

Defining Good Performance

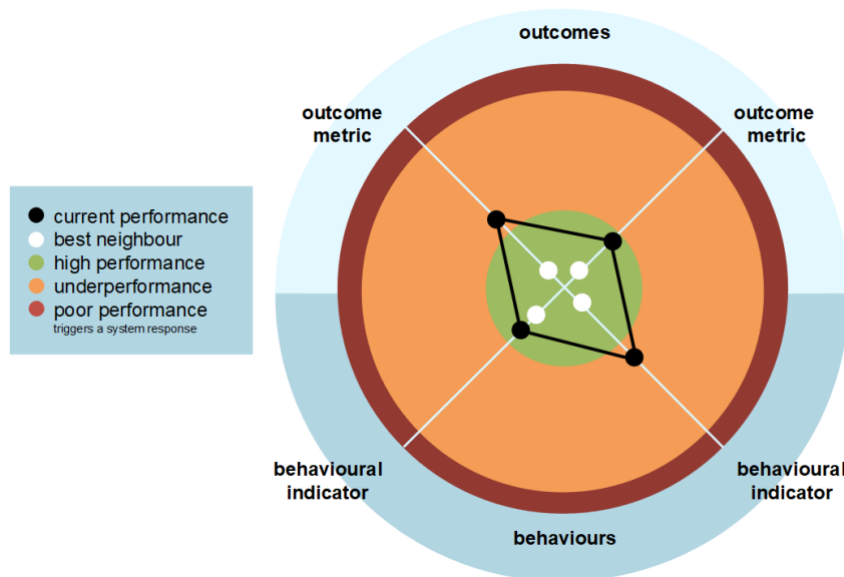
One of the basic functions of management is ensuring that the work of individuals and teams is aligned with the objectives of the organisation. Another is ensuring that individuals and teams operate effectively; that their skills are consistently applied in pursuit of the organisation's mission. Both functions require an understanding of the organisation's goals and a defined benchmark of what good performance looks like for each individual and team.

People working in publicly funded organisations often struggle to answer one of the most basic questions of performance management: what does good performance look like? Without a clear and shared picture of success, it is difficult for individuals, teams, and organisations to work toward better performance.

Good performance can be defined by absolute or relative indicators. Absolute indicators include concrete measures such as volume of activity or % change in a metric, while relative indicators use benchmarks for comparisons. The complexity of many publicly funded organisations means that absolute indicators are not available to all managers and staff. Sometimes these people will fall back on peer comparisons that uncritically reinforce low standards.

In most cases, relevant dimensions and reference groups for relative performance assessment are not specified, leaving individuals and teams to choose indicators on which to compare their performance with others. Staff may be judged, or judge themselves, on indicators such as how nice they are, the hours they work, or their eagerness to please superiors, all of which are imperfect measures at best. Staff who are unproductive on one indicator may avoid or rebut criticism by redirecting attention to areas in which they outperform their peers, even if those areas are not important to the objectives of the team or organisation.

These poorly defined relative measures, such as niceness or hours worked, are insufficient to inform effective performance observations or conversations.



Defining individual, team or organisational performance standards requires more robust measures that focus on absolute indicators or, at least, relevant and clearly articulated relative indicators.

Wherever possible, absolute indicators should be developed as part of business planning processes and integrated into individual performance agreements. These indicators may be based on outcomes or behaviours that can be measured or observed objectively.

Where absolute indicators are unavailable, the 'best neighbour' concept, applied to appropriate performance dimensions, offers an alternative performance framework for both managers and staff.

By comparing performance with other individuals or teams ('neighbours') delivering good performance on important dimensions, managers can define relevant reference points and set aspirational relative targets for staff.

Staff members who understand what good performance looks like can strive for success on absolute indicators, or emulate successful peers instead of benchmarking against comparators that they may observe, but that may not be relevant.

The complexity of defining success in publicly funded organisations need not prevent managers and staff from building high performing cultures, starting by defining what good performance looks like.