

“Rich, practical guidance covering all aspects of motivating, managing and supporting people.”

Peter Cheese, CEO, Chartered Institute of Personnel and Development (CIPD)

The Performance Management Playbook

15 must-have conversations
to motivate and manage
your people

HEDDA BIRD



Praise for *The Performance Management Playbook*

'An excellent book to help you manage people and performance. The conversation guides and toolkits make for simple application of the ideas.'

Andrew Haigh, Chief Executive, Newcastle Building Society

'This is a book to help you tackle all the challenges of managing people. You'll find yourself referring to it every week for advice on everything from setting challenging expectations for a high performer, to nipping performance problems in the bud.'



*Claire Zuurbier, Global Digital Transformation Director
at Compass Group plc*

'A robust, no nonsense guide to getting performance management right. Simple, practical toolkits that all managers should have in their kitbags'

Victoria Anthony, Group Human Resources Director, Galliard Homes

'Optimising the performance of your people is vital for every successful manager and leader. This book provides rich, practical guidance covering all aspects of motivating, managing and supporting people to give of their best. Something for everyone in a fast changing and demanding world of work.'

*Peter Cheese, CEO, Chartered Institute of Personnel
and Development (CIPD)*

Growth 	Law firm: Profit per partner	Specialise in premium priced area of law Cross sell multiple legal services to all clients Maximise the number of billable hours per employee
	Insurance: Policies per customer	Offer multi-buy discounts Learn more about each customer Develop policies to appeal to existing customer base
Service quality 	Biscuit maker: Total number of biscuits sold	Find distributors in new markets Reduce selling price of biscuits Redesign packaging for more shelf appeal
	Hospital: Mortality rates	Raise hygiene levels Better clinical diagnosis Effective teamwork on care delivery
	Parcel delivery: Percentage of packages delivered within 24 hours	Improve accuracy in sorting depots Increase number of drivers/delivery vehicles Provide better driver route planning



Toolkit: what are your organisation's business drivers?

Use the examples from the table above to help you get started.

Step 1

Identify the corporate measures of success. They are often included in a corporate strategy document.

Or:

- Ask your manager.
- Listen to the numbers senior leaders present at meetings.
- Look at your own KPIs.
- Look on your organisation website.
- Look at investor documents.



Step 2

Identify how your organisation aims to *impact* the measures. How the strategy is to be implemented may be found in your corporate strategy document.

Also refer to:

- Your manager.
- Department business plans.
- Function strategy documents.
- Change or transformation project plans.

Step 3

Summarise what you find into three or four methods of impacting the strategic measures (again, use the table above for examples). These are the *drivers* for *success*.

This toolkit may take you a little bit of time – it will be time well spent.

- You will now have a much deeper understanding of the things that really matter.
- Your potential to deliver the strategy successfully will have risen (probably massively).
- Your potential to lead your peer group as well as your team will have increased, improving your opportunity for advancement.

Armed with a much-enhanced understanding of what makes your organisation successful, you can start using a more effective way to set expectations for your team.

SMART goals

I expect you have heard of SMART goals. SMART stands for specific, measurable, achievable, results focused, and timebound. Since the 1970s, many organisations have required their employees to set SMART goals on an annual basis, sometimes linking pay to how well goals have been achieved.

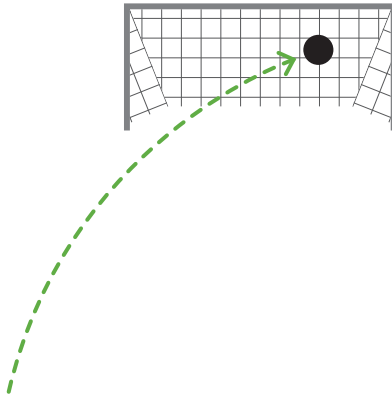
As it happens, I'm not a particular fan of personal SMART goals. I think that a lot of the time spent on 'SMART goal' training is pretty much wasted time and, the more formulaic the training, the more it is a waste.

You can teach a reasonably bright 14-year-old how to write SMART goals (and, in many schools, that is exactly what they do).

I need to put my hand up here – I have earned money, good money, teaching people how to write SMART goals.

Hand on heart, I suspect it didn't make a lot of difference to what those people did or did not achieve in the following year.

Does that mean goals don't matter? Of course not. What has led me to look again at SMART goals? It's that I see so many organisations insisting employees set annual SMART goals, yet most employees admit that they don't look at their goals from one appraisal to the next – as much as a 12-month gap. So not much value created from all that effort.



There are some situations where individual SMART goals may be helpful. This is most likely when your team have:

1. A clear plan from your manager showing how the strategy can be turned into action for your team (usually done through a process of cascading goals from senior managers down to the front line).
2. Work that is easy to 'count', so there will be no argument about the level of achievement.
3. An unambiguous way to define performance standards (what does good look like).
4. A consistent environment, unlikely to change over the course of a year.
5. Complete, or nearly complete, control over how well they perform – they are not dependent on others for their success.





As you see from point 1, you cannot set good SMART goals, aligned with the strategy for your team, until you have received your goals from your manager.

If your organisation requires you to agree individual SMART goals with your team, here is a practical method to do it.



Toolkit: how to set smart goals

Use this ABC approach for each goal that you need to set. I recommend no more than six goals per person, one of which should focus on self-development.

- A. 'I will (action) in order to (impact or result).'**
- B. 'The measure of my achievement/progress will be (measure or standard and a timing where relevant).'**
- C. 'The expected outcome of my work will be (statement of likely impact of delivering the goal).'**

Note that the *measure* is not the same as the *outcome*.

Lots of SMART goals go wrong by using the *outcome* to measure performance. Here are some worked examples to show you how easy it is to go wrong, and some suggestions to indicate how you can correct it.



EXAMPLE

OVERALL AIM	REDUCE ACCIDENTS		IMPROVE CUSTOMER SERVICE	
	NOT USEFUL	MORE USEFUL	NOT USEFUL	MORE USEFUL
A. I will (action) in order to (impact or result).	I will reduce the number of accidents this year.	I will arrange staff training/review safety notices/ implement new safe working practices in order to reduce our risk of accidents.	I will ensure the team answer the phone in three rings.	I will improve customers' experience of calling us.
B. The measure of my achievement/ progress will be (measure or standard and a timing, where relevant).	The measure will be a reduction in accidents this year.	I will measure progress by the number of people completing training/approved signage in position/ full sign-off from Health and Safety inspectorate.	How often the phone is answered in three rings.	I will measure progress by increasing the number of calls resolved first time, and reducing errors in follow-up actions.
C. The expected outcome of my work will be (statement of likely impact of delivering the goal).	The outcome will be a reduction in accidents this year.	The expected outcome of my work will be a consistent reduction in accident rates and time lost to accidents over the year.	The outcome will be the phone is more frequently answered in three rings.	The expected outcome of my work will be a better customer experience as shown in higher customer satisfaction.

If the SMART goal is well written, you and your employee can properly agree what should be done. You can also both assess performance in relation to this goal at the end of the year.



But let's take a closer look at what you and your employee have just agreed. Does it add any value, or is it – dare I say – a rewrite of the job description? Is it anything more than a list of tasks?

Why SMART goals might not be working for you

Setting goals for individuals that actually improve organisation performance is quite tricky. These three problems frequently come up:

1. *Turning a business strategy into something people can do is difficult*

How can you write a goal to 'improve productivity' or 'innovate' or 'grow' if you aren't really sure what these things mean in the context of your team's work? To tackle this, focus on how your team will impact the business drivers when you are setting goals.

2. *It's a VUCA world*

Annual SMART goals or objectives don't work very well in VUCA environments – that is organisations where the environment is volatile, uncertain, complex or ambiguous. The only certainty for many people at work is constant change. Even people who have been doing 'the same job' for 30 years will tell you that everything is always changing. To tackle this, you will need to revisit the goals at least once during the year, usually at the half-way point, to see if they are still appropriate.

3. *How good is good?*

For many roles, SMART goals are hard to pin down. Take 'communications' for example, a pre-requisite for success in many roles. Here's an example around written communication:

- A SMART goal for communication may say something like 'ensure all proposals are correct, without grammar or spelling errors'. This is precisely measurable but doesn't do much to impact organisation performance.
- Or the goal might be 'write high-quality proposals', leading to endless debate about what is 'high quality'.