

Managing

The Ten Commandments



Do you spend half your year trying to forget your last **performance review** and the other half dreading the next one?

Do you wonder why your elegant system of **rewarding** and **recognizing** people doesn't have the motivational outcomes you had hoped to achieve?

Do you **wonder why** performance reviews that are "optional" never seem to happen?

... then read on for some **new insights** into an age-old leadership dilemma.

By Laurie Hillis, M.A.

For years organizations have used the ritual of performance appraisal to rank, rate, and reward their people. The jury is still out as to whether this approach actually worked in the past. What is certain is today's team-based structures, flattened hierarchies, global initiatives, and attraction / retention challenges make it even more doubtful that the traditional systems add value.

Why don't many systems work? The reasons are varied. Current surveys and research suggest the following:

- ❖ **A lack of support from top management;**
- ❖ **A culture that doesn't support people development;**
- ❖ **An inherent "Theory X" approach to the traditional processes;**
- ❖ **A lack of understanding of the nature and needs of the new workforce;**
- ❖ **A non-systems approach overemphasizing an individual's ability to influence the system.**

While we don't suggest possession of any templates from the "mount," here is a framework synthesized from current writers in the field which might be helpful:

Thou shalt.

performance of managing performance



Commandment 1

Thou shalt align team, department, business unit, and individual goals to the organization's overall goals.

The bottom line outcome of performance management is to improve performance. Alignment to overarching organizational goals is key to ensure that everyone pulls in the same direction.

Develop a systems approach to the interdependent parts of managing performance. Link the calendar of performance management with the organizational business calendar to ensure planning is a co-ordinated effort. Keep people updated on the financial picture throughout the year.

Commandment 2

Thou shalt tie a large part of managers' own performance assessment to how well they lead the performance management process.

Measure what matters. Leaders have an obligation to support the business and to develop their people. *In Good to Great* (2001) author Jim Collins advocates developing a culture of discipline. He suggests when you have "disciplined people, you don't need hierarchy; with disciplined action you don't need excessive controls."

Leaders need to provide a healthy environment in which people can develop. Collaborative performance management activities include the following:

- ❖ Articulate organizational vision, mission, and values;
- ❖ Develop standards at team and individual levels;

- ❖ Provide feedback;
- ❖ Encourage personal responsibility and accountability;
- ❖ Coach;
- ❖ Assess performance;
- ❖ Provide on-going learning opportunities;
- ❖ Develop competencies;
- ❖ Remove obstacles; and
- ❖ Plan for the future.

Commandment 3

Thou shalt go out of the way to get the right people.

In many organizations, being called average is tantamount to being labeled a failure. As a result, performance ratings often fail to make clear distinctions between the exceptional and the ordinary. *In Good to Great* (2001) author Jim Collins calls this strategy "first who...then what." He suggests first you "get the right people on the bus, the wrong people off the bus, and the right people in the right seats." According to Collins "people are not your most important asset... the right people are."

Commandment 4

Thou shalt allow thy employees to fail.

No matter how much we strive to achieve our plans, setbacks occur now and then. While Babe Ruth hit 714 home runs in his career, he also struck out 1,300 times. How many of Einstein's inventions didn't work?

Failure can hurt both personally and professionally, so it must be handled sensitively by leaders. Consider the IBM story where a young sales person misquoted a sale, resulting in a one million-dollar mistake. When the sales person was called in, he asked if he was going to be fired. The president replied... "Fire you? Are you crazy? I've just invested a million dollars in your development!" Failure is critical to the learning process and needs to be considered in the context of the individual's role, potential, and future success.

When we fail, we might react in one of three ways:

- ❖ Learn from the mistake
- ❖ Continue to fail
- ❖ Become reluctant to try again

In today's workplace environment, leaders must develop a culture that removes the punishing effects of failure to help people to take risks, be creative, and to grow.

Commandment 5

Thou shalt involve thine employees in the design of the performance management process.

"A mediocre program designed by employees is superior to an ideal program designed by management alone" (Romanoff). Give employees the opportunity to play a meaningful role in the design of the performance management process. Commitment and support will be built into the system, rather than attempting to add these essential qualities as an afterthought.

Review

Ten commandments

Commandment 6

Thou shalt base performance decisions on actual work results, not on personality traits.

Because we often evaluate ourselves by our success at work, performance assessment can be a difficult and confrontational task if not done well [no wonder many people want to learn conflict resolution skills]. For some of us, it is difficult to separate criticism of job performance from criticism of self.

Successful performance management programs don't simply rely on rating people on personal attributes such as enthusiasm, attitude, cooperation, etc. Rather, measure how people achieve results and develop their competencies.

Commandment 7

Thou shalt "decouple" the traditional review.

Don't expect your system to be all things to all people. Our assumption that one process can achieve several goals simultaneously is wrong. In Coens and Jenkins' thought-provoking book, *Abolishing Performance Appraisals* (2000), the authors advocate separating the key functions of the traditional review: coaching, feedback, compensation and promotion decisions, and legal documentation. The components often undercut each other, so decide what is needed when and make the smaller pieces more meaningful by establishing separate processes and designs.

Commandment 8

Thou shalt not succumb to the temptation simply to design a form and call it a performance management program.

One form does not a performance management program make. Many organizations spend far too much time designing the "ideal" form. A good rule of thumb to follow is 20 per cent of your time should be form design time and 80 per cent should be program development and implementation. Allow for flexibility within the system. Move from viewing performance management as a control mechanism to one of personal commitment.

It is the care in implementing the process, not the design of the form itself that assures program success. In program start-up, it is important to:

- ❖ Clearly communicate the plan's purpose and intent;
- ❖ Acquire agreement and support at all levels in the organization;
- ❖ Teach people [see Commandment #9];
- ❖ Provide guidance and support during the initial program stages;
- ❖ Monitor early activities to make sure they are appropriate and consistent; and
- ❖ Pilot the program to iron out "bugs" and continuously improve.

Commandment 9

Thou shalt provide learning opportunities. Leaders, managers and supervisors need to learn how to give and receive meaningful performance feedback.

Appropriate feedback can be used to recognize great work or to refocus or redirect people's behaviour to better achieve the desired results. Provide learning opportunities for all people who will be a part of the new process. Ensure people see the performance management process as supportive and helpful.

Many people do not feel comfortable giving feedback. Provide non-threatening practice opportunities to hone skills.

Commandment 10

Thou shalt treat people as adults and with respect.

In thinking through your approach to performance management, apply this simple test: How will this new program affect the quality of worklife for all people? If the answer is "positively," and you're confident that the program is in the best interest of your organization, go ahead and implement it. If the answer is "negatively," reassess the plan before implementing.

A Bigger Payoff

Alas, there is no silver bullet [or burning bush] for managing performance. These 10 Commandments represent a dash of old-fashioned common sense and new ideas from current research. The ultimate outcome of a well designed system combines task achievement and people development to make your organization, its culture, and your people stronger. **Good luck!**

References:

- Coens, T. & Jenkins, M. (2000). *Abolishing performance appraisals: Why they backfire and what to do instead*. San Francisco, CA: Berrett Koehler. [Special thanks to friend and colleague Pat Jardine for introducing me to this excellent resource.]
- Collins, J. (2001). *Good to great: Why some companies make the leap...and others don't*. New York, NY: HarperCollins Publishers.
- Romanoff, K.E., Reading 10-2, "The Ten Commandments of Performance Management." ORGB 364 Reader, undated.