

Who Really Wins With High Performance: the employee or the employer?

by Derrek S. Lennox, November 2005

I was speaking with a client and a fellow colleague on this matter several weeks ago. We were discussing a performance management framework when the client asked "how can we really get employees to perform "better, faster, stronger" while not burning them out or watching them quit in the process. He went on to ask "how can we develop a performance management system where I win more often than the employees? Where I win on overtime rather than they do?"

The questions were shocking in their underlying assumption: that employees have to be put into a situation that they do not like, in order for the company to see high performance. While this position and assumption wasn't new to me - and wasn't new to my colleague - I did not expect this particular client to have that frame of mind about employees and performance. Especially with the investment that he continuously makes in them.

If this client can see performance as a win-lose proposition for either the employee or the employer, then how many other company owners and senior management continue to do so as well?

From my experience which includes a balance of research and practice, the goal of performance management is to get to the point where there is NOT a winner between the employee and the employer, but where they both win. The idea of a "win-win" must be used since the overall impact of your business is on the shoulders of your employees. The goal of an effective performance management system is to align the needs of the employer with those of the employee so that high performance from the individual generates positive results for both the employer and the employee. This does not mean let the employees win at the expense of the business (*eg. consistent and unchecked, unapproved overtime can create a situation where there is a win for the employee and a loss for the company*) nor is it creating the environment where the employer wins at the expense of the employee (*eg. employer sets unrealistic targets and punishes the employees that do not achieve them, or does not praise those that do reach them which creates a short-term win for the business, and a definite loss for the employee*).

In its simplest form, the most effective performance management systems establish expectations for both the employer and the employee. Employees understand in clear terms what the employer expects of them. While the employer understands what the employee expects to receive for achieving certain performance and/or effort levels.

For any company owner and executive, employees and staff are key stakeholders that are critical to the business as a system. If they are not aligned, if they are imbalanced to one side or the other, the business will not perform optimally.

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