those points where they feel like it's too much, it's not enough. What's crazy is that the modern day workforce really wants feedback like every seven days, right? And so as a manager, it's like, oh my gosh, how do I give meaningful feedback every seven days? But what I walk through is the assessment itself. So what is your feedback assessment? Or what is your process for gathering information and giving feedback? I talk and coach through the anxiety and stress. And so it's about being a partner and being there with them on that journey. So it's not unfounded hesitation or anxiety, because it can backfire. But if you have strong, supportive partners around you and with you, that helps ensure a little bit more success with switching to something that is more continuous.

14:49.184–15:31.148 Shari SImpson: As you made this switch to a more continuous model, how did feedback up change in your organization? I asked that because I recently was at an event and somebody had shared that they had a great leader who is somebody that they're still connected with to this day. who the way that they did their one-on-ones was, what are three things that went really great this week? What are three things that you need to improve or opportunities? And then she would flip it and she would say, what are three things that I did to support you this week? And what are three things that I did that didn't help you or didn't help you unblock things as a leader? How did you wrap that into this process?

15:31.550–16:38.181 Sarah Katherine Schmidt: Sure. So it's about building that feedback muscle for individuals as well. And you can't build that upward feedback muscle without an extremely psychologically safe environment. And so I think you have to reinforce you know, what the expectation is, but also give employees the tools and the techniques to give that feedback that's actionable. Everybody wants actionable feedback. If I told you, Shari, you know, you're not holding this interview in a way that is, you know, consistent and a way that's helpful. What do you what do you do with that? Right? And so you've got to to train and coach and guide and mentor individuals up and down the organization to give that feedback. I love those

questions. I used to always ask those questions as a manager. And oftentimes I would get these blank stares. But I want to know how I am doing just as much as you want to know how you're doing because it's a partnership between the two of us. And my goal is for you to be successful. And hopefully your goal is for me to be successful as well because together, we do really amazing things.

16:38.761–17:00.828 Shari SImpson: Have you seen some ancillary consequences in a good way from this model? And some of the things I'm thinking about are, you know, maybe you could spot burnout sooner, maybe you could help reprioritize tasks that had, you know, robust timelines that you realize you need to change, because you're getting this feedback more often. You said it right there.

17:03.009–18:08.181 Sarah Katherine Schmidt: Yes, it creates that continuous improvement where employees feel valued and supported and invested in their long-term success. And that in and of itself has a physiological response within our bodies such that we feel motivated to actually go above and beyond. And so when we have those positive physiological responses, then we're less likely to get burned out because we've got all the endorphins and the positive neurotransmitters going through our bodies. That addressing of concerns and challenges before a departure is truly key because if you're addressing those, then ideally you're preventing burnout, you're prioritizing work, right? You're connecting with them on a deeper level and all of those things lead to greater retention versus attrition. And so those conversations, I can't underscore the value of them being truthful and honest and geared towards making sure that that individual is engaged and motivated by their work.

18:08.861–18:21.284 Shari SImpson: I love that. A couple more questions before we wrap up here. Does this model look different in a fully remote or hybrid environment compared to doing one-on-one in person?

18:22.028–19:57.369 Sarah Katherine Schmidt: I wouldn't say fully different, but there is that technology component where it's enabling all of these continuous feedback loops to actually happen. And so there's an extra attention to things like emotional cues and nonverbal communication that has to happen even more intently in a remote or a hybrid organization or dynamic because you have to compensate for those in-person interactions. Virtual check-ins I love, even if they're just virtual coffee chats. I can have a coffee chat with anyone. But scheduling those regularly to check in with people obviously is a huge component of the continuous feedback. Digital documentation has to happen versus in-person documentation. Offering asynchronous options to check in. I have days still where I need to asynchronously check in with my manager because I'm either deep in the weeds on something or I need a technology break. And so offering those asynchronous check-ins for those of us who get a little technology depleted is really helpful. And then if you're using communication tools that enable the virtual communication and collaboration that is required of continuous feedback, that takes a burden off of individuals trying to do it via phone or type out everything that they

want to say, right? So it does look different because It's that face-to-face dynamic that you're compensating for. when you don't have them in person or in person as often.

19:58.069-20:27.136 Shari SImpson: All right. So walk me through, step by step, in the highest level possible, how somebody goes about implementing this. Because you've mentioned a couple of things, right? Culture change, psychological safety, training, the coaching, the mentoring. What was the steps you walked through to get to this final result? And how did you tackle it? Did you learn anything? You know, did you realize like, oh man, I should have done this training before I did this? Absolutely.

20:27.156-22:10.980 Sarah Katherine Schmidt: Okay, good. You learn through Agile and Agile is iteration. And so there's a constant just, you know, not reinventing, but there's a constant tweaking of things here and there based on your learnings. for sure. We've talked about it quite a bit, which is starting simple and starting small and measuring those results and using those learnings. One organization that I was in, we were a data company or are a data company, and we talked about experiments a lot. And so anytime we wanted to try something new, we would run an experiment and we would begin with a small single department or a team as a test group. And so I think that's where I failed more times than I care to admit in trying something new, because change can't start at a really big organizational level when it comes to this. You need a pocket where you test it, you prove it out, you create those safe environments, and you get some real results, and then you build on that. I think that getting started with a pilot group can be anything from implementing 15-minute weekly check-ins with managers and team members to piloting a new feedback form. To your point, what went well this week? What challenges did you face? What support do you need? It doesn't have to be anything overly complex to get started. Again, think simple and just ask the really valuable questions. So I think it's just, it's starting small and nurturing that and through your learnings to make it, I don't want to say go viral, but to get greater buy-in and to get everybody on board.

22:11.713-22:24.483 Shari SImpson: If only there existed for performance reviews, those little feedback buttons that sometimes exist in bathrooms as you walk out, you can hit, you know, or it needs to be cleaned. I'd love that. That'd make performance reviews so much simpler.

22:24.883-22:53.123 Sarah Katherine Schmidt: Yeah, we, we actually have that in our weekly check-in form in our platform. So it's, it's primarily emoji based and except for, you know, what support do you need? Uh, we ask everyone, you know, what their emoji is for that week in terms of. the challenges that they're facing in terms of their priorities. All of those things are really important to know, but how you get that information also matters. And you sort of have to meet people where they are. And right now we're meeting in emojis.

22:54.804-23:01.508 Shari SImpson: I love that. Well, Sarah, Katherine, thank you so much for taking a few minutes of your day to

sit down and chat with me about agile performance management.
23:01.848–23:06.071 Sarah Katherine Schmidt: Thank you, Shari. I appreciate it and hope everyone has some great takeaways.
23:08.979–23:18.912 Announcer: I hope you enjoyed today's episode. You can find show notes and links at thehrmixtape.com. Come back often, and please subscribe, rate, and review.