

# Building a Collaborative Performance Management System

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*This writer explains how performance management that is attuned to an organization's mission, values and/or strategy can help overcome retention challenges.*

With so much emphasis on healthy retention in lagging services, it is important for leaders to understand the role that performance management plays in reaching the objective of creating “right retention.” At the outset we have to be clear that not all retention is good retention. The goal is to fully engage employees who live the company's mission and function as a credit to a profession that struggles daily with negative perceptions. The goal is not to keep warm bodies who demonstrate mediocrity.

A thoughtfully developed performance management system enables providers to be strategic in their efforts to keep high-quality employees at all levels of the organization, whether at the executive leadership level, the administrator and management level, direct care or all of the positions that fall in between. This article provides an approach to developing a comprehensive approach to performance management. It offers practical strategies for devising a system that is purposeful and straightforward.

## **What, Exactly, Is Performance Management?**

Let's begin with a concise definition. Performance management is the method employed to link all aspects of employee performance with the mission, vision, values, strategy and goals of the provider organization. Exactly what does that mean? It means that an organization has developed a system that keeps managers and supervisors in touch and in tune with how employees are functioning. This includes attitude, aptitude, task completion, proficiency and overall outcomes. A performance management system links employee goals with organizational goals and objectives. It creates clarity by helping employees identify their strengths and their opportunities for development. It serves as a foundation for rewards, recognition and other incentives that promote sustainable outcomes. Further, a sound system links employees to the education, training, coaching, and mentorship opportunities required for individual and collective success.

## **Elements of a Sound System**

There are as many approaches to performance management as there are providers evaluating employees. There are 3 things that must be stated as we begin this exploration: The first is that an annual evaluation is not a performance management system. It is simply an annual evaluation. Do not confuse them.



An annual evaluation can be a component of a performance management system, however.

Second, performance management is a process, not an event. It requires ongoing observations of behavior and consistent feedback.

Third and finally, there is no employee who is too seasoned or too senior for performance management. Some readers may think that executives are exempt from performance management. Nothing could be further from the truth. Every employee should be assessed and offered ongoing growth opportunities through a well-developed system.

The system must have a component that aligns performance with whatever the organization has defined as its driving force. For some providers, the driving force is the mission. For others, it is the core values. For yet others, it is the strategy. When designing your system, consider what is defined as most compelling for your organization. Make sure the system assesses that compelling factor.

For example, one provider is driven by its mission. The performance management system requires managers and supervisors to have quarterly conversations with employees about how they are doing at advancing the mission in their daily work. Their system breaks the mission down into specific behavioral expectations, and the conversation focuses on those expectations.

Another organization has galvanized its entire workforce around service excellence standards. They have developed a rubric that guides quarterly check-ins between managers and employees. The check-ins build dialogue about how employees are finding ways to make the service standards come to life.

Note that in both examples there are quarterly check-ins. Having regularly scheduled conversations with employees about their performance is an essential element. These conversations, which should be coaching conversations, serve to build rapport, relationships, and healthy dialogue about performance as it relates to the organization's driving forces. Of course, these conversations should also address the specific components of the employee's job duties, which leads us to the next critical element of the performance management system.

Obviously, the system must have a method for measuring the employee's performance at the responsibilities outlined in their job description. In order for the performance management system to have value, job descriptions should be current, concise and relevant. Job descriptions that are umpteen pages long are nearly impossible to measure. As you begin thinking about reconstructing your system, commit to revising job descriptions so that they concisely encapsulate the critical functions. Job descriptions should also clearly reflect the driving forces that are compelling for the organization.

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While it is tempting to have a question or indicator for every single element of the job description, consider a different approach. That traditional tactic creates a long, laborious evaluation that is problematic for managers and employees. Consider an approach that asks managers and supervisors to identify the employee's top strengths and top developmental opportunities as it relates to overall performance. The number of strengths and opportunities should be limited to no more than 5. They should be specific, actionable and clear. This is the element of the system that can be conducted annually. It is made easier because there has been performance dialogue throughout the year.

The next section of the system addresses developmental goals. It should be constructed so that managers/supervisors and employees have dialogue about the employee's developmental goals. Employees should be encouraged to craft goals that are consistent with the driving forces, their own interests, and creating the highest performance possible.

For example, an administrator with 10 years of tenure at a skilled nursing community revealed her desire to move into the political arena during her performance evaluation. When she was asked to identify her developmental goals, she said that she was interested in learning more about how providers lobby Congress. She also said that she was planning to run for elected office within the next few years. While it is tempting to use a method that asks managers to identify goals for employees, organizations that allow employees voice in crafting their own goals create higher levels of intellectual stimulation, collaboration and engagement. This also allows deeper learning about the employees as individuals.

Rewards and recognition are fundamental to a comprehensive approach to performance management. As with the other elements of the system, rewards and recognition need to reflect the driving forces of the organization, and should include a range of incentives that are aligned with that force. The rewards and recognition can include formal ceremonies that recognize stellar performance, informal gestures of gratitude or immediate rewards for a job well-done. Invite employees into the discussion of the rewards and recognition. They will be able to determine which approaches will have the most meaning to them.

A word of caution: Use rewards and recognition judiciously. They alone cannot drive performance. At best they can reinforce the behaviors sought in the organization.

## **System Implementation**

Once you have revamped your system so that it includes the elements listed above, it is important to think about how to roll it out. Of course, there has to be training for managers and supervisors on how to use the overall system. Equally as important, managers and supervisors need skill-building on coaching, providing developmental feedback and building collaboration. Much of their work will revolve around building dialogue with employees through the use of coaching conversations. Do not assume that these skills exist. Invest time and energy in building the requisite competence by developing an education program targeted at the managers and supervisors who will be working to advance performance objectives throughout the organization.

Just as managers and supervisors have to be retooled to use the performance management system, so do employees. They have probably become accustomed to traditional annual appraisals and need to get re-oriented to this new approach to managing performance. They will also need to learn about coaching, receiving feedback, being strong collaborators, developing meaningful goals and other elements of performance management.

## **Summary**

To summarize, creating a performance management system begins with developing a method to assess adherence to the tenets of the organization's driving forces. This requires consistent, scheduled conversations, ideally once each quarter, between managers and employees. These conversations require coaching competence on the part of both parties. The objective is to keep all eyes on behaving in a manner that is consistent with mandates of the driving forces.

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Equally as important as progress towards the driving forces is measuring performance of the duties outlined in the job description. This is the element of the process that can be conducted annually. Consider streamlining job descriptions as a part of revamping the performance management process. This segment of the process will be greatly enhanced by focusing attention on employee strengths and developmental opportunities. This is followed by a section that allows employees to create their own developmental goals. This reinforces the dialogue and collaboration indicative of this approach to performance management.

Rewards and recognition are the final element of the system. Understanding that rewards cannot drive performance, they are important in instilling pride and building healthy competition. Invite employees into the process of designing new rewards and recognition for the organization. Their insights will be beneficial in designing rewards that are well-received.

The implementation of all these steps relies heavily on building the coaching, communication and collaboration skills of all involved in the process. The emphasis on building healthy dialogue is important in helping the aging services organization not only create a healthy culture, but also retain the right employees. The underlying premise is that right retention happens when organizations focus on maximizing the investment in their talent by providing an approach to performance that accelerates achievement at all levels.

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