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God defend the manager as coach

New Zealand is showing symptoms of economic decay according to Associate Professor Vaithianathan of The Centre for Applied Research in Economics at the University of Auckland. Sadly, the economic gap with Australia is large and continues to widen. We work longer hours, are paid less and have lower productivity.

A recent study from Stanford University showed management practices within businesses and countries account for 30 percent of the differences in productivity. So it is very likely that our Kiwi management practices are central to our poor productivity, long hours and low pay.

In general, Kiwis are spectacularly poor at people management. Of 16 countries studied by the Ministry of Economic Development, New Zealand managers were the worst at retaining, promoting and nurturing talent.

While there are many things that can be done to improve our people management, the most important is to kill off the traditional performance appraisal system. This will enable us to devote more time and energy towards developing performance coaching as the central workforce development method.

Why is performance appraisal so bad? Appraisal is based on the assumption that managers can objectively and reliably assess individual performance, when in reality the process is largely subjective and hopelessly biased.

With long forms and complex processes, appraisal is often bureaucracy gone mad. The cost far outweighs the value for most organisations. Meetings are often only held once or twice a year, at which time the feedback is much too late for employees to undertake the necessary corrective action. This means it typically fails to meet the business needs of generating a motivated, engaged workforce that is willing to put in extra discretionary effort.

The appraisal systems that rank the top and bottom 10 percent of employees are fine if there is an endless supply of excellent job candidates, but in a tight market the practice is demotivating for the majority. It is not surprising that performance appraisal is of little value when managers are expected to set staff goals, review performance, undertake training needs analyses, develop inputs for the remuneration system and hold career discussions in just one or two meetings. With these huge and divergent expectations the system is doomed before it starts.

If traditional performance appraisal is of little value, what is the alternative? A process that aligns individual performance with business needs, and provides timely and effective coaching for employees is needed. In *The Man Who Cured Performance Appraisal*, Graham Winter provides a simple and effective process to align individual performance with the business direction.

He suggests that we ask three questions about each individual role, each team and the organisation as a whole. Why are we here? What must we achieve? How will we achieve this? This simple process is extremely helpful in clarifying roles and expectations within organisations.



Managers then need fun, engaging and informative training on establishing rapport, active listening, asking powerful questions, providing feedback, agreeing on actions and reflection on learning. A two-day course can result in demonstrable skill improvements in almost all motivated team leaders and managers.

These skills enable managers to undertake speed coaching with employees. This short, simple and focused coaching process involves:

- Finding a relaxed environment in which to undertake the employee coaching session. A coffee shop is a good choice.
- Start the session by spending a few minutes showing genuine interest in the employee. Establish rapport by asking about the weekend, a recent holiday or perhaps family health.
- Ask a few simple and open, work-related questions such as, 'How is the job going?' and hold a general discussion.
- Provide feedback to the employee about: how they are doing their job, how they are serving their customers, how they are supporting other team members, how engaged they seem and how they are developing in their role.
- Ask for feedback from the employee about: how clear their job requirements are, how well they feel supported in the job and what new skills, resources, etc. they need.
- The manager and employee then both write simple improvement plans.
- Finally they celebrate and recognise their achievements to date.
- With a bit of practice the speed coaching can be undertaken in 15 to 30 minutes. It is most effective when done once a month.

Speed coaching is a critical step in developing a coaching culture. To achieve this culture change, please do not try too hard and certainly do not spend much money. The first step is to see if the CEO is interested in undertaking professional executive coaching. If the CEO is not interested don't take another step – give up! If the CEO sees the value of coaching then proceed to the next step; give coaching skills training to those managers and team leaders who want to be involved in the process. Don't bother training managers who are reluctant, disinterested or do not have enough time. It is not easy to force culture change in organisations – so do not try. Subsequently, team leaders and managers should only coach employees who are keen to learn and develop.

As a country we need to dramatically improve our people management

All of this may sound very soft and laissez faire – and thus far the process is! However, at this point organisations should conduct simple, low-cost staff opinion surveys every quarter or so, to assess the level of individual job clarity, quality of manager feedback, level of development, recognition and engagement.

A five-question survey captures all the critical data. Team level results should then be fed back to managers during their own speed coaching sessions. All subsequent promotion and recognition of managers should be based on a mix of business results and staff engagement from these simple surveys. This process ensures that managers get timely and accurate feedback about the critical people management issues. More importantly, it means that the results of the feedback have real consequence in terms of promotion and recognition. The rubber has met the road!

As a country we need to dramatically improve our people management. Fortunately the process is easy, cheap and enjoyable. God defend the manager as coach – our country depends on it! ■