

Performance Management or Performance Leadership?

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I left a major multinational after a performance appraisal!

It is true that I had thought that it was time to move on, but it was the performance appraisal that finalised the decision.

Throughout my professional HR career this has been one element of the human resource practice which has remained a challenge. Across the organisations I work with, there is a clear perception that this is an HR system that could be improved, but despite hours of work improving the process by HR, the feedback remains that *Performance management is a subjective, non-productive process which is all about the money.*

While some organisations have disbanded the formal Performance management process altogether, organisations still need to have a way of measuring performance.

How do we recognise our superstars and those who are under-performing unless we have some sort of measurement structure? We suspect however that until we change how leaders view performance management, that any system, no matter how well designed, will produce similar feedback.

The problem, in my humble view, is that we have too often lost sight of the significance of performance management.

A performance appraisal, a formal leadership activity, or as we prefer to call it, a significant *leadership moment*.

Who pitches up to the appraisal, a leader or a KPI output driven manager?

It has been my experience that during a performance appraisal, *the leader*, as much as the team member, is exposed being assessed.

So, how do we turn this distrusted HR administrative process into a positive experience for everybody involved.

When we move performance management from being "management process" to an exercise in leadership we can craft a special experience for the team member irrespective of the formal process. Generally, this approach represents a shift in our thinking. When we do this, leaders stand a chance of doing something special! A process where leaders stop thinking about performance management as a reflection on an employee's past performance and begin to view this process as a deeply considered part of the leadership relationship.

How to do this?

We have identified three elements which could assist to shift performance management to performance leadership.



1. Create a continuous discussion:

Most organisations need a final employee performance score to be submitted on an annual basis. Such a score is used to determine pay, as well as decisions around development and progression. It is almost inevitable that there will be an annual performance review moment. However, most Performance Management systems are viewed as a “black box”. An annual process whose result is hard to anticipate. Nobody can be expected to trust a “black box” moment and suspicion should be anticipated.

There is an alternative. When the annual performance management event is simply the formal recording of a conversation that has continued throughout the year. When this happens, it would be a lot less “distrusted.” Leaders need to be talking to the people they lead about how it is going on a regular basis. In this modern world I would suggest that this should be at least a quarterly, formal discussion and preferably much more regularly than that.

Real Leaders continuously engage with their people to know how it is going with them. They talk to their people on a regular basis about performance and how they can help them to perform. Leaders discuss their people's developmental areas and aspirations continuously. Leaders are honest with their people about a performance deficit and address issues as soon as they emerge.

If these discussions are happening in a structured and consistent way, it is then easy to see how such discussions could culminate into a trusted summery input if required as an annual submission. No secrets, hidden agendas or surprises, just a mature record of the discussion between a leader and a team member.



2. Present your honest subjective assessment.

A real leader has an opinion. Leaders are required to have a view about the performance of their followers, this is what leadership is all about. The leader needs to be constantly looking after their people and checking if they are supported properly. Assessing if they have the skill-sets necessary. Identifying where they are battling, and what the leader can do to help? This is leadership. Leadership is subjective. This subjectivity is not only legitimate, it is an obligation!

However, as discussed above, this subjective view of and employee needs to be transparent. This is not a “black box” experience. The leader needs to do all of this without being confrontational. In my experience, too often, leaders present their subjective views in an objective way. In other words, we present them as a statement of fact.

- Your performance is shocking...
- You are not applying yourself to your work...
- You do not know what you're doing...

All of these statements sound like a statement of fact and will get significant pushback from the person you are addressing. If subjectivity is presented as objective, it is immediately distrusted.

The context should be - I am your leader and I care about your development and your performance and that's why I'm not embarrassed to talk to you about how it's going. - Not in a paternalistic way but with a legitimate concern for your best interest. This means getting rid of accusations, but rather posing wise questions. Using terms like,

- It feels to me...
- It is my perception...
- Do you think...

These statements allow us to present our views in a subjective non-confrontational way.

For example:

- ✓ Is there a reason why your monthly report came in late?
- ✓ It feels to me that that last presentation was not as prepared as it could have been.
- ✓ You seem to be a little "off" today is there something bothering you?
- ✓ I think you have a great skill as a strategist, what can I do to help you advance these skills.

As a leader we are required to have a view, this will be subjective. When we present our views in a subjective way, then our views feel authentic to the people we lead.



3. Move the focus from job functions to roles.

Typically, a job description spells out the day-to-day activities that we expect of a function. There is a higher-level purpose to each position, beyond just the functional activity. We call this a role. When we shift the focus from job description to the role, we change the type of conversation that happens during a performance review.

For example - Let us take a receptionist position, the functional responsibilities could be:

- ✓ answering your telephone,
- ✓ taking messages,
- ✓ keeping appointments,
- ✓ managing visitors in and out of the organisation,

When you sit down and talk to the receptionist about how she is doing, if you focus on the job functions, the discussion will be very narrow and limited to functional activities.

The receptionist role is quite different however, the role of the receptionist is to be the first face of the organisation to all stakeholders.

If you focus on the role, you start talking about the impact that the receptionist is having on the organisation. You start talking about how well visitors relate to the team member and to what extent they are connecting with them. What is the impression of the company created by the receptionist?

This is a completely different discussion and is far more motivational.

Performance leadership (as opposed to management) as a competitive advantage issue.

If exposed to hard output driven performance management most employees become jaded over time. This has a direct impact on the team or worse, on the organisational culture. On the other hand, when employees experience great leadership the quality of the performance appraisal and performance assessment will be based, not on the effectiveness of a system but on the quality of the leadership experienced.

A great performance process has nothing to do with a system but everything to do with whether the person assessed experiences a manager, measuring and monitoring past level of performance, or a leader focused on influencing a high level of personal growth and potential.



Remember a team's culture is always the shadow of its leader.

