

Performance Management – A Balanced Approach

Over 40 years ago, a classic article entitled “An Uneasy Look at Performance Appraisal”, was written by Professor Douglas McGregor for the Harvard Business Review. In his article, Professor McGregor described the objectives of an organization’s performance appraisal process as follows:

Formal performance appraisal plans are designed to meet three needs, one for the organization and two for the individual:

1. They provide systematic judgments to back up salary increases, promotions, transfers, and sometimes demotions and terminations.
2. They are a means of telling a subordinate how he is doing, and suggesting needed changes in his behavior, attitudes, skills or job knowledge; they let him know “where he stands” with the boss.
3. They are also being increasingly used as the basis for the coaching and counseling of the individual by the superior.¹

These same objectives still hold true today. Performance management is often seen by management scholars, human resources consultants and labour lawyers as a critical and crucial process in the management of personnel. Despite the importance placed on performance management, this is one area of human resources management that most managers and supervisors begrudge. Some might argue that the reason for this loathing is due in large part to the judgemental aspect of the process. In other words, managers and supervisors do not relish the task of judging an employee’s performance and employees do not like to be judged. The fact that performance evaluations occur once a year may also contribute to this displeasure. This latter argument is quite plausible. Think about it, you as a manager are saddled with the responsibility of making judgements on a subordinate’s performance in the past year. For many employees, this may be perceived as a time when his/her superiors take the opportunity to lambaste him or her for a deficiency in performance which occurred earlier in the year. For some managers, the yearly performance appraisal meeting may be seen as an opportune time to unleash the wrath of God on an employee who may not have met the manager’s expectations. The fact that both parties have not discussed any performance issues over the course of the year and that it is only discussed on that one annual occasion is likely the biggest culprit as to why performance management is equally resented in many workplaces by both managers and employees.

So... how do we resolve this negative view? In many of our training seminars, we recommend to our clients that performance management may be perceived more positively if they undertake the following simple steps:

- Make performance management a regular occurrence – not just once a year;

- Do not use performance management simply as a tool to punish and discipline, but rather as a tool for commending and reinforcing good behaviour and accomplishments and as a valuable tool for professional development and growth;
- Ensure that there are rewards attached to accomplishment and consequences associated with work deficiencies and breaches;
- Ensure that new employees are adequately oriented to the organization and their work units;
- Train managers/supervisors in the art of conducting performance appraisal interviews as a collaborative problem-solving exercise with employees, rather than simply a forum for handing down judgement;
- Ensure that employees have a clear understanding of the organization's expectations and performance standards;
- Allow employees opportunities to hone their skills for purposes of upward and/or lateral career mobility within the organization;
- Evaluate your management personnel on their ability to carry out sound performance management methods;
- Design performance appraisals systems that allow both superiors and subordinates the opportunity to constructively look at performance improvements by identifying training and developmental means;
- Create an organizational culture which values and rewards superior performance.

By changing the way people view performance management, the organization will realize greater increases in productivity and efficiency, while creating a positive and rewarding workplace. This will create a win-win scenario for both the manager and the employee.

1) Douglas McGregor, "An Uneasy Look at Performance," *Harvard Business Review* (May-June 1957)