

# Managing Performance is a Process, Not an Event

By Patrick Ibarra, The Mejorando Group

**M**ost public sector organizations have mission and vision statements hanging in their agency's lobby, maybe even printed on the back of business cards. However, too few leadership teams have effectively established the connection between the organization's vision, mission and strategy, and the employee's role in making these happen. Performance management is a component of organizational management, much like mission and vision statements, strategy, structure, work processes, and measurement systems. To increase the ability to generate desired organizational results, a performance management system should accurately reflect the direction and focus of the organization.

## Changing Role of Performance Appraisals

Today's conventional wisdom asserts that performance management is no longer a luxury for only the most advanced organizations, but is a necessity for governments to function at an optimal level. Moreover, the past practice of an annual performance appraisal being the sole component of performance management tactics used by organizations must be replaced with a comprehensive and systematic approach comprised of competency models, leadership development, performance plans, goal setting, coaching, performance appraisals and recognition.

The once-a-year performance appraisal practice resembles an event-based approach to managing performance, especially when factoring in that employees work on average 2,080 hours per year. The notion that by spending only one of those 2,080 hours with an employee discussing their performance a manager will be influential is unreasonably optimistic.

As a way of accelerating an employee's performance, a work plan, designed to help the employee excel at achieving the desired objectives, must be co-created by the employee and the manager. In an effort to leverage the work plan effectively, it is incumbent on the manager to routinely meet and discuss with the employee his or her performance and offer feedback in the form of positive reinforcement along with feedback for improvement.

Progressive organizations and their managers approach the idea of providing performance feedback to employees as a means for that employee to calibrate his or her performance; they use feedback and its regular delivery like a dashboard in an automobile. While driving we utilize the indicators on the dashboard that monitor functions that are deemed essential to us continuing; speed, fuel, oil pressure and engine temperature. Each one reflects a vital measurement and together they paint a picture for how our vehicle is performing. Similarly, in order for employees and their managers to recognize and take corrective action about the employee's performance, performance indicators must also be created and communicated regularly.

## Results-oriented Focus

One of the major findings of a national benchmarking study of public-sector agencies was that best practice organizations are using their performance appraisal process as the primary driver in forcing culture change. The change is from being a best-effort culture into a truly results-driven climate. This drive to focus organization members on results and not tenure has placed a new requirement on performance appraisal's shoulders: the expectation that performance appraisals must help fortify the organization.

A results-oriented Performance Management Process (PMP) is comprised of five stages that include shared responsibilities for both manager and employees. The purpose of the PMP is to provide managers with a method to:

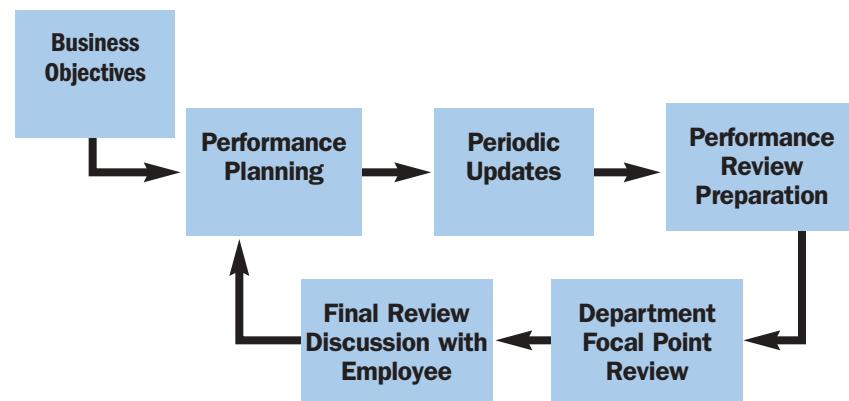
- Evaluate results, skills proficiency and overall performance;
- Establish performance and development plans for and with employees;
- Give feedback and coaching on a regular basis; and

- Share information on employees' career interests.

Through the effective use of a Performance Management Process, the organization ensures that the following objectives are accomplished:

- Individual performance is firmly linked to the organization's goals and objectives;
- Employees are actively involved in the performance management process; and
- Employee growth and development is linked to the organization's business needs.

## Performance Management Process



### Description of each stage:

- **Business Objectives:** The PMP process focuses individual employees on achieving specific results that support overall business objectives and/or your department's strategic plan.
- **Performance Planning:** This should occur shortly after an employee is hired or for current employees within four weeks from the previous final review discussion. The desired outcome is a mutual understanding between the manager and employee of:
  - Major responsibilities,
  - Skill areas,
  - Development plans, and
  - Expectations.
- **Periodic Updates:** At least once per quarter, the employee receives feedback and coaching from their manager to ensure alignment of performance with stated objectives.
- **Performance Review Preparation:** The intent is to create a performance review document (i.e. performance appraisal) for use in:
  - Department focal point review,
  - Salary planning,
  - Final review discussion with the employee, and
  - Succession planning.

During this phase of the process, a manager will ask the employee to provide a self-assessment of progress toward major responsibilities, skill areas and development, as well as obtain input from third parties, work outputs and their own observations. Prior to the manager providing the final performance review document to the employee, the human resources department will review it for clarity. This step is critical since many times employee-related performance issues involving employees arrive in the HR department without much advance notice.

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- **Department Focal Review:** The purpose of this stage is to calibrate performance across departments, discuss employee career potential and finalize the overall performance rating of employees.
- **Final Review Discussion with Employee:** At this point in the PMP process, the manager shares with the employee ratings for major responsibilities, skill areas and overall performance. They discuss employee strengths, areas for improvement and actions for a new development plan.

## Over-reliance on Technology

Frequently, department and line managers presume, often with the endorsement by the human resource department, that once a new performance appraisal form is implemented, the issues they have struggled with in improving an employee's performance will magically be solved. The assumption is that by changing the appraisal instrument and providing it via an agency's intranet along with several technology tools to enter scores and document behaviors, employees' performance deficiencies will be remedied. It seems the majority of time and effort invested by HR department members in making changes to their organization's performance appraisal system is in the area of the appraisal instrument, with little attention paid to helping managers improve their skills and mainly, their confidence, in delivering feedback to employees. In actuality, it is precisely those feedback discussions where the proverbial "rubber meets the road" and performance should be addressed so strengths are continually leveraged and areas for improvement are bolstered.

While modifying the appraisal instrument may be necessary, organizations might want to emphasize less the actual instrument and more the forces driving

performance: clarity of goals, alignment of goals with the agency's overall objectives, frequency and effectiveness of feedback being delivered by supervisors and managers, and skill building of managers in delivering that feedback.

## Steps You Can Take

High-performing organizations have a well-developed performance management process that features several components that function interdependently:

- **Business strategy** — a purpose that provides a clear line of sight between the organization's focus and the employees' responsibilities.
- **Performance appraisals** — employees actively involved in assessing their own performance and timely, balanced and specific feedback delivered by the manager.
- **Performance standards** — competencies are developed for each position along with standards of performance.
- **Goal-setting** — employees and managers work together in setting performance goals that are challenging and contain clear measurements.
- **Reward systems** — powerful incentives are magnets for improving employee and group performance. (*While pay-for-performance has been used in the private sector for some time, it is quickly becoming an acceptable practice in the public sector.*)
- **Strong organization culture** — a work environment that supports the components necessary for optimal organizational performance: managers "macro-managing," collaborative working relationships and accountability.

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## SEGAL

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Often when evaluating an agency's performance management system, many of the following components are found to be either lacking or severely underdeveloped:

- **Business strategy** — unclear and poorly translated to the individual employee level.
- **Performance appraisals** — little — if any — accountability for their effective use and too often viewed as the lone technique available to manage an employee's performance.
- **Performance standards** — vague, but a majority of the time, non-existent.
- **Goal-setting** — generic and rarely changing from year to year.
- **Reward systems** — compensation linked to seniority instead of performance.
- **Organizational culture** — a strong dose of the "we've always done it that way" approach to organizational management.

Based on many of the practices we have discovered in public sector agencies and private-sector organizations regarding performance management, the following actions are recommended to enhance your agency's effectiveness:

1. Align the organizational strategy, structure, work processes and measurement systems so independently and in combination they strengthen organizational performance.
2. Create an organizational culture that encourages optimal performance by injecting innovation as a guiding principle, fostering risk-taking, instilling accountability, achieving desired results and rewarding performance.
3. Implement succession planning, including a set of necessary competencies for all positions.
4. As part of competency development, performance standards should be established and integrated into performance management systems.
5. Emphasize the ongoing nature of communication and its relevance to managing performance. Ongoing feedback and open discussions between

employees and their managers should be strongly encouraged and constitute a component of your agency's performance management process.

6. Put into practice a pay-for-performance plan that links employee performance with organizational results.
7. Define the leadership and employee behaviors necessary for optimal individual performance and organizational effectiveness.
8. Highlight the value of employees and managers working in partnership to co-create an individual development plan that is designed to enhance the employee's strengths and positively impact areas for improvement.
9. Strengthen the role of individual development plans by including sections focusing on actions to be taken, strategies and tactics to operationalize the actions, timetables and expected outcomes.
10. Schedule training for all managers on performance management process, both the "what" and most importantly the "how." Skill-building workshops should focus on writing effective performance reviews, coaching, communication, delivering continual constructive feedback, delivering the tough performance message, and developing employee's capabilities. Evaluate the effectiveness of the training as well.

Improving an organization's performance management approach is about doing 100 things 1 percent better instead of one thing 100 percent better. No silver bullet exists to remedy an organization's performance deficiencies. However, significant progress can be realized by implementing these 10 recommendations to move an organization towards a performance management system that aligns employee behavior and performance with organizational goals and desired outcomes.

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