No Surprises

Turn the dreaded annual review into a positive, empowering performance discussion.

Sports coaches would not dream of giving players feedback only once a year. Coaching and praise have a shelf-life and are most effective when given soon after the behavior. This is why the traditional annual performance review can be frustrating for both employees and managers. When reviews are done once a year, much is forgotten, and the benefit of timely feedback is lost.

Another challenge with annual reviews is the employee may not have a clear idea of performance expectations or how they are measured. Even the manager may have a difficult time reflecting on the employee’s performance and may put off doing the review. As a result, there are often unpleasant surprises.

But when the annual performance review is replaced with more frequent, informal performance discussions, it can prevent many leadership challenges. It is important to base the discussions upon a limited number of metrics, all of which are communicated up front, easy to understand and easy to measure.

Causes of Poor Employee Performance

Poor employee performance typically occurs because of problems with communication, motivation, and hiring and training. The employee might not:

• Know what to do (communication)
• Know how to do it (hiring, training)
• Know why it is important (communication)
• Want to do it (motivation)

Assuming the manager has clearly communicated all of these points, it is easy to jump right to motivation as a reason for non-performance. Many times, however, this is not the case, and that adds to the challenge of having a successful performance discussion.

The first step is to identify up front with the employee what is important, why it is...
important and ensure the employee knows how to perform the tasks. However, the manager must also learn what motivates the employee and tie that into a high level of performance.

**Define, Measure and Communicate Ideal Performance**

Before starting performance discussions, determine “high payoff activities” for each employee. These are the most important activities, the ones in which the employee should spend at least 80% of his or her time. The job description is a good place to find this information. If this is not available, have the employee make a list of the key tasks and then add to or adjust the list. Most people cannot focus on more than six key activities, so limit the length of the list.

When the list of high payoff activities is down to six items, agree upon the priority. Ask, “If only one thing got done in this job, what should it be?” And then, “If only two things are done ...” and so forth. Finally, agree on a performance standard and a measurement tool for each high payoff activity.

For example

**High Payoff Activity: Ensure needed materials are at job site prior to job start.**

**Performance Standard:** 100% materials at job site 48 hours prior to job start.

**Measurement Tool:** Daily Job Readiness Report

This allows the employee to know on a regular basis whether he or she is winning or losing in the performance game.

**Develop Employee Motivation Plans**

Employees do things for their reasons, not ours. They act to gain a benefit or avoid a loss. Help employees develop a motivation plan so they will remember why they want to achieve their high payoff activities to the desired level.

When working motivation plans, remember these principles:

- What motivates the manager does not necessarily motivate employees.
- A leader’s job is to create an environment in which employees motivate themselves.
- Motivation can change over time as the employee grows, achieves and ages.
- Be aware of generational differences, but learn what motivates the individual.

When asked, many employees will say they are motivated by money. While most people are happy to have more money, encourage employees to look deeper at what other factors motivate them.

Here are some sample motivators:

- Sense of accomplishment
- Working with others; part of a team
- Recognition (public or private)
- Varied and interesting work
- Routine work without much change
- Recognized as head of the team
- Limited tasks on which to focus
- Feeling respected, valued and appreciated
- Learning new things
- Having lots of balls in the air at once
- Helping others grow and develop
- Being empowered; able to work on own
- Solving challenging problems

With that knowledge in hand, relate the employee’s high payoff activities to his or her motivators as much as possible. For example, if they like to help others grow and develop, can training another employee be added to their high payoff activities? If they like to learn new things, can they take on more responsibility and get related training? If they like public recognition, provide this when a high performance level has been achieved.

**Performance Discussion Timing and Process**

Once ideal performance and measurement are identified, the performance discussion process can be initiated.

Performance discussions should ideally be done monthly or every other month. You will likely see an improvement in performance, employee ownership and an overall reduction in anxiety on everyone’s part.

The performance discussion has a structure, but should be conducted in an informal, comfortable environment. Both employee and manager provide input on the employee’s performance, and the focus is on what both need to do to help the employee achieve ideal performance. Salary is not part of the discussion — only performance. This removes much of the emotion, which can be ineffective and counterproductive. It’s usually about an hour-long discussion, although the first few times might take slightly longer.

The process is simple. Using a scale of
one to five, the employee and manager each individually rate the employee on how each high payoff activity is being performed based on the measurement criteria. A five rating means everything is being done to the desired level. For ratings other than five, identify specifically what is not getting done.

This two-way dialogue helps the employee and leader gain a clearer understanding of what is occurring and why, so together they can agree upon appropriate steps. Once the leader and employee are clear about the performance gaps, they can discuss how to best address them. The employee should be asked what he or she will do to bring performance to standard and how the manager can provide support.

The manager makes notes of these gaps, the agreed-upon action steps with target dates and who is responsible for the action, and sends a copy of this action plan to the employee within 48 hours. This action plan is reviewed, updated and further developed during the next performance discussion.

Coaching, Feedback, Training

The performance discussion approach works, because it provides an opportunity for specific, timely coaching. Most people love to know exactly where they stand, and how they can best improve and become more valuable to the team. Performance discussions that take this structured, participative approach promote a relationship that puts the leader in the role of a coach. This is not nearly as threatening to the employee, as they are more open to the suggestions to help them improve performance and to grow and develop.

When performance discussions are completed every month or two, there is opportunity for the leader to give effective, quick and informal coaching and feedback on a more frequent basis. Since the employee is clear about the expectations and knows the measurement, everyone can be on the same page, and more open and productive conversations can occur.

When the performance discussion shows a need for employee training or development, identify specific training, how it will be accomplished and target dates.

Ensure the training meets the specific need and that the ideas are applied — avoid throwing resources down a black hole where training efforts and dollars are wasted due to lack of follow-up and application. This is where the performance discussion measurements are very helpful; training effectiveness can be easily measured by employee progress in reducing performance gaps.

Use the performance discussion process, and managers and employees will begin to look forward to these sessions. This results in a three-way win — a win for the employee, a win for the leader and a win for the organization. What’s more, managers will likely see a reduction in interruptions since employees know what is expected, why it is important and that their motivational needs are being fulfilled.

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