

Juniper Networks recognized that its internal work environment was a barrier to achieving its business goal of disruptive innovation.

- To achieve disruptive innovation, Juniper seeks both empowered, connected employees a brand system aligned internally and externally.
- However, the classic performance management approach was misaligned with Juniper’s values and evoked a “fear state” that demotivated innovation.
- Juniper believes all meaning is situated in context. While its practices vary in the degree of innovation, they learned that aligning and applying them in the context of their values and business resulted in differentiated and desired outcomes.

# CLASSIC PERFORMANCE MANAGEMENT SYSTEM A BARRIER TO DISRUPTIVE INNOVATION



## Classic Performance Management System Misaligned with Juniper’s Company Vision and Brand System

### Company Vision: “Connect Everything. Empower Everyone”

To achieve disruptive innovation, employees at Juniper must be:

#### Connected

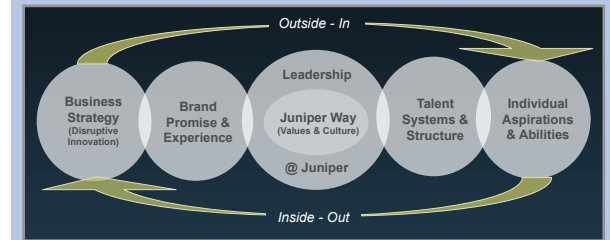
- Clear about the organizations needs
- Clear about peers’ needs
- Able to generate productive relationships

#### Empowered

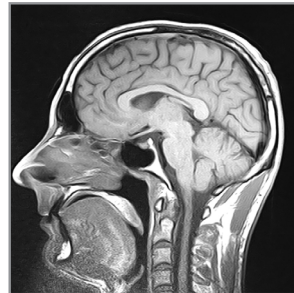
- Able to act without excessive bureaucracy
- Forward looking
- Proactive
- Risk taking

### Juniper’s Aligned Brand System

Juniper strives to deliver its business strategy of disruptive innovation by aligning its brand experience, values, leadership, and talent systems with the aspirations of its nearly 10,000 colleagues.



## Attributes of “Reward State” Performance Management<sup>1</sup>



Juniper turns to neuroscience to reimagine its performance management system for disruptive innovation. Juniper’s new approach aims to align with its values and put employees in a “reward state” rather than a “fear state,” enabling them to do their best work. A reward state enables employees to:

- Focus on solutions
- Take a broad view
- Approach rather than avoid
- Work with confidence
- Act with autonomy

<sup>1</sup> The philosophy behind Juniper’s approach to performance management is based on its partnership with Dr. David Rock, CEO of the NeuroLeadershipGroup; Ann Rhoades, author of *Built on Values: Creating and Enviably Culture that Outperforms the Competition* and former HR executive at Southwest Airlines and JetBlue Airways; and Chris Ernst, author of *Boundary Spanning Leadership: Six Practices for Solving Problems, Driving Innovation, and Transforming Organizations*, Organization Thought-Leader at Juniper, and adjunct faculty member at Center for Creative Leadership.

Source: <http://www.flickr.com/photos/benbeiske/3688830511/>.

CHALLENGE	SOLUTION OVERVIEW	COMPONENT 1	COMPONENT 2	COMPONENT 3	COMPONENT 4	RESULTS
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Juniper's approach drives individual and organizational performance.

Four distinguishing features of Juniper's talent process include:

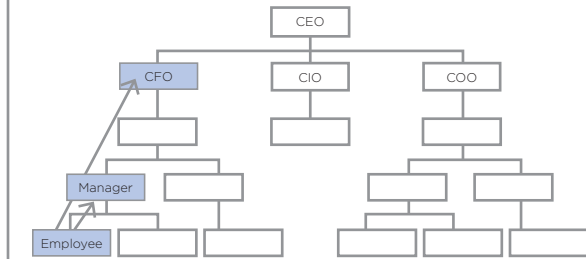
1. Self-developed objectives aligned directly to manager and senior leader objectives;
2. Holistic assessment of past and future performance;
3. Formal performance scoring replaced with unified Talent Framework that describes talent scenarios; and
4. Two-way conversation of past and future, rather than top-down delivery.

# JUNIPER DRIVES EMPLOYEE PERFORMANCE WITH THE BELIEF THAT "TALENT MATTERS"



## Juniper Networks' Approach Drives Disruptive Innovation

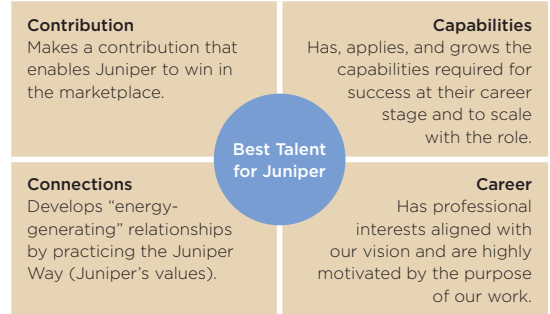
1. Self-developed objectives based on direct managers' and senior leaders' objectives



3. Formal scoring replaced with unified Talent Framework that describes talent scenarios

Scenarios	Contribution	Connections
Key Talent		
High Potential		
Promotable		
Well Placed		
New to Role		
Performing with Concern		

2. Holistic assessment of past performance and future capabilities and need



4. Two-way conversation of past performance and future capabilities and needs

Recommended Conversation Day Agenda

*Illustrative*

- Career**
  - Discuss how this employee exhibits and applies the capabilities required for success at their career stage and to scale with their role.
  - Discuss how the employee can continue to grow the capabilities for future success at Juniper.
- Capabilities**
  - Discuss the alignment of this employee's professional interests with Juniper's vision and purpose.
  - Discuss the employee's degree of motivation by Juniper's vision and purpose.
- Connections**
  - Discuss how this employee develops productive, "energy generating" relationships that align Juniper's values (the Juniper way).
- Contributions**
  - Discuss how this employee contributes to the organization in a way that enables Juniper to win in the marketplace. Refer to the contribution goals and related success measures when discussing contributions.
- Compensation**
  - Share compensation information.
  - Discuss how compensation decisions were made.

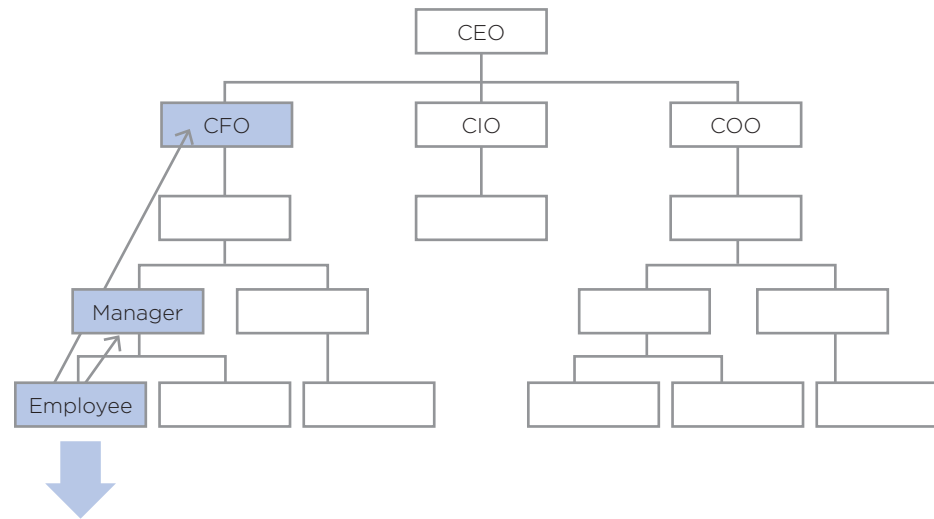
Juniper employees link their “contribution goals” (objectives) to those of their direct manager and relevant senior leaders’ “contribution goals”.

- Employees set their own goals by viewing those of their direct manager and the relevant senior leader, bypassing interim levels. Direct managers approve the goals.
- Senior leader goals provide context to employees when setting their goals, while direct manager goals provide content.
- To support cross-organizational alignment of goals, Juniper employees also view the goals of managers and senior leaders in matrix business units or functions.

# ALIGN OBJECTIVES TO MANAGER AND SENIOR LEADER OBJECTIVES

Employees at Juniper Set Their Own “Contribution Goals” by Reviewing their Direct Manager’s and the Relevant Senior Leaders’ Goals

*Juniper’s Goal-Setting Process*



**To maintain focus on organizational needs:**

- Employees set their own “contribution goals” based on those of the direct manager and the senior leader they ultimately support.
- Senior leader goals provide employees with better context than traditional top-down communications, whereas direct managers’ goals inform the content of employees’ goals.
- Direct managers approve rather than write the goals.
- Employees consider matrix managers’ and senior leaders’ goals as a secondary input.

## Juniper Goal-Setting Template

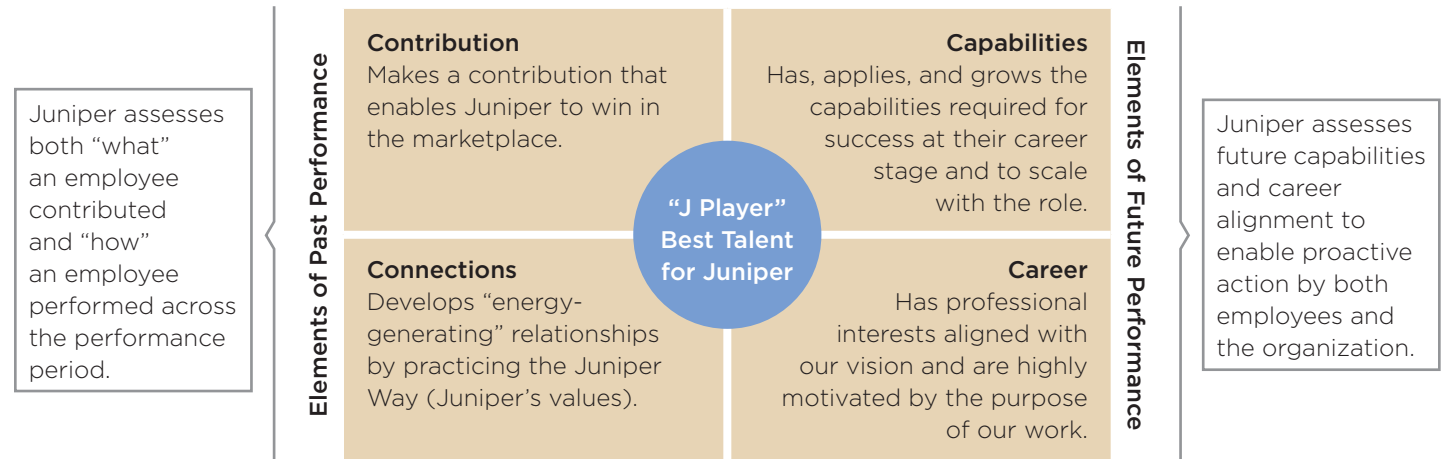
Contribution Goal	Goal Type	Success Measures	Alignment (Optional)
	Choose from five goal types <ul style="list-style-type: none"> <li>▪ People</li> <li>▪ Innovation</li> <li>▪ Winning Customers</li> <li>▪ Driving Satisfaction</li> <li>▪ Growing the Business</li> </ul>	Choose 1-3 measures; Where possible, align your success measures to your manager’s and senior leader’s success measures.	Indicate how the goal aligns with your manager’s and senior leader’s goals.

Rather than limit assessment of employee performance to the past, Juniper includes assessment of future capabilities and career alignment.

- As a high-growth company, Juniper recognizes that assessment of past performance limits employees to reacting to the past rather than proactively ensuring future success.
- Merging assessment of future capabilities and career also allows both employees and the organization to continually assess the ability to fulfill future talent needs.

# HOLISTIC EVALUATION OF PAST AND FUTURE PERFORMANCE ELEMENTS

Juniper Simultaneously Considers the Four Elements of Both Past and Future Performance  
*Juniper's Four Elements of a "J Player"*<sup>1</sup>



<sup>1</sup> "J Players" refer to the best talent for Juniper.

Source: 2010 Corporate Citizenship and Sustainability Report, November 2011.

Juniper assesses employees' contribution to the organization by considering talent scenarios rather than performance scores.

- Managers use talent scenarios as guidance for considering employees' performance across the four elements of performance; the talent scenarios serve as reference points for managers, not prescriptive action steps.
- Juniper believes that classic performance scores distract employees, their managers, and the organization from having the high utility conversations that let employees know where they stand.
- Juniper also eliminates the bell curve as the ideal distribution of performance, aiming instead for 100% "J Players." Juniper's goal is that all employees are high performers but, that at a minimum, every employee meets the expectation against all four elements of performance.

# ASSESS EMPLOYEES BY IDENTIFYING THEIR VALUE, NOT THEIR PERFORMANCE SCORE



## Juniper Replaces Performance Scores with Talent Scenarios to Assess Employee Contributions to the Enterprise

*Juniper's Talent Scenarios and Strategies (Excerpt)*

Scenarios	Contribution	Connections	Capability	Career	Compensation
Key Talent					
High Potential	Juniper provides broad guidance to managers about how to assess, develop, and reward employees using Talent Scenarios as a reference point rather than a performance rating.				
Promotable	<ul style="list-style-type: none"> <li>Consistently meets goals</li> <li>Could be an expert in function but may not aspire to a "bigger" role</li> </ul>	<ul style="list-style-type: none"> <li>Lives the Juniper Way</li> <li>Maintains highly productive relationships</li> </ul>	<ul style="list-style-type: none"> <li>Skills acceptable for current level</li> <li>Could need more time in role to develop skills for next level</li> <li>Develop "in role"</li> </ul>	<ul style="list-style-type: none"> <li>Well placed at career level</li> <li>Support existing growth and career plan</li> </ul>	<ul style="list-style-type: none"> <li>Competitive base and bonus</li> <li>Competitive equity (if eligible)</li> </ul>
Well Placed					
New to Role					
Performing with Concern					
Extenuating Circumstances					
Not Scaling					
Underperforming					
Challenged					

## Managers Use the Talent Scenarios as Guidance to Assess Employees Across Juniper's Four Elements of a "J Player"

*Conversation Starter, Illustrative*

Please describe your colleague's performance for each element below.

Career	Capabilities
Connections	Contribution

Managers and employees are encouraged to fill out a simple one page form against the four elements that is used to start a conversation between manager and employee.

Juniper calibrates performance against employees' relative contributions and connections to make compensation decisions, rather than to justify performance scores.

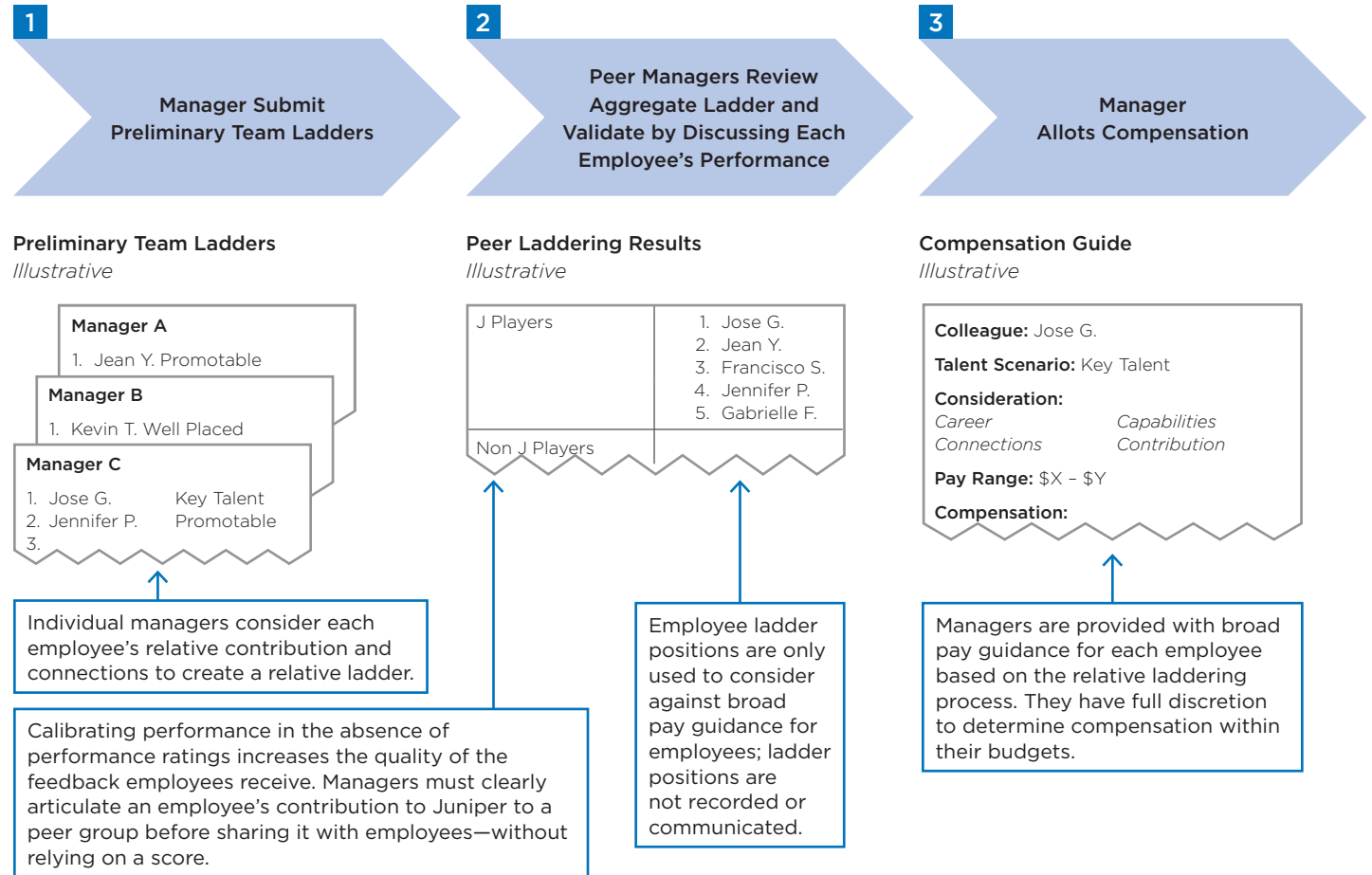
- Managers ladder each "J Player" within their teams based on their past contribution and connections. During the calibration session, peer managers create a one-over-one relative ladder based on each employees' relative contribution and connections.
- To prevent laddering from becoming a hidden ratings process, Juniper relies on managers practicing its Values and does not record or communicate results of the laddering process.
- Orienting calibration discussions around employees' overall contribution also ensures the quality and utility of the feedback an employee will receive.

# CALIBRATE PERFORMANCE TO UNDERSTAND EMPLOYEES' RELATIVE CONTRIBUTION



Juniper Calibrates Employees Based on Their Relative Contribution to Juniper, Rather Than to Validate a Performance Score

Juniper's "Relative Laddering" Calibration Process



To prevent performance review conversations from evoking a defensive response from employees, “Conversation Day” is a peer-like conversation that discusses past and future performance.

- Juniper’s performance reviews are two-way conversations between manager and employee, rather than a top-down conversation, so that decisions about performance can be made together
- To set the tone for an effective conversation, employees and managers start by discussing the future elements of performance; this allows for a more honest conversation by taking the stigma out of negative development feedback, and enables employees to play a greater role in proactively discussing their performance.

# MERGE DISCUSSION OF PAST AND FUTURE IN ONE CONVERSATION

Juniper’s “Conversation Day” Drives Decision Making and Action Rather Than Information Delivery

## Recommended Conversation Day Agenda

*Illustrative*

### Career

- Discuss how this employee exhibits and applies the capabilities required for success at their career stage and to scale with their role.
- Discuss how the employee can continue to grow the capabilities for future success at Juniper.

### Capabilities

- Discuss the alignment of this employee’s professional interests with Juniper’s vision and purpose.
- Discuss the employee’s degree of motivation by Juniper’s vision and purpose.

### Connections

- Discuss how this employee develops productive, “energy generating” relationships that align to Juniper’s values (the Juniper Way).

### Contributions

- Discuss how this employee contributes to the organization in a way that enables Juniper to win in the marketplace. Refer to the contribution goals and related success measures when discussing contributions.

### Compensation

- Share compensation information.
- Discuss how compensation decisions were made.

### Discuss Elements of Future Performance First

Managers and employees discuss the future elements of performance first, setting the stage for a more honest, balanced conversation and minimizing the stigma associated with negative feedback.



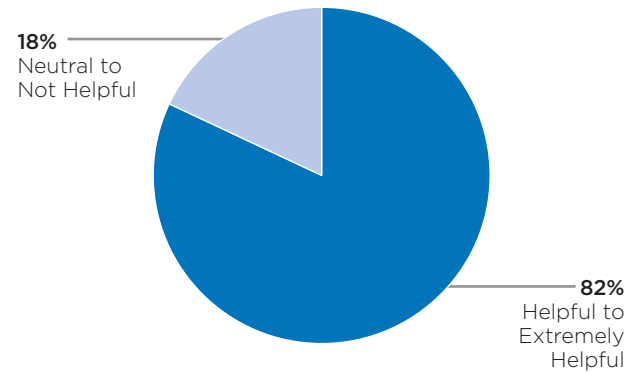
Juniper's approach ensures that employees understand their value and contribution to Juniper, enabling them to make proactive decisions about their careers.

- After each Conversation Day, Juniper surveys employees to understand the utility of Conversation Day; eighty-two percent of employees who had conversations indicate that it was helpful or extremely helpful.
- Of the employees identified as non "J Players," 65% self-select out of Juniper; those employees proactively identified the need to make a career move without being placed on a performance improvement plan.

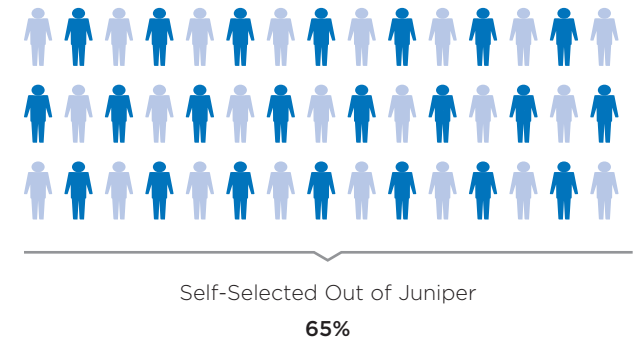
# JUNIPER'S APPROACH PROVIDES CLARITY ABOUT PERFORMANCE AND ACTIONABLE FEEDBACK



**"To What Degree Did You Find Your Conversation Day Helpful?"**  
*On a Five-Point Scale of Not Helpful to Extremely Helpful*



**Percentage of Non "J Players" Self-Selecting Out of Juniper Based on Their Conversation Day**



"We've reimagined the 'classic' approach to performance management to be consistent with our company values and our Aligned Brand System. This approach enables us to deliver on our business strategy as disruptive innovators and create a climate where each one of our colleagues can do their best work."

Greg Pryor  
 Vice President, Leadership and Talent Matters