

To crunch or to credit ? – Performance management in 2009

For some managers, the performance management system is a great framework, for others it's a millstone. Depending on the way you work, reviewing objectives, discussing performance and documenting outcomes are likely to fill you with varying degrees of joy or despair.

In today's climate, this has additional challenges. Objectives are unlikely to have escaped some degree of external influence and any that haven't been reviewed or reset may prove difficult to assess in terms of individual performance.

So where do we go with this: do we credit what has been achieved or take the opportunity to flush out performance issues amongst a backdrop of general bad news? Whilst it would be great to give a straight call one way or the other on this, the reality is more balanced. A wide body of research shows a number of factors are common in effective reviews regardless of economic climate – a simple crunch or credit isn't the answer.

For managers conducting reviews in 2009 therefore, a sound approach is to step back from a specific issue or event and look at performance in the round. This means considering not purely objectives and performance, but the ways in which employees delivered them and reacted to changes or difficulties. It is likely that any performance will contain a mix of positive, negative and situational messages that can be brought together impactfully as opposed to simply delivering a blunt "good" or "bad". One of the key elements in doing this is the performance review: a powerful tool if effectively run.

So what makes for a good performance review?

To use a driving analogy, there are some good maps but more than one way to reach the desired end point. To help work through this, we have developed a research based framework that identifies success factors within each of the three stages of the process: pre-appraisal, during the discussion and the outcome / planning stage. A "good" review can be defined in many ways including:

- Objectivity and consistency of evaluation
- Quality of feedback delivery
- Relevance to organisation goals
- Balance between what was achieved / how it was achieved
- Ability to motivate and engage the individual
- Fairness
- Buy-in to feedback and plans
- Relevance to career and personal development



What really makes the difference is how each of these is applied by individual managers to the range of individuals within their teams. One size doesn't fit all, either for managers or team members.

So how do you know how well you're doing?

Gaining feedback on how performance is reviewed can be difficult, particularly as both managers and employees are deeply involved in the process as well as assessing its outcome. Having someone "sit in" to review a discussion can provide some insight, but will undoubtedly have an effect on the conversation itself.

In order to address this, we have developed a process called Real Insights. This involves recording a real performance discussion (video or audio) which is then analysed against a research-based framework by one of our team. Discussions between the manager and consultant before and after the recorded session make sure that the context, objectives and individuals are fully accounted for in any conclusions drawn. Feedback to managers is personalised to them and their team / objectives and brings out the relevant areas of good practice to help them hone their skills further. Managers have found this to be non-intrusive, personalised and practical in terms of minimising their time out of the business as well as targeting feedback to real situations.

What to do next

With tailored feedback based on real situations, it is much easier to define practical steps to improve the performance management approach for each manager and individual. This can be taken forward by managers individually as part of their ongoing development, or act as input to a wider coaching programme.



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