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Performance Management - An Alternative View

Written by Tammy Tansley of iHR Australia

With the **growth** of adverse action and other claims under the new legislation, effective performance management continues to be seen as an effective measure to help **protect** employers.

There has been lots written on performance management and much of it implores the employer to follow **due process** and keep proper records and documentation in case there is ever a need to rely upon it in a **tribunal**.

But a number of recent examples have made us think that while employers are getting the *'how'* of performance management and appraisals – many are still missing the **true value** of the *'why'*.

True performance management surely is about communicating on a regular basis how an employee is performing in their role – providing opportunities to **highlight their strengths** and having *genuine* conversations about **weaknesses and areas for improvement**. It's about determining whether the role is a **good fit** for the employee, and what **development** they need to learn and grow. It's about 'checking in' with the employee as to how they're finding the role, and ensuring a **clear line of sight** between their role and the broader organisational strategy.

Two recent examples have highlighted that this approach to performance management is just **not** working. In both examples: the employees had been identified as 'high potential talent' by their employers – one a large bank and the other a well respected energy company. In both cases, the employees worked extremely hard, had good relationships with their teams and contributed effectively to organisational performance. And in both cases, when it came time for the annual review – both employees received a *'less than adequate'* **performance rating**. And neither of

them saw it coming.

Rule no. 1

So rule number one of any performance management system is that there should be **no surprises**. These companies with their well-honed HR systems certainly had the systems or the 'how' of performance management well entrenched. And yet – the systems failed.

In the first case - the employee was new into a bigger role and was struggling with a number of aspects in the change of role. Rather than provide feedback and coaching on these areas – and ensure the employee was aware and able to learn and improve – the team leader simply **accumulated the examples** for the end of year appraisal as 'proof' that the employee wasn't up to the task.

Rule no. 2

If rule number one is no surprises, then rule number two is that *regular* feedback **good and bad** is the key to effectively using the performance management process. Yes, giving feedback on areas of improvement can be **hard** and it is tempting for a team leader or supervisor to avoid such conversations – but not giving the employee the opportunity to learn and develop **reflects poorly** on the team leader or supervisor. One of the best ROI from a training perspective that organisations can invest in is **teaching** team leaders, supervisors and managers **how** to have these genuine conversations on a regular basis. So *less* emphasis on the 'how to fill out the form' and 'what this years' process is' and *more* on the 'why' we have performance appraisals. One of the **best examples** of performance management I have come across in recent years was a company that had no forms, no formal systems – just an absolute and organisational wide **commitment to clarity** of role function and ongoing regular **two way feedback** between employer and manager. That company is out performing industry expectations and has won awards for the way it manages its employees.

Rule no. 3

In the second example, the employee had had a change in manager just prior to the annual performance review. The manager elected not to solicit feedback on the employee's performance for the year from the previous manager – and again cited a number of 'stored up' examples to illustrate his claim that the employee was not performing effectively. There followed a **protracted series** of meetings and correspondence where the employee felt compelled to respond and provide proof of outstanding performance for a significant part of the year. The result – a relationship

damaged and trust **eroded** . So rule three – as a manager if you weren't there, if you don't have the full story – then take the time to find out.

The above examples reveal situations where **real time feedback** and coaching would have *improved* performance and maintained the relationships and engagement of the affected employees rather than producing **disillusioned** employees. Performance management systems tend to focus on the work of the employee rather than also looking at the **manner** in which their manager has contributed to their success or otherwise through good coaching, feedback and developmental opportunities. Wise organisations will **look beyond** the appraisal ratings and see what opportunities there are to learn about the way the system is working or not.

For more information on iHR Australia's Coaching services or Performance Management workshops please visit our [website](#) or contact us on **1300 884 687**.

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iHR Asia Pty Ltd trading as **iHR Australia**.
Head Office - Suite 14, 828 High Street Kew East, VIC 3102. ph 1300 884 687

