Management Development Program

Module 2
Managing Performance

Contents

2.1 The Value of Performance Management

What is 'Performance'?

The dictionary has a number of definitions, and the one that seems closest to our needs is:

> "A task or operation seen in terms of how successfully it is performed"

But what do we mean by 'successfully'?

We can have staff who perform every delegated task perfectly - the pressure is then on the Store Manager to make sure that those tasks lead to the right long term results. What we need is a collaboration between you and your team that brings together everyone's experience and expertise to drive maximum performance.

The word for this desirable situation is "**engagement**".

According to Gallup[1] research, in 2017, just 10% of European workers were engaged, 71% were not engaged, and 19% were actively disengaged. Engagement has declined since 2012.

9 out of 10 employees are not engaged in doing their jobs.

Disengaged workers cost the UK economy between £59.4 billion and £64.7 billion per year.

Sickness and absenteeism costs anything up to £13.4 billion.

Actively disengaged employees don't just affect their own jobs – they demotivate their colleagues too, especially when their managers are failing to deal with the issue.

A 2008 survey of more than 1,000 employees by Talent Q found that 4 in 10 respondents did not receive a formal appraisal. Managers viewed appraisals as a 'chore' rather than a useful activity to manage the performance of their people. They estimate that poorly planned and executed appraisals cost the UK economy over £2bn a year.

Where good appraisals were conducted, followed by effective development planning, productivity rose by 2.7%, the report found.

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1   State of the Global Workplace - Gallup Report (2017)

2.2 Performance Measurement

Why do we need to measure performance?

You might remember the Team Building exercise from module 1; if one part of the model was out of place, all of the parts built upon it were out of place too.

If we only measure performance by looking at the end result, it's already too late to correct any problems.

Therefore, we need to measure performance at every stage of the process, from the first actions that you take through to the financial measures for the business.
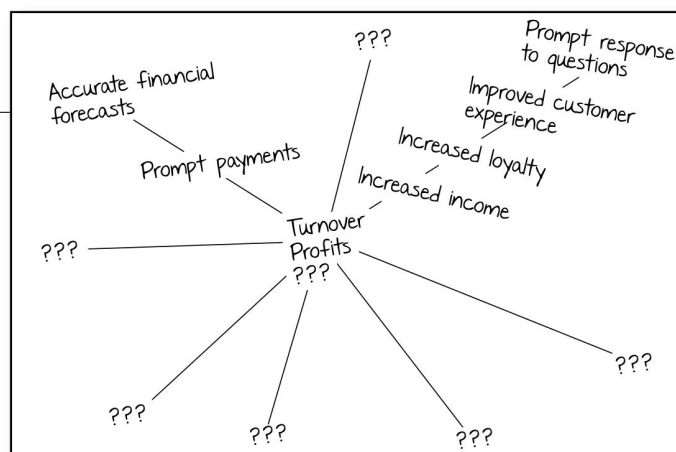
2.2.1 Performance Mapping

Take a piece of flipchart paper and draw a map that show some of the actions that lead to turnover and profit, which in turn enable BACP to grow, to provide a good working environment, and to better support its members and the public.

For example, you might delegate a task, which frees up your time, which enables you to drive performance, which ultimately lead to increased operational efficiency. Or you might coach a member of staff, which improves their performance, which retains a member.
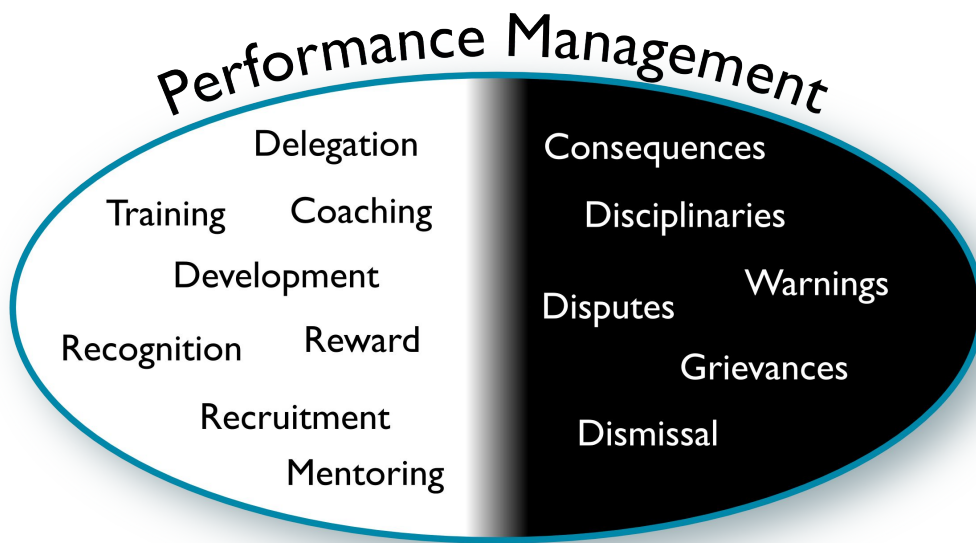
Write the end results in the centre of your paper and note down as many of these connections as you can think of, so the end result looks like a road map.

How do these connections help you to more effectively manage performance?

2.3 Two Sides of Performance Management

Performance management is not only about developing employees. There are some aspects of performance management which some managers are less comfortable with.

Performance Management

Delegation

Training   Coaching

Development

Recognition   Reward

Recruitment

Mentoring

Consequences

Disciplinaries

Warnings

Disputes

Grievances

Dismissal

2.3.1 Underperformance

Discuss the following questions in small groups

How do you define underperformance?

How do you currently deal with underperformance?

What is the most difficult situation that you have had to deal with as a manager?

What made it difficult?

2.4 Feedback

In groups of 3, place a paper target on the floor behind the Thrower.

The Thrower is not to look behind them. The Thrower throws their paper ball over their shoulder with the aim of hitting the target.

The Manager gives feedback with the aim of helping the Thrower to hit the target.

The Observer notices the interaction between Thrower and Manager, and also makes sure that both of them follow the rules of the exercise. Rotate roles so that everyone has a turn in each role.
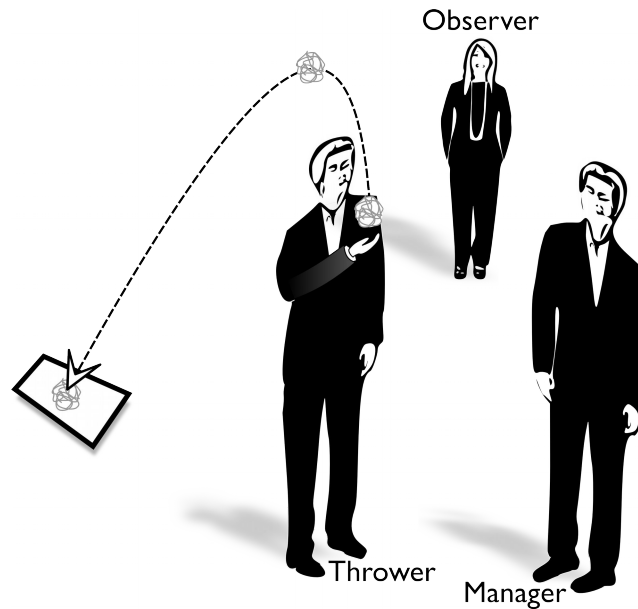
Discuss the critical factors for effective feedback and write them here.

To achieve results, you have to take action.

To take action, you have to make decisions.

To make decisions, you need data.

Data comes from feedback, and feedback comes from results.

Let's say that you want to get a drink. What starts that process off? Data, feedback from your body. Next, you make a decision. You might decide to fetch some water. You then take action to go and get some water.

How do you know that you have achieved your goal? You can see the water. You can feel it. You can taste it. Now that you know you've achieved your goal, you can return to what you were doing before you felt thirsty.

Feedback is always from an external source because it is always based on data coming from external events. Only the Decision stage of the cycle is internal to your mind, that's the only part where you can 'think' about the decision rationally and weigh up options.

Useful feedback is not based on someone's opinion, it is the critical connection in a cycle of internal and external connections that allow you to interact with the outside world. Without feedback, you would be locked inside your own mind.

In order to provide feedback, you have to:

1. Establish feedback criteria

2. Pay attention

3. Offer only the missing information

In 1984, David Kolb and Ron Fry published Kolb's Experiential Learning Model (ELM). The ELM presents a four part learning cycle. We are learning in every moment of our lives, and coaching can accelerate that by shortening the feedback loop.
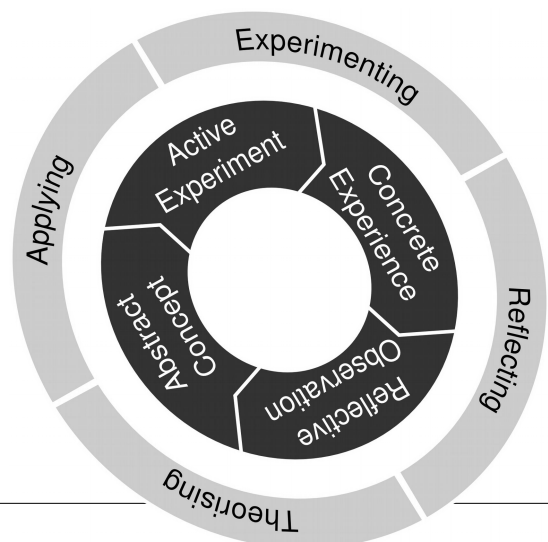
2.5 Objective and Subjective Feedback

One of the biggest challenges that you face in offering feedback is getting the other person to accept it. We all have a self image, and we can feel very uncomfortable and defensive when that self image is challenged.

Therefore, it is important to practice giving feedback based on objective observations, not on judgements. The most difficult part is being able to see past your own bias.

Objective = Defined by external standards and criteria:

"Your presentation lasted for 10 minutes"

"You repeated the subject of your presentation three times"

Subjective = Relative to your own perceptions, views, values, beliefs and judgements:

"Your presentation was too short"

"You should be more confident"

A simple test is this: if you can add the words "for me" to the end of the feedback, it's subjective:

"Your presentation lasted for 10 minutes for me" = Objective, because "for me" makes no sense.

"Your presentation was too short for me" = Subjective, because "for me" makes sense.

To deliver objective feedback, first establish mutually agreed, meaningful measurement criteria.

You can then more easily compare actual progress with your measurement criteria so that the coachee can determine their next step.

2.6 Positive and Negative Feedback

Many people speak in terms of positive feedback (Well done!) and negative feedback (Bad dog!)

This is very unhelpful because it tends to make managers biased towards one or the other.

Managers can begin to feel bad about giving feedback which tends to make them 'soft' when dealing with poor performance. This damages the team as a whole, because if one member of the team is seen to be getting away with poor performance then morale and performance will drop across the team.

Over Performance

Under Performance
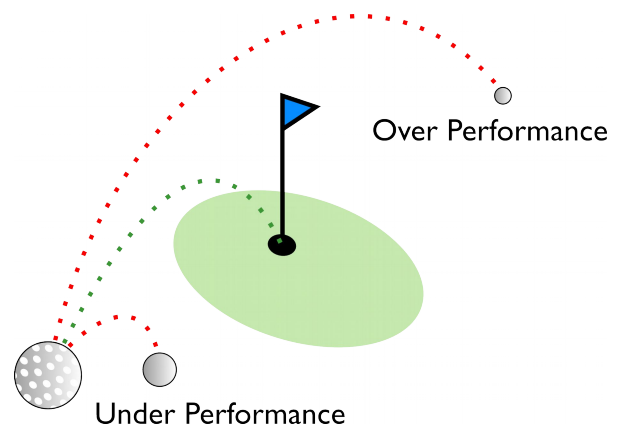
Think of feedback as if you're trying to get a golf ball into a hole. Hitting the ball harder isn't going to help; it's hitting the ball with exactly the right force that achieves the goal.

Positive feedback just means "Hit the ball harder", and negative feedback means "Hit the ball more gently".

+ Do **more** of something to **achieve** your goal

— Do **less** of something to **achieve** your goal

2.6.1 Over performance

When is over performance not useful?

For example, sales people are given a sales target. If they over achieve, that's good because the company makes more money. Except, sometimes that puts too much strain on manufacturing or suppliers, bonus accelerators reduce margin, customer delivery times are extended and the result is lost revenue and disappointed customers.
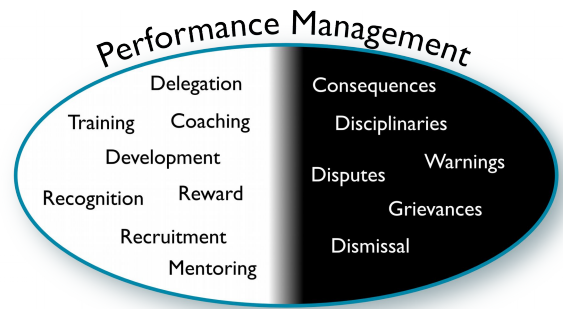
Discuss and note some examples in your own team where over performance isn't always useful.

2.7 Subjective Bias

As a manager, you probably enjoy giving your team encouragement and recognition for their achievements, and you probably feel uncomfortable correcting mistakes or talking about things they've done wrong.

This is why most managers think of performance management in terms of good and bad.

As soon as you judge someone's performance, you are introducing bias. You will tend to look for things they've done right, and avoid small diversions or mistakes in the hope that it was 'just a one off' and doesn't need mentioning.

Performance Management

Delegation
Training   Coaching
Development
Recognition   Reward
Recruitment
Mentoring

Consequences
Disciplinaries
Warnings
Disputes
Grievances
Dismissal

Whether you like or dislike what someone does is irrelevant. Whether you think they did it right or wrong, whether they did it your way or their way makes no difference.

When the end result is clear and mutually agreed, there is only one factor to consider:

Did they achieve the result that you agreed?

If not, then there are two possible causes to consider:

They did not understand the result	They chose not to achieve that result
▼	▼
Was the result mutually agreed?	Was the result mutually agreed?
▼	▼
Was there something missing in your communication?	Did they communicate any lack of motivation, competence or confidence?
▼	▼
Was your feedback frequency too low to pick up the deviation?	Was your feedback frequency too low to pick up the deviation?
▼	▼
Did you use the AIR principles and adjust your feedback in line with their progress?	

2.8 Performance Management

Performance management is very simple. You just have to review the performance of your staff and then give them guidance so that they perform to the level you expect.

Perhaps the most important factor in good performance management is having clearly defined and communicated objectives and standards.

If we take the example of installing some software on a PC, the standard to achieve is that the software is installed. Easy. But what if that software causes other problems? Or the user gets their PC back with all their personal files gone? Or missing its power supply? What if the user has no idea how to use the software? So even apparently simple tasks can be complex when we consider all the conditions that might apply to the standard that is acceptable for the task.

When you are able to clearly define your standards, your team can work autonomously in achieving them, and they can even support each other in that aim.

2.9 Setting Objectives

There are two types of objectives, depending on whether the employee is currently achieving the requirements of their job description, or if there is room for development.

Developmental Objectives

Remedial Objectives
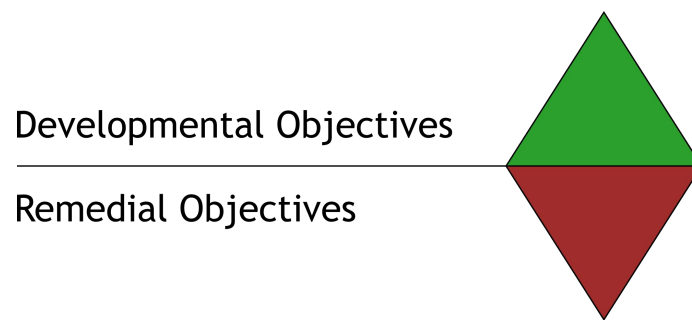
In both cases, there is a balance to be achieved in terms of the challenge presented by the objective compared with the employee's current level of capability or confidence.

If the level of challenge is too low, the employee will lose interest and become disengaged.

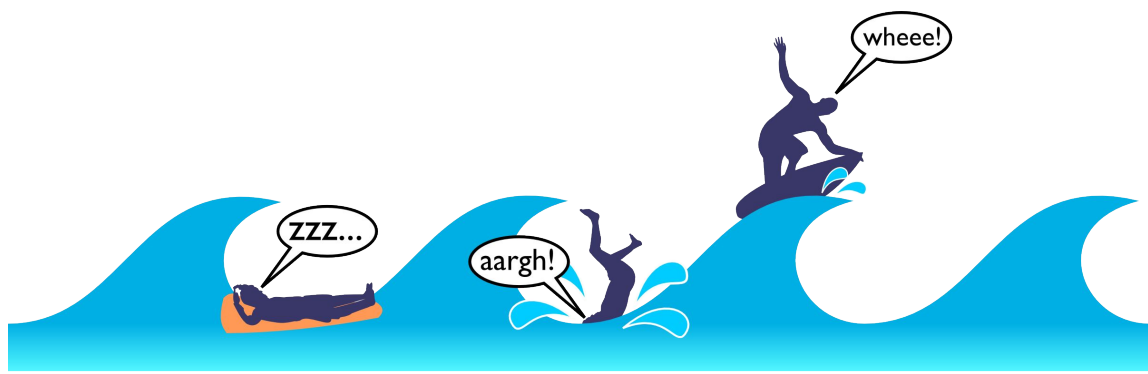If the level of challenge is too high, the employee will lose confidence and become disengaged.

Finding a level of challenge that gives the employee an opportunity to learn and grow is very important.

We don't grow by only doing things that we have done before. Growth requires challenge, but too high a challenge can be demotivating *when that challenge is without support.*

If we can climb the highest mountains and put man on the moon then there is clearly no level challenge that is beyond human capability. However, the people who achieve such feats have a lot of help, and they break the end goal down into many small steps. Each step is a feedback point, where they can ask, "Am I heading in the right direction?"

Consider the game of 'hot and cold' that you may have played as a child. Using only those two pieces of feedback, you could navigate to a target with great precision. You do not need detailed instructions to achieve a result – you need high quality feedback.

As a manager, if you want to develop your team as well as freeing up your own time, you have to find that right level of challenge. But how can you know where the 'right' level of challenge is?

Challenge: Too low   Too high   Just right

The answer is deceptively simple. Set the level too high, and increase the frequency of feedback until the challenge engages the employee. It's just like driving a car, feeling the resistance of the clutch pedal as the car starts to move.
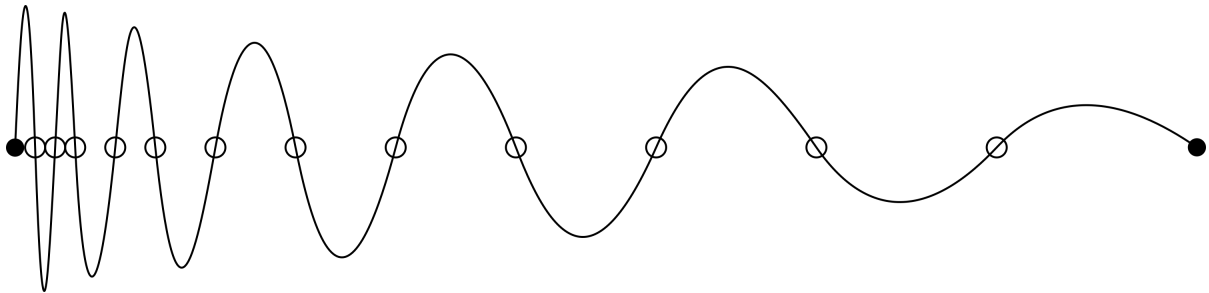
As their experience and confidence increase, they learn to create their own feedback and become less reliant on you in order to stay on track towards the result. The risks we take in life are always relative to the information that is available to us. If we can see that a challenge is at least possible, the perceived risk is lower and we're more likely to make a start.

Finally, remember that an objective is essentially a delegated task, and follows the same principles:
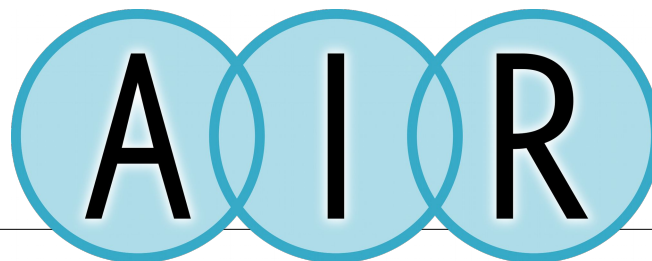
Authority   Information   Result

2.10 Creating Objectives

The BACP Role Profile document contains everything that you need in order to set meaningful objectives for your team.

Each Role Profile has multiple 'principle accountabilities' which contain a number of measurement points that you can choose from. For example:

"To develop, implement and support employee engagement and wellbeing for the benefit of BACP's employees and to be viewed as a first choice employer."

This might seem complicated at first glance, but this actually gives you at least eight measurement points to choose from and to base a limitless number of objectives on.

Let's break down the accountability statement:

"To <u>develop</u>, <u>implement</u> and <u>support</u> employee <u>engagement</u> and <u>wellbeing</u> for the <u>benefit</u> of BACP's employees and to be <u>viewed</u> as a first choice employer."

1. Develop employee engagement plans

2. Implement employee engagement plans

3. Support employee engagement plans

4. Develop wellbeing plans

5. Implement wellbeing plans

6. Support wellbeing plans

7. Measure the benefit of these plans to employees

8. Measure BACP's employment proposition (from whose point of view?)

Each of these measurement points creates an objective when it is compared with the employee's current level of performance. Whether that level of performance is related to motivation, situation or knowledge doesn't matter, they're each handled in the same way, through objectives, which create objective measurements, which create the knowledge or motivation required. For example, figuring out how to measure engagement is an objective which underpins many of those listed above.

2.11 Recording objectives

Objectives must relate to job role and be linked to strategy. Clearly state what the objective is and agree how it will be completed. both the employee and manager must clearly understand the expected result of completing the objective.

Think of the objective as the measurable outcome, not the means to achieve it.

An objective should be phrased in terms of a measure, not a behaviour.

Objective	Completion date
1.	
2.	
3.	

2.12 Reviewing objectives

It goes without saying that it's vital to review objectives which have been mutually agreed and understood. The feedback process is two way, for the employee to think about how they performed, and for the manager to consider the objective and the feedback and support offered.

Objective	
Completion date Note if the objective was completed early, on time or late	
Review & feedback	
Employee	Manager

2.13 Five Coaching Conversations

The Five Coaching Conversation Framework is based on five themed conversations that you have with each of your direct reports, one theme per month, for five months out of six. This means that each topic is covered twice in a year, helping you review development easily. In month 6 you could hold an open discussion, review objectives or focus on something else that you feel is valuable.

1	Climate review
2	Strengths and talents
3	Opportunities for growth
4	Learning and development
5	Innovation and continuous improvements
6	Open discussion

The framework will also help you to keep these review conversations short and focused. There's no particular time limit or expectation, though 15 to 30 minutes would be a guide to help you gauge the scope of the conversation.

It's important for everyone within the organisation to follow the same conversation topic each month, creating a consistent baseline not only for individual development, but for organisational development too.

2.14 Challenging

Instead of giving advice, the coach needs to challenge the coachee to find the answers for themselves. No matter how much the coachee says that they don't know what to do, or they don't have the answers, or they can't create the opportunities, if the coach gives an easy answer, the coachee is getting the coach to do all the hard work – and take the risk - for them. You cannot allow this to happen, because it does not serve either the coach or the coachee, especially within the management relationship.

Telling the coachee what to do means that the coach has taken responsibility for the coachee's results. If the advice doesn't 'work', the coachee can say, "Well, I did what you told me to do!"

The objective for the actions arising from the conversation is not to guarantee 'success', the objective is to create an opportunity to learn. Therefore, whatever the outcome of the experiment, the coach's most valuable question is always:

"What did you learn?"

2.15 The Five Coaching Conversations

1 Climate Review

Job satisfaction, morale and communication.

Determine your team members' views on job satisfaction, morale and communication

Provide a snapshot of the current climate within your team

Identify (and find solutions to) any problems your team may be facing

2 Strengths and Talents

Effectively deploying strengths and talents   .

Identify current and expected standards of performance.

Discuss and agree upon tangible ways to develop performance to match expectations

Align expectations with the future direction of the business

3 Opportunities for Growth

Improving performance and standards.

Identify current and expected standards of performance.

Discuss and agree upon tangible ways to develop performance to match expectations.

Align expectations with the future direction of the business.

4 Learning and Development

Support and growth.

Identify training methods that will build upon your team members' strengths and lift their performance in critical areas

5 Innovation and Continuous Improvement

Ways and means to improve the efficiency and effectiveness of the business.

Obtain insight into your team from its members' perspectives.

Identify how to help your team members improve their efficiency, both individually and as part of the team

2.16 Feedback

When someone isn't performing as you want them to, you need to be able to give feedback tactfully, directly and objectively so that the person knows exactly what standards they haven't met and how they can **learn from it**.

When someone is performing well and you want to reinforce or encourage what they're doing, you also need to give feedback that is specific and objective, so that the person is in no doubt about what you want them to **do more of**.

If you use this simple method for giving feedback, you'll be able to take the emotion out of the situation more easily, which is important for all types of feedback. By dealing with the situation quickly, fairly and firmly, you will have to do far less work in the long run to keep team performance on track, and you will avoid the issues associated with management bias.

What...**Happened**	Be precise and specific about what the feedback is about. If you're vague, your feedback can't help.
What was...**Expected**	What was the original outcome that you had delegated, or what is expected in the person's job description?
Don't...**Leave it**	The longer you leave the feedback, the less effective it will be. Don't wait another minute, tackle it right away.
Make it...**Personal**	No rumours, no guesses, no assumptions. Only discuss what you each personally saw, heard and felt.

After giving feedback using HELP, you can follow up with an objective, thereby creating an immediate opportunity to demonstrate the effectiveness of the feedback. This applies to both remedial and developmental objectives.

Once you've given the feedback, give the person the opportunity to respond to it and explain their actions. If you resort to telling them what they should have done, they will not learn anything from the feedback and you'll be repeating yourself very soon.

When you give them the opportunity to respond, you may then learn that there was a legitimate reason for what happened.

The difficulty you have is in telling the difference between a legitimate reason and an excuse. The good news is that you don't have to. Either way, an objective follows which then gives you an immediate opportunity to see what's really going on.

For example, if you've asked someone to write a report or prepare a presentation, and instead they responded to a customer complaint, you might feel that although they didn't do what you asked, they did something more important instead. Your lack of factual information makes you susceptible to leniency bias – or perhaps even severity bias.

You then have the problem that a member of staff changed their priorities without notifying you, and also failed to report a problem to you... So is this still a legitimate reason? After all, how many people are available to deal with complaints? We might also wonder why you left it so long to give the feedback...

2.16.1 HELP

Review the following feedback statements. Do they meet the HELP criteria? If not, how could they be improved?

H	E	L	P	
				Yesterday, Pat said you're not getting these email responses out quickly enough.
				It's good that you respond to member questions, but there are too many mistakes.
				You're always late and it's not good enough.
				You did a good job on that thing last week, I was really pleased.
				I saw that you arrived at 9:30 this morning, and 9:00 is the normal start time.

2.16.2 Applying HELP

Think of some management issues that you have been faced with recently. Work out how to apply the HELP formula to each one.

Happened	
Expected	
Leave it	
Personal	

Happened	
Expected	
Leave it	
Personal	

Overall what have you learned today about the critical factors in giving feedback?

2.17 Summary

2.17.1 Conclusions

We'll split the group into two teams.

You have 20 minutes to put together a 10 minute presentation, which should include:

- The most important factors for good performance management

- How to set the most useful objectives for your team

- How to give performance feedback

- Measuring the business impact of performance management

Your team will be scored out of a possible 100 points, as follows:

Maximum 25 points - Understanding of key learning points

Maximum 25 points - Demonstration of how to apply the theories discussed

Maximum 25 points - Understanding of business impact of performance management

Maximum 25 points - Audience engagement

Your team's score will add to your individual assessment score.

2.18 Assignment

In the first module, we looked at good delegating practices, and you might have seen some connections with what we've worked on today.

We can only effectively manage performance when we can measure it. You probably have some formal measures in your team, yet you probably also rely on informal measures which you might not have quantified. Furthermore, you probably don't measure your performance as a manager. If that's the case, then how can you improve something that you aren't measuring?

Your assignment for this module is to create at least one performance measure for yourself as a manager. Your job probably also entails operational or technical aspecs as we discussed in the first module. For this assignment, concentrate only on your management responsibilities.

When you've done that, think about how you might track your performance over time. Finally, consider what this shows you about your most valuable areas for personal development.

Finally, write a 600-ish word analysis of what you see as the connection between performance management, measurement and effective delegation. Also summarise what you have learned about your relationship with performance management, and how this is reflected in the culture of your team.

Email your assignment by the due date show in the schedule to peter@genius.coach

Please remember:

Name your assignment file using your name and the assignment number, e.g. fred bloggs 2

Read the assignment question AND the grading criteria which are listed in the program schedule to ensure you stay on track.