

Keys to Performance Management

by

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“Feedback is the lifeblood of the organisation” Goleman, Emotional Intelligence 1995

Performance Management is a central task, if not **the** most important task, for leaders and managers in **all** businesses of more than 10 people. With very few exceptions, in order to achieve business results, it is essential that leaders effectively manage the performance of those that work for them.

Of course, leaders also need to conduct strategic analyses, prepare budgets, analyse data, make sound business decisions and communicate effectively. But “getting things done through other people”, or “the effective motivation and management of others performance”, surely represents the essence of what it actually means to be a leader.

It is somewhat surprising, therefore, that such a large proportion of managers struggle to fulfil this crucial aspect of their job effectively. In short, most managers are simply not good at getting the best from their people. In fact, I would go as far as to say, that, based on almost 20 years consulting experience, I believe that the single, simplest way of permanently enhancing the performance of most organisations would be to improve the performance management skills of the leaders and managers.

One of the specific reasons for this is that managers lack **feedback** skills. Typically, they don't give *enough* feedback to their staff, and when they do give feedback, they do so *unskillfully*. I am not denying that there are some individuals who would try the patience of even the most skilled leader. What I am saying is that the current skill level of some supposed leaders leaves a great deal to be desired. Nowhere is this skills deficit more pronounced than when it comes to managing underperformance. All too frequently managers either ignore underperformance, hoping it will improve spontaneously (through some unspecified miraculous turn of events), or they deal with it in true “Attila the Hun” style, or they depend on HR for assistance to facilitate a “sideways promotion” or early retirement.

A second reason that managers struggle to get the best from their people is that they are working with a poorly designed performance management system. Too many line managers in too many organisations work with a performance management system that they regard as an **unnecessary evil** devised by an HR department that has no contact with the real world of work and which is keener to develop more bureaucracy than profitability. Nowhere is this view more sharply defined than with the annual performance appraisal, which line managers feel to be a burden, something to be put off as long as possible, or ideally, to be avoided entirely. Most would probably describe it as something they “have” to do “for HR”. Now, this phrase is in itself quite revealing. Contrast it with the ideal situation, existing in only a very small number of organisations where there is a simple, well-designed, easy to understand and easy to use performance management system. In those very few organisations managers describe the performance management system as something they “choose” to do, for themselves, because it helps them to get the best from their staff. Now **there** is a source of real competitive advantage!