



iedex Pty Ltd

Contemporary practices in performance and development management

August 2008

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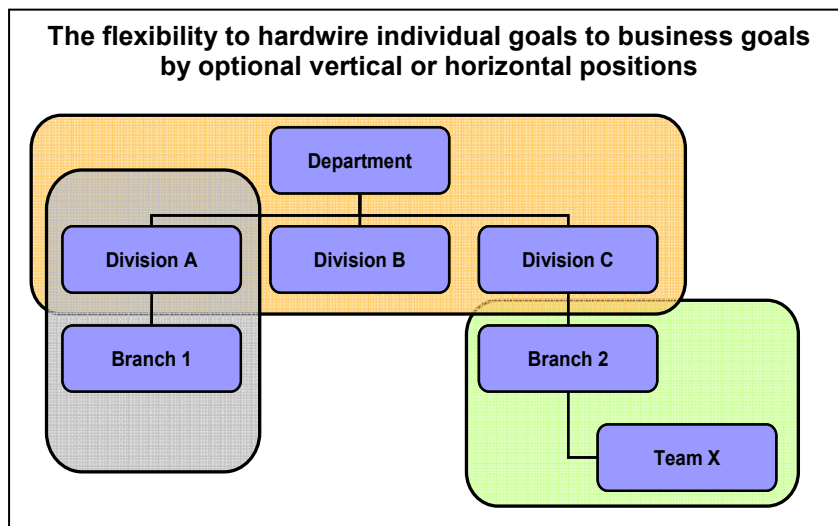
Contemporary practices in performance and development management

Aligning individual performance objectives with business goals

Given the cost of acquiring, inducting, managing, upskilling and outplacing people, contemporary practice is rapidly shifting toward ensuring all individual performance effort is directly aligned with business goals. Slippage in alignment can be a major source of sub-optimisation in human performance.

Yet currently less than 5% of Australian organisations are able to align individual performance objectives with business goals.

Aligning individual performance objectives with business goals should be possible in a variety of ways (see below)



Are your strategic goals / objectives suitable for individual performance planning?

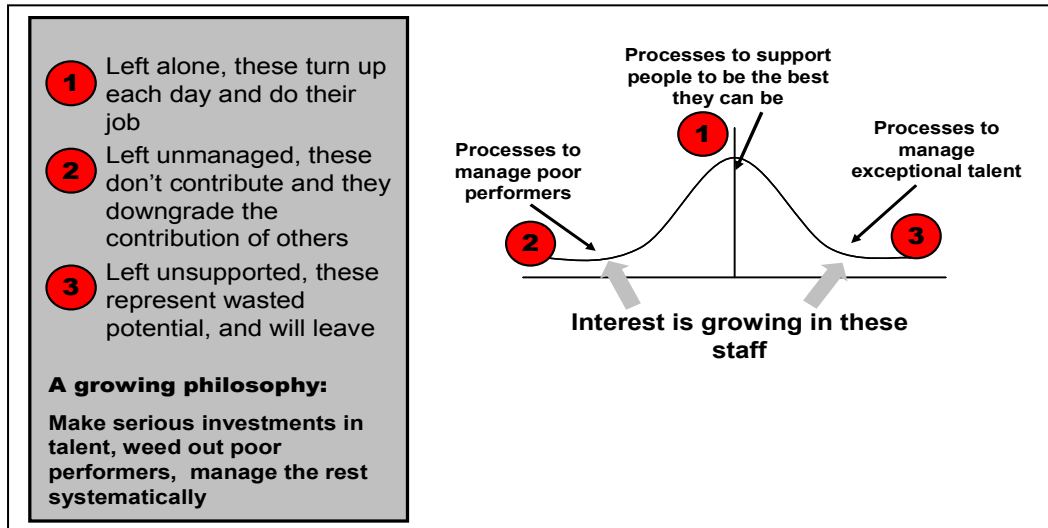
In the process of aligning individual performance objectives with business goals, some goal types are more suitable than others.

Element	Features	Suitability
Strategic Goals	High level, seldom change	Low
Strategic priorities	Specific, modified annually, have direct business unit / branch impact	Moderate/ high
Strategies	"Actions to achieve an objective"	High

Differentiating the way different staff are performance managed

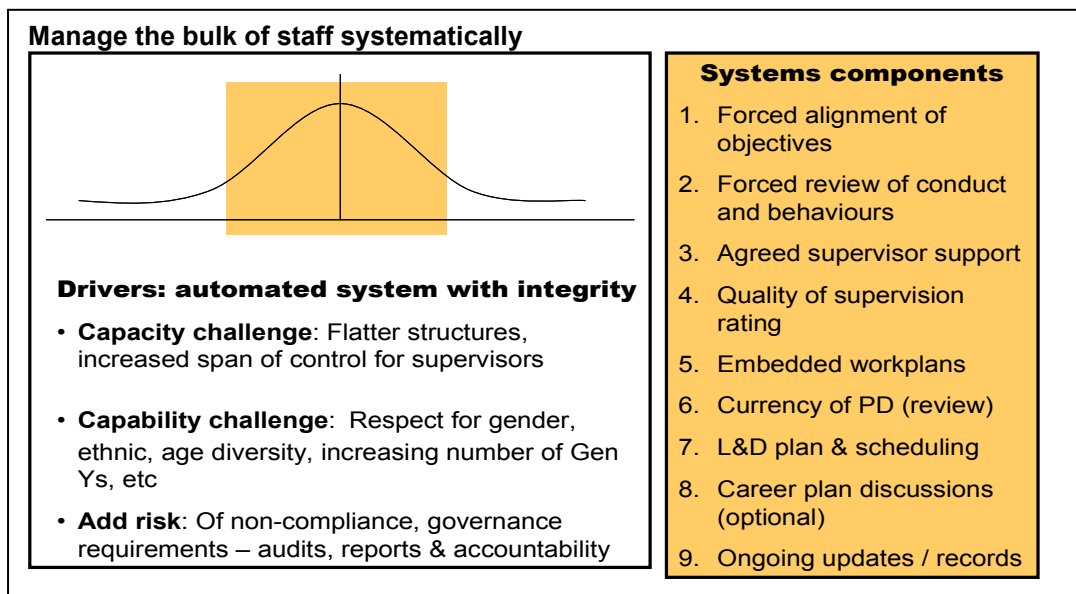
In the effective management of performance and development, once alignment with business goals has been achieved, contemporary practice is to differentiate the way different “categories” of staff are managed and supported.

A “head and tail” focus



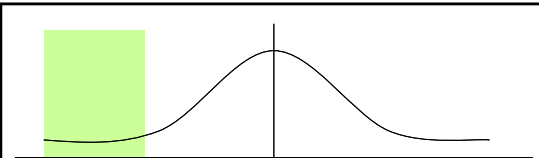
An efficient approach to managing the solid performers

Most businesses waste considerable resources trying to inspire and cultivate the bulk of staff who simply want to turn up each day and do their job as well as they can, without undue constraints.



Identification and treatment of poor performers

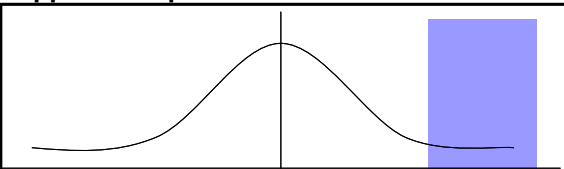
Every poor performer could be costing a business as much as three times their annual salary through customer disrespect, poor team spirit and extra management time.

Weed out poor performers	
 <p>Typical issues</p> <ul style="list-style-type: none"> • Negative multipliers are significant (eg. 3x salary) • Poor supervision, job/skill fit, personal “issues” • Potentially nasty, unpleasant, time consuming – tendency to delay • Record keeping requirements - intense • New IR laws help manage persistent poor performers? 	<p>Keys for managing poor performers</p> <ol style="list-style-type: none"> 1. Closer scrutiny & detailed records of performance / interactions 2. SMART business aligned objectives 3. Forced review of conduct and behaviours 4. Detailed workplans 5. Suitability of PD review 6. Supervisor coaching 7. Team “buddy”

Put the spotlight on talent

Most “exceptional talent” is characterised by intelligence, insecurity and competitiveness (can you find these people in your organisation)?

But talent can become ineffective through many potential “derailers” such as impulsiveness, arrogance, micro-managing, self-promoting, risk aversion, volatility, defensiveness, eccentricity.

Support exceptional talent	
 <p>Typical issues</p> <ul style="list-style-type: none"> • Defining “talent” – Seldom generic, mostly strategy driven, segmented by role & level • Conducting a talent audit – Objective measurement of talent, due diligence • Buy versus grow: “A prophet is seldom recognised in their own country” • Unearthing hidden talent • Deploying, engaging, nurturing and keeping talent - \$/time/anti-elitism culture 	<p>Keys for managing talent</p> <ol style="list-style-type: none"> 1. Extended, “stretch” performance objectives 2. Behaviour monitoring - especially “derailers” 3. Funding & reporting on strategic assignments 4. Levels of engagement in talent pool 5. Fast-track, differential L&D 6. Executive or outside support/ mentor 7. Develop & implement career & succession plan

The key to dealing with these challenges is building a strategic approach to human resources management, supported by evidence based decision making.

- If a business cannot accurately identify its talent, how can it implement succession planning? What is the cost of lost potential?
- If it can't manage performance and development of all its "solid citizens" systematically, what is the cost in terms of leadership time and effort to compensate?
- If staff are constantly being diverted away from real business priorities, how will the strategy ever get implemented?

Clearly, a one-size-fits-all approach to the performance and development of people will produce strong sub-optimised outcomes. This is especially true if there is significant misalignment between individual performance objectives and business goals.

