



After Performance Management, What Next?

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Everyone at this time wants to manage performance. We have Directors of Performance Management; HR Directors; Staff Development Executives; VPs of Knowledge Management or even just Learning. All are wrestling with managing the factors influencing performance great or small, ie behaviour of people in a work place context that is job-related. Indeed, much revolves round the simple equation that Performance is a function of Motivation and Ability. We know that many other environmental and contextual factors will have a bearing on performance, many of which can be solved by management action. But many more are covered by Big A for Ability and Big M for Motivation. Ability is whether the person can perform given training. Motivation is whether the person can perform given the desire or incentive to do so.

As is well known, analysis of performance shortfalls often leads to a diagnosis that both ability and motivation are at issue. The two often overlap or become confused. For example, a person may perform better after attending a training course. However, it may be that performance improves as much because the person has been publicly recognized by the selection process because of the new knowledge and skill gained.

Mapping the Field

Performance management (particularly as regards Big A) has its philosophies; lifelong learning, continuous development, professional development, work-based learning and knowledge management. It has its models, namely, experiential learning, making connections, theory-practice reiteration, contrast stimulation. It has different types of focus (skills, competencies), modes of expression (learning organization and community, in-house university, virtual university, learning partnerships, conversations, pairs and even in one case, a learning table!). On packaged products, we have learning accounts, logs and portfolios, development profiles and balanced scorecards. Big A takes us into compensation and benefits ranging from cafeteria options to competence-based pay.

All of these lend themselves to huge investments in time, research and application. Individually and collectively at the various levels, these are the components of what have been seen as the learning architecture of performance management.

Cultural Shifts Appearing

We are moving away from seeing organizations as independent worlds by themselves. The boundary between one organization and another is fading away. This means development of non-employees (including customers, suppliers and providers) is as much part of the equation as that of internal employees. Competition veers into business partnerships.

We are realizing that learning is more than knowledge acquisition. Understanding through reflecting on relevance of data is more important than just collecting it.



However, we have some way yet to go in Singapore beyond the mindset that puts technology and panacea bought in from outside first before valuing here and now experience.

The Process-based Organization

This is fine up to a point but we need to look at work as well as people. With the continual and persistent drive for added value, value, value we have to look not only at how each of us in our separate roles and levels impact upon the customer but how the organization of that work itself helps to add value.

In an important new publication called "Performance Management through Capability" (New Learning for New Work Consortium, 1998. Institute of Personnel and Development. London) David Guile and Nickie Fonda emphasize the necessity of identifying new responsibilities of employees and the expectations of what a good performer should be doing. With the new economic and technological environment, a new demand for flexibility and responsiveness arises. This sort of response means looking beyond the achievement of financial targets to the "balanced scorecard" of meeting stakeholder needs, environmental concerns, intellectual capital, industry standards and promotional partnerships.

The change demands a whole new set of employee capabilities to meet the challenge laid down. From the well-established 3 S's framework (Strategy, Structure and Systems), we are moving towards the 3 P's (Purpose, Process and People).

This change, the authors suggest, means moving from the old command and control type of organization to a process-based one. This means mapping out the work to be done and how it is to be coordinated rather than what the hierarchy should look like. It means working out who decides what to complement communication across boundaries. It means competency/capability frameworks and team charters. It means going beyond skill sets towards core capabilities.

Overlaying All Three Processes

Entrepreneurial process - aims to encourage and nurture creativity, self-discipline and entrepreneurship amongst all staff and, therefore, to deliver value to customers in excess of that delivered by competitors.

Capability process - aims to support current capability requirements and to build future capability so that internal and external boundaries are transcended.

Learning process - aims to promote continuous renewal, new strategies and new ideas that will drive the business forward.

From competence to competency and on to capability

The American term "competency" has its origins in the work of David McClelland in the early 1970s. McClelland was anxious to identify underlying behavioural traits that would give superior performance to companies competing in the market place. The consultancy founded by McClelland now called Hay/McBer has refined his approach to producing generic models of competency particularly for managerial roles. In the UK, government-sponsored schemes have favoured occupational standards and the idea of functional competence when standards are met. This represents task-based competence rather



than a behavioural competency. Increasingly, companies are moving towards integrated individual and team capability models in which everyone is measured against core capabilities concerned with adding value to the product or service.

Employability

To ensure organizational success, internal and external partnerships must be created. Everyone shares the results of success or failure. Everyone is associated with processes that add value. Employees must be capable within the changing organization, not just competent in a particular task or function. To engage the individual, the work process must make a person employable not only for a particular section or department but somewhere else in the future. Companies are starting to look for ways to ensure their employees' continuing employability in changing circumstances. Some employees (especially in Singapore), whether they provide internal or external products or services, are regarding themselves 'as a business' able to identify their unique selling points and what has to be done to enhance their employability. Performance management is emerging as a balance of individual attributes, work effort and organizational support in a viable employer/employee partnership.