



BY DAVID COHEN
For Workplace News

In the first part of this column (see July 2003 "People Perspective"), I discussed generally how the long-term vision of European companies has served them well over time and how North Americans tend to focus more on short-term gratification. This column will look at performance reviews and how they reflect a company's overall development.

The typical performance review system in North America is representative of a limited level of maturity.

Organizations that have a more mature view of performance management link job behaviours to organizational values, follow track records over years, not months, integrate personal development plans into the longer term business strategy, and incorporate the feedback of key "touch points," not just direct managers.

One European corporation is now comparing what employees have been doing in the last 12 months to what they have been doing over the last three years. In this way, they track the trend of performance. Making people decisions the way they make business decisions — from a longer term perspective.

It seems to me that Europeans are taking the long-range view to a

Performance management systems mature

deeper level in their new generation of people systems. They're saying, we know we're all here for the long run. We're going to make it work. Let's show how performance is linked to development that's in line with organizational values and strategy.

They have taken the traditional "management by objectives" and "feedback on behavioral competencies" and put everything into a perspective that we as mature adults do later in life.

We see performance reviews paralleling the concept of the stages of cognitive development.

Perhaps an alternative way of looking at the variety of approaches to performance management programs is to correlate them to the stages of cognitive development set out by Swiss psychologist Jean Piaget (see table below).

If we are moving to a knowledge-based workplace, then Piaget's concept of knowledge as the base for operations is most important because Piaget believed that knowledge is the primary operative. Therefore, knowledge is primarily about change and transformation.

For organizations that are not moving to a more mature approach to performance reviews, they might consider what is holding them back from maturing as a firm. They also need to consider the message given by current people systems.

How people are hired and fired, how they are rewarded and promoted, and how they are developed and trained, in good times and especially bad, is very telling when it comes to the organization's attitude towards long-term thinking.

As Larry Collins put it, now that we have passed through a period in which "built to flip" was considered a viable Strategy, maybe it's time to reconsider the value and mechanisms of "built to last." •

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Level	Stage	Social Orientation	Performance Management	
Pre-conceptual or Sensorimotor Period through the Preoperational Period (Birth to age two)	1	<ul style="list-style-type: none"> Assisting people to understand what is expected of them and the tasks they need to accomplish the desired outcomes Primary focus is on the role and job of the individual Begin to think of possibilities 	<ul style="list-style-type: none"> Managers set the outcomes for employees Rewards for achievement and punitive reactions if not achieving performance results. Employees just have to do what is asked to survive Work is activity-based and specifically defined 	<ul style="list-style-type: none"> Managers set outcomes, as the only measure The perspective of performers is one of compliance. "I'll do this because I have to" as they see that it is something forced on them from above or required by human resources
Concrete Operational (Early Childhood)	2	<ul style="list-style-type: none"> Continued use of concrete and specific examples Ability to test ideas and take a "risk" The focus on the contribution is wider than above, but not yet global Problem solving through analytical thought Understanding of hierarchical relationships 	<ul style="list-style-type: none"> The performance process engages in a conversation, but in the final analysis it is what the manager and company want and think is correct Employees are beginning to think there is a better way of doing this Employees are measured by hitting numbers 	<ul style="list-style-type: none"> Employees begin to realize the achievement of their performance plan impacts, and is impacted by others in the organization, in particular their boss
Formal Operations (Early adolescence)	3	<ul style="list-style-type: none"> Systems of formal logic or linguistics get read into the minds of those who reason or use language The reasoner actually used <i>those</i> same <i>rules</i> in arriving at the conclusion The ability to systematically generate and work with larger spaces of possibilities, including possibilities that are quite abstract 	<ul style="list-style-type: none"> Employees become more conscious of the links between their performance results and those of other members of their direct working team but don't think long-term or bigger picture 	<ul style="list-style-type: none"> Employees are starting to integrate with operational planning, some are also making reference to expected job outputs
Formal Operations (Late adolescence through adulthood)	4	<ul style="list-style-type: none"> Systematically generating and working with larger species and concepts; understanding possibilities Understanding conceptual abstractions Grasping and using historical data to improve and learn from past mistakes Thinking about values and choices 	<ul style="list-style-type: none"> The future of performance management. Perhaps where performance management is replaced because the concept of behaviour's impact on business results is clearly understood and development leads to the desired results Takes a longer term look at performance and not just "what you've done for me lately" 	<ul style="list-style-type: none"> Moving to a longer-term perspective; recognizing that not every person can be above average and has to be above average every year- rather, following the person's contributions over three or four years Using values and vision to anchor decision-making in all situations

