

The Secrets Of Performance Management

How to get people to do what they are supposed to.

When George took on the top job at a prestigious high profile company he thought it would run like clockwork, such was the public perception of this quality business. What he didn't realise, was that the reputation was founded on just a few brilliant people and the product they had developed. The rest were merely trying to manage the chaos. Most people were reactive, even though the previous CEO had worked with the Board to develop a very effective set of strategic plans.

George reasoned that if everyone knew what to do, and did it, his life would be easier. He sat down with his senior managers and discovered to his amazement that the first part was missing. They weren't sure what to do. And if they thought they knew, they were not totally convinced, so there was no real motivation to do it. On top of that, there were some amongst them who were positively disruptive, which added to the chaos.

He was concerned about his team, and their people working together. He had read Jim Collins' book "Good to Great" and firmly believed that he had "to get the right people on the bus and the wrong people off the bus". He saw this as being the key priority as with the right people he could then work out what had to be done. As Jim Collins put it "if you begin with "who" rather than "what" you can more easily adapt to a changing world."

George approached his external advisors and they showed him the Iceberg Model described by Milkovich and Newman in their book "Compensation". This helped him think about how he could define the right people. The model helped him define some of the key elements. Those elements more easily identifiable, like the top of the iceberg, are above the water:

Knowledge - Information that a person has in a particular area

Skills - Behavioral demonstration of expertise

Those that are "under water" and not visible but rather can only be inferred by actions are:

Self-Concepts - Attitudes, values and self-image

Traits - A general disposition to behave in a certain way

Motives - Recurrent thoughts that drive behavior

Psychologists say these last three are judged to be the *differentiating competencies - critical factors that distinguish superior performance from average performance.*

With his external advisor, he spent time with his key managers defining these underwater traits or "core competencies". He started with the values the organisation had established and developed descriptions of the competencies the team thought were necessary to take the business forward.

These described the type of qualities people needed to be successful in the organisation. These were then developed into specific behaviours which could be observed. Interestingly, he noticed a degree of discomfort among the ones he considered disruptive. He knew they realised they did not fit in and he was going to pay particular attention to their behaviour from now on. He was determined to provide all the help he could to have them change but if this didn't work, he realised they would have to get off the bus.

George knew that he had to work together with his key managers and clearly define what people needed to achieve to move forward.

Over a period of weeks he again worked with some external help and his managers to design jobs that delivered the strategic plan which was already in place. They were defined in terms of key result areas and each had measures against them. He examined them in total and satisfied himself that, if they were all delivered, the overall corporate objectives would be achieved.

George had selected some of the "right" people, defined what had to be achieved to deliver the strategic plan and also how they had to work together. He knew he now had to manage his people using this as the framework. This required communicating these requirements to everyone and regularly reviewing progress against them. He made this the basis of his performance management program, trained all managers in how it worked, how to set goals and how to give feedback. He then had it flow down to the levels below his managers and also had them trained. He felt he was now more in control of the business and could build in development plans for his people to meet the goals and competency standards he had set.

He now felt he had the right people on the bus and a process to manage them and make sure the bus went in the right direction. He could now spend more of his time leading them in that direction and planning how to celebrate their sustained success as an *organisation* and not have to rely on a few key individuals.

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