

Achieving your objectives

Hedda Bird sets out performance management's role in ensuring the practical application of organisational objectives

Performance management has a bit of a reputation problem. It's perceived in many quarters as an HR tick-box exercise, full of irksome red tape specifically designed to stop managers doing their job properly. It's just not seen as an essential methodology designed to support and help the business be successful.

A few years ago, the Chartered Institute of Personnel and Development published a report called *Performance Management in Action*. It revealed the shocking statistic that 80 per cent of organisations believe they derive no value from performance management. This prompts the question *why?* The essence of performance management is getting people to do what the organisation needs them

Where organisations typically fail is in the practical application of it. Principles are all very well and good but how can they actually make a difference to the day-to-day running of a business? There are several key steps to take that, if done well, will ensure your performance management process becomes the conduit for the practical applications of your strategic objectives.

The key steps to ensuring successful performance management are:

- set effective goals – why it's important to do this and how you go about it
- give effective, regular feedback
- prepare and train managers
- differentiate based on contribution not remuneration
- identify L&D opportunities.

to do in the way that it needs them to do it, and that people get better at it each year.

If used properly, performance management aligns personal and corporate goals and becomes the practical application of organisational objectives. Carried out well, it is a tool to focus activity and effort and achieve ever higher degrees of success.

Set effective goals

Effective goals are one of the cornerstones of effective performance management. Two key things to consider when setting goals are:

- are they written clearly and objectively?
- are they directly contributing to the achievement of business strategy?



Clear communication of strategic business objectives is the first step to creating alignment. Ensuring visibility of the goals set by departments across the organisation cements this.

Respect is a strategic goal many organisations talk about, along with delivering outstanding customer service. Examples

of these goals could be *I will develop mutually respectful relationships between all members of staff* and *I will develop a strong customer service ethos*. But how does that apply in the day-to-day working environment? It's about identifying specific behaviours that people can apply. For example with 'respect', it could be about empathising more with people who are different to you or listening when your colleague speaks to you. With a 'strong customer service ethos', it could be as simple as using the customer's name wherever possible or maintaining a positive attitude with every customer.

Goals should address not only what is expected but also how it will be achieved. The 'what' refers to outcomes – the deadlines to be met or revenue to be generated. The 'how' refers to the behaviour demonstrated to achieve those outcomes, for example focusing on customer service. In the example above, the 'what' is the respect expected of everyone. The 'how' is the behaviour that will deliver it, ie listening more carefully.

For a long time, managers have been taught that goals must be SMART (Specific, Measurable, Achievable/Attainable, Results-orientated and Timely). The reality is that SMART goals have become a straitjacket – focusing managers on detailed wording and

frequently causing them to lose sight of the principles of the goals. The purpose of the goal is to deliver the organisation's strategy and plans; it can simply be communicated with reference to the organisation. I recommend each goal be accompanied by example actions that would achieve the goal as well as a separately-stated, clear measure. In this way, goals drive the business forward.

Give effective, regular feedback

Managing performance is a daily, weekly and monthly activity and regular feedback is a vital part of this. We all need feedback to get better at what we do at work. It's a way of learning more about ourselves and the effect our behaviour has on others. Done well, it increases self-awareness and encourages development but, done poorly, it can lead to unnecessary confrontation and emotion, leaving the participant simply feeling bad with nothing on which to build.

This means that many managers avoid it, worrying they will hurt someone's feelings or about the effectiveness of the conversation they are about to have. But failing to give any feedback will have a severe impact on a business's overall performance and success. It can result in:

- people failing to reach their full potential
- no change in the person's behaviour because he doesn't know it's causing a problem
- continuation of the status quo without recognising improvements that could help him develop
- problems building up that could potentially result in a larger confrontation.

Vague conversations are not enough. People see it as part of their manager's role to help them get better and better. They expect clarity and direction. This is especially the case with Generation Y. As more organisations recruit from Gen Y, it will become even more important to get feedback right. Get it wrong and you will have a disaffected, demoralised workforce who will look for jobs elsewhere.

When giving feedback it's important to think about the following:

- **timing and venue** Give feedback as soon as possible after the event when it's fresh in the minds of both you and the recipient. It should be delivered in person and in private
- **self-reflection** Encourage the recipient to be part of the problem-solving. Ask him how he thinks his performance is going. He needs to own responsibility for his performance and be part of the solution

How a person goes about his role and the behaviours he employs when he is doing it is a huge factor in organisational success

- **start with the positive** People need encouragement and to be told when they are doing something well. This provides balance and perspective. If the positive is registered first, developmental suggestions are more likely to be listened to. In a rush to criticise, you may overlook the things you liked
- **be specific** Statements such as *you were brilliant!* or *it was awful* don't give enough detail to be a useful source of learning. Pinpoint specifically the action that led you to describe them as 'brilliant' or 'awful'; it's useful to have a certain event or action in mind, and to be able to say where and when it happened. Avoid using vague generalisations about what the person 'always' or 'usually' does. Specific feedback gives more opportunity for learning
- **be descriptive rather than evaluative** Tell the person what you saw or heard and the effect it had on you, rather than merely saying something was 'good' or 'bad'
- **leaving the recipient with a choice** Skilled feedback offers people information about themselves in a way that leaves them with a choice about whether and how to act.

Prepare and train your managers

In today's economic climate, good management has become a business imperative. An organisation must focus on what steps it must take to keep the people it really wants to keep. How these people are managed is vital. Many organisations have lots of brilliant people – people who are very good at their jobs but simply don't have any people management experience. They generate a lot of revenue so are rewarded with promotion. This can have catastrophic implications for the business. Experience shows that unskilled managers fail to set proper objectives for their staff, fail to assess and measure clearly and fail to

adequately support developmental needs. All these factors combined lead to a culture that accepts underperformance and is almost certainly on a path to failure. Poor management undermines performance management and results in failure to achieve organisational objectives.

Managers are instrumental in delivering strategy to the front line, ensuring that it's being applied on a day-to-day basis. If managers are not doing their job properly, people are not going to be held accountable. Managers need to be responsible for driving performance.

If performance management is about getting people to do what the organisation needs them to do in the way it wants them to do it, its managers must be able



It is a tool to focus activity and effort and achieve ever higher degrees of success

to set effective goals that hold people accountable. Managers can then give staff the knowledge, skills and behaviours they need to move forward in a different way.

Management doesn't come naturally to everyone, but it can be coached. You must identify which managers need more support and guidance on the people management side of their role.

Differentiate based on contribution not remuneration

Many companies rate their employees' performance by focusing on completion of individual job-specific tasks. *Has that person done what was in his job description?* This is effective in ensuring day-to-day 'deliverables' are met but not

so effective when it comes to ensuring alignment between personal and individual goals and company strategy. Assessing only the 'what' misses the crucial 'how'.

How a person goes about his role and the behaviours he employs when he is doing it is a huge factor in organisational success. If he is not doing what you want him to do in the way you want him to do it, your organisational objectives simply won't be applied. This means there will be a huge gap between the vision for the business and the daily reality.

If you differentiate based on contribution – recognise and reward people for performing in the way you need them to – you begin to build a high-performance culture.

Identify development opportunities

Performance management carried out on a regular basis through effective, meaningful conversations will identify areas in which people could benefit from further training. If people are allowed the opportunity to develop within the organisation, and given the support by their manager to do this, they will be in a much

better position to reach their full potential. Arming people with the tools they need to aim higher and perform better will ensure the organisation's objectives are being met on the front line. Empowering people will enable them to contribute and deliver even more.

The practical application of performance management doesn't have to be overly complicated and can have a massive impact on the day-to-day running and success of a business. How we manage, how we assess and how we support people as part of the process will ensure performance management delivers true value.

Complete alignment of business and personal objectives can be achieved if everyone in the business understands not just what they are supposed to do but how they are supposed to do it. A high-performance culture is one where the objectives are filtered down to everyone. President Kennedy went to visit Cape Canaveral when it first opened. Looking around, he saw a guy cleaning the floor. He asked him what he was doing and the guy replied: "I'm putting a man on the moon." This is true alignment. The guy cleaning the floor knew that what he did was crucial to maintaining the level of hygiene needed to run a successful space programme. The way he did his job, not just the fact that he did it, supported NASA's overall objectives.

If performance management is properly applied, it can become a powerful tool to align personal and corporate goals and drive performance. **TJ**

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