

4

DEFT – Expectations of Performance

- D** – Dialogue
- E** – Expectations
- F** – Feedback
- T** – Timely Approach

Chapter outline

D**E**FT – Expectations of Performance

- Clarification of expectations
- Linking to Divisional/Corporate goals
- Establishing Key Result Areas that focus on results
- Collaboration and active involvement in goal setting
- Skills for goal setting

Introduction

If dialogue, as treated in the previous chapter, is the principal process within a good PMS then the clarification of EXPECTATIONS is the bedrock of such a system; it is the foundation on which all else is build. As mentioned earlier the clarification of expectations involves initially focusing on Job Purpose and Key Result Areas (KRAs), ensuring that they have a clear 'line of sight' to divisional and corporate strategic objectives or a balanced scorecard, as used by many organisations; then one focuses on setting goals within these KRAs.

Effectiveness is a basic pre-requisite for a successful manager. In order to be effective a manager must ‘do the right things’, rather than ‘do things right’. The guidance for what is the right thing comes from the corporate strategy. In some organisations this will be translated into results focussed business plans or into a balanced scorecard which itemises the key corporate goals under the headings of:

- Customer/Market Goals
- Financial Goals
- Process Improvement Goals
- People/Team Development Goals

It is of little benefit if the manager is very efficient but is in fact driving down the wrong track, as it were. The role of the leader is to share context and make meaning of the corporate imperatives or scorecard for his/her team. The best way of ensuring that one is putting one’s energy into the vital rather than peripheral elements of the job is to spend some time clearly establishing:

- 1 The Corporate Strategic Goals or Corporate Scorecard
- 2 The Divisional Scorecard or Strategic Requirements
- 3 The Team Priority objectives if one and two are to be achieved
- 4 The basic job/role purpose of the individual in one or two sentences
- 5 The Key Result Areas of the job.

In agreeing KRAs the team leader and team member should focus on the ‘line of sight’ to divisional and corporate goals and those areas of the job in which it is critical to achieve meaningful results. Thus the KRAs should be seen not as any fancy add-ons to the job but as areas in which it is essential to focus for success in the job. One of the best ways of initially grasping this idea might be through a sporting analogy. Envision those areas of importance that a coach/manager/captain of a team would hold in front of that team as being really critical areas on which to focus if they are to succeed in whatever championship they are preparing for; see panel 4.1 for a sample set of KRAs for such a team.

Panel 4.1

Sample sporting team KRAs

- | | |
|---------------------------|--------------------------------|
| → Attack | → Tactics |
| → Defence | → Motivation |
| → Positional gains | → Individual skill development |
| → Scoring | → Individual fitness |
| → Communication | → Teamwork contribution |
| → Set-pieces | → Discipline |
| → Knowledge of opposition | → Territorial gain/advantage |

It should be noted in the example within Panel 4.1 that one could categorise the KRAs that are listed as either being technical or soft, even though some KRAs could have a foot in both camps, as it were. Thus one could see that for example Fitness, Set-pieces and Scoring are very definitely technical whereas Teamwork, Communication and Discipline are somewhat softer. It is important for staff in organisations to realise that their jobs have these two aspects as well. Thus a manager approaching the task of drafting her/his KRAs must realise that there may well be a predominance of technical type KRAs; however each manager's job will also have

soft KRAs as well, perhaps two or three within the six to nine KRAs that each manager should have.

KRAs focus on results rather than on activities or tasks. Thus in trying to establish KRAs the manager should not focus on the day-to-day inputs that are made but should rather try to ascertain the important results that should derive from the activities within the job.

A Production Manager, for example, would have one KRA, among others, that would be related to the number of units produced; likewise he/she would have another KRA related to the quality of the finished product.

When establishing KRAs for these two responsibilities it would suffice to state that the relevant KRAs are those of ‘Output’ and ‘Quality’.

No mention would be made at this stage of the methods by which results would be achieved; methods will be discussed at a later stage.

Goal setting within these key result areas is the next stage in a successful PMS. It is our experience that it is a skill not always well-honed within managers. Thus it may be that during the course of normal management meetings some skill can be transferred to managers

within a very short timeframe along the following lines.

Goal setting should first be seen as a process that should provide goals that are **SMART**:

- Specific
- Measurable
- Achievable
- Realistic
- Time-framed

...but above all they should in the vast majority of cases be **jointly agreed and achievement of them should be linked to concrete measures and consequences.**

Panel 4.2

Sample KRAs for Production Manager would include:

-
- Output – Product/Service A, B,C etc
 - Quality – Product/Service A,B,C etc
 - Wastage/Rework
 - Lean Initiatives
 - Teamwork Commitments
 - Materials
 - MIS/OIS
 - Budgets
 - Job knowledge
 - Empowerment
 - Performance Management
 - Process control
 - Communication

It is often thought that the period for setting goals should be for a year; but this may not be the best approach. Many firms are now moving to quarterly goal setting. They see the advantage of this in ensuring that every week in every quarter matters. We believe that one should set goals for the short-, medium- and long-term as appropriate to the situation in which one finds oneself. Thus if it is possible to achieve some goal within two months or six months, then that goal should include such a time-based measure. One of the advantages of this approach is that one is providing opportunity for short-/medium-term achievement which can be a motivator for individuals; all the more so if one positively rewards such achievement at mini-reviews through the year. Panel 4.3 shows possible duration/term of goals.

It is perhaps helpful for managers to view the setting of goals initially from a structural viewpoint, where a particular goal is seen to have a beginning, middle and end.

The **beginning** should always be an active verb, a verb that implies doing either now or in the future. Examples of such verbs could be DEVISE, IMPLEMENT, REDUCE, PRODUCE, INTRODUCE, DEVELOP etc.

Structurally the **end** of these goals is where the measures are put into the process and these measures can be either quantitative or qualitative. Quantitative measures are usually numbers, percentages or timeframes. Qualitative measures, which are most often harder to set, can be aided by the use of phrases such as ‘... to the extent that...’ or ‘...to the satisfaction of...’.

Panel 4.3

Duration/term of goals

| Phase | Possible duration/term of goal setting |
|-------------|--|
| Short-term | 1-3 months |
| Medium-term | 4-8 months |
| Long-term | 9-18 months |

Lastly the middle part of goals will actually be the ‘WHAT’, that is what it is you want to deliver, develop, produce etc. written with as much detail as is required for full clarity for the team member.

One of the hardest parts about goal setting is writing them in a manner where they are specific and measurable. Succeeding in doing so will make both the target clearer for the individual and also make the review process easier. The measurement difficulties that would exist with the following goals are easily seen both from the focus and review viewpoints:

- ‘Improve sales for the company’
= **POOR GOAL**
- ‘Make changes to product quality’
= **POOR GOAL**

The measurement of goals is improved by being quite specific and also by using a timeframe within which the goal must be achieved.

- ‘Increase sales turnover in our retail outlets by 5 per cent over the next six months ensuring that 50% of this increase is in our furniture products’
= **GOOD GOAL**
- ‘Identify three improvements that could be made to product quality and implement same prior to end of next quarter’
= **GOOD GOAL**

The second set of goals above are more meaningful both for the individual and the organisation insofar as they provide a clear focus for performance and, as they are unambiguous, they will be a more helpful goal come review time.

Not all goals can be expressed in measurable terms quite as easily. Goals within the qualitative areas such as leadership and motivational KRAs, are less easy to express in quantitative terms. A useful technique for the measuring of such goals is to question oneself about the behaviour that will be evident within the organisation if one is focusing/not focusing well on that KRA. Utilising this technique will generate a number of areas of potential progress or dissatisfaction; it will be possible to set goals that re-enforce or turn around behaviour in these areas, which in turn will contribute to improving performance. See the example in Panel 4.4 overleaf.

The measurement of goals within these softer KRAs could be seen to not meet our criteria of being specific and measurable if the goal were as follows:

- ‘Improve Employee Relations within the department’
= **POOR GOAL**
- ‘Improve employee commitment’
= **POOR GOAL**

An alternative approach would be to focus on some elements of poor Employee Relations that one wishes to improve and then embodying same in a stated goal, such as the following:

→ 'Reduce by 20% the number of occasions when grievances go for resolution above the first line manager; reduce by 25% the total number

of grievances within the department'
= GOOD GOAL

→ 'Improve employee engagement to a score of 97% by year-end as measured by our engagement algorithm which includes the absenteeism, project achievement and attrition ratios'
= GOOD GOAL

Panel 4.4

Tips for goal setting within difficult KRAs

The context is where one wants to set some goals within the KRA of 'Teamwork'

→ As one initially approaches this task, it may appear difficult to write specific goals

→ Then... stop the clock, as it were, ...and think of those areas in which things might go wrong if one was not attending to Teamwork

→ Think specifically of what we would see (the actual visible behaviours)

→ This process might generate issues such as:

- Lack of direction within the team

- Duplication or overlapping of tasks

- Interpersonal conflicts within the team

- Poor 'customer service' behaviours

→ It is then possible to set goals in some or all of the above, which will undoubtedly contribute to an improvement in Teamwork

Note: *This technique is not alone useful for a 'blank' that one might have with qualitative KRAs, but the technique is also useful with quantitative KRAs; further examples of this technique can be seen within Panel 4.5*

Panel 4.5

Setting goals in softer Key Result Areas - examples

| | Teamwork | Delegation |
|---|--|---|
| <p>Step 1</p> <p>Question what might be going wrong if one is not attending to that area?</p> | <ul style="list-style-type: none"> → Lack of focus/direction → Disorganisation → Conflict → Poor communication | <ul style="list-style-type: none"> → Over-burdened manager/team leader → Poor development of team members → Much of the work being done by “the few” → Time-management problems |
| <p>Step 2</p> <p>Now write a goal or two based on correcting or preventing what you have said might be wrong if you were not focussing on that KRA</p> | <ul style="list-style-type: none"> → Arrange initial team meeting to build better focus/ direction, to the extent that directional clarity is established for team → Arrange monthly team meeting to focus exclusively on process improvements in conflict reduction and communication, to the extent that improvements are made on both to the satisfaction of team members | <ul style="list-style-type: none"> → Identify two bits of own job that can be delegated and plan the process (of delegation) within one month → Identify two team members and delegate relevant “bits” to them through discussion, coaching and monitoring, to the extent that the job gets done and the individuals experience development |

Notwithstanding the fact that it is necessary to set goals that are attainable, it must be stressed that complacency should not be allowed to creep into the PMS by making the goals altogether too cosy. We should not lose sight of the fact that one of the prime objectives for a successful PMS is the improvement of individual performance. The learning curve is an aspect of all organisational activity and, given recent research on the learning organisation, it is clear that each organisation

Performance improvement applies equally to the good performer as it does to the poor performer, if not more so.

should focus on the learning curve and integrate it with the PMS; an organisation will do this best by establishing what it has learned each year and then use that new capability to improve performance year on year. If we cannot do this the organisation is not learning and will eventually be outpaced by its competitive rivals or its stakeholders will soon identify the loss of value added. Thus individuals need to have their skills and abilities stretched that little bit extra

as the goals are re-set for the following period. The leader must seriously question things if this cannot happen.

Performance improvement applies equally to the good performer as it does to the poor performer, if not more so. It could thus be argued that in productivity terms it is more beneficial for the organisation to concentrate on stretching the performance of good performers than to do so with poor performers – although this should not be used as an argument not to pursue the required performance improvement of poor performers. If we are to have equity and organisational justice it is critical that non-performers are tackled. The zone of comfort for the non-performer needs to be limited if an organisation is to motivate the majority of its people to perform. When non-performance arises the alarms should ‘go off’ and a positive coaching style should be immediately engaged to salvage the situation. If this does not get a positive response from the individual a more directive coaching approach should be used and where this fails the disciplinary code should be the next and obvious port of call. At all times managers should coach and counsel to salvage performance that is not fully up to expectations but should also record progress or lack of same

lest one needs to move into the disciplinary process at a later time.

This stretching of performance can play a very important part in creating a performance culture within an organisation; key elements within the development of such a culture will be treated at a later stage within this book.

As a final stream of thought in respect of goal setting, managers should ensure that the goals for their team members are where possible fully agreed with them. The purpose of striving for such agreement is to increase the commitment of the team member to the goals; individuals will feel greater ownership of goals when they have played a part in setting them and this in turn will help their commitment to enhanced performance.

The objective of bringing about agreement should not blind us to the fact that it may well be necessary in the final analysis to insist on certain goals being accepted by the team member. This may be particularly necessary when performance is unsatisfactory or when in a semi-disciplinary situation. Within a good PMS, however, this should only occur on a few occasions for any manager; if it is occurring more regularly than this the manager should look at his/her own influencing skills and perhaps to the manner in

which the team members are being involved in the process. Alternatively, it could be that more directive coaching methods may be required.

As a final stream of thought in respect of goal setting, managers should ensure that the goals for their team members are, where possible, fully agreed with them.

A good example of the above situation would be where a manager wished to agree a budget figure with a team member. In some organisations a budget would be 'laid on' individuals without they ever being consulted about their ability to live within such a budget while still achieving their goals. A more enlightened approach is one where the team member is consulted about the resources that are needed to meet his/her goals and where such consultation is taken into account in the setting of the final budgetary figure. If counter-arguments are developed but are not acceptable to the organisation and thus full agreement is not forthcoming then the manager's responsibility

is clear; she/he must insist that the goal for that budget period remains as the criteria by which performance will be evaluated. Remember as the manager you decide whether you are communicating, consulting or negotiating and never mix the streams.

A goal setting process that absorbs the structure and qualities that we have described above will go a long way to ensuring that the organisation will derive many benefits from the process; it will also provide clear standards by which performance can be jointly evaluated by the principals involved.

It is to this review and its associated feedback processes that we now turn our attention, within Chapter 5.

Summary of Chapter 4

DEFT – Expectations of Performance

- Clarification of Expectations is the **bedrock of a PMS**, it is the foundation on which all else is built
- Manager and team member should maintain a **clear focus on the line of sight to the divisional/corporate goals** as the backdrop for individual/team goal setting
- KRAs are the **essential focus for improved performance** and success in the job role
- Some KRAs will be **technical** whilst others will be **‘soft’**
- Goal setting within each KRA adds detail as to what is to be achieved, particularly when **insightful quantitative and qualitative measures** are included
- From a structural viewpoint one should ensure that goals have a **beginning (Active Verb), middle (the What and the How) and an end (the Measure)**
- Manager and team member should collaboratively develop robust goals that have **specific measures that will be motivational and allow for clarity at review stage**
- Team members being actively involved in goal setting **increases ownership of the goal**
- This value of joint goal setting should not deter managers from seeing that it may be necessary in some instances (hopefully a minority) to **insist on certain goals being put in place**