

Developing Management Competence for Higher Performance



PRESENTER: DR. PETER METOFE
DATE: AUGUST 25 – 27, 2014
LOCATION: LONG BEACH, CA 90831

Building A High Performance Organization



- When done right, performance management yields higher levels of:
 - Engagement
 - Retention
 - Organizational Performance
- Performance management must be more than a formal appraisal system
- Change Focus
 - Everyday part of a high-performance organizational culture

Common Strategies and Why They Fail



- Most performance management strategies focus on:
 - Developing improved rating tools and processes
 - ✦ Various rating formats
 - ✦ Different rating criteria
 - ✦ More elaborate steps
 - ✦ Using raters with disparate points of view
- Attempts to improve performance management reduce it to an administrative drill that lacks value

Common Strategies and Why They Fail continues



- Practice is at odds with effective performance management, which requires regular and ongoing activity:
 - Communicating expectations on a regular basis
 - Providing Feedback in real time whenever exceptional or poor performance is observed
 - Helping employees develop expertise that maximizes their potential

Challenging Assumptions



- Assumption # 1: Performance management helps managers make pay decisions.
- Assumption # 2: Performance management provides documentation that organizations need to defend themselves.
- Assumption # 3: Performance management provides a mechanism to deal with poor performance

How to Drive Results



- Set clear expectations for employees – so they can deliver
- Help employees find solutions to problems
- Play to employees' strengths rather than their weakness in work assignments
- Acknowledge employees' strengths while also addressing development needs
- Provide regular, informal feedback

Eight Habits of Highly Effective Google Managers



- Be a good coach.
- Empower your team, and do not micromanage.
- Express interest in team members' personal success and well-being.
- Don't be shy; be productive and results-oriented.
- Communicate and listen to your team.
- Help your employees with career development.
- Express a clear vision and strategy for the team.
- Demonstrate technical skills so you can help advise the team.

Google's Three Pitfalls of Managers



- Have trouble transitioning to the team.
- Lack a consistent approach to performance management and career development.
- Spend too little time managing and communicating.

Factors that influence the likelihood that Managers and Employees will practice effective performance Management Behavior



- The extent that they believe performance management is essential to getting work done.
- The quality and trust of the manager-employee relationship.
- How well the company reinforces successful performance management behavior as a key business strategy.

Four Steps to Developing a High-Performance Organizational Culture



- **Motivate Change**
 - Assess current culture.
 - Shift performance management mindset.
- **Lay Foundation**
 - Scale back burdensome demands.
 - Introduce new concepts.
 - Put the right people in managerial jobs.
- **Sustain Behavior**
 - Provide tools and resources to drive behavior.
- **Monitor and Improve**
 - Hold leaders accountable for continuous improvement.

Strategies to Improve Performance Management



- **Communicate the big picture**
 - **Benefits for Managers**
 - ✦ Employees contribute more when they understand the big picture, meaning less work for managers
 - **Benefits for Employees**
 - ✦ Employees feel more connected and make wiser decisions, increasing engagement and results

Strategies to Improve Performance Management



- Provide ongoing expectations and feedback
 - Benefits for Managers
 - ✦ Managers gain higher-quality work from staff more quickly with less work
 - Benefits for Employees
 - ✦ Employees perform better work and feel more confident about their contributions

Strategies to Improve Performance Management



- **Develop others through experience**
 - **Benefits for Managers**
 - ✦ Managers accomplish more
 - ✦ Succeed faster and focus on what they do
 - **Benefits for Employees**
 - ✦ Employees grow, develop and advance more quickly

New Mindset



- Both managers and employees must engage in performance management behavior to accomplish anything at work, so this mindset benefits everyone.

Recommendations



- Clearly articulate the organization's mission and priorities.
- Discuss how the work fits into the overall mission.
- Provide regular updates so employees understand context and outside factors affecting their work.

Recommendations



- Tailor the type of expectations to the particular job— behaviors, results or SMART goals.
- Set ongoing expectations in real time throughout the rating period.

Behavioral Standards and Objective Results



- **Behavioral Standards**

- Can be used in most jobs
- Most relevant for knowledge work
- Example: Treat others with professionalism and respect; communicate clearly

- **Objective Results**

- Best for Jobs with clear, readily measured outcomes
- Measure what matters, not just what can be measured
- Examples: sales quotas, production rates, error rates

Task or Project Goals



- Best for jobs that are dynamic, but in which nearer-term activities and milestones can be defined.
- Closest thing to SMART.
 - Example: Complete XYZ report by Tuesday.

Comparison of Formal and Informal Feedback



Formal Feedback

- Occurs in formal sit-down meetings (infrequent)
- Covers work conducted over time: multiple performance events and competencies
- Initiated, led and controlled by the manager

Informal Feedback

- Occurs spontaneously whenever discussion is needed
- Covers a specific incident—what went right or wrong and what to do differently
- Relies on two-way accountability and interaction

Leader Behaviors to Build Trust/Employee Responses to Trust



Leader Behaviors to Build Trust

1. Make realistic commitments
2. Follow through on promises
3. Keep others informed
4. Show support and avoid blame
5. Share information
6. Protect those not present

Employee Responses to Trust

1. Willingness to follow manager lead
2. Willingness to take feedback
3. Perception of fair treatment
4. Increased innovation and creativity
5. Higher satisfaction
6. Increased effectiveness

Recommendations



- Use job experience as the primary means of developing employees.
- Continually seek job experience that builds performance.
 - Stretch outside comfort zone.
 - Provide opportunities to make mistakes.
 - Entail deliberate practice and feedback
 - Make relevant to role

Recommendations



- Eliminate formal system steps that do not add value or undermine effective performance management behavior.
- Use the smallest number of rating factors possible to cover job requirements.
- Simplify rating scale and requirements.
- Identify tools that will be well received and that effectively drive desired behavior.

Example of a Simplified Rating Scale



	Unacceptable	Failed to meet technical quality standards; work was incomplete, poorly conceived, error-ridden or not well targeted; work performed unsatisfactorily or in an unresponsive manner.
X	Successful	Products and services met expectations, were complete, well targeted and understandable; work performed was responsive and competent.
	Outstanding	Surpassed quality standards and expectations; products were thorough, error-free, ideally targeted and maximally responsive to needs.

Traditional Training/Behavior Change



Traditional Training

- Typically manager only
- Primarily on navigating the formal process
- Focuses on knowledge acquisition, not skill building
- Often disconnected from on-the-job realities
- No accountability for learning or application
- No reinforcement on the job

Behavior Change

- Training provided for both managers and employees
- Deeper dive, focusing on the knowing/ doing gap
- More individualized, using assessment results as baseline
- Uncovers underlying fears and attitudes that prevent change
- Accountability for learning and application
- Tools to facilitate change

Menu of Environmental Reinforcers



- “At a glance” aids.
- Automated tools that drive feedback and development embedded in enterprise systems.
- Attention-grabbing messaging pushed out via automated systems.
- Performance management hotlines and coaches.
- Social networking tools and supports to share experiences and lessons learned.

Performance Management “Old Thinking” and Performance Management “New Thinking”



	Performance Management “Old Thinking”	Performance Management “New Thinking”
Organization Alignment	Cascading goals	Mission articulation and discussions of fit
Goals	SMART goals at the beginning of the cycle	Ongoing expectations as work evolves
Development	Reluctance to discuss; primarily formal training	Part of daily routine; acquiring experience, mentoring
Feedback	Once or twice a year; perfunctory and dreaded	Regular discussions embedded in work
Performance Ratings	Detailed to support decisions, often cumbersome and low value	Simplified; small number of factors defined by standards
Training	For managers on formal system requirements	For managers and employees on day-to-day behavior
Policies and Procedures	Extensive, with documentation requirements	Considerably streamlined
Evaluation, Monitoring	Whether steps are completed or not	Pulse surveys to gauge behavior, satisfaction, results and perceived value

Performance Management at Zappos with “New Thinking”



- Managers provide regular feedback on and examples of behaviors exhibited by employees who embody core values.
- Purpose of tool is to help employees understand how they are perceived.
- Not used for reward or disciplinary purposes.
- Free classes offered to employees on improving behavior that reflects core values.

Performance Management Guidelines Based on Case Law



- Evaluate employees on job-relevant factors.
- Inform employees of expectations and evaluation standards in advance.
- Have a documented process with specified roles for managers and employees.
- Train managers and employees on the performance management process and relevant skills.
- Document justifications for rewards/decisions by managers.
- Provide timely feedback on performance issues.
- Allow employees to formally comment on and appeal evaluations.
- Make sure evaluations used for decision-making are consistent with decisions.

Summary and Conclusions



- Performance management is one of the most difficult human capital systems to implement successfully
- Employees and managers are unconvinced about its value
- Majority of interventions to improve performance management outcomes have focused on making changes to the formal system
- Focus should be on building trust between managers and employees creating a culture that fosters high performance

Summary and Conclusions



- Research has shown that effective performance management behaviors positively affect employee engagement and bottom line results.
- To the extent that changes are made to the formal systems, the goal should be to reduce complexity and administrative demands.
- The strategies outlined in this presentation are more likely to produce sustainable performance management improvements leading to a more successful and productive organization.