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Performance Management Skills

One of the most important, if not the most important, of the responsibilities undertaken by managers is to ensure that the members of their team achieve high levels of performance. They have to know how to agree expectations and review results against those expectations, and how to decide what needs to be done to develop knowledge and skills, and where necessary performance.

The organization may well have a performance management system which provides guidance on how this should be done, but ultimately it is up to managers. They are the people on the spot. Performance management systems only work if managers want them to work and are capable of making them work. They have to believe that their time is well spent in the process of managing performance. They need the skills required to set objectives, conduct formal performance reviews and provide feedback.

Setting objectives

Objective or goal setting (the terms are interchangeable) results in an agreement on what the role holder has to achieve. It is an important part of the performance management processes of defining and managing expectations, and forms the point of reference for performance reviews. It requires the use of skills based on an understanding of what the different types of objectives are, what makes a good objective, how managers reach agreement with individuals on what their objectives should be, and how those objectives should be achieved.

What objectives are

Objectives describe something that has to be accomplished. They define what organizations, functions, departments, and individuals are expected to achieve over a period of time. There are several different types of objectives.

Ongoing role or work objectives

All roles have built-in objectives which may be expressed as key result areas in a role profile. A key result area states what the role holder is expected to achieve in this particular aspect of the role, for example 'Identify database requirements for all projects that require data management in order to meet the needs of internal customers' or 'Deal quickly with customer queries in order to create and maintain high levels of satisfaction'.

Good role or work objectives will clearly define the activity in terms of the results and standards to be achieved. They may be supplemented by targets or standards which can be quantified or qualitative. Although described as ongoing, role objectives need to be reviewed regularly and modified as necessary.

Targets

Targets provide measures for the quantifiable results to be attained, in such terms as output, throughput, income, sales, levels of service delivery, cost reduction, reduction of reject rates. Thus a customer service target could be to respond to 90 per cent of queries within two working days.

Tasks/projects

Objectives can be set for the completion of tasks or projects by a specified date or to achieve an interim result. A target for a database administrator could be to develop a new database to meet the need of the HR department by the end of the year.

Performance standards

A performance standard definition takes the form of a statement that performance will be up to standard if a desirable, specified and observable result happens. It should preferably be quantified, in terms of, for example, level of service or speed of response. Where this is not possible, a more qualitative approach may have to be adopted, in which case the standard of performance definition would in effect state: 'This job or task will have been well done when (the following things happen).'

Behaviour

Behavioural expectations are often set out generally in competency frameworks but they may also be defined individually under the framework headings. Competency frameworks may deal with areas of behaviour associated with core values, for example teamwork, but they often convert the aspirations contained in value statements into more specific examples of desirable and undesirable behaviour which can help in planning and reviewing performance.

Values

Expectations can be defined for upholding the core values of the organization. The aim is to ensure that espoused values become values in use.

Performance improvement

Performance improvement goals define what has to be done to achieve better results. They may be expressed in a performance improvement plan which specifies what actions need to be taken by role holders and their managers.

Developmental/learning

Developmental or learning objectives specify areas for personal development and learning in the shape of enhanced knowledge and skills.

What makes a good objective

Many organizations use the 'SMART' mnemonic to summarize the desirable characteristics of an objective:

> S = *Specific/stretching – clear, unambiguous, straightforward, understandable and challenging.*
> M = *Measurable – quantity, quality, time, money.*
> A = *Achievable – challenging but within the reach of a competent and committed person.*
> R = *Relevant – relevant to the objectives of the organization so that the goal of the individual is aligned to corporate goals.*
> T = *Time-framed – to be completed within an agreed timescale.*

How to set objectives

Objectives are defined by reference to an agreed role profile which sets out key result areas. Role profiles are amended at the time any changes are made to these areas, and are also formally reviewed and updated at the planning and agreement stage of the performance management cycle. It is essential that individuals should participate in reviewing and agreeing their own objectives in order to ensure that they are committed to them. In the box is a checklist for objective-setting.

Checklist for objective-setting

1. Has the objective-setting process been based on an agreed and up-to-date role profile which sets out key result areas?

2. Have the objectives been agreed after an objective-setting process carried out jointly by the manager and the individual?

3. Are standards and targets clearly related to the key result areas in the role profile?

4. Do objectives support the achievement of team and corporate objectives?

5. Are the objectives specific?

6. Are they challenging?

7. Are they realistic and attainable?

8. Has a time limit for their achievement been agreed?

9. How will the achievement of objectives be measured?

10. Have any problems in attaining the objectives been identified, and has action to overcome these problems been agreed?

Formal review meetings

Formal review meetings are a vital part of the process of managing performance. They provide managers with the opportunity to give feedback, to sound out individuals on how they feel about their job, and to plan for improvements in performance or activities to meet the learning and development needs identified during the review. The feedback will summarize and draw conclusions from what has been happening since the last review, but it will be based on events and observations rather than opinion. These should have been discussed at the time – there should not be any surprises during the formal discussion.

A review should take the form of a dialogue in which the two parties exchange comments and ideas and develop agreed plans. The conversation – and that is what it should be – concentrates on analysis and review of the significant points emerging from the period under consideration. The review should be rooted in the reality of what the individual has been doing. It is concrete, not abstract. It will recognize successes and identify things that have gone wrong in order to learn lessons for the future. It should be a joint affair: both parties are involved, and self-assessment by individuals can be a valuable part of the process.

A performance review meeting provides an ideal opportunity for discussing work issues away from the hurly-burly of everyday working life. It can motivate people by providing a means of

recognizing good performance. It can help to indicate areas in which performance needs to improve and how this should be done. And, importantly, it can help to identify learning and development needs and the means of satisfying them.

Preparing for the meeting

Formal review meetings should be initiated by letting the individual know some time in advance (a week or so) when it is going to take place. The individual should be told the purpose of the meeting and the points to be covered. The aim should be, as far as possible, to emphasize the positive nature of the process and to dispel any feelings of trepidation.

The individual can then be asked to prepare for the meeting by assessing their level of performance achieved and identifying any work issues.

You should work your way through the following checklist of questions:

- How well has the individual done in achieving agreed objectives during the review period?
- How well have any improvement, development or training plans agreed at the last review meeting been put into effect?
- What should be the individual's objectives for the next review period?
- Are you satisfied that you have given the individual sufficient guidance or help on what they are expected to do? If not, what extra help/guidance could you provide?
- Is the best use being made of the individual's skills and abilities?
- Is the individual ready to take on additional responsibilities?
- Would the individual benefit from further experience?
- Are there any special projects the individual could take part in which would help with their development?
- What direction do you think the individual's career could take within the organization?
- Does the individual need any further training?

Conducting the meeting

One or two uninterrupted hours should be allowed for the performance review meeting. In a sense this a stocktaking exercise answering the questions 'Where have we got to?' and 'How did we get here?' But there is much more to it than that. It is not just an historical affair, dwelling on the past and taking the form of a post-mortem. The true purpose of the review is to answer the question 'Where do we go from here?', which means looking forward to what needs to be done by people to achieve the overall purpose of their jobs, to meet new challenges, to make

even better use of their skills, knowledge and abilities, and to develop their skills and competencies to further their career and increase their employability, within and outside the organization.

A constructive review meeting is most likely to take place if you:

- encourage individuals to do most of the talking: the aim should be to conduct the meeting as a dialogue rather than use it to make 'top-down' pronouncements;

- listen actively to what they say;

- allow scope for reflection and analysis;

- analyse performance, not personality – concentrate on what individuals have done, not the sort of people they are;

- keep the whole period under review, and do not concentrate on isolated or recent events;

- adopt a 'no surprises' approach – performance problems should have been identified and dealt with at the time they occurred;

- recognize achievements and reinforce strengths;

- discuss any work problems, how they have arisen and what can be done about them;

- end the meeting positively with any necessary agreed action plans (learning and development and performance improvement).

Performance review skills

The main skills needed to conduct performance reviews are asking the right questions, listening actively, providing feedback and dealing with any issues.

Asking the right questions

Only one question should be asked at a time, and if necessary unclear responses should be played back to check understanding. The two main approaches are to use open and probe questions.

Open questions are general, not specific. They provide room for people to decide how they should be answered, and encourage them to talk freely. They set the scene for the more detailed analysis of performance that will follow later, and can be introduced at any point to open up a discussion on a new topic. Open questions help to create an atmosphere of calm and friendly enquiry, and can be expressed quite informally, for example:

- How do you think things have been going?

- What do you feel about that?

- How can we build on that in the future?
- What can we learn from that?

Open questions can be put in a 'tell me' form such as:

- 'Tell me, why do you think that happened?'
- 'Tell me, how did you handle that situation?'
- 'Tell me, how is this project going?'
- 'Tell me, what do you think your key objectives are going to be next year?'

Probe questions seek specific information on what has happened and why. You can use them to:

- show interest and encouragement by making supportive statements followed by questions: 'I see, and then what?'
- seek further information by asking 'Why?' or 'Why not?' or 'What do you mean?'
- explore attitudes: 'To what extent do you believe that…?'
- reflect views: 'Have I got the right impression? Do you feel that…?'

Listening

In a review meeting it is necessary to listen carefully. Good listeners:

- concentrate on the speaker; they are alert at all times to the nuances of what is being said;
- respond quickly when appropriate but do not interrupt unnecessarily;
- ask questions to clarify meaning;
- comment as necessary on the points made to demonstrate understanding but not at length.

Providing feedback

As far as possible feedback on how well individuals are doing should be built into their jobs – they should have access to all the information they need to measure their own performance. But it is also necessary to provide feedback during the performance review meeting as part of the stocktaking exercise. Guidelines on providing feedback are provided in the next section of this chapter.

Dealing with issues

A review meeting addresses performance issues. Some will be positive, others may be negative. Dealing with negative points is often the area of greatest concern to line managers, many of

whom do not like handing out criticisms. But this is not what performance reviews are about. They should not be regarded simply as an opportunity for attaching blame for something that has gone wrong in the past. If there has been a problem it should have been discussed when it happened. But this does not mean that persistent under-performance should go unnoticed during the review meeting. Specific problems may have been dealt with at the time, but it might still be necessary to discuss a pattern of under-performance. The first step, and often the most difficult one, is to get people to agree that there is room for improvement. This will best be achieved if the discussion focuses on factual evidence of performance problems. Some people will never admit to being wrong, and in those cases it may be necessary to say in effect 'Here is the evidence. I have no doubt that this is correct. I am afraid you have to accept from me on the basis of this evidence that your performance in this respect has been unsatisfactory.'

The positive elements should not be neglected. Too often they are overlooked or mentioned briefly, then put on one side. A sequence of comments like this should be avoided:

- Objective number one – fantastic.

- Objective number two – that was great.

- Objective number three – couldn't have been done better.

- Now objective number four is what we really need to talk about. What went wrong?

If this sort of approach is adopted, the discussion will focus on the failure, the negatives, and the individual will become defensive. This can be destructive, and explains why some people feel that the annual review meeting is going to be a 'beat me over the head' session or part of a blame culture.

To underemphasize the positive aspects reduces the scope for action and motivation. More can be achieved by building on success than by concentrating on failure. In the words of the song, 'Accentuate the positive, eliminate the negative.'

Guidelines on providing feedback

Feedback is an important part of a review meeting, but it can take place at any time. You should be managing performance throughout the year rather than during one annual event. Every time a task is accomplished provides an opportunity for feedback which recognizes success or suggests ways of doing even better next time. Here are some guidelines on providing feedback.

Build feedback into the job

To be effective, feedback should be built into the job or provided soon after the activity has taken place.

Provide feedback on actual events

Feedback should be provided on actual results or observed behaviour. It should be backed up by evidence. It should not be based on supposition about the reason for the behaviour. For example, it is much better to say something like 'We have received the following complaint from a customer about you. Would you like to comment?' rather than 'You tend to be aggressive.'

Describe, don't judge

The feedback should be presented as a description of what has happened. It should not be accompanied by a judgement. If you start by saying 'I have been informed that you have been rude to one of our customers. We can't tolerate that sort of behaviour', you will instantly create resistance and prejudice an opportunity to encourage improvement.

Refer to and define specific behaviours

Relate all your feedback to specific items of behaviour. Don't indulge in transmitting general feelings or impressions.

Define good work or behaviour

When commenting on someone's work or behaviour, define what you believe to be good work or effective behaviour with examples.

Ask questions

Ask questions rather than make statements – 'Why do you think this happened?' 'On reflection is there any other way in which you think you could have handled the situation?' 'How do you think you should tackle this sort of situation in the future?'

Select key issues

Select key issues and restrict yourself to them. There is a limit to how much criticism anyone can take. If you overdo it, the shutters will go up and you will get nowhere.

Focus

Focus on aspects of performance the individual can improve. It is a waste of time to concentrate on areas that the individual can do little or nothing about.

Provide positive feedback

Provide feedback on the things that the individual did well in addition to areas for improvement. People are more likely to work positively at improving their performance and developing their skills if they feel empowered by the process.

Provide constructive feedback

Focus on what can be done to improve rather than criticism.

Ensure feedback leads to action

Feedback should indicate any actions required to develop performance or skills.