



Introduction

BACKGROUND

We have been talking about people management (or the lack of it) for over 20 years. The key questions we asked were these:

- Why did the management of people never seem to work properly in most of the organizations we had worked in?
- Why were the greater majority of organizations unable or unwilling (or both), to develop standards of performance and/or a code of conduct/behaviour (let alone maintain them!)?
- Why was senior management not more insistent on day-to-day/hour-to-hour feedback, which seemed to work extraordinarily well for those managers who practised it?
- Why was individual/group development so poorly managed?

It is fair to say that there are thousands of answers to these questions (mostly legitimate) and we could write a very large book attempting to provide all of them and suggestions as to how things might change. Not surprisingly

perhaps, some years ago we leapt in a different direction – what was needed we thought, were better training systems – quality training systems.

Supervisors, managers and their co-workers seemed to be attending an awful lot of training courses, but this didn't seem to have the impact on 'on-the-job' performance that it needed to have. In fact many managers were disillusioned with much of the training and development activity going on.

At the time, most training programmes suffered from a lack of measurable, clearly specified outcomes and measured results. Most training programmes were evaluated on the 'Did you enjoy it?' measure, or people sat for a three-hour theory exam. It was rare for any new learning to be assessed on-the-job.

After talking to a large number of senior managers about what they thought of training generally, we got the title for our book – *The Great Training Robbery – A guide to the purchase of quality training*. The book was based on a quality management system framed around international quality standards. The focus of the book is probably more relevant today than it was then – we even spent a good deal of time on the design of performance-based learning and assessment.

Over the next few years it became clear: if better training systems were the answer, what was the question? Obviously we had missed something. This is not to say that lifelong learning and the ability to adapt to an ever-changing environment are not important – on the contrary. It was simply that quality training by itself is not enough and training is only one way individuals learn and are developed.

We started to get close to what we had missed in preparation for Earl's next book, *Return of the Mentor, Strategies for workplace learning*, to which Frank contributed 'From cop to coach – the shop floor supervisor of the 1990s'. This chapter, by its very title, challenged the traditional role of a workplace supervisor, and began to set the ground rules for effective people management. The requirement was for managers to jump outside their traditional cloak and embrace the practice of feedback and coaching as part of their day-to-day activities, both on and off the job.

But the bells rang loudly after we worked together on change management programmes in some major international companies. We were assisting in the reshaping of the organization by moving from where it is now to where it has to be to survive and/or prosper (change management). Most of the line managers (and some senior managers) appeared not to understand people management at all. Where people management was talked about, it was typically in reference to 'after the event' activities (that is, annual performance appraisals) and/or counselling/disciplinary processes – never day-to-day people management issues. There was no emphasis at all on helping their people become successful – no mention of development.

As for annual performance appraisals, few people had a good word to say about them. This validated some research Frank had done in the 1980s, which indicated that even the performance appraisal systems that HR and senior management thought were OK were often treated with disdain by line managers.

We are not the only ones who believe that traditional performance appraisal systems, with their emphasis on an annual review of performance, seldom work. Coens and Jenkins, in an article entitled 'Abolishing performance appraisals'¹ (based on their book of the same name), argue that in the space of 30 minutes, the typical appraisal can 'transform a vibrant, highly committed employee into a demoralized, indifferent wallflower who starts looking for a new job'.

More significantly they reference a survey conducted by the Society of Human Resources Management that found that more than 90 per cent of appraisal systems are not successful. This certainly accords with our experience, but we would ask if *any* of them can be successful in sustaining excellent performance or improving below-standard performance if they only occur once a year. Coens and Jenkins go on to add that 'hundreds of other studies and surveys' support their conclusions. Some people tell us that perhaps that is the way it used to be with 'old fashioned' so called 'tick and flick' style appraisals, but not our 'new latest model (say) "360° appraisal system" – it works really well,' they say.

When people do say things like this you need to ask what 'works really well' actually means. If it is contended that we actually improve individual and team performance by these 'once a year' activities, we disagree. So too do quite a few other practitioners.

Thackray² for instance, in March 2001, seriously questioned the success of performance appraisals (including 360° models). He stated that his conclusions support those of the DeNisi and Kluger study of 131 feedback systems analysed in that study (see page 27).

One of those conclusions was that 'in more than a third of the cases where it was possible to assess the effectiveness of feedback, providing feedback actually hurt subsequent performance'. Clearly such systems are not working as they should and again, to quote Coens and Jenkins, 'performance appraisals impede genuine feedback, and there is no solid evidence that it motivates people or leads to meaningful improvement.'³

It is important to recognize that where we are trying to take performance measurement isn't exactly a new idea. Dr Aubrey Daniels, four years ago in an article 'Appraising the performance appraisal'⁴ said, 'some experts, in fact, recommend eliminating the performance appraisal altogether. We agree. The people who get them don't like them. The people who give them don't like them. Why should we do something no one likes or thinks is effective?'

Daniels goes on to say that the research on performance appraisals 'has never shown that they improve performance'. More importantly perhaps, Daniels suggests that the best performance appraisal is one that is 'done every day'.

Well we don't *quite* agree with that. What we say is that the line manager should 'intervene' whenever and wherever possible (and necessary) to coach employees. To use Daniels's words, 'if you've got something to say to employees, spit it out, don't wait for annual reviews.' This may be in relation to recognizing excellent performance (or conduct) or to deal with underperformance or poor conduct. The critical issue is that it is dealt with as close to the 'event' as possible. That is what our system is all about. Frequency of formal review (and how extensive that review might be) is dependent upon the circumstances. It could be a 'Well done, keep up the good work', or it may be a review against some predetermined targets. When the formal review does occur it must be one that has no surprises and is balanced in terms of positive feedback. If performance continues to be poor or the conduct unacceptable, then we will move out of the coaching model and implement the necessary counselling or disciplinary procedures to deal with the issue at hand.

Annual reviews are totally inappropriate for raising poor performance or unacceptable conduct – this must be raised with the employee at the time it occurs, and recognition for excellent performance six months afterwards generally loses its punch because it is seen as an after-thought.

Therefore it was amazing to us that here we were in 2005 and most organizations had no system in place to support day-to-day coaching and/or feedback by managers to their people. We suspect it is because many tried, through the annual appraisal approach, but it failed and in frustration they gave up.

Some annual performance appraisals focus on career development, the pay rise, or what conferences people could or should attend, but few concentrate on the day-to-day management of people, their performance or their development.

There is also an issue in some organizations about whose job it is to actually manage the people (and their issues). The approach described in this book places this responsibility with the line managers (supervisors) and team leaders, but in many organizations underperformance and/or other problems are handed to the HR Department to deal with. Whilst HR has a role (to advise), at the end of the day it is the line managers' responsibility to deal with all of the issues their people have, and any performance issues that arise.

Readers will find a good deal of research and writing in the HR management field on performance appraisal and performance management. These

are descriptive but often lack the 'how to do it' element that helps achieve its practical application.

We should also say at this point that the approaches to managing and developing employees, expounded in this book, are relevant to all levels of an organization. Anyone who has the responsibility for the performance, behaviour or development of an employee can utilize these approaches. Around the world such people are recognized by many different titles – line manager, supervisor, team leader (or just manager) and a host of industry-specific titles including matron, superintendent, executive chef, principal, director. We use line manager, manager and team leader interchangeably and include in these titles all those people who are responsible in some way for the performance/conduct of another employee.

We talked to some managers about performance appraisal systems as a tool for improving performance. 'My boss doesn't even like doing it', 'It's too complicated', 'A waste of time', are some of the more printable comments made about people management/appraisal processes.

In some organizations we worked in, genuine attempts were made to make the process work but no one was really sure what it was supposed to achieve. In one major organization the main objective was to identify individual/team shortfalls/gaps in competency, and develop plans to overcome them. Sadly these plans fell into a deep, dark hole because managers were too busy to do what needed to be done. The result was people began falling off the edge, losing ground in the constant need to maintain their individual competitive edge. Such behaviour by the organization did little to maintain relationships and over time to attract and retain good people.

Interestingly, the managers who were seen as the real leaders in their organizations agreed that it was the day-to-day, week-to-week feedback about results and the analysis of what went wrong and what went right and why, that actually delivered the results they wanted. These managers believed in developing their people. They didn't talk about it, they did it.

Certainly we had ideas about what might have contributed to the lack of day-to-day people management systems. One such belief was that it is largely a result of the culture of organizations (even industries), or what might be termed the 'mood' of an organization. This is the type of company culture that would encourage the belief that poor performance isn't worth getting concerned about and that it is probably too difficult to do anything about it.

A further contributing factor could also be that the unwillingness of many managers to engage in honest and forthright feedback on performance, often relates to an aversion to conflict – avoidance/suppression of those difficult problems which were associated with poor employee performance, behaviour and/or conflict. Many take the approach of 'Put your head in the sand

and it will all go away' – but of course, usually it doesn't! This is most noticeable in organizations where managers avoid tackling non-compliance in the workplace in a general sense.

One of the things we reflected on was how managers have changed over the period of our lifetime in work. This wasn't just a yearning for 'yesteryear' – it was an attempt to analyse what was different and how this may have affected the approach to managing people.

The best managers we had experienced demonstrated a set of values that led us to respect them. They spent time with us. They genuinely wanted us to be successful. They gave us the opportunity to use our initiative and to learn from our mistakes.

Supervisors and managers today operate in an extraordinarily complex environment. They don't have spare time. The emphasis is on the outputs and the outcomes (as it should be) but often at the expense of the process and the people who operate in the system. There are more rules, regulations, interruptions, distractions and e-mails than there are hours in the day. One example of this is an establishment we know where performance feedback by e-mail is carried out with only one grading – it tells you if you have done anything that is unacceptable.

Time is certainly a problem, but time for feedback has to be built in to the management process. People seek feedback (positive and negative) and development to make them successful in what they do. More than ever, employees want the confidence and competence to be in charge of their careers (and their lives).

Some employees also had great difficulty with the words 'behaviour' and 'conduct'. Clearly they saw any intervention in attempting to forecast how people should behave in their workplace as extensions of behaviourist psychology. Not that many knew the finer points: they saw it as reminiscent of school days – being stood over and having a big stick waved around as a form of control. Moreover, the manager was seen as having the ammunition to 'beat up' people in a subjective way.

Regulations on sexual harassment, bullying, racial discrimination and general community expectations have at least removed these from many workplaces, but poor conduct/behaviour is still there in many others. The approach described in this book ensures that workplace behaviour is on the same plane as workplace performance and is managed accordingly.

The significance of all of these discussions took on a new emphasis during the 1990s. You may recall that this was the decade in which the number of unfair dismissal claims rocketed upwards in all of those countries that embraced the International Labour Organization Charter on employment policies. Employers could no longer hire and fire at will. They needed to have a valid

reason, the processes used had to embody what we call the principles of natural justice, *and* the penalty needed to 'fit the crime'. It could not be harsh.

Thousands of cases have been fought in tribunals and courts and while the principles are now clear, every case is different. This book does not attempt to provide you with a fail-safe approach to handling disciplinary matters because there isn't one. What it does do is help you put in place systems and approaches that will, in our experience, minimize the number of dismissals that occur and therefore the risk of a successful unfair dismissal claim. But there can be no guarantees as there is always the exception to the rule and/or the fall-out from human error.

Improving performance management systems

We have written a deliberately tough-minded approach to improving performance management systems in the workplace. Our system will fit any workplace. It builds on years of practical experience which are the credentials of our approach. A total quality management approach (TQM) is implicit in the book. What is not, is the view ascribed to W Edwards Deming, the founder of TQM, that performance appraisal ought to be eliminated. Many TQM proponents claim that performance appraisals were harmful.⁵ A competency-based learning (CBL) approach is also promoted... we use it.

Our hope is that effective coaching delivered to the standard we have created keeps most employees well away from the possibility of being sacked for poor performance and/or behaviour. Poor performance and behaviour should be addressed by management long before individuals get to the brink. But, in our experience, this does not happen and people face the sack for the want of good and timely feedback and opportunities to lift their game. When the sack comes, everyone loses. When dismissal is avoided and the behaviour or performance is restored to the standard required, everyone gains!

Our approach emphasizes that, a) sacking for poor performance and behaviour is a bad outcome (but sometimes unavoidable); and b) poor performance/behaviour *can be fixed* so there is no performance and behaviour that makes sacking necessary (or it should happen during the probation period).

The answer is a good performance management system (using our nine principles; see below), that pushes performance and behaviour away from the 'sackable' zone. The key to our performance management approach is coaching and 'real time' feedback (continuous workplace performance improvement), done by individual line managers. Effective coaching practices depend on these line managers.

Effective coaches = good performance management = few sackings = good workplace relationships and less cost to the organization.

People often associate being sacked with failure. The assertion is that poor performers are sacked and deserved to be.

Our approach to coaching is unique as it demands line managers use both remedial and developmental roles (how you get people up to excellent performance). Under our approach, line managers are not performance supervisors but performance coaches. This is critical for anyone seeking to gain maximum value out of implementing a system that will deliver improved employee performance. Workplace coaching is the vehicle that will deliver results.

Nine principles of a performance management system

The nine principles on which this approach to performance management is based are:

1. Apart from being injured, the worst thing that can happen to anybody in the workplace is to be sacked. (Not far behind is actually doing the sacking!) In many cases where the termination leads to a claim for unfair dismissal, the costs can be horrendous.
2. Most dismissals can be prevented if managers at all levels actively manage their people against performance standards.
3. Excellent people management begins at the time of selection/recruitment and only ends when an individual leaves the organization. The first step is therefore setting expectations at the earliest possible time. It should apply equally to casual and part-time employees.⁶ An individual development plan is highly desirable to provide a reference point during the first 6 to 12 months of employment.
4. 'Performance' in the workplace relates *not only* to the person's competence to do the job to the required standard, *but also* includes behaving in a manner that meets the expectations of the organization (which is not just the management!).
5. The cornerstone of 'best practice' people management is regular day-to-day feedback and coaching as close in time to the event as possible (early intervention), supported by formal reviews where there are no surprises.

6. Everyone can be competent in managing people provided they are committed to the concept of early intervention as part of their normal day-to-day activities. Feedback focusing on both the acknowledgement of excellent performance as well as addressing underperformance is another cornerstone of our approach.
7. The use of performance improvement (individual development) plans to deal with the process of agreed changes to the way we do things is essential to give the system some rigour, and ensure people are dealt with professionally in the process (development).
8. These principles apply at every level of the organization and in every organization but need to be purpose built to suit the particular environment.
9. Managing people is first and foremost the responsibility of the line manager. HR is there to assist, guide and coach managers, and ensure that appropriate systems are in place.

Before we get into the detail of the book here are a few comments about the nine points above to help you understand our starting point for the book.

- Dismissal comes at a high financial, emotional and personal cost to those involved.
- You will never prevent all sackings, but you can certainly reduce the number if people are actively managed.
- Managing people begins with the establishment of standards of performance and codes of behaviour (conduct) which clearly state the organization's expectations in respect to a particular job and the workplace generally. Potential employees need to be advised of the standards of performance and conduct expected *before* they accept the position. If we were better at communicating expectations during the selection process we might not employ so many people who do not 'fit' with the organization.
- As you would have gleaned from the paragraph above, we will not shy away from talking about *conduct/behaviour* in the same sentence that we talk about *competence* – they are inseparable. It doesn't matter how skilled someone is, or knowledgeable or compliant with performance standards they are in their job (competent). If they are disruptive to the work team (in terms of bullying, lack of cooperation, sexism, or a 'couldn't care less' attitude towards safety), who wants them? (In the employees' defence, how much effort have we as managers put in to communicating to employees what is expected of them in terms of conduct/behaviour *before* someone actually does something 'unacceptable'?)

- Best practice in managing people relates to early intervention and an effort to correct underperformance, or recognize excellent performance at the first available opportunity.
- Managers must actively coach their people if they are to improve. With commitment to engage in regular coaching *plus* some skills training, anyone can be an effective coach. Providing the coaching system itself is built on solid foundations (which we talk about later), the more often you practise and consolidate what you have learnt, the more competent and confident you become (and so does the team). In short, coaching to us represents conscious behaviour towards another person designed to encourage and support them and make them more successful in their chosen career. It may be confined to specific planned coaching sessions or delivered intermittently in the form of unplanned interventions to provide feedback or impart skills, knowledge and change behaviour.
- Performance improvement (individual development) plans simply set down agreement between line managers and their people as to what they will do to bring about agreed changes and/or achieve an agreed level of results/outcomes. A critical aspect of this is the 'learning' that the person and his or her coach agree has to occur and how that is to be achieved. Far too much emphasis is placed on formal training over and above other activities to bring about performance improvement. Training is only one method by which a person can learn, be developed and improve, and valuable as it often is, it is not the only way. There are many other activities such as mentoring or coaching, job rotations, secondments, project work, work improvement programmes or a new job placement (to name a few). The emphasis should always be on selecting the best course of action to achieve the standard of performance and/or behaviour required.
- At the upper levels of the organization, performance improvement plans identify and document:
 - key result areas;
 - performance objectives;
 - key performance indicators;

and describe the activities/projects/actions to be undertaken during the life of the plan with review dates, milestones, end dates and person(s) responsible for the activity. More on the upper levels later. At the lower end of the organization, the plans relate to particular aspects of job performance and may involve further development of capability through formal learning or other developmental strategies (including those that establish and maintain high standards of conduct/behaviour in the workplace).

In this book we draw examples from all of the places we have worked. Whether it be a sugar mill, a timber mill, a government department, a hotel, a meat works, a coal mine, a sporting team, a school or a university – people want to know what is expected of them. Even family members need to clarify expectations of each other to live in harmony. People want to be engaged in communication; they want feedback; they want to get better and enjoy their work; they want some security *and they want to be developed*. If they don't fit, they want to know early on so that they can do something about it. Only someone who is truly desperate wants to hear those words – 'You're sacked!'

ABOUT THIS BOOK

The key to the structure of this book, we believe, is *simplicity*.

Chapter 1. This approach to managing people relies on workplace coaching. Included is an overview and explanation of the key activities that drive this approach to people management. The emphasis is on the development of approaches that are easy to comprehend, learn, put into practice (do), and maintain.

Chapter 2. This deals with how you can get started in the development and implementation of workplace coaching, in particular the processes associated with the development of performance standards and code of conduct based on work expectations. Working examples of these expectations and suggestions for dealing with a workplace out of control are provided. To support this we provide two case studies as Appendices 2 and 3 – one from a production industry, the second from a service industry.

Chapter 3. The focus of this chapter is how to set the scene for workplace coaching by examining how important it is for each manager to be involved in getting the right people on their team through performance-based selection and induction. We make it clear that workplace coaching is the cornerstone of this approach to people management and describe the features of a coach, the activities involved, the principles that support the activities, and how and where these activities are applied in the workplace.

Chapter 4. How a manager operates on the job, day-to-day amongst the team whilst they work, is discussed here. The importance of the quality and integrity of evidence in relation to managing people to achieve excellent performance is stressed. A tool for giving feedback is provided and techniques for acknowledging excellent performance and targeting improvement/development for underperformance discussed.

Chapter 5. This chapter is about how a manager needs to operate off the job through the conduct of a formal review with each member of the team. The importance of the context within which this review must operate, followed

by a structured approach on how to do it, is given. The structured approach provides clear guidelines for designing a formal review, including how to develop indicators of performance, and develop and mark rating scales.

Chapter 6. How can managers prepare so that they are able to coach competently and confidently in the workplace? The chapter provides a building-block approach to managing the learning process involved. The building blocks deal with making learning right, making it work, making it connect, making it stick, and checking learning is successful. Also included are guidelines and examples for the learning activities that should be used to develop competence and confidence. It provides an overview of the key features of learning design to develop coaches so that they can implement the actions described in [Chapters 1 to 5](#).

Chapter 7. This chapter looks at how to respond when reality strikes: when it becomes clear that a person is not going to improve his or her performance or behaviour no matter how hard the manager tries to help. All of a sudden someone is likely to be sacked. Clear guidelines are provided as to the process that should be followed, in particular the procedures and rules which govern the management of poor performers.

Chapter 8. This chapter discusses how you might forecast the impact of managing people in your workplace. The importance of developing expectations and consideration of associated costs of doing so as the 'insurance cost' are considered. If your organization has a serious underperformance problem or a major breach of conduct standards, using these approaches can save you money in the long run.

Chapter 9. The difference between seizing the day as opposed to holding your breath until the culture within the organization is reshaped, and what needs to be done, is made clear. The case is argued that the best way to improve the management of your people is to just do it. A starting point is provided along with what needs to be done and how.

Throughout the book we use a range of terminology to describe various approaches and management concepts. So there is no misunderstanding about what we mean, we have included in Appendix 1 a number of these terms and our definitions. You may wish to read this appendix in advance or use it as needed for reference purposes.

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NOTES

1. Coens, T and Jenkins, M (2001) 'Abolishing performance appraisals', *Innovative Leader*, **10**, 7, 1
2. Thackray, J (2001) 'Feedback for real', *Gallup Management Journal*, March
3. Coens, T and Jenkins, M (2001) 'Abolishing performance appraisals', *Innovative Leader*, **10**, 7, 1
4. Daniels, A (2001) 'Appraising the performance appraisal', *Entrepreneur.com*, July 1–2
5. *Performance Appraisal*, Wilf Ratsburg, www.geocities.com/athens/forum/3126/htmlperfapp.html2005153
6. Similar principles can be applied to contract management for contractors' work, but beware of the control test – don't apply this system to the contractor's employees.