



Rethinking Performance Management

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A new approach to performance management

By Holly Green

Accountability.

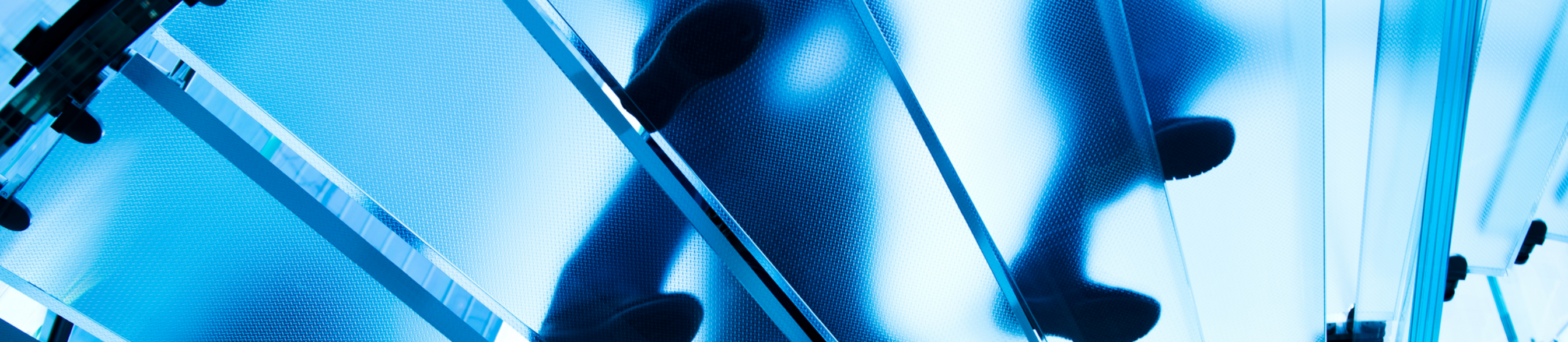
Every organization wants it. Not many have it – at least to the extent they would like to have it. Of those that don't, the problem often stems from the lack of an intentional performance management approach. Without the right processes, tools and capabilities in place, building accountability into an organization's culture can be a fruitless and frustrating task.

When implemented with discipline and focus, a structured performance management approach helps keep everyone aligned with strategic goals. It also focuses people's attention on what needs to get done and when. Without it, management can easily get off track and forget to measure and reward what it has told everyone is important.

So what does an effective approach to management look like?

An effective performance management approach

- Communicates how individuals contribute to business success and how they will be evaluated
- Aligns individual goals with key business priorities, resulting in greater focus and more efficient use of resources
- Clarifies where to invest energy, which reduces the amount of time spent on low-value activities
- Provides a comprehensive system for recognizing what gets done and how
- Creates a discipline of measuring progress against specific goals and making adjustments as necessary
- To achieve these results, performance management needs to be an ongoing activity, not a one-time event. It requires two-way conversations between a manager and an employee so that there's consensus on what is being managed and how.





Five steps to effective performance management


Performance management starts with having a clear definition of winning. When an organization lacks a clear destination, it usually has many ill-defined ones. Employees feel unmotivated and uncommitted, and time, talent and resources get wasted on products and projects that go nowhere.


Having a clear definition of winning provides focus and clarity at the individual, team and organizational level. It gets everyone aligned and moving in the same direction while motivating and inspiring people to perform at their best. When employees know where they’re going and what they need to do to get there, it becomes much easier to reach their destination.


A good performance management approach involves five key steps:

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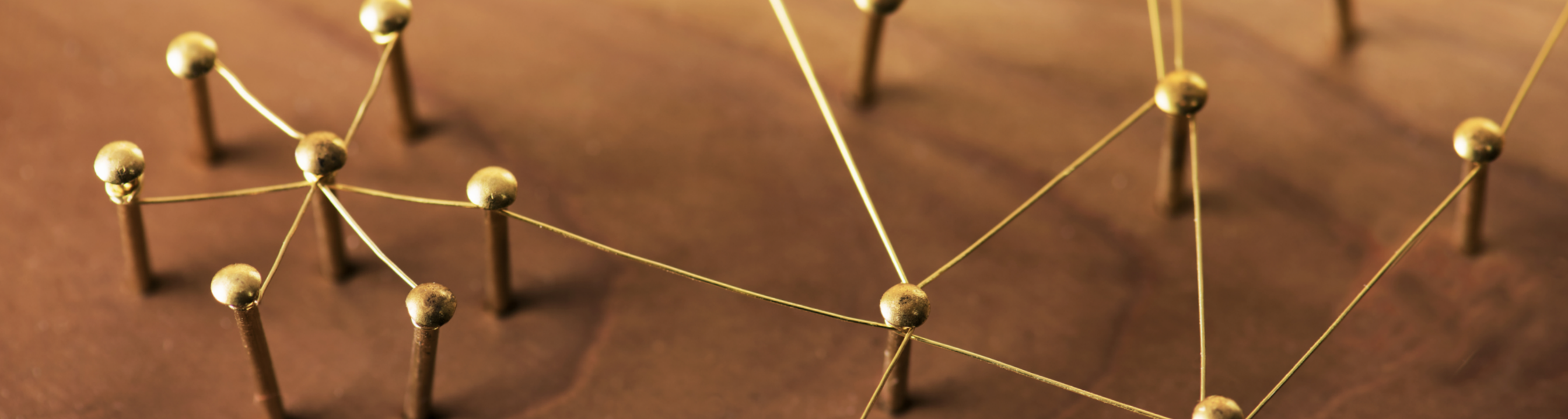
1 . Establish goals. Define winning. Then link what needs to get done at every level to your strategic planning framework. Clarify outputs (not tasks) and timeframes for teams and roles.
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2. Develop a plan. Discuss short- and long-term development needs. Figure out how and when development will occur and prioritize development according to business needs. Create a plan to achieve the learning and growth that’s required and desired.
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3. Take action. Become great at providing feedback! Provide ongoing and frequent direction and support to your employees while they apply their energy and focus toward accomplishing goals.
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4. Assess performance. Evaluate progress and provide ongoing feedback to the employee on a formal and informal basis.
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5. Provide rewards. Create organizational programs or individual rewards that acknowledge and recognize employees for good performance. On the flip side, acknowledge poor performance with consequences or disciplinary action.



Assigning accountability

Management teams often spend so much time figuring out what needs to be done, how it needs to be done and when it needs to be done that they neglect to assign responsibilities to make sure it gets done. When people don't know who's in charge of a particular action item, they unconsciously default to, "It isn't me, so it must be someone else." To reduce ambiguity and wasted energy while ensuring progress, I recommend a process called "responsibility charting."

When mapping out a project, initiative or action, list all of the people involved. This can include people directly involved in the decision, supervisors and managers, project teams, internal resources and people outside the organization. Then assign one or more of the following letters to each person based on their role in the project:

R – Has responsibility for a particular action and the authority

A – Must approve; has power to veto the action

S – Must support/provide resources for the action (but not necessarily agree)

I – Has input into the action but cannot veto

Only one person can have an "R" for each action; the other letters can be assigned to as many people as necessary. However, avoid assigning an "A" to too many people, as this can create difficulties when making decisions. Clarifying accountability helps prevent the finger pointing and discord that can occur when a deadline is reached and results aren't achieved.

Use the right management approach

Effectively managing performance also requires knowing when to direct, delegate or develop. Determine which style is appropriate based on the task at hand rather than the individual. Often, people will need a combination of styles depending on the complexity of the task, their experience with the task, and the competencies needed to complete it well.

Direct when the employee has low to moderate competence with the skills and abilities needed to complete the task. Be sure to define excellence (what, how and when) and provide specifics (templates, examples) so the person can achieve the desired outcome.

Direct when a person:

- Is new to a role
- Is new to the company
- Has new job responsibilities or tasks
- Has new ways of working

Delegate when the employee has moderate to high competence. Again, define excellence so both sides have clarity around the goal. Then let the employee determine the approach they will take and keep you informed on progress. Ask questions and provide direction and support when necessary.

Delegate when a person has:

- Some experience in the role
- A track record of competence
- Confidence in their abilities
- Similar ways of working

Develop when the employee has high competence and high commitment to the task. Then define excellence and get out of the way. Give plenty of recognition for successful completion of the task. Then determine the person’s next challenge.

Develop when the person:

- Has extensive experience
- Has demonstrated evidence of competency
- Is growing new competencies
- Is trying new approaches

About the author

Holly Green is CEO of THE HUMAN FACTOR, Inc., and guides leaders and their organizations in achieving greater success by teaching you to leverage your brain and the brains of others at work. An experienced business leader and behavioral scientist, she has a rare combination of extensive academic training and in-the-trenches experience working in and leading organizations. She was previously President of The Ken Blanchard Company and a biotech start up. Her clients include Google, Microsoft, Arby’s, Hyatt, as well as numerous small and mid-sized businesses and national associations. Holly has worked with companies and audiences around the world and is passionate about the science of thinking. She is also a bestselling author. Her newest book, *Using Your Brain to Win*, was recently released to international acclaim.

Performance management is a joint effort. Leaders, managers and employees all have a role to play in creating performance excellence. Having effective processes and tools in place to manage performance makes it easier for everyone to perform well in their roles and to achieve your organization’s strategic goals.



The ten commandments of giving criticism

By Bill Scherer

For managers and supervisors, criticism comes with the territory. Like it or not, your job involves giving feedback to employees, even when that feedback carries a critical and unwanted message. Although few enjoy giving or receiving criticism, certain principles can make the process easier and more rewarding for both the giver and receiver.

Before giving criticism, first ask yourself the million-dollar question: *How can I give the information (criticism) to the other person in such a way that he or she accepts and acts on it so that it benefits the other person and my relationship with that person?*

Asking this question provides three immediate benefits. It forces you to:

1. Take a closer look at your real motives for offering the criticism.
2. Focus on the possibilities for change and improved behavior.
3. Acknowledge a commitment between you and the person you are criticizing, and recognize that you have a shared responsibility for resolving the behavior issue.

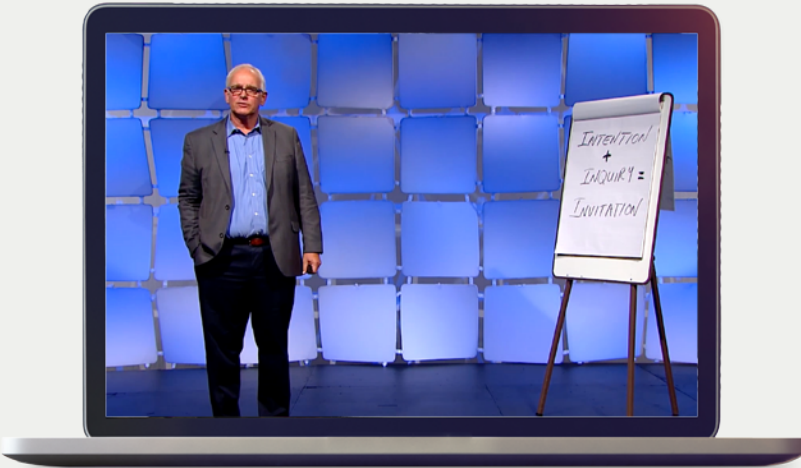
With this foundation in place, you can faithfully go forth and practice the 10 commandments of giving criticism:

1. **Praise in public, criticize in private.** Nothing will destroy a relationship more quickly than putting someone down in front of others. Save all criticism — even “constructive” criticism — for the privacy of your office.
2. **Focus on the behavior, not the person.** When you attack people, they can’t help but defend themselves. When you focus on their behavior, people become more open and willing to take suggestions.
3. **Clearly describe the behavior you want changed, and why.** Be very clear and specific, giving times, dates and examples whenever possible. Make sure the employee understands your criticism and the reasons for it.
4. **Make sure the person is capable of changing the behavior.** If the person can’t change his or her behavior, it isn’t productive to criticize it.
5. **Keep it short and to the point.** Don’t belabor the point. Lengthy and repeated criticism encourages the person to tune out or become angry and defensive.
6. **Use a positive tone.** Don’t allow negative feelings to influence your choice of words. Avoid threatening, accusing words and gestures (clenched fists, pointed fingers, etc.). A positive, soft tone of voice will always lead to better results.
7. **Use “I” rather than “you” statements.** “I” statements allow the person being criticized to explore why you feel the criticism is important and valid. “You” statements come across as verbal “finger points” and tend to put the other person on the defensive.
8. **Show empathy.** As far as possible, empathize with the other person. When appropriate, point out how you have experienced the same or similar situations. This allows the person to see that you’re human too, and have been there yourself.
9. **Avoid spontaneous criticism.** Reserve all criticism for an appropriate time and place. Because it’s usually poorly thought-out and delivered, spur-of-the-moment criticism often breaks the rest of these commandments.
10. **Recognize positive changes in behavior.** When someone shows positive behavior change, offer plenty of praise and recognition. When the behavior has changed and time has passed, do not keep going back to the well and dredging up the old criticism. Accept changed employees for who they are, not who they were.

About the author

Bill Scherer is a nationally recognized expert on the subject of performance appraisals and performance management. Since forming Scherer & Associates Inc. in 1977, he has served the human resource development and performance effectiveness needs of more than 500 private-sector and government organizations. A prolific author, Scherer has published more than 350 articles on management effectiveness and he has served as a popular and highly rated Vistage speaker and chair in Orange County, CA.

Difficult conversations



So what happens when communications hit choppy waters? Vistage speaker Edgar Papke offers insights on how to right the ship and get the relationship back on course.

VISTAGE

With 21,000 members in 16 countries, Vistage facilitates confidential peer advisory groups for high-integrity CEOs and other senior leaders. Each group meets on a monthly basis to optimize their instincts, judgment, perspectives and decision making in order to become more effective leaders. CEOs who joined Vistage grew their companies at three times the rate of average U.S. companies.

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