

Refreshing Performance Management

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Themes for Today

History of PM – have we over-complicated it?

Do we all agree what PM is (and isn't)?

Criticisms & contradictions

What has happened to PM in the Pandemic?

What do employees want from PM & should we give it to them?

Clear expectations, support & clear feedback

Line managers – customers or custodians?

Performance Management Timeline



PERSONALITY BASED APPRAISAL

- Based on command & control approaches in the military
- Strongly linked to promotion
- Character & personality traits rated
- *'I would not breed from this soldier'*

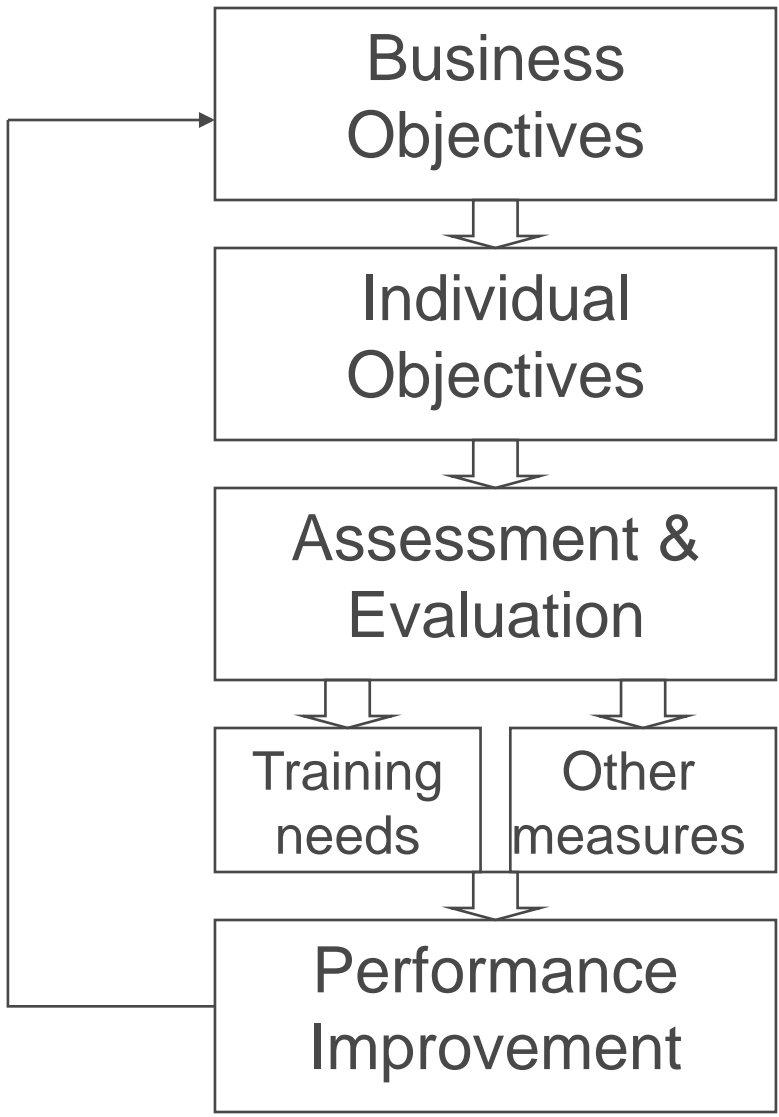
PERFORMANCE BASED APPRAISAL

- Top down
- Annual ritual
- MBO (IBM model)
- Bureaucratic
- Owned by HR

PERFORMANCE MANAGEMENT

- Joint process
- Continuous review
- Link to pay less direct
- Stronger development focus
- Less bureaucracy/ ceremony
- Owned by the line

A simplified (ideal?) PM framework



Mission

Values

'Line of sight' – role clarity?

'Contracting' principle

SMART

Objectivity

Authentic feedback

Mitigating circumstances

Remedial or 'growth'

Current or future role?

Contingent rewards

Capability improvement

Results

Challenges & common criticisms of PM

- Time consuming bureaucracy with little identifiable benefit
- Too retrospective
- Trying to do too many things
- Toxified by attempts to link pay & performance
- Commitment, 'bandwidth' and capability required of mainly resentful line management
- Ambiguity of performance definitions and drivers
- Subjectivity of measurement and judgment
- More a means of exercising power and control rather than driving motivation and development

Key Tensions & Contradictions in PM

- Espouses meritocracy **but** reinforces patronage
- Encourages cumulative skill formation **but** rewards short-term gain
- Encourages openness about development needs **but** rewards those with fewest of them
- Needs managers as **advocates** of PM but allows them to be **apologists** for it
- Works best as a process **but** is used like a system
- Performance is increasingly collective, **but** PM emphasises individual endeavour

What do ratings measure?

Although it is implicitly assumed that the ratings measure the performance of the ratee, most of what is being measured by the ratings is the unique rating tendencies of the rater. Thus ratings reveal more about the rater than they do about the ratee'

Source: Mount, Scullen, and Goff, *Journal of Applied Psychology*, 2000

Displacement costs?

'...found that completing the forms, holding the meetings, and creating the ratings consumed close to 2 million hours a year. As we studied how those hours were spent, we realized that many of them were eaten up by leaders' discussions behind closed doors about the outcomes of the process.

We wondered if we could somehow shift our investment of time from talking to ourselves about ratings to talking to our people about their performance and careers—from a focus on the past to a focus on the future'

Change for Changes sake?

'Managers recognise the need for frameworks of HR policies and processes, but think HR makes these more complex than necessary and changes them far too often. For example, they do not see yet another revision of the performance review forms as improving performance. They are looking to HR for really deep understanding of how to get the best out of people, and then practical support in achieving this'

Dr Wendy Hirsh, IES

PM in the Pandemic

- Used by some to emphasise continuity
- Shift in focus from inputs to outputs? What do we mean by 'performance'?
- Showed that a very 'top-down' approach may have limitations
- Helped to emphasise that PM is a set of processes & not a form
- Tested the capabilities of line managers

What do Employees Want?

Most important features of PM

- Clear feedback on my performance
- Recognition for the work I've done
- Clarity over what is expected of me
- Opportunity to reflect on my skills

Least important features of PM

- Understanding how my work contributes to the wider purpose of the organisation
- Chance to get coaching or mentoring from my line manager

Feedback

- Minority say they feel they get open & honest feedback on their performance
- Prefer spontaneous feedback rather than feedback 'saved up' for review meetings
- Most managers confident that they give good feedback

A good line manager...

- *'Trusts me to get on with my job'*
- *'Has a good understanding of the demands of my job'*
- *'Is consultative/asks my opinion'*
- *'Gives me authentic feedback'*
- *'Interested in my wellbeing'*

Least important:

'Someone with technical or professional expertise in the same field or discipline as me'

What do Line Managers Think?

- Consistently higher self-ratings than given by employees (on development, poor performance, 'modelling' good practice, feedback)
- Least confident about coaching & mentoring
- Very confident about identifying potential
- Most say they can't always devote time to 'people management'

Questions

- Is PM 'fit for purpose' in your organisation?
- Where are the 'pain' points? The most urgent aspects to 'fix'?
- Has 'lockdown' really changed to terrain or is PM resilient to disruption?
- Is the disconnect between what employees want & what PM offers similar in your organisation?
- How well is line manager 'bandwidth' & capability suited to making PM work better for you?

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