

5 Tips on enhancing Performance Management capability

Performance management discussions are one of the most frequently criticised talent management practices, with criticisms ranging from them being an enormous waste of time to them having a destructive impact on the relationship between managers and their subordinates.

The key to achieving an effective performance management discussion requires having a conceptually sound business framework that links and integrates strategy, management processes and comprehensive metrics to an effective process for continuous improvement and productive dialogue.

There are several managerial and leadership practices that determine the effectiveness of performance management discussions including leadership by senior management, management ownership as well as tracking and balancing. Recent Rialto research has discovered that in the absence of a close tie to business strategy, individuals may develop skills and abilities that are not helpful in achieving high organisational performance or in the worst fail to develop their skills at all. In addition, the most effective performance goals are those that are driven by the business strategy and are owned more by line management rather than the HR function.

The key is to develop a complete performance management process which includes goal setting, development, alignment of compensation actions, performance feedback and a goals-based appraisal of performance.

Undertaken well, performance management can boost productivity levels by raising the standards of achievement and increase engagement and motivation.

#1 – Set clear objectives that tie into big picture goals

A major block to effective performance is lack of clarity about ‘what is expected of me’ and how it impacts on the big picture. Targets can be seen as arbitrary if people can’t see how they and their roles tie into the big picture success of the organisation and its goals. Equally, people cannot perform to the required standard if they are uncertain about what that standard is. The biggest mistake with this is in assuming people ‘just know’ what’s required. Never assume. Ensure that expectations are communicated clearly and simply, checking understanding and challenge assumptions.

#2 – Be prepared and remember performance management is a two way conversation

Leaders should be adequately prepared for any review discussion, which should always be based on facts, ideally with examples to demonstrate key points that are raised. The information discussed during these meetings is not theoretical or based upon emotions. Performance is something that must be measurable or how can it possibly be improved upon?

Individuals should be encouraged to participate in the discussions to reinforce that it is about them and the contribution they can make and commit to make. This applies to both good and declining performance discussions. This is a great opportunity to engage in a meaningful conversation with the employee that is open and honest and that involves listening from both sides.

Employees who are not performing up to expectations may have some valid points to be made that require management support and attention so performance can be improved.

#3 – Track progress, communicating both individual as well organisational progress

Don’t just track and report back progress of an individuals performance at single points in time. In addition, remember to provide feedback on performance of the overall business goals so individuals can see how their actions can or have impacted the big picture.

Leaders who excel at managing performance do not wait until the quarterly review or annual appraisal to discuss performance but ensure this is part of an ongoing dialogue that feeds into overall business success. The best way to manage performance is to discuss it on a regular/informal basis and then use formal meetings to confirm and record what has been discussed throughout the year, which leads to fewer unwanted surprises in the review or appraisal.

#4 – Ensure accountability and stick to the process

Reinforce an adult to adult relationship, not adult to child, ensuring that each individual understands the commitment they are making when agreeing performance objectives. Hold all managers from the top of the organisation to first line accountable for using the performance management system equally and with integrity. Build this accountability into the performance management programme and rigorously hold individuals to account, where there is no cooperation. As soon as that commitment wavers, the system will fall into disrepute and disuse - a lot of good progress will unravel.

#5 – Reinforce the process as one of development and learning

Performance management is about bringing out the best talents of each individual – helping them to understand their strengths and fulfilling potential. This can then be formally or informally supported through mentoring, coaching, training specific project exposure or other development activity. Simply highlighting areas for improvement does not lead to improvement itself, individuals need to once again understand what is expected from them. The process of learning is important as is that of learning from 'mistakes' so that the unsatisfactory performance becomes controllable and a positive step.

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