



What's your  
number one tip for  
better performance  
management?

### Tip 1 Effective and timely follow-up with employees will catch early signs of poor performance

By Brett Morris, chief executive, The Fortune Group

With performance management being so critical to a team's success, it's tempting to analyse it every which way and devise an holistic approach to perfecting it. While that may have merit, in our view there's a powerful and simple underpinning to performance management: effective managers and leaders always inspect what they expect, because people respect what managers and leaders pay attention to and follow up on!

Why do you take your car in for regular service checkups, usually when nothing's wrong with it? Because you know that you can't just expect it to perform well for years on end; you must inspect it to ensure it's equipped to continue operating. Just as importantly, you inspect your car on a frequent basis to detect any signs of larger problems.

The same goes for effective performance management, whether it's a system or a leadership imperative. When delegating tasks or projects to employees, it's common to agree what outcomes you expect and then leave them to get on with it. But it's vital to follow up on their progress so you know if they're on track to complete the tasks as expected. People don't respect what you expect, they respect what you inspect.

Just as you have your car inspected to catch any signs of larger problems, likewise effective and timely follow-up with your people allows you to catch early signs of poor performance. This is critical because if you don't catch and confront poor performance early, employees instinctively take your lack of action as a signal that you condone whatever it is they are doing, in effect saying "it's okay".

With so many obligations throughout the workday, how can you remain vigilant in 'inspecting' what you delegate and expect? The key is recognising that you also have a responsibility for ensuring successful completion of the task, because in the eyes of the organisation the buck stops with you. Managers who fail to accept this psychological ownership, of being accountable, neglect to follow up and inspect their people's work. Using the car analogy again, if you don't take it in for a checkup for 10 years, it's not the car who's responsible for breaking down - you are.

So retain that ownership, and even with a heavy workload, you'll find you instinctively inspect what you expect. Improved personal and team performance will follow.

Let's have a chat...

## Tip 2 Don't be complacent; take the time to know your employees

By Andrea Boyle, HR leader, GE Energy Australia & NZ

Get to know your employees – really know them. Understand what their real capability is. Understand what their passion is and use that information to engage them. Stay in touch, read the signs and act early. Don't think that things will improve by themselves over time. You need to get involved and help employees work through the issues.

It starts with the recruitment process. Selecting employees with the right cultural fit and behaviours is key. Understanding the dynamics of the existing team and how the new employee will fit with the rest of the team really helps. So, you really need to know your team well. We ensure that managers take ownership of the selection process to help drive this.

Setting goals, expectations and providing ongoing feedback are also important in driving a culture of high performance. We have a formal process that supports this but it needs to happen every day. Employees need to know how they are contributing and that what they are doing is valued. When they are off-track or performing under par, they need help to understand why and how to improve. Tying it all together is GE's process for aligning compensation with performance. GE has a rigorous assessment process that sends a message to its people telling them they will be rewarded for high performance.

We really value leaders and senior team members with strong coaching skills and try to develop this skill in our organisation, as they should be the enablers of the above.



## Tip 3 Create a well designed performance management system based on clarity, climate and competence (the 3Cs)

By Pia Lee, CEO, LIW

Managers dread them and employees resent them, so why go through the pain of performance appraisals? Well-executed performance management can create all the conditions for both the individual's success and the success of the organisation as a whole.

Top performing organisations realise that employee engagement is central to driving results and, therefore, develop an aligned system which supports it. Organisations with optimal engagement have 2.6 times the earnings per share (EPS) growth rate compared with organisations with lower engagement in the same industry (Gallup 2010).

A performance management system is the cornerstone of Organisational Leadership Architecture. Put simply, this is the process by which an organisation engages with its workforce to achieve its goals.

A well-designed performance management system will provide a framework for regular discussions about three specific conditions: clarity, climate and competence (the 3Cs) which determine success.

These are firstly the Clarity of key accountabilities, goals, objectives, standards and how they align to the strategic direction. Second, the Climate required to do the job which includes the environment, resources and culture. And finally, the Competence, including the behaviours, knowledge, skills and attitude required for the individual to fulfil their longer term potential.

If a leader can project that their intent is positive, then a more genuine conversation where self-disclosure, two-way feedback and problem solving are the norm will take place.

The vital ingredient, therefore, lies in the leadership style that supports the performance management system: the leader should be positioned as a super coach rather than a micro manager so they can address difficult issues, build understanding and enable learning of the lessons of past performance.

Asking three fundamental questions forms the basis of any coaching conversation: What are you trying to achieve and why? Where are you now? What do you need to do next?

Most companies invest in the 'systems and process' side of performance management. While this is valuable, it's only one piece of the puzzle. The key is to ensure that there is a quality conversation, which strives to create the conditions for future shared success.

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