

Good performance management demands leadership

Although performance management is viewed as necessary it is an unpopular organisational process. On the face of it the approach is sensible: set objectives, review performance against them, and develop new skills to address gaps. However, in practice it often fails to draw out the best in people. If people show initiative, creativity or leadership, it is despite rather than because of performance management.

The issues with performance management

Whilst some managers embrace performance management with enthusiasm, many show great reluctance. There is a range of reasons. Managers may not feel comfortable judging the performance of others, or feel they lack the skills necessary for providing feedback. They may not know how to handle difficult emotions and so may avoid giving honest feedback. They may feel concerned about the links between their ratings and salary or bonus payments, and so inflate their ratings. They may simply feel they have higher business priorities.

Employees can be equally confused about the value of the process. Sometimes they may be shocked by critical feedback that has been stored up over several months, or alternatively dismayed by either the absence of feedback or their manager's lack of discernment. If there is a disagreement about performance they may feel unable to challenge their manager's judgement without causing a rift. At best, performance management may feel like a useful but dry process, a helpful description of organisational expectation rather than a harnessing of personal drive and vitality.

Performance management is an adaptive challenge

In their book *Leadership on the Line* (2002), Linsky and Heifetz makes a distinction between technical and adaptive challenges. Technical challenges can be solved through existing knowledge and processes, whilst adaptive aspects involve a change in attitudes, habits and identity. Performance management comes alive at the point where employees are invited to express their talents and motivations within their roles. Because role performance increasingly demands employees to show leadership to meet unforeseen challenges or to manage complex issues and relationships, performance depends on harnessing employees' initiative and discretionary effort, on drawing out and connecting their personal qualities with organisational purpose and performance. To evoke leadership, the process has to get personal; performance management needs to be performance leadership.

Leadership is about connecting people with organisational purpose

It turns out that performance management is the place where leadership really 'hits the road', where the capacity to draw out the best in others is translated into specific, measurable goals that contribute to the overarching purpose of the organisation.

Getting performance management to work well is in itself an adaptive challenge.

Here are three suggestions for addressing it:

First, provide tools and training for managers to be able to make more sophisticated and consistent judgements about potential and performance. For example, I have found that using a simple diagnostic leadership framework that others can readily relate to, leads to more expansive conversations about people – both evoking more self-reflection by managers on their own qualities, as well as greater understanding of employees about what will be required to achieve performance.

Second, provide training for managers to look at their capacity to have courageous conversations. Often the fear of tackling a performance issue is greater than the reality. Confronting these fears and practising specific conversational skills can open the door to performance conversations that are engaging, direct and supportive.

Third, offer feedback to managers about how their performance management conversations are perceived by employees. This feedback can then form an important input into the performance management process for the manager. In this way managers are encouraged to shift perspective, considering both sides of the performance management experience. In time, their modelling of leadership conversations can evoke precisely the qualities required for leadership performance from others.

Linsky M. and Heifetz, R. *Leadership on the Line: Staying Alive through the Dangers of Leading*, HBS Press, 2002.