

Performance-Development Cycle

Transformation of our
Annual Evaluation process to
a set of conversations



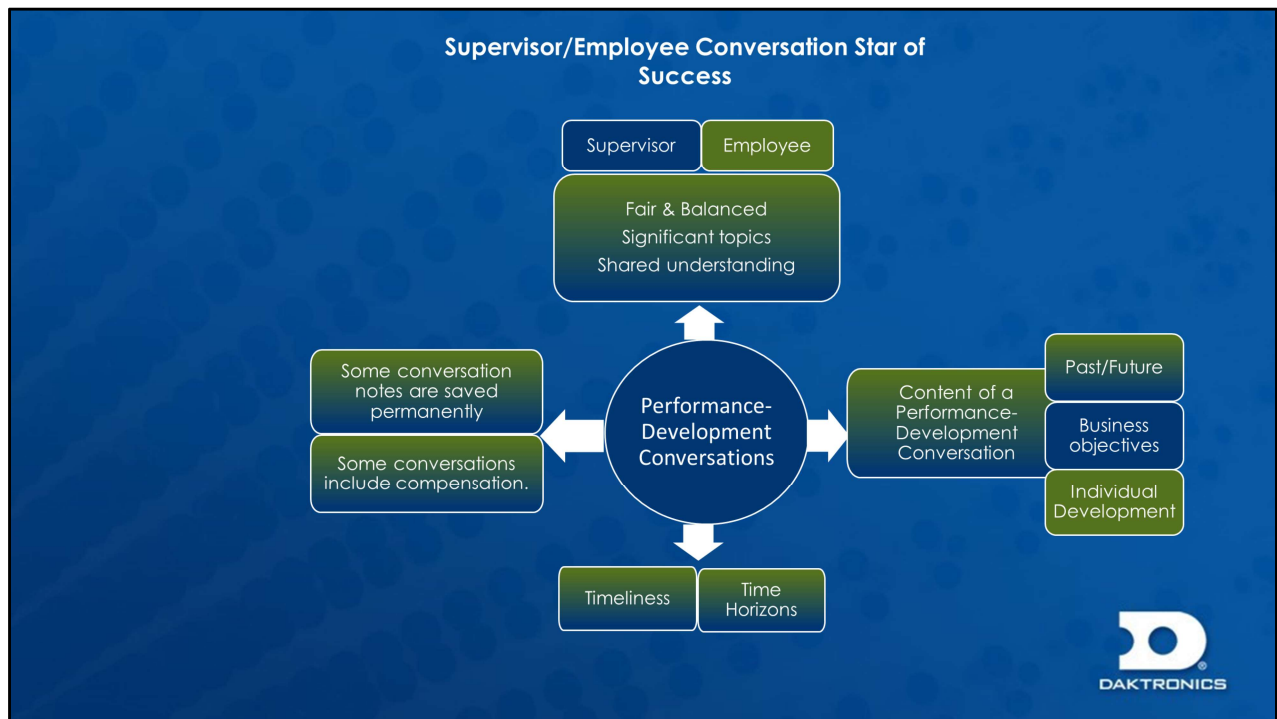
Over the last two years, Daktronics leaders have engaged in a series of kaizens and other activities to improve our Annual Evaluations process. Based on this learning, we have developed a new process to replace our online-evals process. We're calling this new process Performance-Development Cycle.

This presentation describes the Performance-Development Cycle, implemented at the start of FY18 (may 2017). We are confident that together we'll find ways to improve it, and anticipate making changes during the year and for FY19.

Why the change?

- Improve employee development
- Frequent, more meaningful engagement
- Easier, more efficient
- Lots of little conversations vs. one big annual





We then built a Star of Success, describing a successful supervisor/employee conversation from multiple aspects.

1. Both the Supervisor and the Employee feel the conversation is successful.
 1. Fair and balanced: both feel they were able to speak and listen
 2. Significant topics: the most important topics were discussed
 3. Shared understanding: while we may not agree, we understand each others' view
2. The content of the conversation includes:
 1. Past / Future: what happened and what is likely/planned to happen
 2. Business objectives: delivering results today and growing the organization's capabilities for tomorrow.
 3. Individual development: growing employee's technical expertise and personal behaviors.
3. Time:
 1. Timeliness: the conversation happened at the expected time
 2. Time horizon: the topics are relevant for the timeframe since the last conversation and until the next conversation or two.
4. For some conversations:
 1. Notes are saved in the employee file

2. Compensation is reviewed.

How might we improve our annual evaluations, based on this understanding of a successful conversation, and learning from our experiments with different conversations?

Performance-Development Cycle



1-1

Supervisor and Employee meet frequently:

- Frequency depends on employee's situation
- Accelerate learning through frequent reflection on current activities
- Give employee helpful feedback on performance (results and behaviors)
- Clarify plans for current activities, capacity and resources, and learning



Reflect & Plan

Supervisor and Employee meet approximately quarterly to:

- Reflect on most impactful learning experiences since last conversation
- Plan in-place development: learning from upcoming experiences



Career

Supervisor and Employee meet annually to:

- take a deeper and longer term exploration into the company's opportunities and employee's aspirations, and
- chart a development course until the next conversation.



Compensation

Supervisor communicates the employee's compensation:

- Annual in month of employee's anniversary
- Based on responsibilities and performance, as discussed in Reflect & Plan
- Designed to be externally competitive and internally fair



Performance-Development Cycle

Sequence of Performance-Development Conversations



1-1



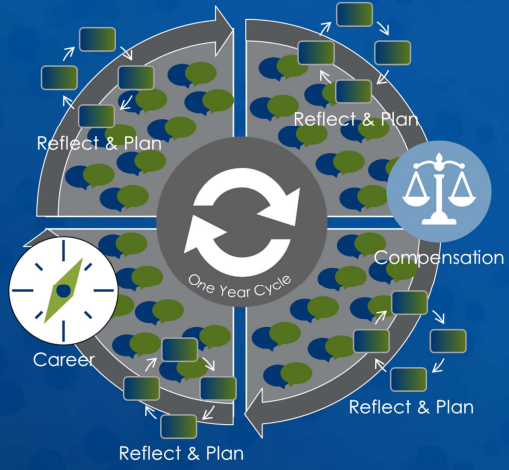
Reflect & Plan



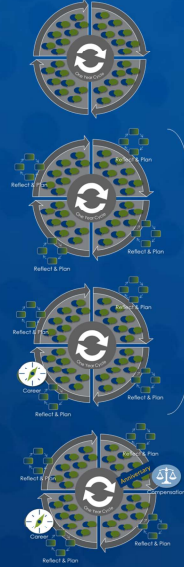
Career



Compensation



Performance-Development Cycle



| | | |
|----------------------|------------------|---------------------|
| Strengths/Weaknesses | Compensation | Aspirations |
| Experiences | Performance | Development |
| Accomplishments | Responsibilities | Business Objectives |
| | Team Structure | |

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Sequence

Saving

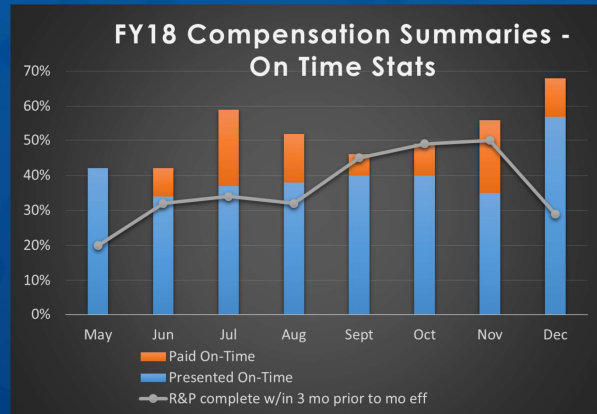
Focus

Teaching

Performance-Development Cycle

December 2017 Update

- Cycle well received and preferred over old evaluation process
- Flexibility on frequency of conversations and what to discuss produces meaningful conversations.



December 2017 Update

Improvement projects

- Means for supervisors to share best practices with each other (round tables?)
- Reporting to aid supervisors in remembering what conversations they have or have not done.
- Update training/information materials so they are current, easy to interpret and find.



Resources on Supervisor Site



Performance-Development Cycle

Series of ongoing conversations regarding development between supervisor and employee



Employee Development Plan

Resources for creating and supporting an Employee Development Plan



Employee Ecosystem

In process group understanding employee and leader perspectives and how they work together mutually for success at Daktronics

