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Why is Performance Management such hard work?

Is it time for 'Another Way?'

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1. Performance Management – under scrutiny

As organisations streamline their employee and leadership workforces, they are doing so against a world of unprecedented speed of change and uncertainty where even the direction of change is difficult to predict. At the same time, preserving the core principles of focusing on customers, operational excellence and guarding profit margins has never been more important. Whatever the overall direction and strategy of the organisation (this week, this month or for the year), these are the central pillars of organisations which will survive successfully in the future.

Against that backdrop (which most people would recognise), it would also seem that good practice in performance management has never been more important and indeed, what may differentiate organisations over the long term, is their ability to harness consistent, good quality performance in large numbers of people.

So, why does performance management seem to be such hard work? Why do so many organisations find it necessary to launch and re-launch performance management – with the constant sense that for many, performance management practices do not 'stick'?

Even before the dramatic and unprecedented events of the past year, it seems consistent performance management practices were a challenge for many leaders, managers and employees – something which required 'sustaining', 'reinforcing' and 're-launching'. Yet, like a hair shirt, it was also seen as something that was 'good' for the organisation and everyone is just reminded to be persistent.

If anything good can come out of the challenges of today, it can force organisations to question accepted wisdom and be much more open to fresh ideas and approaches.

1.1. Performance management (overheard)

- **'sorry I cannot get to your meeting – I have just got to get these performance reviews done'** (in other words, performance management gets in the way of the business)
- **'my manager has cancelled my performance review again – has asked me to reschedule for next week'** (not a natural part of our relationship and my manager regards it as a chore)
- **'trouble is, by the time I have written up my SMART objectives for the year, the business has changed again – and they are never relevant at the end of the year'** (the performance management process does not seem to be aligned to the realities of the 'real' world)
- **'the people in our business that get the worst 360 feedback also deliver the best business results'** (performance management not seen as driving what the business needs')
- **'if you think about the cost of the whole system and process, including all the meetings and entering information, I wonder what real added value we are getting'** (when times are tough, every management practice can and should be challenged)
- **'HR is on my case to get these reviews done!'** (an HR policed process!)



1.2. A 'brutal' summary of some shortcomings

- The aspiration is that performance management is all about the good quality conversations. However, the reality is that the system and process usually over-ride and get in the way
- When performance management is about compliance, it requires constant focus. The minute something is perceived as important or of higher priority, the focus on a compliance process will start to dilute. This the real experience of many organisations
- 'Performance management' is often associated with managing poor performance. The phrase 'performance manage a person out of the business' is not uncommon.

So, is now the time to look for a better way? How brave and radical could we be?

2. From Performance Management to Inspiring Performance?

There are many implications in this 'from'..'to', at the root of which is the key question – what is the vision for a high performing organisation? This question must be of central importance to every kind of organisation, especially since the fundamentals and received certainties in so many organisations and sectors are coming under strain.

2.1. As ever, it starts with managers and leaders

When considering the sheer pace and scale of change, 'performance management' in the traditional sense can seem a woefully inadequate response. Leaders and managers cannot set SMART objectives against any backdrop which is likely to remain stable for the cycle of performance management. The concept of the leader as someone who interprets strategy and cascades it is likely to be under strain and severe question.

However, leaders who can inspire performance are much better placed to create organisational conditions which will build for the future.

The important principles of inspiring performance are:

- ▷ A belief that your people can 'be the best they can be?' and a willingness to involve them in shaping their best performance
- ▷ The right kind of support for your people? This about being clear that when they take the initiative and shape things, they will not always work out fully. An inspiring leader bought into the shaping decisions and is willing to 'provide air cover'. The right kind of support is not about being soft on underperformance or a lack of commitment. But it is about taking the risks of inspiration.
- ▷ Do you listen to them? As in really listen to them? Acting on their suggestions is one of the most powerful indicators of listening. However, an inspirational leader listens to each individual differently and understands what is important to them about being heard



- ▷ Do your people know what you care about? Do you have a constancy of values which govern your behaviours and decision, even in the most unpredictable or pressurised situations? No-one believes that leaders have all the answers any more – but they do respect the person who has a steadfast framework, about which they really care and which they guard jealously over time
- ▷ In simple terms, are **you**, as a leader, the best you can be? Do you earn the inspiration of others?

The principles above are about the central beliefs and attitudes of leaders who inspire. The disappointing point is that this is so well known. Yet, how many of the leaders of today's organisations will return to them, with an over-whelming commitment to put them into practice, because they have a passionate belief that they will work?

Could we be brave enough to suspend the system and process for a year and truly focus on inspiring performance? What differences would we see?

2.2. Inspiring Performance – 3 key practices

In moving from belief to action, can the inspiring leader really make a difference? Here are three key practices in action:

2.2.1. Take the time to de-construct success and good practice....

to make it transferable and networkable. This is about seizing the opportunity to harness the talents of people, with speed and in a way which spreads good practice. When someone does something really well, they at most, will know how to repeat it. The inspiring leader will take the time to de-construct examples of best practice, to really get underneath what happened, both to help the individual to know how to repeat success, but also to encourage them to spread the practice to others.

An inspiring leader has a good vision for the practices which make the most difference in their business – that is the first piece of de-construction. The second is seeing good practices and being able to explain them in a way which makes sense to others. The third is to give others the confidence to share and spread good practice. This works in every arena – capturing and spreading the practices of the highest performing sales person, the project manager, the team leader – however the organisation get's work done day to day.

This is not about performance management – it is about inspiring viral good practice.

2.2.2. Create a fast, clear framework to guide actions and decisions – 'place an icon in the mind'

It is not possible to script the decision making and actions of people, especially in today's fast moving and uncertain working environment. However, it is possible to create a simple, powerful framework to guide decisions. For example, the framework work for a project manager may be to look at every decision through the framework of how it impacts the customer and how it impacts the profitability of the business. The value of such frameworks is that they create independent high performers, who are confident about the basis of their actions and decision making. This leadership



practice is sometimes described as **'placing an icon in the mind'**. An icon is a fast, reliable way to get to the right place and it has the right association and meaning. An inspiring leader will place icons in the minds of people which help in situation, where decision making may have a number of dimensions or create dilemmas. Examples include:

'the basis of your influence and authority' – to help you to get things done when you do not have line management authority over resources

'what territory do you occupy' – as means of building confidence in the value you bring

'the moments of integrity' – as a way of describing how to make decisions which balance short term gain and longer term value

Placing an icon in the mind is a powerful way of improving performance, building confidence for the long term and genuinely growing capability. It is a real skill for an inspiring leader to develop.

2.2.3. Be a role model through demonstration

Clearly, leadership through role modelling requires attention to the right kind of actions and decisions on a daily basis. However, role modelling through demonstration is somewhat different. This is about choosing the moment and context when the leader steps in and actively demonstrates the 'best' way to handle a situation, debriefs and then observes the development of the practice in others. This is a finely judged aspect to role modelling, which requires, first, a high level of trust between the leader and their team. The leader is not stepping in to take over or to embarrass a team member – they are stepping in because they have knowledge, experience and expertise to share. This is also very different from the criticism laid at the door of some managers and leaders that they try to do all the job themselves and find it difficult to 'let go'.

This is a carefully judged and intentional intervention to share knowledge, transfer best practice and to enable the expert manager or leader to scale what they do.

3. There are implications for employees too

3.1. Be inspired about the value you bring

Having set out 3 key practices for leaders, there is a mutual contract with employees, which can be summarised as

'Be inspired about the value you bring'

This has an element of ownership and control which is handed to the employee and is perhaps in tune with some of the thinking is emerging in the world at large. Taking individual and community ownership, rather than relying on large, impersonal systems, may yet emerge as one of the key ways in which people rediscover a sense they can influence and shape things – indeed, that they have a major role in fixing their most pressing problems.

Similarly, in the workplace, if every individual were to come every day, with confidence and enthusiasm about the value that they bring, what impact would this make on the performance of the



whole organisation. How would customers see the change? What would be the impact on operations? How would problems and challenges be addressed?

Past emphasis on leadership cascades of strategy and vision and leaders 'helping people to connect the dots' may be yet another leadership practice which comes under challenge. What happens when the strategy is genuinely unclear and it is really difficult to forecast, connect decisions and see the full implications? This is the reality today.

However, the mirror effect of leaders, who adopt the 3 key practices, is that employees take responsibility for finding out about the value they bring – and indeed, for generating enthusiasm and commitment to bring that value. This is a more active, shaping approach to individual performance.

4. From system to freedom within a framework

Every management and leadership practice, together with the systems which support them, is coming under challenge. One lesson appears to be that systems (whether regulatory or legal) seem to have limitations in delivering the desired results. Could the same be true of performance management systems?

Yet, at the same time, organisations, whether global or local, private or public sector, need high performing employees as they have never needed them in living memory. This will be the key to survival, growth, profitability and competitive advantage however sectors and global economies emerge.

So, as every decision to invest is scrutinised, we propose:

Develop leaders who can inspire performance every day by:

- Deconstructing best practice to spread viral high performance
- Placing an icon in the mind to support fast, reliable decision making, even in complex situations
- Knowing how and when to role model through demonstration

Develop employees who:

- Are confident and inspired about the value they bring

How challenging could this be? One way to find out would be to suspend the formalities of the performance management system for a year and invest just in those two key areas for leaders and employees. The results may be startling!

However, recognising that this may not be a practical possibility for some organisations (where audit trails of decision making and compliance are important), the underlying idea of the radical is to be serious and high profile about inspiring performance.





5. How Hemsley Fraser can help

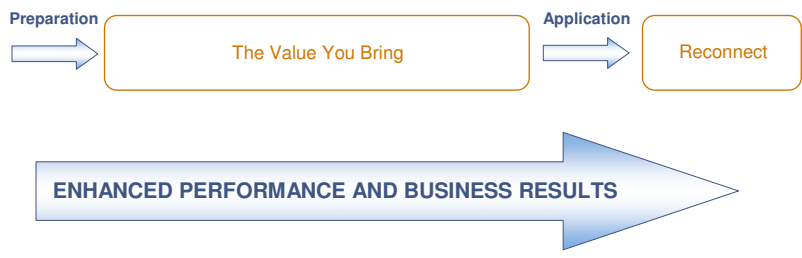
- Research based, highly engaged development in the key areas such as 'Inspiring Performance' and 'The Value You Bring'
- Measurement strategies to support communication of results and value to organisations and individuals
- Award winning methodology of 'The Five Principles' which support creation of leading edge development – with proven track record of results

5.1. Inspiring Performance Learning System

Leadership Practices



Employee Inspiration



The learning system is based on a series of short learning sessions (between 1 and 1.5 hours each). The sessions introduce a series of tools:

- De-construct Tool
- Icon Tool
- Demonstration and Debrief Tool
- Value Linkage Tool



The tools work for any audience, across roles and functions because the tailoring and context is created through the live situations. Each session is preceded by preparation (which is directly related to the individual's work). Similarly, application is integrated into work between the learning sessions.

The entire learning system is rooted in the business metrics which are most relevant and which can be most affected by the individual (whether a leader, manager or employee). The links can be made to customer metrics, employee metrics and operational metrics (eg quality and efficiency).

In this way, measurement is integrated into the learning system and the impact of 'Inspiring Performance' can be tracked and seen very quickly.

