

Optimizing Performance Through Alignment With Mission and Purpose in a Global Nonprofit Organization

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What Is PYXERA Global?

For nearly 30 years, PYXERA Global has facilitated mutually beneficial partnerships between the public, private, and social sectors worldwide to create social impact projects that enrich lives and livelihoods, inclusively and sustainably. A nonprofit organization based in Washington, D.C., PYXERA Global has worked in over 90 countries—navigating economic, geographic, and political realities to find common ground between corporations, development agencies, governments, and nongovernmental organizations.

PYXERA Global achieves its mission through two major initiatives:

1. Enterprise and Community Development: PYXERA Global strengthens systems that drive prosperity through inclusive business and community resilience. Its Enterprise and Community Development practice area brings together diverse partners and leverages their abilities to achieve sustainable development outcomes by enhancing the inherent capabilities of local communities.
2. Global Pro Bono: PYXERA Global works with corporations to deploy their employees on prescoped pro bono assignments in underserved markets on nearly every continent. These programs have served and built the capacity of thousands of social enterprises, nonprofit organizations, government agencies, and academic institutions around the world.

The Context for Reform of the Human Resources Practice at PYXERA Global

PYXERA Global has grown from a dozen employees in its early days to nearly 75 in its DC office, with another 100 outside the United States. With such rapid growth, Deirdre White, the organization's chief executive officer (CEO), wanted to ensure that processes and practices were at once simple and meaningful to employees and easy to administer for supervisors.

Deirdre and members of the senior leadership team prided themselves on having personal relationships and immediate knowledge about staff performance on a regular basis. Yet, with rapid growth, they found themselves removed from the day-to-day activities of most staff and relying on novice middle supervisors and first-line supervisors to accurately evaluate performance.

The previous performance management (PM) system was no longer adequate to engage and motivate employees, as evidenced by employees who expressed dissatisfaction with the time required to report on their performance and the suboptimal annual evaluation outcomes. Furthermore, supervisors were accountable to use a system that frustrated them with exhaustive time requirements and outcomes for which they did not feel fully accountable. The laborious process was regarded as bureaucratic and non-value-added.

Annually, the organization gathered to discuss its strategic plan and reaffirm the behavioral and work values it espouses. However, a once-robust sense of purpose and enthusiasm for the organizational mission was eroding amidst the tedium of daily tasks. Values that represented a robust sense of pride were overshadowed by generic competencies embedded in the performance process.

At monthly all-hands meetings, the CEO routinely solicited examples of actions that illustrated the Organizational Imperatives, yet the imperatives were not easily recalled, and employees had trouble articulating the behaviors that were so integral to PYXERA Global's brand. Compounding the lack of focus on core values, the annual performance review process highlighted generic competencies and skills that were misaligned to the imperatives, leading to a disaggregation of the core behaviors that differentiated PYXERA Global in its market.

Where Did the Idea to Change Originate?

PYXERA Global engaged a talent development consultant to deliver coaching and overall organizational resources to accelerate development planning and raise the level of supervisorial capability. Through the analysis underlying the talent initiative, it became clear that the processes that characterized PM were insufficient for the evolving organization. Data were aggregated through the 2016 employee satisfaction survey, conversations at the enterprise-wide Strategy Week in August 2017, one-on-one meetings, and supervisor “lunch-and-learn sessions” by the talent development consultant. A common theme came through: There was a gap between the expectations of supervisors and what staff were actually delivering in terms of support and feedback.

New supervisors and existing supervisors had been historically promoted into the roles with no guidance and expectations except to make sure the work was done, the brand was maintained, and clients were satisfied. As the organization became more complex and matrixed, supervisors sought more clarity about their roles.

The 2016 employee satisfaction survey data suggested that the supervisor–employee relationship needed greater attention. Though the comments from the survey were mostly neutral or positive about supervision, development, and resources, there were several comments, such as the following, that reflected a growing concern as the organization expanded:

- “I think my relationship with my supervisor would be greatly improved through (1) required monthly check-ins, (2) a routine process for providing feedback, and (3) the hiring of a Professional Development Consultant who would oversee this process. I am unsure about how I am doing and where I can improve.”
- “Overall, my supervisor does a fine job. I know they try to give me all the advice they can, encourage me when I do well on something, and let me know where I have fallen short. The only downfall is that I don’t think they actually take in and hear some of my concerns. They are great at setting up their expectations, outlining how they see me in my role, and what they would like me to do but it often can feel like a one way conversation.”

In September 2016, monthly management development seminars, “Lunch and Learns,” were launched to strengthen supervisorial capability. The conversations at the Lunch and Learns uncovered a widely divergent set of perspectives on managing people, giving feedback, coaching, delegating, and evaluating performance. With an archaic PM application in place, supervisors were subverting the process and managing inconsistently. Separately, employees expressed frustration that supervisors were dissimilar in their capability and use of the system. The gaps in capability and mindset pointed to a need to take a more systemic approach to align supervisors around a core set of supervisorial principles and to standardize the talent and PM resources that were available.

In March 2017, a core team of line supervisors published a guide for onboarding new supervisors and level-setting expectations of existing supervisors; “The PYXERA Global Way to Supervise People” outlined the responsibilities and practices expected for all people supervisors.

At the annual Strategy Week in August 2017, PYXERA Global leaders described a 5-year plan, including three Strategic Pillars—Smart Growth, Impact, and Influence—that would drive the activities, partnerships, and performance of the entire organization. In addition, the CEO reaffirmed PYXERA Global’s Organizational Imperatives, which guide performance and define the organization’s culture. The imperatives include

- Sweat the small stuff
- Outpunch your weight class
- Exhibit true partnership in everything I do
- Don’t rest on your laurels (or anything else)
- No money, no mission
- Deliver mutual, meaningful, and measurable impact

At the time, performance expectations about demonstrating the behaviors of the Organizational Imperatives were excluded from management practices.

The messaging from the CEO at Strategy Week along with the results of the 2016 employee satisfaction survey offered an opportunity to reform PM and better align annual and quarterly practices with the organization’s strategic direction. In September 2017, a survey was distributed to gather employee perspectives on PM practices and processes at PYXERA Global with the expressed purpose of simplifying the process.

Table 8.1 Employee Engagement Favorability Factors, 2017

Favorability Results, September 2017 Items	Percentage Favorable
I am clear how my goals contribute to the success of PYXERA Global.	80.3
Senior leadership expects me to live the Strategic Imperatives in my daily work.	76.7
I am clear on what I have to accomplish on an annual basis.	53.3
I am clear on the skills I need to demonstrate to achieve my goals.	53.3
My supervisor spends time with me to clarify, review, and revise my goals.	63.3
My supervisor recognizes my success.	Always: 20; often: 36.7; sometimes: 43.3
My supervisor provides candid feedback on my performance.	Regularly: 33.3; sometimes: 63
My supervisor gives me concrete examples of my strengths.	60
My supervisor gives me concrete examples of where I can improve.	43.3

Table 8.1 illustrates the favorability results of the survey. Seventy percent of the staff responded and identified specific gaps in managing performance. Examples of responses to two sets of questions included the following: Employees confirmed that they were unclear on how their accomplishments aligned to organizational strategy. In addition, they reported that they were not receiving feedback in a helpful or timely manner, and that supervisors were inconsistently engaged in meaningful discussions on performance. The conclusion was a need for reform.

Setting the Stage for Change

Over the previous 2 years, a consensus developed between Liza Magno, director of human resources (HR), finance, and administration; So'ud Habbas, the chief operating officer; and Gavin Cepelak, the vice president of Global Pro Bono Programs: The PM system was misaligned with the culture of PYXERA Global. They formed a core team that included members

of the executive team, the talent consultant, and supervisors to set the stage for change. The director of HR repeatedly expressed frustration that the current system was underutilized and poorly executed, and that mandatory check-in conversations were not occurring. Senior leaders and supervisors complained about the amount of time invested and the poor return on motivation and clarity of goals and outcomes. Communications with the board of directors garnered their approval for the changes to be introduced as well.

To gain more insight into the perceptions of employees, PYXERA Global conducted the September 2017 survey referenced previously and led follow-on focus groups with staff and all supervisors to listen to employee feedback. Findings from these assessments were shared in November 2017, and the new practices were launched in January 2018.

What Changed: From One Size Fits All to Strategic Alignment Around Smart Growth, Influence, and Impact

In considering changes to the system, PYXERA Global and the strategic talent consultant assessed current trends in popular literature and benchmarked other companies on major issues, for instance, removing ratings, changing labels, focusing on supervisor–employee conversations, aligning goals with strategic direction, and eliminating competencies.

The prevailing practice led supervisors and employees to list all daily operational activities as their objectives without differentiating the most critical ones. For instance, one goal that appeared on all employees' performance appraisal was submitting time sheets on a weekly basis. What were technically standard operating procedures became enterprise-wide goals that clogged the system and distracted employees from focusing on mission-critical goals.

The consultant harvested ideas from the benchmarks at the Performance Management Conference for the conference board from nearly 30 companies and considered a design thinking approach to better understand the experience of the employees and supervisors to ensure a wide perspective on what to change. In November, a set of suggested changes was presented to the board of directors (as shown in Table 8.2) and approved.

Table 8.2 Board of Directors Presentation, February 23, 2017

Where Are We Heading? ^a	
From	To
Time-consuming process of setting annual goals and completing end-of-year self-appraisal	Streamline the time required to set SMART goals and create self-appraisal
5 goal categories: Project Management, Career Development, Business Process, Financial, and People goals	3 goal categories focused on PYXERA Global's Strategic Pillars: Impact, Influence, Smart Growth
Assessment on competencies: Organizational Ownership/Values, Interpersonal, Building and Managing Teams, Client Management, Initiative, and Project Management	Incorporate Organizational Imperatives in achieving goals
HR and supervisor drive the process for performance updates and appraisal	Staff members drive the process; supervisors support
Inconsistent feedback across organization	Regular "check-ins" between staff and supervisors

^a Based on feedback, focus groups, and employee satisfaction survey, 2017.

Subsequently, the entire organization was introduced to the new approach in November for input and confirmation of two basic changes:

- Realign goals to the Strategic Pillars while streamlining the process from monitoring upward of 37 goals to a maximum of 9 goals
- Replace off-the-shelf competencies with purpose-driven values and behaviors, introduced as Organizational Imperatives, to align all staff against a core set of behavioral expectations

The response by staff was overwhelmingly positive, and both the staff and the board of directors provided their support for instituting the new system in January 2018, even though the performance cycle had technically started the previous October.

Previously "one-size-fits-all" goals were organized around operational efficiency: Project Management, Career Development, Business Process, Financial, and People goals. While these operational categories ensured that employees followed rules of engagement consistently with clients

and focused on getting the work done, they did not motivate and energize employees. The organization's three Strategic Pillars—Smart Growth, Influence, and Impact—both inspired aligned behavior and reflected the mission of the organization.

Moreover, by replacing operational categories with mission and client-centered imperatives, senior leaders expected to drive objectives that were more organizationally aligned. Similarly, eliminating standard competencies and replacing them with the Organizational Imperatives would help supervisors and employees focus on the way an employee achieved his or her goals and the characteristics the senior management felt made the organization successful.

Accompanying the pillars and imperatives were definitions of samples of goals that would apply to all functions in the organization. Similarly, the Organizational Imperatives already defined behaviors, mindsets, and skills; communicating them more often in all-hands hall meetings, training, and in online guides helped the pillars and imperatives come to life.

Employees became more intentional in driving the process, setting goals, and initiating conversations. Supervisor training centered on giving feedback and setting goals, encouraging them to practice and role-play real-life scenarios.

What Obstacles Did the Initiative Overcome?

The role of supervisors. Supervisors were challenged to see how their role was critical to success. Prior to 2016, supervisors had no defined set of expectations. As the supervisors attended regular management development sessions, they became aware of the importance of actively coaching, developing, and supervising others. One vice president now punctuates all meetings with the notion of “intentionality”: that supervisors and staff should have clear objectives that are stated explicitly in project work. The notion of intentional management of staff—having common standards of quality and delivery—became the work of all supervisors and not just the purview of the senior leadership team.

Essentially, as Deirdre White, the CEO, and her executive team attended the supervisor Lunch and Learns, they repeatedly emphasized the need to be an organization where supervisors were accountable for managing people.

A change from specific to general. An early and ongoing challenge emerged from the Finance and Administration team and its concerns about operational efficiency. The team had fought for the inclusion of goals and objectives relating to time sheets, financial reporting, and billing procedures in the existing performance reviews. Using the Organizational Imperatives, including “Sweating the small stuff” and “No money, no mission,” to measure “how” work was being accomplished was viewed as an innovative way to reduce the number of goals needed, while still addressing the chief finance officer’s concerns about the organization’s focus on operational efficiency.

Timing. Since the performance cycle had already started, PYXERA Global was forced to roll out the PM system before finalizing the details. The executive team had decided to maintain annual ratings and weightings and endorsed an agile approach to goal setting in which employees, with supervisor approval, could change or modify goals throughout the year in order to reflect shifting priorities. Yet, the team continued discussing goal weighting, score labeling, and the relationship between scores and compensation as well as designing a calibration process to ensure consistency in scoring and compensation adjustments across the organization well after the new goal system had been introduced. All those issues were resolved, however, prior to the conclusion of the fiscal/performance year.

Employee skepticism. While skepticism still exists that final reviews will accurately assess their performance and account for all their efforts and tasks, employees remain confident and more comfortable knowing that the process has been simplified and that their conversations with their supervisors will be impactful at year end.

Project Management Implementation Flow

The rollout of the new system was frequently communicated to supervisors and employees over the course of several months. The CEO and senior leaders referenced the new process and practices at monthly all-hands meetings beginning in November 2017; all employees attended training sessions in January 2018, with instructional handouts stored in a knowledge-sharing database; and the topic was covered in periodic all-staff emails/reminders from HR.

Key messages iterated the following:

- Managing performance is a joint effort that is intentional, purposeful, and self-directed.
- Employees are expected to take a lead role in goal setting, seeking feedback, and evaluating their performance.
- No surprises occur when employees and supervisors discuss their work routinely and regularly.
- The final appraisal process represents a summary of prior conversation that employees can track within the system on a Word doc or Excel spreadsheet.

Outcomes

Anecdotal feedback indicates employees feel greater alignment with strategic goals and greater understanding and appreciation of the Organizational Imperatives. At all-hands meetings and in subsequent training, employees were able to describe and define the imperatives and generate relevant examples from their day-to-day work when prompted. In the previous performance system, which did not include the imperatives, staff were disconnected and unsure how the imperatives related to the work they were doing and living up to the values espoused by the CEO.

Employees report a deeper and more personal connection to how work gets done and a greater appreciation of the expectation of all employees to demonstrate the values in their actions. For example, often cited is the Organizational Imperative “No money, no mission,” which had been a well-described imperative for most employees, but lacked a connection to everyone’s day-to-day activity. In the last year, that imperative has become an umbrella for financial responsibility at all levels; employees are clearer that budgeting is core to providing clients with impactful engagements, that they must attend to cost requirements and expense overruns, and that they all have a stake in the financial well-being of the organization.

Employees and supervisors report having more conversations about performance, solving problems, and removing obstacles and giving and receiving feedback more often. In fact, the results from the 2018 employee satisfaction survey (Table 8.3) showed marked improvements regarding the performance of supervisors in supportive roles, the frequency of feedback, and the resulting alignment of individual goals to strategic goals. Median ratings rose

Table 8.3 Results from 2018 Employee Satisfaction Survey

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Overall Positive
My supervisor includes me in the goal-setting process for the job(s) I do	2%	2%	2%	33%	55%	88%
It is clear to me what my supervisor expects of me regarding my job performance	2%	4%	8%	49%	35%	84%
My supervisor provides feedback and evaluates my work performance on a regular basis	6%	4%	8%	43%	35%	78% ^a
My supervisor provides me with actionable suggestions on what I can do to improve	6%	8%	14%	33%	33%	67%

^a Feedback item was 9 points above benchmark in comparable nonprofit organizations.

from an 8.0 in 2016 to 9.0 in 2018 in relation to the statement, “My supervisor includes me in the goal setting process for the job(s) I do.” Members of the board of directors similarly noted that the efforts in improving PM practices and supervisors’ capability were reflected in the results of the 2018 survey.

While the survey data illustrated focused on the effectiveness of supervisors and supervisors, anecdotal evidence pointed to employees taking more control in the process as well. For instance, the staff in the Public Affairs team routinely update their goals and have check-in conversations with their supervisor; similarly, employees in the Global Pro Bono team set up regular check-ins or leverage ad hoc meetings to review performance with their supervisors.

A new management structure was instituted in 2018 to oversee strategic operations as one standing management council. Its mission is to streamline and simplify organizational operations. The council has been supporting the adoption of a new system for managing people and performance. For example, a formal calibration process was enacted to hold supervisors (division heads) accountable for ensuring parity in performance appraisals, replacing the previous process where calibration happened at the executive team level.

In the fall of 2018, a formal evaluation was conducted to assess the new process. Of 59 employees eligible to complete the survey, 35 participated. The results were as follows:

- Comparisons to similar questions in 2017 suggest that the new process enhanced alignment and clarity of performance outcomes.
- Staff are internalizing the imperatives as defining “how employees at PYXERA Global do their work” and are better able to communicate how they are excelling or lagging in living up to the organization’s standards.
- Variations in the assessment of supervisor/employee conversations and the usefulness of feedback require continued attention. It is likely that the communications campaign about engaging in meaningful, evidence-based feedback discussions raised the expectations of employees, leading to lower expressions of favorability in these areas (as shown in Table 8.4).

Table 8.4 Comparisons of Favorability Scores on Select Survey Items, 2017 and 2018

	Fall 2017	Fall 2018	Delta
I was clear how my goals contribute to the success of PYXERA Global.	80.0%	79.0%	1.0
Senior leaders expected me to live the Organizational Imperatives in my daily work.	76.7%	91.0%	14.3
I was clear on what I had to accomplish on an annual basis.	53.3%	71.0%	17.7
I was clear on the skills I needed to demonstrate to achieve my goals.	53.3%	71.0%	17.7
My supervisor provided candid feedback on my performance.	96.0%	85.0%	–11.0
At my review, my supervisor gave me concrete examples of my strengths.	60.0%	79.0%	19.0
At the review, my supervisor gave me concrete examples where I can improve.	43.0%	55.0%	8.0
My supervisor was clear about opportunities for me to develop myself at PYXERA Global.	50.0%	41.0%	–9.0
My supervisor coached me to optimize my performance.	53.0%	48.0%	–5.0
My supervisor supported me in my career goals.	66.7%	73.0%	6.0
My supervisor explained clearly what I need to do for a promotion.	10.0%	24.0%	14.0

Table 8.5 Favorability Scores on Select Survey Items in 2018 Only

	Fall 2018
The new process encouraged me to have more regular conversations with my supervisor in setting goals.	50.0%
The new process encouraged my supervisor to have more regular conversations with me throughout the year.	44.1%
The new process encouraged me to incorporate the Organizational Imperatives into my daily work.	64.7%
The new process encouraged me to have productive conversations with my supervisor about my accomplishments and areas for improvement.	47.0%
The new process was easier to navigate at year end.	64.7%
The new process saved me time.	55.9%

Several survey items had no equivalent in the 2017 survey (as shown in Table 8.5). The results for those areas appear in Table 8.5 and suggest a need for continued focus on frequency of conversations about performance. It is likely that employees are engaging in short, task-related conversations with their supervisors throughout the year but do not identify those conversations as performance discussions.

Written comments about the process and its effectiveness described positive dispositions of the new process and offered insight on areas where incremental improvements were needed. Staff members appreciated the intentionality of the process and the rigor with which they participate and own the goal-setting process. The effect of drawing a connection to the Organizational Imperatives grounds their daily work. They want more frequent and meaningful conversations (check-ins) and more candid feedback. Comments included the following:

- “It definitely is an improvement over the previous system.”
- “I think linking to the organizational imperatives and Pillars makes obvious sense, and puts them much more at the forefront than when I started at PYXERA Global. It has caused the senior leadership to reference them more frequently as a way to create a coherent culture now that we are expanding more rapidly.”
- “Makes sense and allows us to be aligned authentically to our culture . . . i.e. practice what we preach.”

- “It was helpful to have conversations with my supervisor regarding my goals and ways in which I was able to fulfill them at times where I didn’t realized I had.”
- “I like the framing of these goals through the lens of our organizational imperatives. It allows me to focus on my contributions to the organization and think in those terms, rather than on the details of my day-to-day experience. Other than that, I didn’t find that the process changed too much, but it was only my second year-end review, so I don’t have too much experience to draw from.”

Staff also expressed concerns about practices at PYXERA Global that overlap with PM, such as career development, feedback, supervisor investment and engagement, promotions, and salary administration. These allied areas often generate confusion and concern and need attention to align with the focus on strategic goals, aspirational direction, client satisfaction, and achieving results.

Additional Learnings and Next Steps

1. Supervisors’ involvement in coaching conversations and offering of meaningful and evidence-based feedback falls short of employees’ expectations. These periodic conversations occur less frequently and less effectively than needed. Given the prevailing research that regular conversations contribute to the achievement of goals and objectives, there is work to be done to enable supervisors to be more effective and to spur staff to be more confident in seeking supervisor input at weekly conversations. Even a short 15-minute conversation can pay dividends in the long run.
2. Career opportunities continue to weigh on the minds of staff. Whether in revising policies and practices about promotions or development opportunities or working on improving messaging, staff and supervisors would benefit from greater clarity and candid discussions about careers. Supervisors need greater practice in having career discussions with staff. As part of PYXERA Global’s response, guidelines are being updated for career readiness that outline the skills and

- competencies for each position family under a director and embedding into the development planning process.
3. Continued focus on the importance and demonstration of the Organizational Imperatives will build confidence and understanding that will provide greater clarity about the behaviors and mindsets expected of staff to perform well.
 4. Communicate progress at monthly all-hands meetings and, for supervisors, at monthly management training sessions that will focus on coaching and feedback.
 5. Rolling out the changes to the technology solution for the 2018–2019 cycle that support the process and update the lexicon and functionality to reflect fully the improvements implemented in the previous year.

Communicate, communicate, and communicate: PYXERA Global announced the project in September 2017, reiterated it and shared initial feedback in November 2017, then announced the launch in January 2018.

Through repeated discussions at all-hands meetings, in department meetings, and in check-in meetings with supervisors, employees have become sensitized to the importance of being accountable for their work, satisfying clients, demonstrating partnership externally and internally, and sweating the small stuff. The imperatives have become more integrated into regular conversations and feedback sessions.

During the annual Strategy Week in August 2018, PYXERA Global conducted additional training with practice sessions on defining goals and imperatives. The employees easily cited goals that aligned with the Strategic Pillars and behaviors that illustrated the imperatives. They acknowledged that they are having more frequent and meaningful discussions with their supervisors.