



Engaging staff in the mission: NFP performance management



Introduction

Regardless of their job or duties, every member of your Not-For-Profit (NFP) organisation has an important role in delivering on your mission. Your employees might not realise it, but everything they do, every interaction they have with your community and every decision they make on the job, conveys a message about who your organisation is and what it stands for.

A strong reputation is an essential asset for any NFP - even more so for charities that rely heavily on community goodwill for donations and volunteer recruitment. That's why it's so important to help staff understand how they fit into the big picture, what you expect from them, and to equip them with the skills and knowledge to become ambassadors for your cause.

Engaging staff in the mission

Discovering what matters to your people and how best to motivate them is a complicated challenge.

Providing extrinsic rewards like pay for performance or higher salaries is not possible for most NFP's given regulatory restrictions or funding difficulties. But this is probably not the answer anyway.

According to Pro Bono Australia's annual NFP salary survey, successful employee engagement in the not-for-profit sector is highly dependent on clarity around job roles and organisational direction rather than pay rates.^[1] To put it another way, a strong sense of purpose is a key driver of employee engagement in NFP's and helps turn your staff into ambassadors for your cause.

The link between purpose and performance management



Well-executed performance management provides a greater sense of purpose by clearly linking an employee's job with the objectives of the organisation. When an individual understands how their day-to-day efforts contribute to the mission, they are more likely to act in the best interests of the mission.

“But my staff hate performance reviews!”

Performance management has been getting a bad wrap lately - and perhaps deservedly so. Most organisations have been doing it badly for a very, very long time. The dreaded annual review has become a much maligned process that has caused no end of stress for managers and staff alike.

“Oh nooo, not the review...”



Problems with traditional performance management

One of the biggest problems with traditional performance management is that organisations have lost sight of *why* they actually do it. We have taken a process aimed at getting the best out of people and turned it into a bureaucratic nightmare.

Pressure on managers to get it right

We've placed a lot of pressure on managers to get performance management right. The results of performance reviews (i.e. ratings and feedback) are often used in salary reviews (pay for performance), succession planning, and to measure the effectiveness of other HR fulfilment processes such as recruitment and training.

When we gather 'data' from a performance management process to make salary decisions or to determine who might be fast tracked to management, we are placing a lot of stock on one person's view. This is a heavy burden for managers to carry - particularly when they might be still getting to know a staff member or don't actually spend a lot of time with them day to day.

It also overlooks that this data represents real people. Is it really fair to be reducing their skills, knowledge, abilities, goals, motivations and experience to numbers on a spreadsheet?

Lack of skills

Finally, a lot of issues with traditional performance management methods have stemmed from performance processes being left to managers that aren't equipped to handle these discussions well. Some leaders don't have a natural instinct for this stuff. Many have not experienced it for themselves with their own bosses. So without proper training and coaching in aspects such as goal setting and delivering feedback, they struggle.

A more flexible approach to performance management

No matter what anyone tells you, eliminating performance management altogether is definitely *not* the answer. Throwing away performance management is like leaving your staff out in the dark without a torch. They will stumble about, blindly trying to find their way, with only their best instincts to guide them.

If your annual performance review process is alienating staff rather than engaging them, you may need to think about changing what you are doing in favour of a more flexible model that breaks the process down into shorter, more regular formal and informal discussions.

Modern performance management

There is no big secret to effective performance management. It's really only what good people managers have been doing all along.

As opposed to the traditional once-a-year talk fest and form filling exercise, modern performance management has become an ongoing, future focused conversation about a person's development.

From the time they commence until the day they finish with an organisation, employees participate in regular and meaningful goal setting and feedback discussions that support their performance.

The Performance Management Cycle



Reflection and assessment

Best practice performance management begins and ends with **self-reflection** under the guidance of a supervisor, coach or mentor.

We all learn by experiences and mistakes. Unless we question our perceptions and acknowledge our strengths and weaknesses, we can't make changes. This is why setting aside some time to reflect on performance is worthwhile.

Reflection starts with an accurate understanding about what is expected of a person in their job.

Setting performance expectations

To perform well, employees need to understand:

- why a job exists;
- where it fits into your organisation;
- how it contributes to the overall objectives of your organisation; and
- what is expected of the person's performance; and
- how their past performance measures up

$$\text{Performance} = \text{Results} + \text{Behaviours}$$

Job performance is comprised of results (outcomes and objectives that must be achieved) and behaviours (actions and how your people go about their work).

Behaviour is often overlooked as one of the key levers of performance. But if you are an NFP sending staff into the field, maybe into people's homes, you need to be sure that they understand how to behave and that they embody the values of your organisation in every way.

When you and your employee agree on what must be achieved (the results) and how to go about achieving it (actions and behaviours), you establish a formula for success. In effect you are creating an ambassador.

Reflecting on past performance

Part of good performance management is helping staff take a step back to ask themselves what it is they are actually doing, and how well they're doing it.

Example Self Reflection Questions

- What results have I produced?
- What impact has my work had on the people I serve?
- How have I acted with clients, colleagues, and supervisors?
- How have I demonstrated our organisation's values?
- Have I followed process and procedures?

Overcoming barriers to self-reflection

Some staff may have a greater capacity for self reflection than others. As a leader, you may need to overcome some barriers first if you are to help your team member identify their strengths and development opportunities. These barriers might include: previous negative experiences; accepted beliefs; unchallenged assumptions; the emotional state of the staff member; or just that they are comfortable with the way things are and simply don't want to change.

Providing a safe environment

One of the reasons for breaking performance management down into bite-sized chunks rather than just a once a year, formal discussion, is to make it less threatening. Staff need to feel safe that if they open up about their struggles or admit to failings that they aren't going to be punished for it or marked as an underperformer on their annual performance review.

If you want to have a meaningful discussion with your team member about their performance, sit down in a quiet space, put away the forms, look your staff member in the eye, and ask them about their view of the work they do.

You might be surprised at what you learn...

Goal setting

Armed with a more realistic picture of their performance and what they want to work on, staff are then in a strong position to focus on goal setting.

Prioritise - don't try to do it all at once

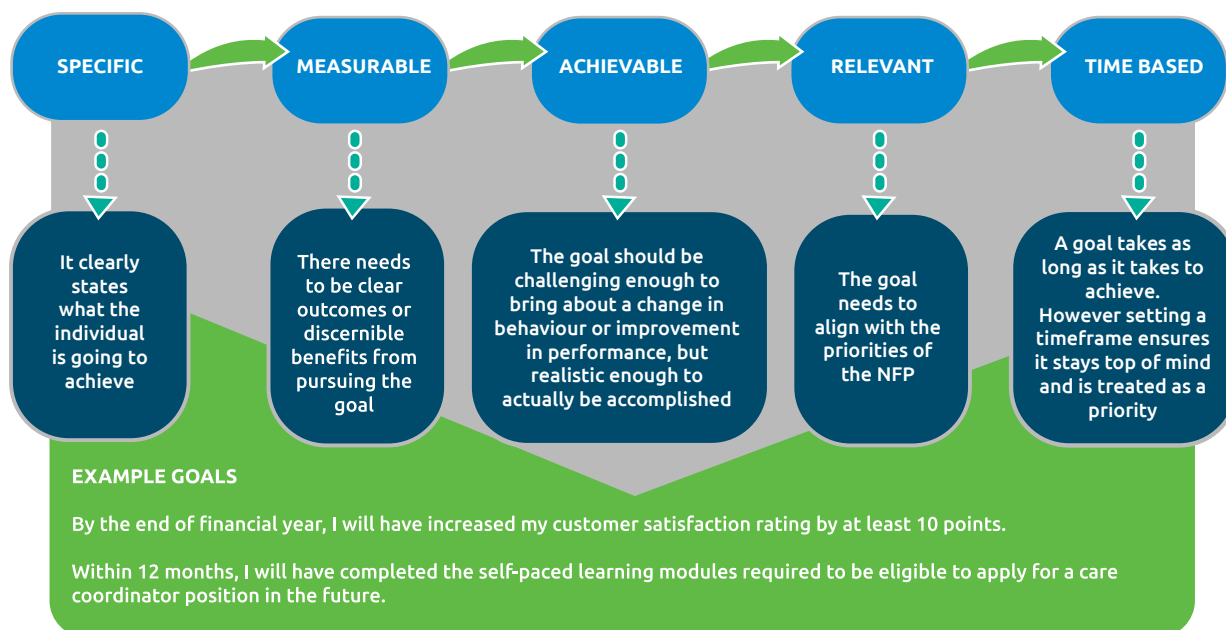
Working for an NFP can sometimes involve physically and emotionally demanding work. Many staff fail to achieve meaningful goals simply because they spread themselves too thin and try to accomplish too much at once.

Try limiting performance goals to two or three key areas. Focus on the most important goals - the ones that can make the most impact in the field and will produce tangible results.

Make sure the goals are SMART

The term SMART goals was first coined by George T. Doran in 1981 in an issue of Management Review. SMART goals have been the anchor point for most performance management systems and are still very relevant today.

SMART Goals are :



Changing goals mid-performance cycle

It sounds logical to set long-term goals and then work towards them. Planning development over the long term isn't a bad thing; but a lot can happen during that time.

You may discover that a goal that once seemed desirable may ending up seeming like a bad idea (for a whole barrel of reasons) or potentially becoming a waste of time in the wake of a new development.

To accomplish truly meaningful goals, all participants must be willing to question assumptions and re-evaluate as necessary. Is this a realistic goal for the individual? Is this still a priority? Are there more pressing or productive ways the person could be investing in their development?

That's why performance management isn't a once a year thing. You need to catch up more regularly both on a formal and informal basis to make sure that the right focus is maintained.

Professional development

Have you ever had a leader or mentor take particular interest in your success? Someone who spent time talking over problems with you or giving you advice about how to approach a new task?

Has someone ever given you an opportunity to take on a task that was probably way above your capabilities but trusted you with it anyway?

There is a good chance that if you are in a leadership position and reading this that someone during your career has sponsored your development and helped you build a set of new competencies that would take you further in your career. And if that isn't the case. Don't you wish they had?

All staff require some level of input along the way whether it is to improve their performance or help them scale to new heights. The secret is choosing the best type of activity to fit the development need.

Low cost - high impact learning and development activities

Investing in learning and development doesn't mean you have to spend huge amounts of money on formal training (was that a collective sigh of relief we just heard?) or subsidising higher education.

Traditional training workshops have their place but aren't always the answer to every problem. In fact training alone rarely brings about a change in behaviour or practice.

Professional development activities are most successful when staff have the opportunity to make sense of new information using a combination of interactive approaches. In addition to traditional training methods you should be considering other practical options like readings, peer discussions, and field observations.

Build a framework of support - coaching, collaboration, modelling and mentoring

The key to transferring learning into actual doing is to provide ongoing support and reinforcement of methods and ideas back in the workplace. This can be achieved through techniques like coaching, collaboration, modelling and mentoring.

Coaching

Coaching can be performed by the person's supervisor - but it doesn't have to be. Sometimes coaching may be better received by a respected colleague or subject matter expert.

The most important thing about coaching is that it is undertaken with honesty, respect and a genuine desire to help an employee improve their performance.

Coaching involves:

- Observation and assessment of whether the person's actions and behaviour are consistent with expectations;
- Identification and discussion about strengths and weaknesses to help bring about personal insight;
- Working with a staff member to develop strategies to build on strengths and improve on weaknesses.

Collaboration

This is a strategy used very successfully by teachers in the education sector. It involves bringing a group of employees together on a regular basis to learn about and discuss issues of importance to them in their work. Participants prepare readings or research for discussion and sessions are guided by a facilitator.

By reflecting on current practices and issues, the group develops and implements action plans to address the challenges they face, reviewing and adjusting their strategies as they go.

Modelling

Modelling has been found to be highly effective in helping staff to understand a new practice.

When a colleague or supervisor demonstrates how a method can be used successfully on-the-job, employees are significantly more likely to apply a concept and remain open to adopting it.

Mentoring

Many staff have successfully achieved their goals after receiving guidance and advice from an experienced or accomplished person in their field. The focus of mentoring is purely on the development of the employee.

Suitable mentors are best selected from outside of the person's usual supervisory or peer group.^[2]

Real-time feedback

This is the linchpin of successful Performance Management. Feedback doesn't always have to involve a scheduled sit-down meeting. Some of the best feedback occurs spontaneously - in the moment, on the job.

Where and how it happens doesn't necessarily matter (as long it is done respectfully and not in the earshot of clients or team members). What is important is that the feedback is timely and meaningful.

Face to face feedback is enriching but can also be universally challenging when there are tough conversations to be had. A firm foundation of trust, and the creation of a culture where regular feedback (both good and bad) is the norm, can make all the difference in whether a person takes feedback on board.

Supervisor feedback

Most staff want feedback from their Supervisor.

But it can be challenging for leaders to find the time to get around to staff in the field to observe performance and provide feedback. In such cases it may be better to delegate and share the responsibility with senior staff in the organisation rather than not do it at all.

Frequent field visits and informal chats are helpful for building trust. Understandably, staff are more likely to accept criticism from a leader that has followed their progress and given them lots of positive comments in the past, so it is important that a supervisor takes advantage of as many opportunities to talk about performance in as balanced a way as possible.

360 degree feedback

Even the best leaders can't be across everything their staff do. Significant contributions could easily go unnoticed or ideas and innovation go unrecognised if a staff member's only source of feedback is their supervisor.

Collecting feedback from other sources can help staff develop a more rounded (360 degree) view of themselves.

Peer feedback

Co-workers performing similar jobs can sometimes have a better understanding of their peer's performance than supervisors and upper management. They can also provide a valuable perspective for the feedback process.

Customer Feedback

If a staff member is in a customer facing role, customer feedback is probably going to provide the most direct and valuable insights into a person's performance.

Subordinate Feedback

Collecting feedback from subordinates enables leaders to really understand how their reports see them.

Adjusting feedback for the employee

Not all feedback sessions are created equal. Constructive feedback is always valuable, but it needs to be delivered in the right way.

There are many techniques for structuring feedback. The feedback technique you choose may depend on your audience. Here are some examples:

1. The Sandwich

This technique is often used when the subject needs a confidence boost or a reminder that constructive feedback does not equal failure.

- Start with the bottom slice of bread = praise for something the person did well
- The meat in the middle = offer some constructive criticism
- Top the sandwich with another slice of bread = finish the conversation on a positive note with more praise.

Example

"I was really impressed by how well you put the client at ease and explained the process. I did notice that you were not using the most up to date forms so you will need to stay on top of the updates. I am however very excited to see that you are practicing your techniques for building rapport."

2. The Direct Approach

This technique works effectively with staff that need help diagnosing issues with their performance.

- Start with the what, where and when of the situation
- Describe the behaviour you observed
- Outline how the behaviour has impacted others

Example

"During this morning's meeting about budget cuts, I noticed that you were texting on your phone and appeared not to be listening. I am concerned about how others may view your behaviour and whether they may question your commitment to our goals?"

3. Questioning technique

This technique works best with team members that have a high capacity for self-reflection.

- Explain the outcome you observed
- Ask the person to reflect on why they think it happened.

Example

"Your sales fell in July. Why do you think this is?"

Annual Performance Review Discussion

With 12 months of formal and informal feedback and coaching discussions under your belt, the annual performance review should be a walk in the park. Most importantly, the ongoing nature of modern performance management means that you are always looking to the future with your feedback - rather than trying to agree on the past.

And instead of just filing away the paperwork at the end of the year, the outcomes and learnings from the Performance Management cycle form the basis for discussion and reflection needed to set new goals in the next performance cycle.

Leaders - the guardians of purpose

There is a strong link between performance management and purpose. At the Not For Profit People Conference in 2015, Tim Costello, Chief Advocate and former CEO of World Vision Australia, warned that without a strong sense of purpose an NFP's mission may be watered down or lose focus. He reminded leaders that they must be the "guardians of purpose".^[3]

The level of involvement a CEO or other executive leader has in the performance management process will largely depend on the organisation. In some instances they may be very hands-on, in organisations with larger workforces, the CEO may need to delegate individual performance or feedback discussions to senior staff members.

The responsibility a CEO must not delegate however, is their role as the overall performance leader.

If performance management is to be an authentic and rewarding process for NFP staff, the CEO must leave the organisation in no doubt of its importance. Leaders with high performing organisations consistently:

- articulate clear goals and priorities;
- challenge team members to remain focused and committed to excellence; and
- build a framework that supports the achievement of performance goals.



Streamlining the process

There are many reasons why performance discussions don't get done:

- The person is too busy
- Lack of preparation
- The process is unnecessarily cumbersome and keeps being put off

A lot of these issues can be avoided with better planning and execution.

Scheduling

The performance management cycle can begin and end at any time. Following a particular timetable is OK so long as you don't forget about new team members.

Robust monitoring and tracking processes can help to ensure no-one is missed.

Using technology

Good performance management software can really make the process easy. A great system will guide you through the process of reflecting on performance (objectives and behaviours) and help you structure SMART goals. A system that is easy to use and mobile compatible will also ensure that records of feedback and development activities such as training and coaching are always kept in one place for easy reference.

An added advantage of using software is that it keeps the process paper free - no more employee files busting at the seams!

Keeping the focus on the mission...

Performance management is fundamental to organisational purpose. To *maintaining the rage* if you like.

It's also a great opportunity to remind staff of why they joined your organisation in the first place. People that work for NFP's are a big hearted bunch with strong principles. They choose to work for your organisation because they believe in what you do - even though often times they could be earning more in the private sector.

Development focused performance management enriches the careers and lives of NFP employees. Staff experience greater job satisfaction when they are given the opportunity to hone their skills and understand the difference they make to the lives of people served by their NFP's mission.



1. <https://probonoaustralia.com.au/news/2017/04/job-clarity-organisational-direction-key-nfp-employee-engagement/>
2. Wilson, P. Making Mentoring Work. Major Street, 2015
3. <https://www.workplaceleadership.com.au/blog/not-for-profit-leadership-insights-from-tim-costello-dNLD4nNY/>



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