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"THIS CELEBRATION OF THE SOLO STAR PERFORMER IS AT ODDS WITH EFFORTS TO CREATE MORE INCLUSIVE, PURPOSE-DRIVEN ORGANISATIONS WHERE WE WELCOME DIVERSITY OF THOUGHT AND EXPERIENCE"

"We're really happy with how you're doing, just keep on doing the same thing". This pithy performance evaluation by a well-meaning manager earlier in my career was memorable for its complete lack of constructive feedback. It's debatable whether this kind of ambiguous praise is any better or worse than a scathing, dispiriting dressing down, informed by data or feedback that we neither recognise nor trust. In fact, both intercoursing typify the detached, backward-looking relationship between superiors and subordinates best forgotten.

When vague and fudgy language is used to skirt around the edges of an uncomfortable PM exchanges, people are left none-the-wiser. Whether the victim of anodyne and woolly praise or a nasty, "could do better" surprise, fuelled by numbers-obsessed quantitative targets and percentages - possibly with a forced ranking thrown in for good measure and miserably devoid of any sense of our shared humanity. It is widely acknowledged that performance evaluation approaches that focus exclusively on individual accomplishments have, intentionally or otherwise, often cultivated a culture of internal competition rather than collaboration. Yet this celebration of the solo star performer

is at odds with efforts to create more inclusive, purpose-driven organisations where we welcome diversity of thought and experience. Most professionals I speak to can point to one or more instances where a colleague exceeds their targets - but is frankly a nightmare to work with - receives a higher performance evaluation and is rewarded more highly in pay and promotion decisions than another colleague, who may be close to/on target, who is highly-organised, fantastic at relationship management, develops and mentors juniors and genuinely looks out for everyone on the team.

Additionally, shortcomings in terms of the annual performance cycle have long been apparent and there is growing

appreciation that in-the-moment feedback is more effective than waiting several weeks or months until the next performance review point. Yet organisations are still very much married to fairly static points in the year, where they formally gather feedback, run reports and review performance. Consequently, there is serious debate as to whether the year end appraisal is actually that effective or not. "Usually, the average employee walks out that room feeling quite down about what they've experienced," one CHRO commented to me recently. Performance data that is reviewed at mid-year and at the end of the year can often come as a surprise to the individual and conflict with the informal messaging they

are - or aren't - receiving day-to-day and week-by-week. Not only is that frustrating and demotivating for the employee, but time is then inevitably wasted on debating the validity of the performance evaluation.

What we measure, incentivise and reward drives how much time we invest in different work activities and the way in which we make that investment. In our new, post-COVID era of redesigned operating models and ongoing experiments with different working arrangements, we need to take a flexible approach to new working practices. Secondly, we are witnessing a rise in employee activism, where people are negotiating more assertively for the kind of work, culture and employment deal they want. With fairness, equity and an emphasis on ethical, inclusive behaviours rising up the performance agenda, let's take a look at where newer models of performance management are headed, what 'better' looks like in practice and what we need to make this work successfully for both people and the businesses for which they work.

There is emerging thinking on performance management has four characteristics. First a more collective approach that, where possible, takes into account the team's performance as well as the individual's. Second, equal attention is paid to valuable non-financial contributions and 'how' the individual has delivered, as well as 'what' they have delivered. This chimes with ESG initiatives, inclusion goals and increasingly, what internal audit functions are assessing. Third, a longer-term view over the full career lifecycle - whereby employers acknowledge more openly that people's ambitions vary by life stage, background and personal circumstance - make it possible for them to stretch ambitiously, press pause, move sideways or adjust the emphasis of their role. Fourth, changing the way performance feedback is gathered and shared and reframing the end of year review to focus this more on skill development. To be more specific, what does this emerging thinking mean in terms of what we

actually say and do differently? In adopting a more collective approach, organisations are abandoning forced rankings and differentiated rewards in favour of more team-based measures and rewards that incentivise collaboration. Each employee might have a mix of individual and team objectives, or a modifier based on the team's overall performance and spot bonuses can be awarded to recognise high-performing groups. For example, one international bancassurer has reduced the variable element of people's pay and uses the funds instead to recognise extraordinary contributions towards team goals. A more

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collective approach also means comparing appraisal outcomes across different groups of workers, as well as minority groups, to spot unwanted patterns and take action where it is needed. Today, these different groups might include those working fully remote vs working a hybrid pattern vs fully office-based.

In evaluating valuable non-financial contributions, some organisations are recognising people's commitments to chairing internal networks, championing mental health and wellbeing, supporting targeted development programmes and mentoring others, by incorporating these activities into their performance objectives. But non-financial contributions should also take into account how 'core work' is managed and delivered and this means how competently senior colleagues have communicated work objectives, delegated tasks and

managed the process of work - and the client - to avoid unnecessary reworking, duplication of effort and late nights.

Organisations can adopt a longer-term view by agreeing a mix of short, medium and longer-term performance goals with individuals. Short-term goals help embed recent learning and build confidence in new skills; longer-term goals help an individual plan for their next promotion and demonstrate a commitment as an employer to future career growth. In one international law firm, every employee has a 'continuity' manager, who attends all performance reviews with the line manager and employee and takes a holistic view of the individual's progress and aspirations beyond their current role. In reframing the end-of-year review, this becomes an opportunity to look ahead and plan for the coming year, rather than wade through a year's worth of half-forgotten feedback. Forward-thinking organisations are increasingly holding monthly performance discussions and encouraging on-the-job and just-in-time feedback, which has been proven to stimulate productivity and reduce procrastination then, at the year's end, the manager and employee focus on agreeing how the individual will address any skills gaps, build their confidence and demonstrate their newly-gained expertise. One financial services organisation has renamed their end-of-year performance review as 'progression dialogues', to better reflect the purpose of this meeting. Future approaches need to ensure fairness and rigour, whilst recognising what drives individual motivation and growth - as well as business success and performance management - will necessarily be a multi-faceted affair requiring a multi-party investment of time and effort, whereby the line/people manager strengthens their coaching skills, the individual "owns" their performance and progression and HR provides the tools, data and technology to support them both.

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