



Four performance management mistakes getting in the way of your team's success – and what you can do about them

Exploring common performance management challenges in the public sector and tactics leaders can use to address them.

Public sector workplaces are experiencing colossal changes that are challenging traditional ways of working and workforce expectations. The economic realities of ongoing fiscal constraints, reductions in headcount, and increasing public expectations are creating a demanding environment where employees are expected to deliver more with fewer resources. In addition, the working styles of a new generation and new technologies have created a hyper-connected workforce that is engulfed in email, instant messaging, video conferences, phone calls, and mobile and social network access. This hyper-connectivity has not necessarily translated into increased employee engagement or better performance. Instead, employees are becoming more and more overwhelmed by this new work context.

Deloitte's Human Capital Trends report highlights employee engagement as the most important issue facing leaders today. Leaders have a key role to play to help unengaged, overwhelmed employees succeed in today's workplace. One approach that leaders can take to address these issues is to adapt their current performance management practices in response to the evolving workplace. By adapting performance management practices, leaders in the public sector can help employees

identify organizational priorities and focus their efforts, while still emphasizing continuous self-improvement, ultimately helping to increase overall engagement. Effective performance management practices not only help organizations continue to raise the bar, but also engage employees on the efforts and behaviours required for both personal and organizational success, creating a win-win situation. Regardless of the maturity of the organization's performance management practices, leaders that make it a priority to help manage employee performance ultimately build a more engaged, high-performing workforce.

The purpose of this point of view is to provide public sector leaders with tangible performance management practices that can be adopted in the short-term to build a high-performing workforce. Based on insights from public sector leaders and subject matter experts, this paper identifies the key challenges facing leaders who are managing performance in the public sector today, and proposes a number of leading practices to address these challenges. It is important for leaders to interpret these challenges and tactics within the context of their organization, as there is no "one size" fits all approach for performance management.

Although the 2014 Public Service Employee Survey , administered by the Treasury Board of Canada Secretariat, revealed that effective performance management practices have increased in the public service, only 33% of employees surveyed agreed that unsatisfactory employee performance is managed effectively and less than half of employees indicated that essential information flows effectively from senior management to staff.

Despite the overall increase in effective performance management practices in the public service, there continues to be an opportunity to further strengthen these practices to increase employee engagement, instill a strong sense of purpose in employees, and focus efforts.

What are some of the performance management challenges facing leaders in the public sector?

The public sector faces a number of challenges related to performance management that are influenced by the history, administration, and culture of managing performances within the public sector. In addition, the various levels of employees from management, to non-unionized professionals (i.e. employees with professional designations), to unionized employees, can make uniform performance management practices even more challenging. A series of interviews with key leaders suggested four key challenges which are inhibiting the effectiveness of performance management within the public sector:

1. A lack of clarity around the strategy and plan,
2. Delayed feedback processes,
3. Confusion regarding collective agreements, and
4. Limited behavioural incentives.

Further details regarding these challenges are outlined below:

1. Strategies and plans are not always clear

Many public servants are uninformed of their organization's overall strategy and enabling plan. While typically in the public service there is a common understanding of an overarching mandate (e.g. healthcare

staff have an ultimate mandate of improving overall health and wellbeing of patients) many public servants do not receive adequate communication from leaders regarding the organization's strategy and what actions are required of employees to contribute to these goals. This gap in communication contributes to misalignment between the goals of employees and the organization's strategy.

As such, employees may lack clarity on key priorities and struggle to determine which initiatives they should focus on. This often results in employees spending time on activities that do not contribute to the plans of the organization as well as employees feeling overwhelmed without a clear sense of direction.

Unfortunately, communication of organizational goals alone is not sufficient to drive aligned performance. As exemplified in the adjacent case study, leaders must also guide employees to understand how their actions will directly impact these achievements. Leadership must also demonstrate how their plans and personal goals are strategically aligned to the broader objectives of the organization and consistently cascade this information down to employees in order to ensure this alignment is understood and adopted by employees.

Don't Just Share Your Goals – Speak to Them, Again and Again

"If everyone clearly understood what my goals are for the year, and everyone worked towards that a little bit every day, then things would unfold much better", said a public sector Director.

The Director believed that by disseminating their own performance plan throughout their team, employees would begin to work towards their goals, which were directly aligned to the organization's objectives. This plan did work to the extent that employees gained awareness of what the Director wanted to achieve throughout the fiscal year. However, it failed to help employees understand how their own performance contributed to the achievement of these goals. In other words, it failed to help employees see themselves as part of the 'big picture'.

"In hindsight, it wasn't enough to simply distribute my performance plan, I needed to speak to the aspirations, and clearly articulate the goals and objectives on a more regular basis, and work with my team to ensure we all had a common understanding."

2. Saving feedback for the formal performance review cycle

Performance review cycles vary across government departments, agencies and even collective agreements. Regardless of the cycle, there is a tendency amongst public sector leaders to 'save' feedback or coaching opportunities for formal performance review cycles. While the performance review processes vary across the public sector, for the most part, employees tend to meet with their performance management supervisors or their manager one to two times per year to obtain formal feedback. With this approach, leaders often struggle to integrate both formal and informal feedback and, as a result, run the risk of bottling up performance feedback instead of evenly distributing it throughout the year and/or delivering it to employees in the moment. This results in a performance management time lapse where employees are receiving feedback that has little relevance to their current performance situation, which can lead to an overall decline in the level of accountability employees' have, or feel they have, to address any formal feedback they receive. In addition, the formal aspects of traditional performance management practices often consume copious amounts of time at key points throughout the year (e.g. mid-year and year-end), which often decreases leaders' inclination to exchange regular, ongoing feedback and coaching. This can lead to performance issues persisting if feedback is not delivered when it is most relevant.

This performance management approach does not take into account leading practices that suggest the best way to alter behavior is by identifying the unwanted behavior and providing constructive feedback at the time of occurrence. There have been examples where many employees feel that 'it wasn't fair' that they only received feedback months after the action took place, resulting in a sense of injustice and potential disengagement from their jobs.

The provision of timely performance feedback is going to be in higher demand for a greater portion of millennials making up the workforce. This younger generation expects to receive transparent and real-time feedback from employers. Traditional and administrative performance management discussions that save feedback for the end of

the year will not be instantaneous nor engaging enough for the emerging generation workforce. Leadership teams must take into consideration the expectations of a multi-generational workforce that increasingly demands a flexible performance management system, with timely access to coaching and feedback, when planning, preparing and modifying their organizations for the future.

3. Fear of the Collective Agreement

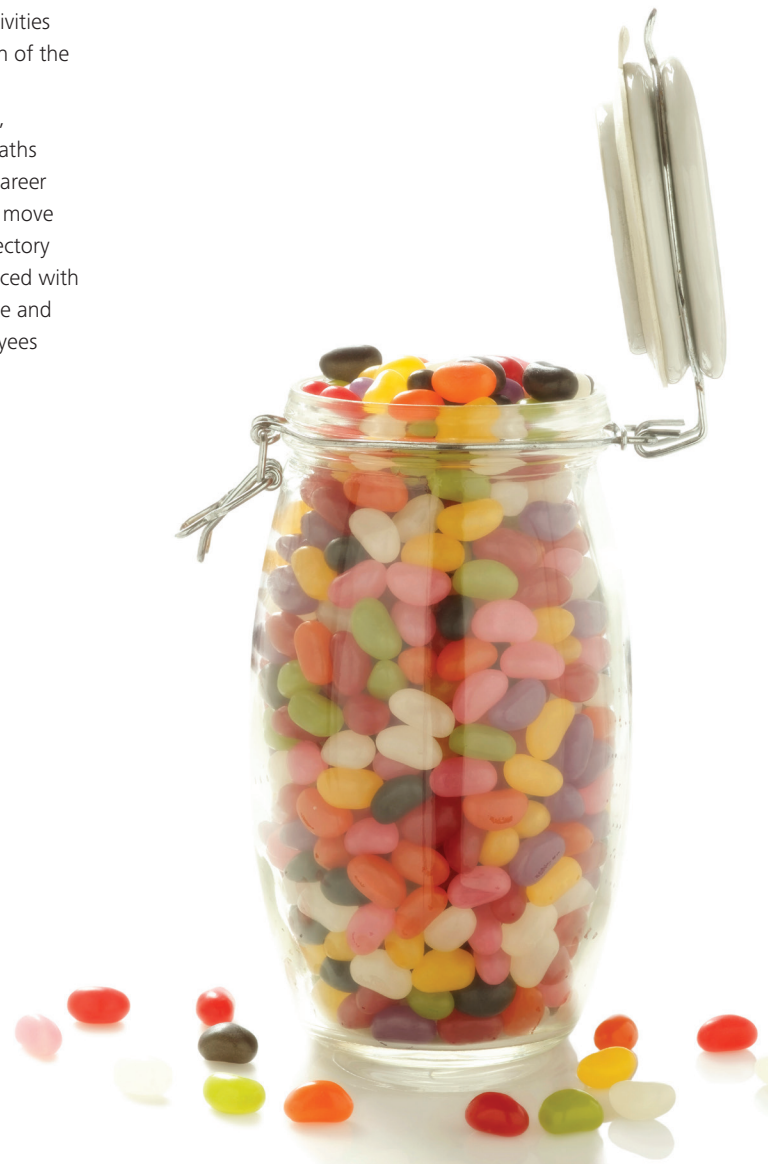
Public sector leaders face the challenge of managing in a highly unionized environment. Collective agreements are put in place to protect employers and employees; however, they can be difficult to understand, and the potential for union grievances can often shape and limit how managers provide performance feedback, especially when performance improvements are required. This fear and lack of understanding of the appropriate steps to take (as outlined in an organization's collective agreement) can often cause managers to refrain from sharing constructive feedback or critical ratings with employees. Accepting limitations has a significant impact on an organization's productivity and ability to meet its goals, and can often result in manager's not getting the desired level of performance from their employees.

As a Manager, I want to be transparent with employees about performance issues, but the threat of grievances, unfortunately, prevails and limits how I interact with my team. I've heard from others that the adjudication process is very time consuming and with my workload, I have very little time to spare.

4. Performance incentives are limited

Performance incentives are often used by organizations to encourage top performance and desired behaviours. However, the link between incentives and performance management is not as clear in the public sector, which is highly unionized and policy based. From a performance management and compensation perspective, there are not always opportunities to distinguish between top performers and performers who are just meeting expectations. Rewards are generally based on tenure, and promotions are traditionally linked to an employee's ability to effectively meet standardized selection criteria, as opposed to their performance and personal 'fit' for the position. The lack of correlation between these activities within the public sector can result in a deterioration of the impacted employee's engagement. Public sector organizations also tend to be hierarchical in nature, leading certain employees to view vertical career paths as unattainable. Employees who are interested in career advancement, instead, often seek opportunities to move or 'jump' departments to advance their career trajectory by taking available positions. In turn, leaders are faced with the challenge of being able to adequately recognize and reward top performers, while motivating all employees to perform.

The challenges outlined above can lead to significant barriers for public sector leaders when striving to achieve business objectives and key priorities. However, addressing these challenges through effective performance management practices can help employees to identify and streamline priorities and focus efforts, which, in turn, can not only address some of the factors contributing to overwhelmed employees, but can lead to greater employee engagement and instill a sense of employee purpose and belonging within the organization.



What can leaders do?

For public sector organizations operating under greater fiscal constraint, with limited resources, and evolving workforce expectations, it is critical that leaders focus on managing performance that will grow and develop employees and ensure contributions to overall organizational goals. When faced with constraints, leaders can modify performance management techniques to help increase employee engagement, better achieve strategic objectives and equip employees with the skills and competencies required to support the organization.

Here are a few practices leaders can leverage to navigate the existing performance management roadblocks and improve employee engagement and performance in the public sector:

1. Make the strategy clear & realistic:

Leaders must establish, reiterate and reinforce the organization's strategy and how their team contributes to meeting the objectives. Leaders are responsible for communicating goals and priorities to their teams, and ensuring employees understand how their work translates into the successful realization of the organization's goals. All public sector leaders can use the leading practice techniques below to help ensure their organization's goals are communicated in a clear and meaningful way:

- **Tell them, tell them, and tell them again** – Identify and use all opportunities to communicate the goals of the organization. Doing this will help ensure the strategy remains top of mind for employees. In addition, tie all initiatives back to the key priorities of the strategy. This will help employees make clear connections, and understand how their actions contribute. Lastly, leaders should also leverage their management teams or team members to help reiterate and cascade tailored messages in a way that resonates with various employee audience groups.
- **Relate to your team** – When communicating, always try to consider your employees viewpoint and ensure you are making the organization's strategy relatable to your

employees. The more that leaders can communicate with their employees perspectives in mind, the easier it becomes for employees to understand the connection between personal and organizational goals, which typically results in increased buy-in. Connect the strategy to employees' roles and responsibilities, and give them plenty of opportunity to ask questions and understand the messages.

- **Partner with your team to ensure goal alignment** – Work with employees to ensure employees' development and career goals are aligned with the goals of the organization. This can be best achieved by cascading goals from the management and leadership level, and working with employees to link the goals of the organization to their individual performance management and career planning. A stronger connection between the organization's goals and that of its employees helps foster an environment of collaboration and teamwork, and ultimately achieves greater employee engagement. The concept of partnering with your team is very important as it helps achieve buy-in to organization goals.
- **Continuously engage** – In addition to the steps outlined above, it's important for managers to continuously engage with their employees through formal and informal opportunities (e.g. meetings, lunches, off-sites) to communicate the goals of the organization and how employees fit into the bigger picture. This not only provides opportunities for managers to provide ongoing coaching, but it also gives employees the opportunity to ask questions, get clarity on organizational goals, and engage in two-way conversations.

By taking the necessary steps to ensure organizational goals are integrated into employees' performance plans, organizations can achieve increased employee engagement and help employees understand how their performance impacts organizational performance and can lead to personal advancement within the organization.

2. Create coaching moments

Leaders have the ability to complement formal performance review cycles with real-time, ongoing coaching and feedback to help employees grow, develop and become more engaged. Leaders need to stop focusing on the formality of the performance review cycle and shift toward regular, on-the-job, real-time constructive coaching/development opportunities helping to increase overall employee engagement:

- **Listen** – One of the most important qualities of an effective coach is being a good listener. In order to effectively create coaching moments, and provide employees with the adequate level of advice and guidance, leaders need to effectively listen and understand what matters to their employees, and what they hope to achieve. Being able to do this helps foster trust, engagement, and understanding between leaders and their employees.
- **Encourage two-way conversations** – Leaders need to encourage two-way, ongoing discussions with employees. Frequent coaching touch points allow for opportunities to connect and engage with employees, and provide timely feedback and a ‘no surprises’ performance management experience. If

feedback is provided properly, most employees will truly appreciate it and remain more engaged and connected to the organization. Two-way conversations also provide employees with an opportunity to have their perspectives, concerns and thoughts heard, while also allowing leaders to be more connected to the needs of their employees, and ask open-ended questions.

- **Speak up** – If you notice something, either an example of the desired behavior, opportunity for improvement, or an employee demonstrating symptoms of being overwhelmed, say something. By investing time to connect, care, and provide an employee with real-time coaching, leaders can redirect employee actions, reinforce desired behaviors and even help someone reprioritize activities so they are not feeling overwhelmed.
- **Treat coaching as an art** – Not all leaders start off with the right tools to be an effective coach. Giving feedback can be tricky – especially when collective agreements are involved. It is important that leaders are equipped with the tools and training required to provide constructive feedback in a way that is supportive to the recipient. Unfortunately, not everyone comes equipped to have professional development conversations, it is an

Story: The Wrong Performance Conversation

A manager at a public sector organization scheduled an annual performance meeting with an employee. The conversation started off with the routine conversation around the employee’s strengths and weaknesses. As the meeting continued, a particular comment prompted the manager to make a negative statement about the employee’s poor performance in a certain area. As the conversation began to quickly escalate around the statement, it became clear that the manager was not adequately equipped to provide constructive feedback and engage in a difficult performance conversation with the employee. Instead of providing the employee with options to develop and improve their performance, the manager narrowed in on the negative. This resulted in the employee filing a grievance against their manager for the comment that was made. Along with the grievance came excessive paperwork and several meetings between the union, mediators, the employee and the manager in order to resolve the situation and diminish the threat of having a grievance slip permanently on file.

art, which needs to be nurtured and developed. Leaders should consider what training is required on coaching to ensure that conversations are a constructive experience.

As a leader, how do you address this challenge?

Understand the difference between being a manager and a coach, and make sure you and your leadership team are provided with practical tools to engage in meaningful performance conversations with employees. A coach should help to develop their counselee, and help them to understand their strengths in a way that is distinct from their managerial role. With the right tools, managers should be able to facilitate healthy, two-way performance conversations frequently in order to establish strong coaching relationships.

3. Do not fear the collective agreement – Use it!

Unions are a reality of public sector organizations. Although collective agreements can seem daunting, and the thought of potential grievances even more so, there are plenty of opportunities to ensure performance is managed effectively for all employees, especially those that are unionized. Collective agreements shouldn't be used as an excuse to avoid delivering difficult messages to poor performers. Oftentimes, what is most feared by leaders is the unknown. Taking time to understand collective agreements and how to work effectively within them will remove the fear and help leaders develop employees and ensure they truly understand what they can do to help improve employee performance.

Leaders can do this by working with other leaders to identify the source of confusion with respect to collective agreements and the grievance processes, and ensure the actions they can take are clear. While avoiding providing constructive feedback may be the easier route at times, in the end refraining from providing key performance feedback to employees is not helping anyone (including your organization). Do not fear the collective agreement or the grievance process – instead fear building a workforce that is neither developing nor delivering on organizational objectives.

4. Meaningful incentives have many forms

While approaches to raises and promotions can be difficult to influence in the public sector, leading practices suggest that performance recognition is not only about tangible rewards. Leaders should begin to better understand what makes their employees 'tick', recognizing that this can be very different on an employee-by-employee basis. When there is a high level of clarity around what drives performance for an employee and a team, including their career development aspirations, it is easier to adjust the performance conversation in a way that is motivating for that particular employee. It becomes easier to motivate and engage employees in alternative ways when their extrinsic and intrinsic motivation is understood. With the evolving expectations of a younger workforce for interactive and transparent work environments potential reward and recognition opportunities include: flextime, indirect benefits, prestige and recognition, career planning sessions and special programs.

Find the Currency That Works For the Individual – Discover What Motivates Them

Every employee has their own unique combination of incentives that drives them to perform at a high-level. For one public sector policy team, the Director quickly discovered that their employees were driven by complex challenges, as well as clear recognition for a job well done. After discovering this, the Director modified the way they interacted with their employees. Instead of directing them on how to solve a policy problem, they would provide them with the necessary information and then ask them to solve it on their own. Transferring the responsibility over to their team helped to build up their level of confidence, which in turn encouraged them to perform at a higher level because they were able to understand how they could contribute to the achievement of broader objectives. When a policy file was complete, the Director would always remember to provide constructive feedback and recognition to their team for their achievements. In lieu of monetary rewards and promotions, leadership teams can increase efforts to determine what non-monetary rewards are valuable to their employees. If leaders are connected to what truly drives their teams to perform at a high level, then they are better equipped with the tools to increase employee engagement and effectiveness.

The public sector will always be responding to pressure to become increasingly innovative, effective and efficient, while reducing expenditures and providing exceptional services to Canadians. Although progress has been made implementing modernized performance management programs across public sector organizations, there is a need to continue to improve these processes, meet evolving employee expectations and accommodate shifting priorities. Leaders, often faced with this challenging task, remain in the most influential position to establish a strong

performance culture, align employee performance to the achievement of organizational goals and objectives and motivate employees to perform at a high level. Provided with the right tools and equipped with leading practices, leaders have the ability to raise the bar to meet the demands of an evolving workforce and workplace, increase employee engagement and productivity, and achieve the intended outcomes and objectives of today and into the future. Go make a difference.



¹ A detailed copy of the 2015 Human Capital Trends Report can be found through the following link: <http://www2.deloitte.com/us/en/pages/human-capital/articles/introduction-human-capital-trends.html>

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