

## **PST bares the truth about performance management myths & reality (#1 of 3)**

Setting up a performance management system can deliver tremendous results. We've seen it deliver hundreds of millions of dollars in value in months. Today it has become an important tool in building an organizational culture of choice, and delivering great results.

What we've also witnessed is that it's not very common to have a good "road map" when embarking on setting up or executing a performance management system. This series of three white papers is written as a guide to help you avoid common mistakes and address critical steps in dealing with the people, process and technology side of performance management.

This white paper series addresses belief systems and expectations about how people will respond. Each guideline is described in terms of a myth (inaccurate belief system that will get you into trouble) and reality. Let's get started:

### **People and Performance Management: Start by adopting an accurate perspective, it will guide the rest of your approach, expectations and approach**

1. Understand that performance management is really a nice term for the reality of a gritty, unending push for high performance. Think about it, no one spends money on performance management with the goal of reaching mediocre performance. For the rest of this white paper, translate the word performance management into the climb, the drive, the engagement and negotiation through resistance in pursuit of improved performance.

For some the thought of creating higher performance looks like a palm-sweating battle. It can certainly have that at times. It also has times where you get a tremendous sense of accomplishment and relief as obstacles are removed. Inevitably it has both a push and pull component. Let me explain.

You generate a pull that draws people to higher performance when you remove their discomfoting obstacles and clearly identify what's in it for them. You generate a push when you enroll one or more people to lend their support, the power of their position, and ultimately their insistence with others when being tested, that "Yes, we are going to use the new processes and tools required to achieve a higher level of performance."

**Myth:** Performance Management is an easy-to-apply improvement process.

**Reality:** Performance Management is a gritty push for people to perform higher than they have previously to date.

2. A second common misconception to avoid is the belief that performance management and the pursuit of high performance is a static

state. You know. Once you've got everyone comfortable with the new way of working, they'll keep doing it on their own. Read this one very carefully – High achievement is not a self sustaining state for over 90% of the population. For most people it's an occasional event, usually prompted by an impending deadline, threat or unusual opportunity. Stop pushing for high performance and high performance drops to something less.

Does that mean most everyone needs someone to support them, recognize them and hold them accountable to regularly hit "home runs?" The answer is "Yes!!!" Think of managing to high performance as similar to piloting a hot air balloon. If you don't give it regular energy (heat) it stops creating lift and you descend. To use a sports example, no professional team competes without their performance management embodied in a coaching staff.

**Myth:** Once you get people to a high performance level, it will be self sustaining

**Reality:** High performance requires periodic, but regular, support, recognition and accountability - period.

3. Managing for high performance quickly gets at your definition of human nature and human potential. If you haven't guessed it yet, we are strongly on the nurture, not the nature, side of human performance. Stated another way, high performance is something that requires some essential skills and capacity (nature), but it's never enough without someone, some environment, providing a role that nurtures that capability.

But here's where it gets convoluted. As much as we need the nurturing, the coaching, the challenging, to perform at our best, human nature is such that we both resist the accountability and visibility that accompanies performance management. So plan on people both resisting the process at one or more times, as well as delivering better results than they would without performance management.

**Myth:** People welcome the accountability and visibility that comes with performance management.

**Reality:** Resistance to performance management in pursuit of high performance outcomes is normal and to be expected.

4. We have one more belief system to review with you in this area. It's the belief about what it takes to get people up the performance curve. We describe it this way, high performance is something you invest time and resources in, not assign or purchase as in a software or a workshop. Let me say it another way, simply put, follow-through in this area doesn't occur without consistent follow-up. Back to a sports analogy, you don't get a basketball team to play "above the rim" by buying them new basketball shoes, or by simply assigning/telling them the new requirement.

**Myth:** Getting your team to a higher level of performance doesn't need to require much of your time, just get the right consultant, and/or the right software.

**Reality:** High performance requires regular investment in the form of both support and walking the talk from whoever is driving it.

This is part one of a three part series addressing the People, Process and Technology aspects of performance management. You can find the other issues at <http://www.managepro.com/resources.white.papers.html>.

The author of this series, Rodney Brim, is CEO of Performance Solutions Technology (PST). PST develops and assists organizations in deploying performance management software solutions, and presents these guidelines based upon our work with 1,000's of companies to help ensure your success and avoid common myths in the pursuit of performance management. Performance Solutions Technology is found on the web at <http://www.PerformanceSolutionsTech.com>

## **PST bares the truth about performance management myths & reality (#2 of 3)**

Setting up a performance management system can deliver tremendous results. We've seen it deliver hundreds of millions of dollars in value in months. Today it has become an important tool in building an organizational culture of choice, and delivering great results.

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This white paper series addresses three important core processes that you will need to launch and navigate, to successfully execute a performance management system. This particular white paper addresses three core processes that will help you be successful in implementing and maintaining a performance management system. We've written it in a style that is brief and succinct to make it easy to get your arms around each process. Let's get started:

### **Process and Performance Management**

1. Our first process has to do with the questions you ask. It is as important as running to first base... first, after hitting the ball when you play baseball. Performance management (pm) works best when you have answered two very important questions. Those questions are simply, "**Why**" and "**What's in it for me**"? You know we just said it works best if you answer these questions, but that's actually too mild of a statement. It should be a mandatory step in your guidelines.

You may be asking, "Why are these mandatory"? Here's the brief answer – there's no pm solution that can succeed based upon its merit and capability, without the benefit of solving personal problems for users. Like politics, performance management is always local.

By-the-way, most performance management initiators have not taken the time (sometimes faced the discomfort) to identify the problem and figure out how much it costs them before they set out to obtain a performance management solution.

Why not? Partly because it seems so very human to figure out "there's got to be a better way", but not get clear of what isn't working about the current system. To help you avoid this miss-step, let's go over how to address both questions.

- Answering the **Why?** Question. Starting into a performance management program without establishing the "Why" in very clear and personal terms, results in feeling like a solution is being forced on the workforce, a solution without a real necessity. Solutions without a

problem inevitably feel, and are treated, as a burden and shed at the first sign of requirement relaxation. Bottom Line: Establishing “Why” is critical. It needs to be personal; for some it will be uncomfortably honest, it needs to be revealing, exposing. It’s the basis for establishing the reason for the mission. Let’s move to “What’s in it for me.”

- **What’s in it for me?** If establishing “Why” is the push motivator, establishing “What’s in it for me?” is the pull motivator. You’ll want to use both positive, (what’s in it for me) incentives for higher performance (ex. increased compensation, free time, autonomy, job security etc.) and the reduction of negative (why) experiences (ex. less frustration, less time wasted, less worry).

Clearly performance management needs to be defined as something that benefits everyone involved, not just upper management. Raising performance just isn’t sustainable if done only under coercion or pressure to comply, even if the “Barbarians are at the gate.”

2. Performance management needs performance metrics – period. For the majority of organizations, that means you need to track metrics that presently aren’t being tracked and you may not even be sure what or how to track. If failing to establish “Why” and “What’s in it for me” is the first, most obvious mistake, not establishing metrics is the second biggest mistake you want to avoid. You must set aside time and resources to establish how you’re going to measure the performance improvement. Track metrics that have what’s called “face validity” (e.g. makes common sense, clearly tied to valued outcomes). Finally, take the time to measure your performance indicators before you start the performance improvement process, otherwise you won’t have a baseline for comparison purposes.

3. The final process issue we want to address works best if you look at culture and current work levels as a set of habits. Performance improvement is essentially the development of new habits. It needs to be built into a daily process, a daily system for operating. It needs to match up to the simple statement; “If we practice the following new operating habits, we expect to reduce the following experiences (as measured by) and increase the following positive outcomes (as measured by).” By identifying the process as habits, you will avoid the mistake of setting up the solution as a “silver bullet” and effectively reinforce the concept that it will take practice before the new (higher performance) behaviors will become the customary way to do business.

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This white paper is about the technology component of performance management. There are many options in the market, all focusing on the common deliverables of setting and tracking goals, objectives and KPI's (key performance indicators). What we would like to accomplish in this paper is how to approach using the technology.

Before we get started in this area, let's first get one common misconception out of the way. Software is part of the solution, it's not the solution. It doesn't make people change their work habits, but it sure helps manage the process. Given that software is an enabling tool; let's talk about four key steps to assist you in being a success with performance management software:

### **Technology and Performance Management: It's a lot easier when powered by software**



#### **1. Less is More**

This is very important to understand. Our first step, when considering what information to address and track in a performance management tool like ManagePro or MProWeb, is simply this – be brief, start with a little to make a lot of progress. Start by tracking only the top 3 to 6 performance management objectives and projects that most impact your bottom line and/or business plan.

- Learning in small chunks establishes early wins, user comfort, satisfaction and sense of accomplishment. Minimally you need clear goals, a scorecard setup with metrics for each goal, and a place to track progress updates on a weekly or monthly basis.
- The key is to deliver better outcomes, not have one system that organizes and tracks every possible activity.
- Users who try to put everything and the "kitchen sink" into the software for comprehensive tracking, commonly report "drowning in the data". Avoid making this mistake.

Good decision and performance management benefits from a focus that frugally addresses those actions and the resulting consequences that drive outcome. The key is to be able to focus on the critical pattern that drives the system, the outcome, etc... and to be able get that information into performance measures that are updated promptly and consistently.

## 2. Identify and Respond to Process Mis-Match


You will be way ahead of the game if, before implementing a technology solution, you take a moment to assess whether its adoption will simply build on existing work practices or require new ones. Technology solutions are easier to implement when they support established practices. But what happens if using the software requires the user to do something they don't currently? What if, in the pursuit of high performance, the implementation of technology is but a small part of a larger change effort?

If this is the case, you have a process mis-match and will be using the software to drive major change in addition to setting up a performance management system. If that's the case, recognize and resource it as such – because it's going to take more time and effort. To drive change, you'll need planning, resources, time and money. We probably don't need to mention this, but as we mentioned above, change does not get implemented by installing software on someone's PC.

Change that requires new work habits requires lots of follow-up. It requires lots of practice and being held accountable to both practice the new process and deliver the new outcomes. Some suggest that you should roughly estimate resources for a technology enabled change process in the range of 10% for hardware, 20% for software and 70% for training and coaching. Establishing improved performance using new work habits seems to match the general literature on habit change. Experts suggest it takes practicing the new behavior 21 days in a row before it becomes the new habit - otherwise the tendency is to revert back to the old behavior.

## 3. Make sure the Performance Management Software selection you make has the required basics:

Lots of performance management tools have shared and unique feature sets. Make sure your selection has those feature sets that support the psychology of high performance. We've listed some of the more important ones you should consider.

Performance Management Checklist	
1. Are the top performance management goals tied to the strategic plan, easily viewed from one screen and easily tracked with updated metrics?	
2. Are the key action steps (plan) or milestones for each goal or KPI easily identifiable and tracked?	
3. Do all top level initiatives and goals receive regular progress updates for immediate drill down and review in staff meetings?	
4. Can each person see the context for the projects and tasks they are working on, such that the connection to top level goals and the strategic plan is visible?	
5. Is there a single source for viewing or working with key goals and their relative progress across departments and across individuals?	



6. Is there a tool in place to track target goals vs. results in a color coded format across goals, objectives and projects? E.g. An easy-to-use "Management by exception" tool? Can that tool be viewed in an outline, or Gantt chart, or work-flow model to suit each user?	
7. Is there a tool for connecting all documents, e-mail and action items or to-dos to their related goal or task for immediate review of past history and correspondence?	
8. Finally, is there a tool in place that with a single mouse click converts goal and project results into an annual review format for the individual's assigned to that task?	

#### 4. Being change savvy when setting up a software implementation

It has been estimated that 2/3's of all complex technology solutions, such as CRM, ERP and Performance Management result in less than successful outcomes. Implementing a complex technology-enabled solution is a worthwhile, but significant challenge. PST provides a number of resources for planning a successful implementation, available at <http://www.managepro.com/applicationresources.html>, but for now, here are the final tips to keep you headed in the right direction:

Plan and resource the implementation process appropriately. This is not a process of installing software and one training session and magically you suddenly have a high performance work system. A system in which people actively collaborate, track their progress, document their results, and daily manage information well. Understand the context into which you are deploying this solution, which includes the amount of change being requested, the technology skills and motivational drivers of the new users.

Burn your ships when you go ashore. By this we mean once you start the campaign, don't continue to use tools that conflict with the new technology. This is especially true in meetings. Meetings are a key "make it or break it" proving ground for performance technology. Choose and use a performance management technology that extends to managing meetings as well as performance goals and objectives. If you continue to use general office tools to manage status updates, you risk creating an obstacle and conflict with the implementation.

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