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### **The Impact of Performance Management and First-Line Leaders: On Culture and Organizational Change**

#### **Overcoming the Barriers**

Organizations, regardless of institutional size and industry affiliation, need to continually deal with performance results in pursuit of goals and objectives, as well as the need to continually adapt to change as it impacts the organization's performance culture. Performance results, or desired outcomes, can be thought of as the *what* that is desired to be achieved. Organizational culture, or the enterprise's work environment, can be thought of as the *how* the desired goals and objectives will be achieved and supported over time.

Within all organizations, it is extremely beneficial to think about both performance results (the *what*) and organizational culture (the *how*) at a higher order level, to help provide the most meaningful context to support an organization's mission and vision for success. Organizational work context should not be ignored. In reality, sadly, it often is ignored. Why? There are many reasons, which will be further identified and addressed within our *Performance Management Success* guide. Stay the course and continue to read ahead.

For the purpose of providing meaningful context relative to achieving organization-wide performance results and the ongoing performance contributions of all team members, we will identify early on one of the most important reasons why organizational work context is ignored, not planned for, or leveraged and hence not addressed. The reason? The linkage of Performance Management – and a desired high-performing work culture – is not often thought of as working closely in tandem.

In reality, there are many reasons for this misunderstanding or misutilization. Culture within organizations is not well understood or leveraged. And for that matter, neither is Performance Management well understood nor leveraged as an essential organization-wide process in support of driving, delivering, and sustaining organizational success. And that is precisely why *Performance Management Success – A Best Practices and Implementation Guide for Leaders and Managers of All Organizations* has been developed and shared with you our readers.

Empirical evidence of success, collected over decades of organizational work experience, has been by and large ignored to date on the subject of actual Performance Management Process implementation. With the benefit of our guide, that is no longer the case. An educational and implementation tool in *Performance Management Success* now finally exists. Our goal is to help our readers by providing a strategic and operational resource tool in support of establishing a successful Performance Management Process for leaders and managers across all organizations.

Performance Management as a process, along with a potentially high-performing organizational work culture, in reality are extremely closely interrelated. They are not mutually exclusive. They are also not dissimilar. Just as culture can be thought of as a *way of life*, Performance Management as a process can be thought of as a *way of life* also. In fact, Performance Management can – and should – take on a *life* that is very dynamic, impactful, and sustaining within any organization. It can do that in a variety of ways, including continuous communication of an organizational scorecard with performance metrics at all levels, total alignment and consistency of goals and objectives in support of key initiatives, ongoing reinforcement of performance accountability and reward for achieving desired results, institutionalization of essential organizational behaviors (or *competencies*) for all team members, ongoing coaching and feedback from multiple sources at any time, a formal and informal recognition and reward system that acknowledges both team and individual contributions, and a focus on continuous learning and development at all levels. All of the above examples help to drive and shape an organizational culture, via Performance Management, that results in competitive advantage that will very likely be unique and therefore difficult to duplicate by others.

Strategic processes and systems can and do have significant impact on establishing or changing a work environment for maximizing organizational success. Performance Management is one such process that helps ensure organizational success. That should not be a surprise, given the creation of our *Performance Management Success* guide.

Organizational change, in pursuit of planned goals and objectives – and the achievement of success – is never easy. Trust me on that score, in light of decades of internal and external consulting work personally performed with organizations spanning all industries and organizational sizes. What is surprising is how often two potentially impactful levers for successful organizational change are so often bypassed, ignored, and/or underutilized. What is even more surprising regarding the organizations that I have come in contact with over decades of work is the fact that both levers are readily available to senior leaders of organizations. Both levers are often not deployed for their maximum benefit. They are simply not well understood

nor strategically and operationally leveraged in support of maximizing organizational goals, objectives, and performance results.

The first lever of change that is often underutilized is Performance Management as a key process to help achieve planned results – on an ongoing and annual basis. In its most robust sense of understanding and implementation, Performance Management needs to be thought of as both a strategic and operational lever for change. Performance Management can and will serve an organization with both a support process (the how) that will lead to desired and planned organizational goals and objectives (the what). Performance Management as a process *reaches* all four (4) levels (enterprise wide, business unit or staff function wide, department/team, and individual team member) of an organization. Performance Management as a work process personally *touches* each and every team member within any given organization. The strategic and operational choice therefore is why not deploy your Performance Management Process as a key lever in support of planned change?

Change is often not easy, or successful, for a multitude of reasons. And the reasons are many: the lack of a strategy or a proactive plan for change; lack of clarity and communication relative to the need for change; lack of commitment of purpose for change; lack of supporting resources, including education and training for impacted organizational members beginning with leaders and managers; lack of compatibility of supporting processes and systems aligned with the initiative(s) of change; and the existence and toleration of a current state organizational culture that may not be compatible or consistent with the planned change(s). These reasons are not all inclusive. But any one of them can also be debilitating to an organization.

Performance Management – as a process – has the potential to be totally aligned and consistent with an organization's strategic plan and, just as important, the organizational work culture that is desired to help ensure the delivery of planned results. There is no better organizational work process than Performance Management that can potentially help address all of the barriers and challenges cited earlier that prevents planned change.

A second potentially powerful lever for organizational change, in addition to Performance Management as a process, is also readily available to all organizations and across all industries. That lever happens to already exist within the membership ranks of any organization or institution – and it's called *Leadership*. Leaders and managers can be either *victims* of a culture or the *shapers* of a desired culture. What senior leaders of an organization need to fully understand is that culture is *man-made*. It is confirmed by other organizational members, it gets conventionalized through leadership and managerial actions aligned with essential process and support systems, and the culture begins to take on a real life on a daily basis for all team members within the organization.

Organizations can be large and complex. Organizations can also be small and complex. Regardless of organizational size and industry, change can be difficult even in the best of circumstances. Therefore, why not use all leaders within an organization to assist in the change process. The key is to effectively use one particular level of management within an organization – once an overall strategy and direction is set by its senior leaders – to help advance and institutionalize a desired culture in

support of an organization's mission and vision. That potential lever for change is called *First-Line Leaders*, surprisingly an often underutilized lever for leadership change and action within an organization and also a lever for change that is frequently underdeveloped.

Who is a First-Line Leader? If you are a front-line manager, supervisor, department head, foreman, section leader, team leader, project leader, sergeant, squad leader, teacher/educator, coordinator, or senior professional, then you are a First-Line Leader. First-Line Leaders truly are an organization's first line of offense and defense.

What do First-Line Leaders typically do within organizations? They fulfill a vital *linchpin* role that ensures strategic and operational alignment with middle and top level management. They are expected to support the larger organization's mission, vision, and key goals and initiatives. They make short-term decisions that directly impact and guide the performance of team members who they work directly with – on a daily basis. First-Line Leaders typically provide work and learning direction to nonsupervisory personnel and typically provide performance assessment and recognition of team members. Their role can be formal or informal. Regardless, the role is potentially powerful and impactful.

Why are First-Line Leaders so critically important to an organization?

- They frequently interface with the end users of an organization's products and/or services.
- They make daily management and leadership decisions that impact 50–70% of their organization's members.
- The organization's members often decide whether to stay or leave, solely based on how their First-Line Leader treats them. Respect and trust is key here. Good or bad, team members will always judge their First-Line Leaders.

Given the fact that First-Line Leaders are required to provide daily operational support for their teams – and must deliver results – day in and day out, why not deploy them most appropriately to help achieve a planned culture and organizational change.

Two levers in support of culture and organizational change have been identified here for you our readers: a Performance Management Process as one lever and deployment of First-Line Leaders as an additional implementation lever. Each lever can work effectively and independently of each other – to help address any range of initiatives deemed critical to an organization's success. In reality, they can work together most productively, as they should.

Since Performance Management – as a robust and strategic process – is one critical potential lever for change, it is also vitally important to understand the place and role of First-Line Leaders linked to that process. Through an ongoing Performance Management Process, First-Line Leaders collectively reach and touch a significant majority of an organization's membership, both on a daily and ongoing basis. The potential synergistic effect – of the two levers supporting change initiatives – being deployed simultaneously, and leveraged, in an aligned and consistent fashion, can

provide enormous benefits for organizations. An investment and commitment in both levers in support of change will generate a significant and competitive advantage for organizations.

Our guide will focus on all essential common framework elements supporting a successful Performance Management Process implementation, beginning with the essential element of organization strategy that initiates the overall process.

Performance Management Success

A Best Practices and Implementation Guide for Leaders  
and Managers of All Organizations

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2018, XV, 160 p. 13 illus. in color., Hardcover

ISBN: 978-3-319-64935-1