

HUMANEMENT

HIGH-PERFORMING PERFORMANCE MANAGEMENT

By Mark Brenner



Once upon a time, companies did performance appraisals. The focus was solely on performance evaluation – a judgmental, report-card kind of process. Today, the function has been expanded to include performance development – an integral part of the talent-management process that is consistent with the strategic mission of HR.

Although the evaluation process is still a non-trivial component of performance review, there is much more to be gained from designing and hardwiring a performance management system that emphasizes

performance development. Previous columns have addressed the identification and cultivation of talent through the use of targeted executive coaching. This column examines another approach to talent development – performance management – as the next link on the people value chain. (In total, the links are talent attraction, targeted recruiting, high-accuracy hiring, proactive onboarding, talent identification, performance enhancement, career acceleration and succession management.) Robust, enterprise-wide performance enhancement brings tremendous leverage, not only as it relates to performance throughout the organization, but also as a tool to develop a more empowered and engaged work force.

What Do Employees Really Want?

The first imperative of a “best-in-class” performance-enhancement design is to understand and appreciate what underlies employees’ desire to perform; i.e., what makes them strive to “deliver the goods” for their organization. Decade after decade, the results of employee satisfaction studies have consistently shown employees most value:

- Appreciation and recognition of their performance
- Important, meaningful and stimulating work
- An opportunity to achieve, grow and excel
- Caring, communicative, fair and inclusive management – especially from their personal manager
- Work/life balance
- Substantive career development opportunities
- A collegial work culture

Surprisingly, wages, benefits and job security always show up further down the list. The second key driver of best-in-class performance management is what you might call “managerial finesse.” A manager who has that finesse is instrumental in delivering the seven satisfiers listed above. A manager who lacks this finesse can cause employees to feel increasingly disenfranchised. Exhibiting performance enhancement finesse requires emotional intelligence quotient (EQ) capacities such as communicating with candor, embracing and harnessing conflict, exhibiting resilience in the face of demanding situations and nurturing and mentoring others toward realizing their best selves. These are high-level competencies with which most managers are not naturally equipped.

However, most managers are capable of refining their EQ repertoire in these areas if they are provided with the right kind of development resources. Consequently, an enterprise-wide performance-development design will be fully successful only if its underlying blueprint addresses the need to refine each manager’s daily behavior – and even attitudes – in significant and sustainable ways.

SPED It Up

In short, the make-or-break factor for a strategic performance-enhancement design (SPED) is finding a way to boost managerial EQ across the organization. In practical terms, this means motivating each manager to voluntarily refine his or her own managerial strategies.

Because adults will only change from “the inside out,” they have to discover, at a visceral level, the WIIFM equation – i.e., “What’s In It For Me?” No proclamations from above about the “mission-critical nature of our new performance-management process” are going to deliver sustainable managerial behavior change. Neither are inspirational workshop instructors, nor exposure to education. You cannot teach, train or role-model a manager to change.

Rather, managers must be exposed to a design that allows them to arrive at their own, emotionally based answers to the basic questions from which their development experience then launches: What will the benefits to me, my team and our organization be if I become a performance-management expert? Once managers take full control of their motivational systems, then the process of changing some of their daily managerial strategies becomes much more straightforward.

An over-simplified description of this process would be “manager coaching.” However, individually coaching each manager is simply cost-prohibitive. Yet, transforming managers into performance-enhancement experts requires each and every manager to change his or her way of doing business, on an hour-by-hour and day-by-day basis.

How does this dilemma get resolved? A glib answer would be: create a SPED that works and is affordable. From a more substantive perspective, this question could be answered with an elegant flow chart that illustrates how a best-of-class design launches from:

- A solid metric foundation (e.g., a cascaded strategic performance scorecard process)
- Performance planning (e.g., linking an individual’s role into the scorecard)
- Performance development (e.g., performance feedback)
- Performance accountability (e.g., assessing performance against scorecard targets)
- Developmental functions (e.g., all the developmental resources available to employees)
- Evaluation functions (e.g., succession planning, compensation and corrective action)

But consider the results of this flowchart and ask yourself: “What about all the white space in this diagram? What is going on in that space?” Well, the white space is where the major action is! The flow chart alone might lead you to think that this is merely a mechanical process you can simply roll out. But don’t you believe it – the true make-or-break issue is the efficacy of each manager’s relationships with her or his people.

A Strategic Platform for SPED

Close to 60 percent of the organizations participating in a study by WorldatWork (The State of Performance Management, www.worldatwork.org) gave their own performance-management systems a grade of “C” or worse. WorldatWork concluded that “organizations still view performance management as an HR process primarily used to make rewards decisions, as opposed to a business-critical process for driving improved ... results. These same organizations also acknowledge that ineffective performance management can be a drain on employee morale and affect a company’s ability to achieve its strategic objectives.”

As always, the biggest challenge centers on whether top leadership is willing to actually walk the talk. Is the organization’s top leadership cadre viscerally committed to the talent management initiative and how it articulates with the company’s business strategy? If so, does it understand how, in the broad scheme of things, a performance-enhancement process supports and advances the whole talent-management initiative?

Intellectually, the benefits of a refined SPED are easy enough to understand. They include:

- Synchrony of individual performance with the firm’s go-to-market strategy and performance targets
- Optimization of each contributor’s performance and enhancement of stakeholder satisfaction, commitment, engagement and retention
- Creation of a performance- and results-based culture
- Enhanced productivity/competitive advantage

In prior columns, I’ve discussed the inestimable impact of a clear and compelling mission, vision, set of core values and strategic line-of-sight, all of which serve to align the enterprise, propel it forward, and unmistakably define both enterprise results that matter and meaningful individual contributions. This is a high-level overview of the essential, but not sufficient, strategic factors that must be in place as a platform from which to launch a SPED.

In recent years, the realization has been growing that talent is mission-critical to the competitiveness and success of an organization. Given that relatively new insight, perhaps organizations will finally make some progress in devising robust management development resources. **USBR**

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