If you had the opportunity to design your organization’s performance management system from scratch, what would it look like?

I recently delivered a presentation on the topic of strengths-based performance management to a group of human resource leaders and posed this question. Some of their ideas included --

“Feedback would be real-time and year-round, not an annual event.”
“ theorem would be simpler.”
“It would focus on the right competencies for the person being assessed.”
“The forms would be customized to the function and/or role.”
“Multi-rater feedback would be included.”

I would add to the list -- the process would focus more on looking forward rather than looking back, and the primary purpose of the process would be to inspire and support individuals to perform to their full capability.

When I asked this same group of human resource leaders who in the room believed their organization’s current performance management practices were effective, only a few hands tentatively went up. “So,” I asked, “if your current performance management system does not meet your ideal, and you don’t feel it’s effective, what are you doing about it?”
Traditional Performance Management.

Let’s be honest: Delivering performance feedback is low on a manager’s “like to do” list and receiving performance feedback is equally low on an employee’s “like” list. Too often, traditional performance management is well-intentioned and comes from a genuine place of caring about organizational and individual success. But the forms used are designed for two primary purposes, neither of which has anything to do with engaging staff and motivating high performance. One purpose is to ensure Legal is happy; that the documentation provided in the form will support a legal defense should it ever become necessary. The second purpose is to provide a clean way of calculating pay increases; hence you often see a heavy reliance on report card-like numbers or grades.

While I would never suggest that Legal and Compensation concerns are unimportant, I do think strengths-based performance management, incorporating principles of positive psychology\(^1\), may offer a desirable alternative for many organizations (and certainly for many employees).

The Strengths-Based Concept.

Strengths-based performance management accentuates the positives, focusing on what a person does well. Managers offer feedback, ongoing encouragement and support for individuals to fully leverage and further develop in areas of strength.

Whenever I discuss a strengths-based approach, inevitably I get a question about how organizations deal with performance “issues” in a system that focuses on strengths. It is important to understand that in a strengths-based system, just as in any performance management system, employee performance falls into three categories. In very general terms, there are strong performers, performers with potential if they can improve their capability, and performers who are not able to meet the expectations for the role they are in. Contrary to some misperceptions, weaknesses or skill gaps are not ignored in a strengths-based system. However, tolerable gaps are treated differently than business-critical gaps. You might work around tolerable gaps, whereas if there are business-critical gaps, and the person cannot gain an acceptable level of

\(^1\) Alex Linley, founder of the Centre for Applied Positive Psychology

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proficiency, the conclusion may be that the employee is not right for the role. Strengths-based performance management does not change this.

For your solid and strong performers, however, why focus someone’s attention on becoming average in an area of weakness when you could focus their attention on further building an area of strength? We’ve all worked with employees who become frustrated trying to become better at things that don’t come naturally and that they probably don’t like to do. It’s not motivating to the employee and it does not add tremendous value to the organization.

**The Process.**

In a strengths-based system, employees move from discovering and then applying their natural proficiencies, to gaining a full appreciation for their unique value and grasping the link between their strengths and their successes.
Implementation.

Change always takes time. By anticipating the challenges ahead, human resource managers can prepare to implement changes in performance management successfully.

1. Start at the top to get buy-in for the concept. Implementing any new initiative requires internal support and commitment and gaining that begins with human resource leaders providing data and education to build a compelling business case.

2. Have a visible champion among senior management, someone who has the respect of his or her peers. Collaborate with this individual to run a pilot program, assessing and refining the program before launching a full roll-out.

3. Human resource managers must work closely with line managers to distinguish essential skills from skills that are preferred but not critical. A high level of proficiency must be expected for core competencies that are central to a position, however, preferred skills may be treated as ideal but optional.

4. Implementing a strengths-based approach is a philosophy, not just a process. Therefore, be sure to integrate the concepts into the organization’s recruitment, performance management and talent development strategies in order to build a strengths-based culture. For example, hire for strengths needed to balance an existing team.

5. Be patient. Take the time to continually assess and refine your approach as necessary.

6. Train your managers! A strengths-based feedback conversation is very different from the traditional feedback conversations managers are versed in. They will need the support of human resources to practice a new type of performance conversation.
The Value.

Studies have shown that employees focused on strengths are more likely to be highly engaged, motivated and committed. According to a 2002 Corporate Leadership Council survey of nearly 20,000 employees in 29 countries, emphasis on performance strengths was linked to a 36% improvement in performance while emphasis on performance weaknesses was linked to a 27% decline in performance. As employees discover and appreciate their strengths, they become more confident applying those strengths, and the organization benefits.

Additionally, managers don’t spend valuable time delivering feedback focused on non-essential weaknesses, and they don’t spend unnecessary time trying to get individuals to develop in areas of weakness that are not business-critical. Performance feedback and performance development conversations become more upbeat and positive, and inspire a greater collaboration between managers and employees.

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2 Gallop