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WHEN CRUCIAL CONVERSATIONS ARE ABOUT PERFORMANCE

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2017 Project Management Symposium

Performance Management Assumptions: True or False?

- Most employees want to do a good job.
- Employee's performance can improve and their behavior can change, even though their basic **personalities do not change.**
- While some performance management and appraisal forms and systems are better than others, **managers determine the success** or failure of any program.

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Performance Management Assumptions: True or False?

- **People** are our most important resource.
- Managing performance is a **fundamental** part of every supervisor's job to ensure goals are met.
- The most effective performance management process is one that is ongoing - a process that takes place day-in and day-out, **not once a year.**

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Why then do we struggle so much with managing performance and having the requisite conversations with employees?

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When Conflict Controls

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- What is conflict?
- What does conflict look like through the performance management lens?
- Why should you care about the cost of conflict?

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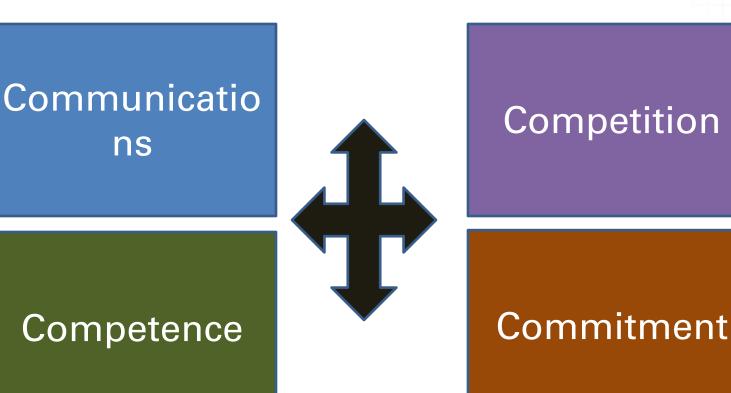May 4-5, 2017
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Conflict Defined

- "Conflict situations" are those in which the concerns of two people appear to be incompatible. –Thomas-Kilmann

- In performance management, conflict presents in the differences (perceived or real) between the supervisor and the employee.

Conflict & Performance Management

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Communications	Competition
Competence	**Commitment**

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Reality Check: The Cost of Conflict

The Dana Measure* is an online calculator that uses nine cost factors to estimate the cost of preventable, unbudgeted conflict. The conflict used below is based on an actual conflict.

Cost Factor	Cost
#1: Wasted time	832,932.69
#2: Opportunity cost of wasted time	1,249,399.03
#3: Lowered job motivation and productivity	374,819.71
#4: Lost performance due to conflict-related absenteeism	7,812.50
#5: Loss of investment in skilled employees	105,000.00
#6: Conflict-incited theft, sabotage, vandalism, and damage	31,250.00
#7: Restructuring around the problem	62,500.00
#8: Health costs	12,500.00
#9: Degraded decision quality	125,000.00
TOTAL COST of this conflict:	$ 2,801,213.93

*Source: The Mediation Training Institute

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"C" Through the Disconnect:

What it takes to have crucial performance conversations to prevent differences from negatively impacting peformance

- Courage
- Coaching
- Commitment

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"Success is never final, failure is never fatal.
It's courage that counts." – John Wooden

COURAGE

The Courage to Overcome Conflict

- Recognize in order to repair.
- Keep the person and the problem separate.
- Believe in the value of coaching.
- Commit to the coaching process.
- Trust the coaching process.

"Unmanaged conflict is the largest reducible cost in organizations today, and the least recognized."

- *Dan Dana, Mediation Training Institute*

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"An ongoing process that tells your employee what he or she does is significant to you and that it impacts the rest of the group."

– American Management Association

COACHING

Coach Your Way Out of the Conflict

1. Build a working relationship based on trust and respect.

2. Communicate the gap between present performance and potential performance.

3. Collaborate to set goals.

4. Give specific feedback.

Steps of the Coaching Session

❑ **Step 1:** Set the tone.

❑ **Step 2:** Get agreement that a performance issue exists (i.e., the gap between current state and desired state).

❑ **Step 3:** Discuss courses of action to close the gap.

❑ **Step 4:** Mutually agree on appropriate course of action.

❑ **Step 5:** End the session on an encouraging note with established follow-up sessions.

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Practice Makes Permanent

COACHING IN ACTION: EXPERIENTIAL LEARNING

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"Unless commitment is made, there are only promises and hopes… but no plans."

– Peter Drucker

COMMITMENT

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COMMIT TO PERFORMANCE IMPROVEMENT

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1. **No surprises.** The appraisal meeting should not be the first time an employee is hearing or learning about performance issues.

2. The lowest level of performance you accept becomes the best performance you can require.

3. The worst behavior you tolerate becomes the best behavior you can expect.

4. The more time you spend on the front end of the process (i.e., planning, setting expectations, developing standards, determining a coaching plan), the fewer issues you are likely to have at appraisal time.

5. It is the job of the manager to paint a picture of what a job looks like. If you cannot clearly describe a good job, can you really expect the employee to produce it?

6. The cost of measuring should not exceed the benefit you get from measuring.

7. You get what you measure. "What you count counts." Measure the right things the right way for the right reasons.

8. Subjective does not mean arbitrary. Exercise your professional judgment and not your personal opinion in assessing performance. Focus on observable behaviors that best reflect performance levels. Remember, you can't use it if you can't prove it.

9. When establishing goals, you can only hold the employee responsible for things over which they have control.

10. Trust the process. Comply with policy, stick to best practices, consult with HR for sound advice on managing performance and handling performance issues.

Wrap-up & Review

- Make performance improvement a priority.
- Address problems immediately.
- Have the courage to deliver the tough message.
- Have the courage to take appropriate action with the "un-coachable."
- Let the employee or team member own his or her performance.

QUESTIONS?

THANK YOU!