



CUTTINGS

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Performance Appraisals are Worthless

This is the time of year that many managers dread: the annual appraisal. And while managers find this one of the most frustrating and difficult times of the year, this is only matched by the feelings of their staff. And to cap it all performance appraisals are worthless. This is the conclusion from some research reported in a current article by Wally Hauck in IPSI Express e-zine.

90% or more of all organizations conduct performance reviews in some form, but they add no measurable value because they tend to judge and criticise employees instead of evaluating and improving their methods. The Watson & Wyatt WorkUSA® study revealed that only 3 out of 10 workers say their company's performance appraisal programme actually does what it intends to do—improve performance. And only 2 out of 10 workers say their company helps poorly performing workers improve.

According to Hauck performance appraisals do not meet their aspirations because they are based on the subjective judgment of the managers, rather than empirical data or evidence of employee methods. This sense of being judged reduces trust; and a reduction in trust damages creativity

and productivity. Just the opposite of what the manager hopes to accomplish.

- People do not like being judged. Eighty percent of employees believe they are in the top 25% of all performers. Any rating below that creates disappointment and damages motivation.
- Judgment is subjective, not objective. Judgment is an opinion or an interpretation. Since managers are busy and short of time, they rarely collect enough information to provide a credible opinion.
- Judgment stifles creativity, reduces productivity, and creates fear. Employees fear a damage of their reputation, loss of credibility, and embarrassment which may affect their employability, relationships, and ability to advance. Employees who fear a low rating will take fewer risks and suggest fewer new ideas.
- It is impossible to effectively distinguish between employee performance factors and situational factors. "Stuff" happens prior to a performance appraisal that can positively or negatively impact an individual's performance.
- In most cases, employees are already doing the best they know how. Performance problems often result

from faulty processes or training, not from an individual's actions.

The answer: Performance Management

First, replace judgment with data. Collect empirical data, and help the employee collect data. Then use the data to elicit feedback. People do not want to make mistakes – give them the tools to identify their own performance. This means providing employees with clear objectives and measures of performance which are linked to the organisation – as Frank Barrett, Chairman of Barclays Bank puts it – a clear line of sight between what I do and the success of the Bank. These measures should be both task and behavioural.

Second, coach employees to improve their performance and help them improve their work methods. Managers must change their focus from judging performance to setting people up for success by providing clear direction and help to achieve objectives.

Simply put, if an employee fails to meet the grade, it is the fault of the manager, not the employee, for they have not provided the direction and support necessary to help the employee to meet the standard expected.

Why Appraisals are Worthless, Wally Hauck IPSI Performance March 2006.

Delivering Bad News

Appraisal time also brings the issue of delivering bad news. In her book *Creating We*, Judith Glazer offers some constructive advice for doing this well – whether at appraisal or other difficult times. In this model, the context for the conversation is set first, in a set of questions before the conversation:

1. How do we want this person to feel after our conversation.
2. What can we do to allow them to hear the news with an open mind and heart?
3. How can we set the context for an empathetic exchange.

Then with the person:

1. Set the context for caring and empathy: "I need to have an important conversation with you... " or similar
2. Share what you hope they will gain from the conversation: take away the confusion... clarify... or deepen their understanding of...—what you say depends on the news.
3. Share perspectives with candour: discussing the news in the context of a larger frame of reference. being sure you make as few assumptions or

interpretations as possible—and listen well.

4. Share wisdom: Be open and honest and non-judgmental. People usually know when they have failed...
5. Agree to next steps: Discuss how to do this differently in the future. People are usually more responsive to "constructive foresight" than "constructive criticism" which usually leads to a defensive reaction.

When bad news can be set in a context for future growth if it no longer seen as bad news... its seen as a way to success.

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Snippets

A collection of thought provokers and quotations ...

- ✂ “The only irreplaceable capital an organization possesses is the knowledge and ability of its people. The productivity of that capital depends on how effectively people share their competence with those who can use it.” *Andrew Carnegie*
- ✂ “In the thousands of moments that we string together to make up our lives, there are some where time seems to change its shape and a certain light falls across our ordinary path. If we stop searching for purpose, we become it. Looking back, we might describe these moments as times when we were at our best, when the gifts we were born with and the talents we have developed were braided with what we love and the needs of the world.” *Dawna Markova*
- ✂ “When people talk, listen completely. Most people never listen” *Ernest Hemingway*
- ✂ “The simplest questions are the most profound. Where were you born? Where is your home? Where are you going? What are you doing? Think about these once in a while and watch your answers change.” *Richard Bach*
- ✂ “Without great employees you can never have great customer service.” *Richard F. Greson*
- ✂ “You can tell whether a man is clever by his answers. You can tell whether a man is wise by his questions.” *Naguib Mahfouz*
- ✂ “First put yourself at peace and then you may the better make others be at peace.” *Thomas a Kempis*
- ✂ “To be what we are, and to become what we are capable of becoming, is the only end in life.” *Robert Louis Stevenson*
- ✂ “Quality in a service or product is not what you put into it, it is what the client or customer gets out of it.” *Peter Drucker*
- ✂ “Good stories have wings and, like birds, they fly from mountaintop to mountaintop.” *Romanian proverb*
- ✂ “To listen closely and reply well is the highest perfection we are able to attain in the art of conversation.” *Francois de La Rochefoucauld*
- ✂ “Be a good listener. Your ears will never get you in trouble” *Frank Tyger*

New Directions 20 Years 1986-2006 A short history

This year marks a major milestone for New Directions – it is 20 years since we started, initially in an office just off the Grassmarket in Edinburgh, working as consultants, trainers, facilitators and corporate communicators, specialising in major organisation change programmes. In the early days this meant TQM, organisational excellence, multi-skill teams and participative management-helping others achieve their New Directions.

An early New Direction with London and Lausanne based consultants formed Castle Consultants International offering influencing and negotiation skills training to international audiences across Europe and the Middle East—Apple, BP, Chevron, CIGNA, DEC, ParcelForce, Procter & Gamble, Statoil, Housing Corporation..

New Directions in the early 1990s involved recession and downturn—we closed down our video production arm, and much of our consulting work involved downsizing. But we did find New Directions in the work we did in Eastern and Central Europe with R J Reynolds International, helping them grow from a 150 person export sales and marketing operation in Geneva to a fully integrated business employing over 6,000 people in every country in the region in 3 years. Quite a change programme!

The end of the 1990s saw New Directions in Africa, working with Barclays Bank to introduce performance management and develop local talent over a three year period. In Scotland, major strategic management skills development for local authorities and work with Scottish Enterprise on the economic future of Scotland brought the use of large group processes and Appreciative Inquiry into use for the first time.

The new millennium brought more New Directions with a change of location from Edinburgh to Bristol and new clients in the Middle East, Europe and the USA—still with the core activities of strategic change and management development. And a new partnership in Learning Consortium, a European network of consultants focuses on our own learning and on personal development and coaching.

Here's to even more New Directions!

2006 Public Programmes

Managing Technical Professionals –for anyone moving from a technical job into management or in a role that manages technical professionals.

London, UK:

15-16 May

30-31 October

Internal Consulting Skills –focusing on consulting and interpersonal skills for people working as internal consultants in an organisation.

London, UK:

25-26 May

23-24 November

Information and booking:

Frost & Sullivan +44 (0)20 7915 7878

www.training.frost.com

Focus on Influence –developing interpersonal skills, reflection and insight, assuming responsibility, personal commitment, enhancing flexibility and achieving goals together with others.

Netherlands dates (English language):

6-9 June

12-15 September

21-24 November

Belgium dates (Dutch language):

24-27 April

10-13 October

Information and booking:

Learning Consortium

www.learningconsortium.net

In company versions of these and other programmes are also available. For details call me direct (details below)

MORE INFORMATION

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