

## Trust in Performance Management

*Yes it is that time of year again, when productivity takes a dive as a large proportion of people run around in circles trying to remember what they have done over the past year and gather information to “prove” it.*

In one organisation I worked with, staff would bring cartons, yes cartons of evidence to prove they should receive a high performance rating and therefore be eligible for a pay rise. Unfortunately, instead of the discussion being about how well the individual had done over the past 12 months it became a discussion about why they did not meet the performance criteria that made them eligible for a pay rise.



Sound familiar? Unfortunately it is all too familiar.

What impact does this have on trust, productivity and the morale of your workforce?

A performance management system provides the foundation for managers and staff to have regular, meaningful discussions around work, ensuring that there is an environment of trust and feedback, and that every individual is supported to do the best job possible ... after all isn't that why we all come to work?

Unfortunately often the performance management system is fine, however the implementation process is not and this means that the discussions are not happening, staff do not know what their manager thinks of their work and they don't feel valued.

Too often the performance agreement, if there is one:

- is developed by the Manager, signed off by the staff member (even if they are not in agreement) and popped in the bottom drawer(s)
- pulled out the week before the performance review meeting when the mad scramble outlined above takes place.

We have heard all of this before haven't we? So let's explore the impact performance management has on trust in the organisation.

We no longer go to work for a company for our life time, or even half our life time. Some will say we now have three different careers in our lifetime, *careers*, so the likelihood of staying with one company for our life time is well gone. However this is a relatively recent development. Twenty or even fifteen years ago, organisations could pretty much depend upon staff loyalty and in return staff "trusted" the organisation to "do right by them".

Nowadays, research tells us that one of the top reasons people leave organisations is because of their manager. What a critical role this is, and even more so at this time of year<sup>1</sup> when over the next two months all staff in an organisation engage with their managers to review the past year's performance and to establish expectations for the coming year. These two months are the cornerstone of the organisation's future productivity and performance and so often we just don't get it right.

In order to ensure that staff feel valued, empowered and own their work, I have outlined below a process for performance management that I have found to be effective in building trust and openness in what can be a difficult discussion for all concerned. This process works well whether you have a paper based system or an "on-line" one.

### ***Performance Planning***

1. Set the scene by having a team meeting where you share your organisation's strategy and your business plan. This way every member of the organisation will understand how their role contributes to the big picture.
2. Work with your staff member to develop their performance expectations. If possible provide staff development to enable them to draft their own performance expectations for you to review.
3. Make sure the expectations are clearly measurable, this avoids misunderstandings at a later stage.
4. Identify how the expectations will be tracked. Staff members need to be able to monitor their own performance rather than relying on you to provide the information.
5. Ensure you both have a copy of the signed performance agreement.

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<sup>1</sup> For organisations where the financial year runs July – June.

## ***Coaching and Tracking***

Once the performance agreement has been signed off you are entering the Coaching and Tracking phase of the process. Regular day to day informal feedback is a wonderful tool for letting staff know how they are doing and what, if anything, needs to change. Where there is poor performance, dealing with it as soon as practical after the event is a must. However, we also need to remember to look over the performance agreement from time to time to ensure we are “on track” with our expectations and to keep notes now and then of things that have gone particularly well for us.

I recommend that that you sit down with your staff member to have a Coaching and Tracking discussion quarterly.

1. Share information prior to the meeting where appropriate.
2. Run through the expectations one at a time, asking your staff member how they think they are going and what if anything they would do differently. Check that they have the resources and support they need to continue to be successful.
3. Where expectations are no longer relevant or have changed ensure the agreement is amended to reflect these changes.
4. Ensure summary comments are drafted onto the form as a record. This could be completed by the staff member.
5. Set a date for the next meeting.

These interim Coaching and Tracking meetings do not take the place of the informal day to day feedback. They do, however, provide you with check points to ensure that there are no surprises at the end of the year.

## ***Performance Review***

When you come to this time of the year, you are now only looking at how well the staff member has performed since the last Coaching and Tracking meeting, say 3months rather than the full 12 month period. The staff member is already aware of how they are performing, and unless something particularly unusual has happened over the last few months, the final performance review discussion is merely a continuation from the previous meetings.

## ***Research***

The Corporate Leadership Council Report published in 2006 combines key findings from previous Council research on performance management, employee engagement, and high-potential employee development. The data was gathered from 135 organisations and more than 90,000 employees. Two of the key findings are relevant here.

- Firstly, the manager’s role as interface between the organisation and its employees requires that managers clearly demonstrate how an employee’s work objectives originate in organisational strategy. Clearly establishing this link has the largest possible impact on employee effort, improving it by 32.8%, and can improve an employee’s intent to stay by 36.4%.

- Secondly, investing time in ensuring employees fully understand their performance expectations can improve performance by 36.1%.

### ***In Summary***

Organisations today need to create an environment of trust, an environment where specific, regular and frequent feedback is provided, where staff are empowered to participate in setting their own performance expectations and are held accountable for achieving them, and where each staff member understands their unique contribution to the organisation's outcomes. Where each and every one of us can do the best job we possibly can – after all isn't that why we come to work?