



Performance management

Working both ways

Robert Terry, of Ask Europe, argues that measuring performance can only create a strong organisation if this process becomes a dialogue that does the measuring both ways

Key learning points

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| 1. Tone, timing and atmosphere are critical | 3. People need to be led rather than managed |
| 2. Address the issue of motivation | 4. Encourage feedback |

At its worst, performance management (PM) — like many engagement initiatives — is something done to people rather than *with* them. Rooted in a mindset that sees performance as something more akin to panel-beating, the process becomes a periodic ritual during which the employee receives an assessment intended to pummel them (and their output) into a pre-ordained shape. The most obvious parallel is sheet-metal pressing, except this overlooks a critical difference: the sheet metal cannot, of its own volition, add value either to the process or to the business. For most organisations, performance comes through people, not simply by deploying a number of minds or pairs of hands for a menu of tasks or processes.

It may not be the light bulb that needs changing

A better route to performance improvement (and the aim should be to improve, not simply to manage) comes from a changed mindset that sees it not just as an everyday element of working life (we perform every day, after all, so bi-annual assessment can never be timely), but as a dialogue. And as with any dialogue, the tone, timing and atmosphere can critically colour the words exchanged.

There is a traditional view of leadership that sees the leader as a source — indeed, almost (if it's not sacrilegious to say so) as a font — of inspiration. This isn't a criticism; any of us who can provide the kind of inspiration that ups the performance,

commitment, focus and so on of others should allow ourselves a reflective moment of satisfaction. (If we have managed to achieve this inspirational effect by modelling or encouraging behaviours rather than pummelling them out of people, a longer reflective moment may even be in order.) Most roles have, if we allow ourselves to be slightly more honest than may be the norm in many working environments, days with more than their fair share of longueurs; the inputs of managers and leaders in providing either the inspiration or the role model that maintains enthusiasm and commitment through the dull times — and more especially during the difficult, challenging and stressful times — are invaluable to all.

But I was struck by a recent comment made by Orlagh Hunt, group HR director at the RSA Insurance Group, in an interview with *People Management* magazine: *"We know that people show up in a new company wanting to engage. Very few people think, 'I'm going to do as little as humanly possible and be as destructive as I can'. They start off thinking this is a shining new opportunity, and then the job they do, the leader they get, the environment they're in either translates that optimism into having a great time and doing a great job, or not quite so much."*

The 'having a great time' may read a little gushily perhaps (it brought to mind those ultra-modern 'play pen' offices particularly beloved of the web industry, which tend to resemble a head-on collision between an Early Learning Centre, Center Parcs and one

of the 1960s TV programmes where the whole band lived in a retro-futurist mansion and had endless 'fun'), but there was a critical word among those that Ms Hunt used: *optimism*.

One key element of improving performance is to address motivation. Staff are not, after all, just proverbial light bulbs that can be 'changed'; they are light bulbs that can be focused in different directions, with different bulbs best suited to illuminating different situations. The ones that seem to shine less brightly than the organisation might have anticipated when it selected them may not have 'failed'; it may be more a matter that no one has yet fully switched them on or shone them where they might shed the most light. Without a PM process that provides opportunities for dialogue and two-way feedback, the jocular rhetorical question might not be 'how many HR managers does it take to change a light bulb?' after all. It might be better to ask how many light bulbs it takes to change an HR manager.

Material science and material arts

As it is usually delivered, at least partly, by a line manager; the single most important influence on performance, development and motivation, PM needs to be not only an ongoing process but one that involves listening as much as talking (or worse, telling).

While the trends of modern working life include a growing use of performance metrics (whether expressed as targets, competencies or a host of other names) and a tendency to evaluate by assessing qualitative

attributes in quantitative terms, it is worth bearing in mind the nature of the materials being worked with. A paragraph from the Work Foundation's report, *Good Work: Job Quality in a Changing Economy*, is highly relevant: *"Most markets are markets in things, but the labour market is a market in people and for that reason alone it cannot simply be seen as a market like any other; to take the contrary view assumes that people are simply objects to be manipulated in the service of business objectives. A natural consequence of this line of argument is the recognition that organisational effectiveness depends on the quality of relationships between*

personal enthusiasms or any of the other perplexing ragbag combination of attributes or quirks that human beings bring to the table. Nor do processes have relationships in any meaningful sense; any process that inspires something else does so through the observation, insight and reflection of a person.

That philosophical quibble aside, the stress that the Work Foundation places on relationships as critical to effectiveness underlines that PM is a conversation, not a monologue. Those at the top of organisational structures need feedback as much as those further down and their feedback sources need to include those further

is something of a mystery. Business is well-known for creating its own 'gurus' and for hanging on their utterances for wisdom, but it is many years since Peter Drucker said: "If I put a person into a job and he or she does not perform, I have made a mistake. I have no business blaming that person."

Wet blankets and inner flames

Employees, despite some managers' prejudices, generally want to perform well, but their feedback is as important as their managers. This may cover areas where they would welcome learning or development opportunities (which may be training, or could equally

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colleagues and between employees and their managers."

Indeed, it's almost worth asking why we call it 'performance management'; if performance is something achieved through people, isn't performance something that should be led, rather than managed? No matter how process-driven the organisation within which the PM conversation is taking place, those whose performance is being managed are not inert raw materials; they are people and the right approach is not to manage but to lead, surely? People are not processes; processes never have off days, moments of inspiration,

down. Unchallenged problems with day-to-day activities, such as setting objectives and clarifying expectations, need to be addressed for everyone's benefit. If there is something different about the way many organisations view people, it's that they tend to absolve managers from failure where staff performance is a lingering problem while their 'management' of other aspects of their role would carry a greater sense of personal responsibility. If their departmental budget was hugely over-spent, they would be expected to answer for it, but if their staff under-perform it's often seen as the staff's fault. Why this should be so widespread

be mentoring or coaching), but their feedback — where they are given an opportunity to provide it without fear of the consequences — may also highlight aspects of the current working situation they feel limit their potential ability to shine, or where rewards and recognition are irrelevant, inappropriate or even lacking.

PM and employee engagement are closely connected, but it's important to get the cart and the horse in the correct sequence. Robin Wright, chief executive of The Engine Room, offered a telling comment, in the context of the importance of feedback being a two-way process, in an interview as part of

the BBC's Bottom Line series last year. His point was that most organisations have competitors who have talented staff paid at the going rate; competitiveness is not, in that sense, innate. But the organisation that can master the art of giving — and receiving — feedback might gain a five to 10 per cent advantage by doing so.

It was a point echoed by Orlagh Hunt right down to the percentages. The second part of Hunt's quote explained the impact of maintaining that optimism: *"So, for example, when our UK business was looking at its cost base, it estimated that an extra 10 per cent of discretionary effort would be equivalent to having 500 extra staff."*

While we should all be wary of any attempts to coldly quantify anything as abstract as 'optimism', it seems the difference being 'having a great time and doing a good job' and 'not quite so much' can be reduced to a figure: 10 per cent. Whether the next few months or years are a period where people will perform eagerly as they are being driven by the fear of job insecurity, or whether a doomed sense of fatalism will inhibit performance, one truism will continue. The fire in the belly that optimism can provide will not be best served by draping it in a wet blanket. The purpose of giving feedback is not simply to impart facts, or to impress the relative status of the superior party on the inferior one (that much will already have been clearly established, and may not even be relevant). Nor is it to prove the veracity of only one side of the debate; the point may be to make an impression, but not to leave any unnecessary dents. Organisations may

(or may not) stimulate future expansion after initial downsizing, but belittling people is not a short-cut to inspiring personal growth. Anger may indeed be an energy, but resentment and enthusiasm are not synonyms.

The feedback process needs to have a longer-term outcome; the issue that led the giver to feel feedback was necessary needs to be addressed, and the recipient needs to learn positively and constructively from the experience. The recipient of the PM activity should also be allowed to use their own voice. If they can see obstacles to greater performance that can be removed, who does it help to insist they are not pointed out? Given the importance of 'having opportunities to use our own voice' to employee engagement, effectively handled PM conversations can even begin to serve two needs — greater engagement and improved performance.

If the feedback giver keeps their ears and eyes open, giving feedback is also a learning exercise for them — an opportunity not just to practise a valuable skill but to learn about themselves, the impact (good or bad) they have on others and how they can work on their own behaviour in future. Just as importantly, it is an opportunity to learn about the other person. If the goal is to improve the performance of a number of individuals, a greater understanding of the daily behaviours, motivations and inspirations of each of them can give only a greater chance of engaging these enthusiasms and preferences, and harnessing them for mutually constructive and rewarding ends. The competency statements, the

test scores, the KPIs and the metrics all have a role to play, but the best PM recognises these are snapshot attributes of a human being at a moment in time. It is the person whose performance we are hoping to raise, not the software monitoring it, and our own presence and performance (ie, our relationship with and to them) is another important part of the equation.

The formal written contract and job description cannot, of course, be totally flexible, but equally the psychological contract (which plays a vital role in motivation and in talent retention) cannot be entirely rigid. All too often, PM is about compliance, about measuring and calibrating against various scales and paradigms. If we want to maintain that optimism and enthusiasm, we should allow it also to be about achieving more (for everyone concerned) and about making those who will be achieving it — who, we should note, will be sitting at both sides of the table — as pleased as is realistic about achieving it.

Neither performance nor its management take place in isolation; many different factors can impinge, and the most detailed diagnosis may only be arrived at through the input of both the patient and the doctor. And, as with the medical parallel, both patient and doctor may need to act after the consultation. An organisation with the flexibility of approach to 'give a little' may find that it motivates its employees to 'give' a whole lot more. ■