PERFORMANCE SOLUTIONS GROUP

MANAGING for SUCCESS!

PSG News Update

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Quote on News Radio 88

A few weeks ago, I was asked by Joe Connolly, CBS News Radio 880's small business reporter, for my comments on a recent compensation and benefits survey we conducted in conjunction with OperationsInc. I thought I'd share them with you: "The high percentage of participating organizations reporting a salary freeze for 2010, plus a large percentage planning only modest

From the President:

Managing Up - PSG's Current Focus

As we continue to conduct 360s, employee/climate surveys and leadership training, the compelling need to communicate the benefits of managing up is evident. It is, in our opinion, one of the most neglected aspects of management thinking, writing and action. In almost all the executive coaching assignments we've conducted in recent years, attention has turned to addressing issues with bosses and how to manage them.

A stark reality that we've observed is that most managers at all levels don't have enough time for their direct reports. They have their own "stuff" meetings, reports, conferences, projects, the list goes on - and they still need to manage down (i.e., their direct reports). Some managers have serious management flaws. Who suffers? Their direct reports, who don't get the guidance, direction, technical support and recognition to motivate them to succeed. Does this mean that you should simply give up and let your career and growth languish because of your manager? Absolutely not! Direct reports should ensure they're managed and that they get the support they need to perform successfully.

We are currently writing a report on a survey of PSG client perceptions on managing up. We've identified many of the behaviors that are most effective in managing up. Being proactive is the essence of managing up. The intent of the survey is to provide statistically meaningful research to substantiate conclusions developed from years of experience. We will develop illustrative case studies and share our findings.

Best wishes, Wil

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increases, certainly provides a sound foundation for an inflation free recovery to continue. However, based on observations and discussions with senior executives at client companies, we caution employers, whose companies are successful, not to use the current economic conditions as an excuse for limiting salary increases and payouts under incentive plans. The result could be resentment and the loss of top talent as the recovery picks up steam and the war for talent heats up."

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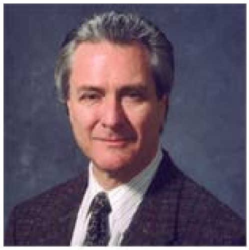

Evaluating the Performance Evaluation!

The annual performance evaluation is one of the more controversial HR practices. It is an integral part of the performance management process. It assesses actual performance for the year for the goals and objectives set at the beginning of the year. It provides input for growth and improvement and it enables performance to be linked to the reward system (annual merit increases and bonus/incentive payouts).

The year-end evaluation has to happen and can be highly effective. A thoughtful appraisal takes time to prepare and deliver. Managers frequently have not given feedback, positive or negative, during the course of the year and dread coming to grips with issues they have studiously avoided. Employees also feel insecure, not knowing what unpleasant surprises are waiting for them.

The most fundamental principle of performance management is actually managing performance, which means ongoing reporting, coaching and feedback. It also means goals must be clear and mutually agreed on throughout the period. This eliminates much of the year-end angst. Factors that contribute to a more positive evaluation experience include a mutually convenient time, a comfortable place with privacy, sufficient time for an in-depth discussion and ensuring two-way communication.

On the controversial question of self-evaluations, our experience is that they create unnecessary adversarial situations. Simply put, it's the manager's responsibility to evaluate performance, not the direct report's. Request employees to list their accomplishments in relation to the agreed objectives and what they consider to be areas for improvement. This eliminates the threat of "telling" them or "accusing" them of weaknesses. Most employees are quick to recognize where they need help and to respond constructively.

Important hint: Don't wait until the evaluation process kicks off. Evaluate qualitative (as opposed to quantitative) objectives, which don't require the year's results, as well as core competencies, before year-end. Starting early removes much of the last-minute pressure, leaving time for thoughtful and objective evaluations.

You may find our documentation and training programs for conducting performance evaluations helpful.

Why Managers Don't Coach

The lack of coaching by managers continues to concern us. When managers fail to coach their direct reports, performance and behavioral issues are neglected and professional development doesn't happen. The result is:

- Reduced productivity
- Failure to work at maximum potential
- Unhappy or insecure employees
- Unpleasant surprises at the year-end evaluation

In short, managers are not managing for success (our tag line).

When we ask managers about coaching, they tell us that they have neither the time nor the training to do it effectively. Our own sense is that many are conflict averse and don't want to rock the boat. Knowing how to deliver bad news in a constructive way or managing difficult, emotionally charged situations is not easy. It takes training and the right tools.

So our message for leadership is train your managers, give them the tools, model the behaviors and hold your managers accountable for being effective coaches. How do you know when it's happening? Use the correct diagnostic tools like 360° reviews. It will all come out. When we've coached managers in these skills, we've found significant improvement and a positive impact on direct reports. We may be able to help you.