# Performance Management: An Interview with Robert Bacal



Robert Bacal is the author of a number of books on performance management, and consults and offers training and keynote addresses on the topic. He also runs The Performance Management Help Centre. HR Insider asked him for insight into performance management. Here's what he told us.

**HRI: What is the single biggest mistake employers make with regard to performance management?**

RB: The single most important error is focusing on the actual appraisal/evaluation process and not focusing on performance planning (having clearer goals), ongoing communication throughout the year, identifying barriers to performance, and diagnosing to improve performance. In fact, the actual appraisal meeting should constitute about 10% of the time spent managing performance. Performance management is about IMPROVING performance, and should be future oriented, rather than past oriented.

**HRI: Why aren't performance appraisals more effective?**

RB: That's a complex question, with a lot of valid answers. If I had to choose one answer, I'd say that, in addition to what I said in the first question about mistakes, a major reason is that the only way appraisals can work is if we look at the process as something that needs to be perceived as USEFUL to all parties. HR, managers, executives, AND employees won't commit to it unless they see it as beneficial to them personally. Mostly, they don't. They see the process as something that "has to get done", rather than something that helps everyone improve.

Two other issues: Mistaking the completion of an appraisal form as managing performance – it's not, and the form is a trivial component, and believing that the ways we evaluate performance are objective, and meaningful. Methods like rating employees aren't objective, just because we stick a number on someone's performance.

**HRI: Is there a problem with tying performance so closely to salary increases?**

RB: Yes, but it's the nature of the beast. Tying performance and appraisals to salary increases puts employee and manager/appraiser on opposite sides of the playing field. From a management point of view, or from the perspective of employee engagement, morale, motivation, etc., the best scenario is when manager and employee see

themselves on the same “side”, rather than fighting over a limited “pie” for salary increases.

That said, we have to determine salary somehow, and it’s logical to use performance as a basis for that.

Another issue is that individual performance is NEVER under the total control of the employee, so when we tie pay to performance, we’re also tying pay to things like managerial performance, proper strategy, resource allocation, etc., so we end up rewarding or punishing employees based on elements over which they have no control or influence.

**HRI: What is the number one thing an organization should do to better align employee performance with desired outcomes?**

RB: Performance MANAGEMENT (not performance appraisal) is the means to do that, when it’s done properly, since it cascades desired corporate outcomes down through the layers through the process of setting goals. It’s actually not hard to do when one de-emphasizes evaluating and the past, and moves to managing in the present and future.

**HRI: How can HR help change the process?**

RB: In the second edition of my book – “Performance Management – A Briefcase Book,” I added a chapter specifically for HR people, and to answer this question, because it’s an important one. My feeling is that HR’s role should be to provide an array of tools to managers to plan, communicate about, and evaluate performance, rather than to provide a rigid, form based, or technology based mandatory template. HR is in the unfortunate position of having to “get appraisals” done without having formal line authority over managers, and that pushes HR to use a standard “one size fits all” process (form) that usually doesn’t fit anybody well. HR should enable, not limit, to the extent that’s possible given HR’s responsibilities. HR really needs to concentrate on the spirit and purpose of the entire performance management process, rather than the forms. That means educating and teaching, getting buy-in from senior executives, and serving the company, managers, and employees in the service of improving performance. It does NOT mean creating rigid forms, rating methods, or other things that serve HR’s role in gathering documentation. Neither does it mean “fixing” the forms every three or four years just to end up with a new form that looks a lot like the old form.

Finally, HR could recognize that the tools it provides, usually involving some form of rating instrument, are horribly flawed, and don’t contain enough information to help managers and staff improve.