

BETTER TEAMS Achieve BETTER RESULTS.

Vaco Case Study

High Performing Talent and Solutions Firm



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The Case for Performance Culture

Fortune's 100 Best Companies to Work For outperform their peers and the market by 300%.¹ This performance can be attributed to a workforce that is engaged and inspired by their company's leadership and mission. Research shows inspired employees who are actively engaged with their work outperform employees who are just satisfied by 225%.² Happy, focused employees will move mountains to help their organization achieve its mission.

This is not new news, especially for leaders who "get it". These leaders are focused on how to attract, retain, and develop high performing team players. Sid Mitchener, an Anchor Partner and Senior Managing Partner for Vaco³ operations in the Carolinas, is a great example of this type of leader.

In 2015 Mitchener began using the Performance Culture System to manage his team. He invested in the software because he was looking for a tool that supported the three types of feedback everyone needs: Appreciation, Coaching, and Evaluation. The software tracks employees' goals and provides a framework for coaching employees on behaviors -- behaviors that drive high performance and foster team chemistry.

Vaco's business model operates with a central shared services office that supports numerous independent offices across the globe. This entrepreneurial culture encourages leaders like Mitchener to seek new ways to grow and develop their teams. As Mitchener launched Performance Culture, Vaco's shared services office took notice.

Chief People Officer, Tracey Power, was particularly intrigued. An ICF Certified Coach and Adjunct Professor of human resources, Power knew the impact coaching has on an organization. Power immersed herself in the launch of Performance Culture at Mitchener's office, attending training sessions and helping wherever possible.

After seeing the results of the Vaco Raleigh office, Power implemented Performance Culture for the Shared Services team and began recommending the software to other Vaco offices. Many of Vaco's top performing offices adopted Performance Culture. While these offices were already developing high performing team players, the leaders liked the idea of using software to more easily accomplish this goal and further build upon their efforts.

Vaco leaders know spending time with employees, coaching them on areas of strengths and areas for improvement, and ensuring lines of communication remain open and clear are paramount. Performance Culture provides a way to quickly and efficiently capture all this information and ensure this leadership objective remains a priority.

¹ Greatplacetowork.com/best-workplaces/100-best

² Pyramid of Employee Needs; Bain & Company 2015 EIU Research (300 Organizations)

³ Vaco is a talent and solutions firm headquartered in Brentwood, TN

Today dozens of Vaco offices use Performance Culture, including 7 of the top 10 global offices. Power stated, "Turnover has decreased by 5% year over year and more importantly, Performance Culture is becoming a part of our vernacular. I routinely hear about assigning goals and using Performance Culture to capture and communicate feedback and expectations for future growth and achievement."

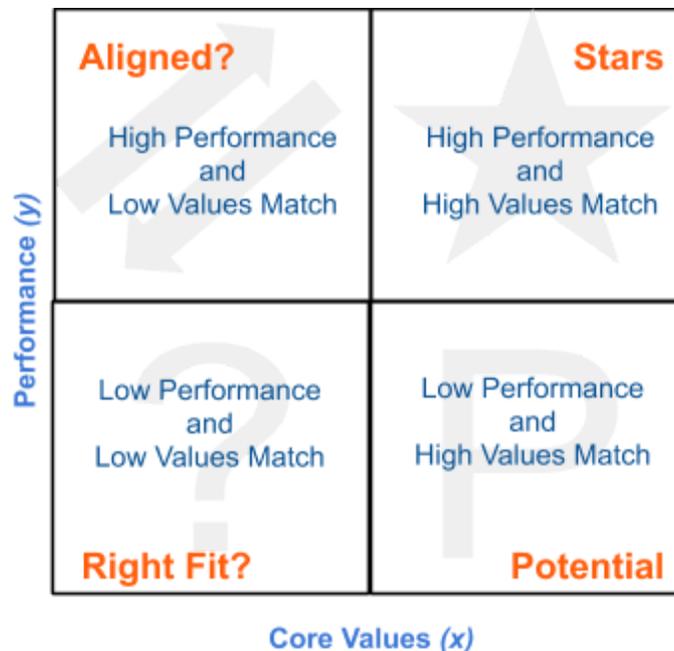
The Performance Culture System™

The Performance Culture System (PCS) helps you achieve the results you want from your organization. The system offers a practical approach to drive performance while embracing core values that foster team chemistry. PCS will:

- Help your managers become better leaders;
- Connect individual performance to organization results;
- Improve workplace satisfaction throughout your team; and
- Create a strong, sustainable, competitive advantage for your organization.

The simple yet powerful practice of using the Performance-Values (PV) Matrix to manage your team will unlock the full potential of your organization. The matrix is a simple X-Y graph with the vertical axis representing performance and the horizontal axis representing core values. The PV Matrix helps team members visualize how their performance impacts a company and how their behaviors align with an organization's core values.

The four quadrants represent the four possible combinations of high or low performance and high or low values:



To hold your team accountable for both performance and values you must give them equal weight in your performance management system.

The PV Matrix changes performance reviews from being a one-dimensional score that looks at past performance to a coaching tool that addresses future actions and team chemistry. While an effective coaching discussion should address past performance, you will have a greater impact on an individual if you focus on what needs to be done in the future.

The ROI of a Performance Culture

The ROI of a Performance Culture can be easily understood by seeing how the best companies to work for outperform their peers. Each year, *Fortune Magazine* ranks the best companies to work for and tracks their stock performance. The Top 100 Companies have consistently increased their value by a 3 to 1 margin! We believe the best nonprofit organizations have similar results, but are reported in a different way.



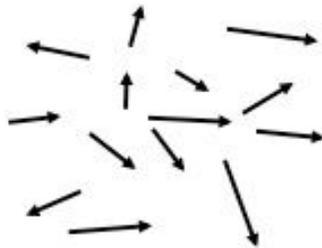
Building a Performance Culture for your organization will significantly increase employee engagement. This engagement will improve your competitive advantage. Gallup found from a survey of 1.4 million employees that the top 25% engaged companies experienced a double-digit advantage in the following areas⁴:

- 25% lower turnover (in high-turnover organizations)
- 65% lower turnover (in low-turnover organizations)
- 37% lower absenteeism
- 20% higher customer metrics
- 21% higher productivity
- 22% higher profitability

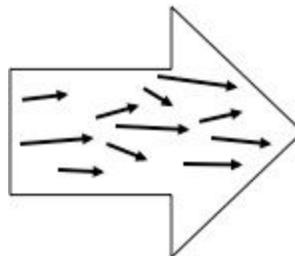
Your Role as a Coach

Company leaders are responsible for: (1) developing a strategy and (2) executing it. The harder of these two is getting people to execute the strategy, because no matter how clever a strategy is, it's worthless if poorly executed. A 2017 Harvard Business Review article⁵ best depicted this challenge by going

From this:



To this:



Strategy development is about **knowing** something. Strategy execution is about **doing** something. The gap between what you know and what you do is often big. When you add in the requirement of having everyone acting in **alignment** with each other, the challenge becomes bigger.

The PCS web-based application was developed to help you overcome this execution challenge.

- The system creates the “Big Arrow” by helping you define and communicate your company’s purpose and strategy.
- The PV Matrix ensures all the “Small Arrows” are pointed in the right direction.
- The system’s coaching process helps managers move the arrows forward through quick and frequent feedback.

⁴ <http://institute.uschamber.com/the-roi-of-employee-engagement/>

⁵ Execution is a People Problem, Not a Strategy Problem, HBR.org

Your responsibilities as a Coach:

1. Recruit the best players you can;
2. Teach your players “Your way of doing business”;
3. Coach your players to perform together as a team;
4. Create an environment where players hold themselves accountable for doing their best by continually improving; and
5. WIN!

Coaching Employees with the PV Matrix

Coaching and evaluating team members is one of the biggest challenges managers have for three reasons: (1) The Supervisor and Employee Relationship; (2) Setting Expectations; and (3) Giving Candid Feedback.

The Supervisor and Employee Relationship

Employees need to know their manager cares about them and is invested in their success. Good managers understand this and invest time with their team. Personal values and goals are addressed when you use the PV Matrix to coach team members.

Set Expectations

Setting clear expectations is not as easy as it sounds. Typically, only 50% of employees strongly agree that they know what is expected of them at work.⁶ Setting expectations may be difficult if the leader(s) in your organization have not **defined** and **shared** your company’s purpose with all. Your company’s purpose is comprised of your Vision, Mission, Goals and Core Values.

If you want to see how well your team shares your company’s purpose, ask team members to answer the four questions below:

1. Why should customers buy from us?
2. Why should employees work for us?
3. Why should investors invest in us?
4. Why should our community support us?

Giving Candid Feedback

Providing candid feedback that motivates someone to change or to keep doing well is more difficult than defining expectations. It’s difficult because of people’s emotions. Many

⁶ Gallup’s Employee Engagement Survey, 2016

managers fear confrontation and will avoid giving crucial feedback if they think the employee will become upset or angry.

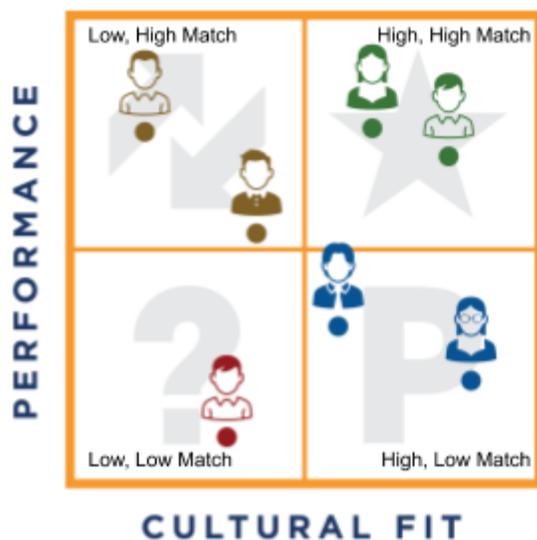
Crucial feedback becomes even more difficult when comparing someone’s behaviors against your organization’s values. For example, telling someone he or she missed the sales goal is pretty easy because either it happened or it didn’t (*the y axis*). On the other hand, addressing someone’s behavior is more difficult because it reflects the values and character a person is displaying.

The X Factor

As challenging as it may be to address a person’s behavior (*the x axis*), it must be done. Your team’s behaviors have the greatest impact on your organization’s performance AND defines your company culture (your values). “Culture eats strategy for breakfast everyday” is an absolute reality -- a phrase originated by Peter Drucker and made famous by Mark Fields, President at Ford. A leader that disconnects strategy from people’s behaviors is putting his or her company’s success at risk.

The Impact of Visualization

Behavioral research shows visualization improves learning by up to 400%⁷. This means **seeing how** your performance and behaviors impact an organization will have a greater impact than just hearing or reading about it. At Performance Culture we know this is true because of the feedback we have received from both managers and employees who use the Performances-Values Matrix.



High, High Match: Star employees have the greatest ability to move your company forward.

Low, High Match: High Performers that are not quite aligned with your Core Values; Can they change their behaviors?

High, Low Match: Employees are displaying the right behaviors but are underperforming; May have the potential to become stars.

Low, Low Match: Employees who struggle with both performance and values; Manager focus should be on coaching up or out.

⁷ University of Illinois Study on Best Ways to Teach, 2014

The Leadership Challenge

If the benefits of creating a Performance Culture are so obvious, why isn't everyone on the bandwagon? Well, it's usually because:

1. A leader is okay with the status quo. A leader is not experiencing enough pain to change or lacks the energy, motivation to become better; OR
2. A leader recognizes the need for change but struggles with **what** to do and **how** to do it.

The Performance Culture System is not a good fit for leaders who are okay with the status quo. **However, for those leaders who are ready to make their organization great and want a management system to make this happen, Performance Culture is an excellent fit.**

“When a leader gets better, everyone wins.”

Employee Engagement

The unfortunate reality is that two-thirds of the US workforce is not engaged at any given time⁸. While this fact may be disturbing, leaders can significantly increase employee engagement when they create a culture where team members can positively respond to the seven statements below⁹:

1. My performance is measured against defined goals.
2. I receive frequent, candid feedback and recognition.
3. My opinions are respected and considered.
4. I understand the purpose of my organization and my role is clearly understood.
5. My manager understands my personal goals and invests in my professional growth.
6. I respect everyone I work with.
7. I hold myself accountable for results (If I don't, my manager will).

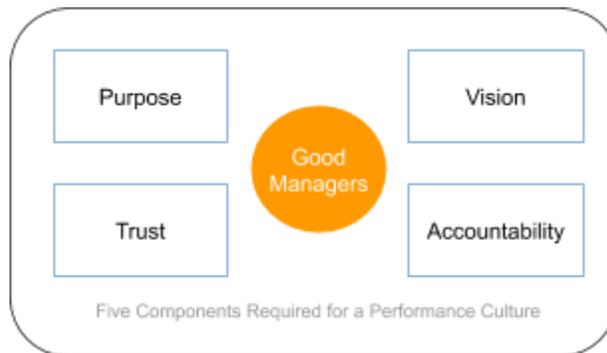
⁸ Gallup's Monthly Engagement Survey & Report

⁹ The 7 factors that drive Employee Engagement based upon Performance Culture's research and supported by Gallup's book on Employee Engagement: [First Break all the Rules](#)

A Better Way to Manage

Performance Culture provides a system to achieve your goals by maximizing your company's greatest asset: your people. PCS gets everyone on the same page and moving in the right direction. The system ensures managers share a common approach when coaching employees on both objectives and core values. Employees embrace the system because they receive the feedback they need and clearly understand what is expected of them.

Without a system, you are completely relying on each manager's way of managing. This can be very dangerous since your organization is only as strong as its weakest link. ***Managers affect your company culture more than anything else.***



Performance Culture's web-based software is easy to use and the reports give you actionable insight to improve performance as well as your culture. Instead of using countless Excel Files and Word Docs to track performance and professional development, your team members have role-based access to everything they need in ONE PLACE.

Want to Learn More?

If you want to build a better team or keep your team performing at a high level, we encourage you to learn how the Performance Culture System can help you accomplish amazing results within your organization. We welcome the opportunity to schedule a brief meeting with you to demonstrate how our web-based performance management system will make your job building and maintaining a Performance Culture easier.

You can contact us at: PerformanceCulture.com, sales@performanceculture.com, or (888)-505-0650.