

PEOPLE PERFORMANCE STARTS WITH *leadership*

....direction and presence please!

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(People) Performance management is being perceived as an administrative burden to many leaders and at the same time feared by many employees. One of the reasons is that performance management is mistaken for a replacement of people leadership. In this article, we plead for finding a better balance between managing goals and leading people.

A typical case

Not so long ago, one of our customers asked if we could help them with creating a new spirit in their organisation. They wanted to create a culture with more focus on competence development and performance improvement. The chief financial officer and our dialogue partner, Ellen, told us that the average age of the employees at the company was 48. Most of them were highly educated specialists who had been doing their jobs for many years. Ellen told us that they had noticed a rapid change in their industry over the past year.

New technology and internet access had given their customers a boost in their sophistication, which meant that the service level expectation of their customer base had grown dramatically. Customers were expecting a quicker response to their requests, a higher level of professional service and faster decision-making on the cases they delivered. Ellen mentioned that she wanted to find a way to inspire the senior employees to learn new technology more rapidly and become more “service-minded” towards their customers.



At our introductory meeting, Ellen told us that they had a performance management process in place which required that the employees stated annual goals, had a half-yearly status meeting with their manager about the progress of these goals, and at the end of the year, employees and managers were to have appraisal interviews. She shared with us that most leaders did not look forward to these “mandatory conversations”, and she asked us if we could help find a way to make leaders look forward to and enjoy the dialogues with their employees.

This case shows a typical organisation we often meet in our consulting practice today. We see many other organisations struggling with similar challenges, and it is not just the case of senior employees. Younger generations are often also struggling with competence development at work. What we often see is that it is challenging to:

- Keep employees motivated/engaged in their work over a long period of time.
- Get employees to take proactive steps to change, learn and develop themselves at work.
- Ensure that employees keep performing over time.

The real issue

Many leaders find it difficult to execute their organisation’s performance management process in a way that lives up to the expected quality standard. They find it challenging to lead their people in setting goals, to give and receive feedback, to evaluate performance in a constructive way and to keep their team motivated and inspired over a long period of time – in other words, good old-fashioned “people leadership”. Many leaders would rather focus on operations, output, emails, action lists, spreadsheets and financial numbers. Somehow they find it difficult and do not prioritise giving their people compliments, being available to them, telling them what they think of them and helping them to see development areas.

This is not surprising in itself. Leading people is not easy and especially not if your team is a bunch of stubborn, experienced and knowledgeable “prima donnas” who have been doing their jobs for many years, as was the case in Ellen’s organisation.

The surprising complication

To our surprise, we still see many organisations today that believe that a solid performance management system is the answer to this challenge. Even after they find out that their old performance management system does not result in the expected performance improvement, they try to solve it with system improvement. For example, we see that some organisations have now started to replace their annual performance management system with a continuous feedback system, often based on a type of Facebook instant messaging software using apps that give colleagues, peers, customers and all other stakeholders the opportunity to give instant feedback on the employees’ performance and behaviour.

Don’t get us wrong, we also think that short, timely and specific feedback is an honourable thing to have in place, and that it will give the employee concrete thoughts and ideas on how to change and improve behaviour, but it will never resolve the real issue: The need for better people leadership. An optimised system or modern software will never replace a face-to-face dialogue between people that develop deep, trusted quality relationships within the organisation.

Blogs, articles and opinions on LinkedIn and other places on the internet under the headline “performance management” (this one included) are blurring the picture and are causing too much focus on “system solutions” and “processes”, rather than the individual leader’s human responsibility for actually giving his or her people attention and building relationships through dialogue and interaction.

All employees are human beings, and all human beings have a need to be seen, heard and praised. Employees have a need for confirmation that they are doing fine, that they are doing a good job, that they have good ideas that contribute to the organisation, and that they might become even better, if they change or modify their way of working a bit and learn something new.

To many leaders, it is less complex to discuss an HR flow process than actually executing it. We see in our consulting practice that leaders find it difficult when it comes to core leadership skills such as direction setting, sharing a vision, giving (and receiving) feedback, building trust with their employees and being available to them in terms of listening, acting as a sparring partner and guiding them in their development.

In some of the programmes we facilitate, we ask leaders how they spend their time in their day-to-day job. A majority reply that they spend most of their time in production, administration and “the real job” (operations). Many complain that they find too little time for setting a direction, motivating and listening to their employees. So, it is not technology, software or systems that make performance management complex; it is the human side of the interactions and the unpredictable reactions in the communication that makes improving people performance complicated.

How could we as change consultants help Ellen create the impact she was looking for? What could we do to help her create more focus on employee development in her organisation? And how could we support the leaders in this to enable them to build greater customer satisfaction and more engagement in the workforce?

Three questions to answer

We found three practical questions to ask when helping our clients move towards high performance and competence development in their organisations. Using these questions has helped Ellen and her

organisation create change with impact. We would like to share these questions with you so that you can ask the same questions in your own organisation:

1. What exactly do we mean by performance and management in our organisation?

First of all, it is important to agree on a meaningful definition of what we mean by performance management (PM) in an organisation. One common definition from HR is: “The process of managing performance by setting goals, ensuring that employees are motivated to deliver, giving them feedback along the way and evaluating them according to indicators at the end of the year”. We argue that we are overlooking something here. In this definition, we actually presume that we can “manage” people as a machine. We can start, steer and optimise people as if they are robots. We forget that machines do not have emotions and feelings. Processes do not feel joy, disappointment, shame, struggle, love, failure, pride, flow or full engagement. So to give a more precise definition, we would like to add the human dimension to the definition.

In most of the publications that are published on this topic, the term PM is associated with KPIs, balanced scorecards, dashboards, quality-optimising Lean processes and administration in digital systems. We state that systems can be managed but people cannot. So when dealing with people we should rather use terms such as people performance leadership (PPL). Let us call it PPL for now, which we suggest to define as: “The process of ensuring that employees...

A. ... understand what is expected of them in their role (creating purpose, inspiration, direction and setting goals.)

B. ... know how they are doing in achieving their goals through appreciative feedback.

C. ... they are motivated and supported in doing their very best.

When adopting a PPL definition that also contains emotions and feelings,

it becomes clear to leaders that this discipline is all about seeing their employees at work and much less about putting employees into boxes, labelling and ranking them and scoring them with numbers.

"THE ART OF LEADERSHIP IS TO BALANCE PERFORMANCE AND ENGAGEMENT"

2. Are you balancing performance and engagement focus?

Concrete KPIs, balanced scorecards and other structures relating to performance measurement help give an indication of "how we are doing". They form a compass to help the organisation sail in the right direction. But having a good compass does not automatically mean that we have a good ship with a good crew. Focus on course and steering in the right direction is important, but it needs to be balanced with motivation and good leadership – every day.

The job of a leader is often dominated by numbers (they are looking at the compass and tell the crew to adjust the course by 10 degrees north) and should be balanced with people leadership (let us trim the front sail), attention (how do you feel after climbing the mast?) and feedback (you were good at trimming the sail, and if you use the black rope the next time, you can get it done even smoother).

Or in other words: Focus on both performance improvement (better, faster, cheaper) and full engagement (easier, funnier, in a new way and more rewarding) is important, and it is the art of leadership to find the right balance between all these elements.

3. Can leaders who prefer data and control ever become good people leaders?

We find it difficult to answer this question. If a leader is good with numbers, it does not necessarily mean that this person is also good with people, feelings and emotions (and vice versa). Many leaders do not allow time or space for the process of creating the right conditions for great performance. Often, they do not know how to create an environment like this, or they do not support their employees in this process (they do not know how to do this). Finding a balance in the day-to-day work between working with a compass, understanding what the numbers tell us and translating this into inspiring, engaging and supporting communication is the art of leadership.

The way leaders, colleagues and customers give attention, feedback, compliments etc. influences the performance of the people, and luckily there are known ways to learn and train these performance improvement skills. Dialogue skills, pedagogical skills and feedback skills can be learnt through training and practice. It is the main responsibility of the leader to put these skills into practice in order to guide his or her people. A performance management system cannot do that job.

Summing up

The real issue when organisations ask for help with improving their people performance management system is often a lack of people performance leadership. The current wealth of articles on performance management blurs the picture, and since it is easier for HR to discuss processes and systems, they often forget the bigger picture. The real need is first of all a clear and meaningful definition of performance improvement (and not performance measurement). Secondly people leaders who are genuinely interested in and capable of leading people while using their empathy and communication skills are good at leading performance through engagement, by balancing management and leadership.

Ellen wanted her employees to catch up with new technology, become more service-minded towards their customers and have more fun and engagement at work. ‘We helped Ellen and her leadership team answer the ‘Why Performance Improvement’ question by asking the three questions stated above. We ended up designing and executing an intervention that trained dialogue and feedback skills with the leaders and the employees. It helped them to look at the context and accept that different people in different settings need different approaches, space and time to learn.

After the leaders in the organisation became aware of the need of their employees, they started acting on this with a broader toolset. This helped them developing a better balance between their leadership and management activities in their jobs. As a result of our intervention we saw great improvement in both performance and engagement in the organisation.

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