

Performance Management: why now?

by Derrek S. Lennox, December 2005

It seems that everyone is talking about performance management. It is a "buzz phrase" of today. Consultants are offering new methodologies and processes for managing performance. Software companies are developing software that let's you manage performance. Training companies are selling seminars on performance management and – all of a sudden – business schools are finding the "HR" courses (that all of a sudden have "performance management" spelled out in the course catalogues) are a hot commodity for students.

So what happened? Why now?

Author's including Dan Brown of "Da Vinci Code" and James Redfield of "Celestine Prophecy" fame imply that established society is moving to a new level of awareness. Astrologers sometimes call it a progression from society enjoying the notion of being told what to do, migrating to one where the majority want to figure it all out themselves. Maybe. Others suggest that the downsizing of the 80s crushed the ideal that a job will last forever removed the loyalty factor from many employees. Then, the dotcom crash at the end of the 90s opened their eyes further to the notion that banking your job on vision of a rogue executive with a grand vision doesn't create job stability. The early 2000's demonstrated that "smart techie people" in India can do the work of "smart techie people" in North America at a fraction of the price.

Regardless of any "sociology shift" the notion of what used to be rewarded by companies has changed to the point where there might be a good reason for why all this talk about performance management exists: it is a problem.

With more and more individuals identifying that the company they work for doesn't share their own values, what do they do? What does the company do? If the employee believes this and quits, there is a capability gap and rehiring cost combined with a "surprise exit." If the employee believes this and does nothing, the company has a de-motivated employee that has "quit" mentally but might be afraid to leave. In the extreme, some might be left with an employee that begins to poison others around them to their viewpoint: that working at your company is unfulfilling and an overall waste of time (if it weren't for the consistent paycheck) "so let's do the minimum possible to keep the company (and our job) around but do nothing else."

So what WILL motivate them?

That is at the root of an effective performance management system. Regardless of "the speak" and the sociology. If your HR team is not examining what motivates, and how motivation is developed, and encapsulating that within your business strategy and executing it within your performance management programs, I would ask what are they doing? Using "standard" methods? Choosing a set of criteria developed by "an expert" that might or might not apply to the maturity level of your employees or even the incentives that work in your industry? Are they doing nothing and hoping for the best? It is already becoming apparent that "managers as cops" isn't the most effective management style.

Having the right performance management system in place with properly trained managers that know it, improves performance, increases loyalty, does not add multiple layers of bureaucracy, and allows more cash to float to your business's bottom line.

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