

Performance management - getting it right – Part 2

Managing employees' performance is critical for business success - however it's often done badly. **David Ryves** offers some further tips on how to do it well



Managers often think that addressing poor performance is likely to result in conflict and a hurt, demotivated employee. In the early nineteen nineties the phrase 'tough-love' became a part of US management-speak. It was about letting employees know about the harsh reality of business process re-engineering which was so fashionable at the time. It articulated the change of the psychological contract between employers and employees exemplified by GE under Jack Welch offering 'employability for life' rather than 'a lifetime's employment'. Loyalty counted for little. Finding efficiency savings and rigorous performance measurement were key management tasks and driving productivity up at the same time as driving costs down was the order of the day. The route to getting more out of fewer people meant shedding jobs. Shedding jobs meant being pretty blunt about whether an employee's performance was up to scratch or not.

Most people now accept that up to 70% of BPR initiatives were at best failures or, at worst unmitigated disasters for all concerned. This is of course with the exception of the consultants brought in to manage them. They banked their fee cheques, walked away from the mayhem they had created and developed new revenue streams from speaking at conferences and writing books about why BPR was a fatally flawed concept from the start.

However, the desire for accurate performance appraisal based on quantitative data and a willingness to address performance issues had become firmly established in the business culture. In the UK, managers are still remarkably reluctant to talk to people about performance issues. Let's examine the reasons for this in more depth.

In my last article I suggested that a common reason why poor performance is not addressed is because managers, like most people, wish to avoid conflict. They assume that, by default, any discussion about poor performance is likely to result in conflict. As we shall see, this assumption is not wholly rational. In cognitive-behavioural therapy the ABC model is used to examine irrational thinking. 'A' stands for the Activating Event; an occurrence or situation which presents itself to us, 'B' is our Belief System which we apply in interpreting and responding to the Activating event. And 'C' is the Consequences the result from our response to the event. This is fine provided our Belief System is rational. Our individual Belief Systems are based on instinct, knowledge, faith and experience – and they usually do a pretty good job of keeping us out of trouble.

To see how this works we can go back a few thousand years. One of our Neanderthal forebears is out for a stroll when he encounters a Sabretooth Tiger looking for lunch (Activating Event). Fortunately he has a rational Belief System, which tells him that hungry Sabretooths make dangerous walking companions and that his options are either to fight to the death or run like hell. The Consequence is that opting to run and being fleet of foot he gets away safely. Later that same day, his Aunt Agatha encounters the same Sabre tooth Tiger. Rather than believing the beast to be dangerous she believes it to be nothing more than an oversized pussy cat in need of a nice stroking. The Consequence is obvious.

Coming back to the present day, we can apply the same model to a performance management situation as the following case study shows.

Case study – The Story of Karen & Susan

This is a true story which illustrates how a well-meaning but misguided Belief System can result in highly undesirable consequences.

Activating event

Karen is an Account Director with a PR consultancy. She has a problem with Susan, one of her Account Executives. On the face of it Susan is a great member of the team. She has loads of energy, is great at interacting with clients, works very hard and has great ideas - all qualities that got her hired in the first place. She has one great failing. Her attention to detail is lousy. The press releases Susan puts together are often littered with grammatical errors and spelling mistakes. A Press release has even been sent out with one of a major client's brand name spelt incorrectly.

Belief system

Karen, Susan's boss, avoids conflict at all costs. She is a genuinely nice person and thinks that any negative feedback is likely to hurt Susan, which is the last thing on earth she would want to do. She also wants Susan to remain motivated and cheerful around the office and fears that addressing the issue of attention to detail head on will have a de-motivational effect on her.

Consequences

Although the PR firm has a formal appraisal system the issue with Susan's poor attention to detail is never really addressed. Although it stresses Karen out and adds to her workload because she feels that she has to check every piece of Susan's work she can't bring herself to sit down and have a serious discussion with her. Susan's appraisals are full of praise for good pieces of client work and successful campaigns with only a half-hearted comment to the effect that "... at times Susan could pay a little more attention to detail". The accuracy of Susan's

work continues to be dreadful.

Eventually, under pressure from other Directors, Karen sits down with Susan and has a chat about the issue. Karen tells Susan that her written work tends to have quite a few inaccuracies and 'warns' her that it must improve. She alludes to this conversation in a memo to Susan reminding her that "as I warned you in our discussion, the accuracy of your written work must improve".

A week later, Susan sends out a press release when Karen is out of the office – it hasn't been checked and is full of errors. This is the final straw. Karen and her Director call Susan into an office and tell her that she's had a warning about inaccurate work and they dismiss her. Susan is shattered by this. She had no concept of the severity of the situation and certainly didn't understand that it may lead to her losing her job. Needless to say within a couple of weeks a letter arrives at the Company from Susan's lawyers.

Analysis

Karen's actions did nothing to help Susan improve her performance or understand the Company's expectations of her. It also landed her Company with an unfair dismissal claim. Throughout the period Karen felt stressed-out and distracted by the need to check every piece of Susan's work. All of which may have been avoided if Karen's Belief System had been different or been challenged. It would be too harsh to say her Belief System was irrational or maladaptive. If this was the case we'd end up sending the majority of our managers to counsellors or psychotherapists. However, it was undeniably not helping her to interpret and act upon events in an appropriate manner. How could it be different?

For a start, it is not unreasonable to believe that the majority of people want to do a good job. In the same way that people deserve and should expect praise for good performance they should

expect any areas where their performance is found wanting to be brought to their attention. This does not have to mean retribution and humiliation. It means providing constructive feedback, offering assistance to help the individual improve, establishing clear performance standards and motivating the employee to achieve them.

A more positive and appropriate Belief System to Karen's would therefore be one where there is a belief that an individual will be glad that an area of concern in his or her performance has been addressed and will welcome assistance and advice as to how this can be improved.

One of the problems is that our Belief Systems tend to operate subconsciously. When meeting a Sabretooth tiger or when a car pulls out right in front of us we need to be able to react instantly rather than analyse the level of danger we are in. However, when it comes to making judgements as to how people may respond to what we say and do it is sometimes worth taking the time to think whether our beliefs are sound. And it's not just in managing poor performance that this holds true. For example, are you one of those people who tend not to delegate as effectively as you should? If you are, it may be because you believe that your people will think you are taking advantage of them if you load them up with more work. Maybe you believe that it'll be quicker if you do it yourself. Perhaps you think that your people won't do it properly or meet the deadline. Whatever the reason, can you be sure that you're right?