Performance management with twins

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Performance management has a problem. Twins help to get the design right.

- Traditional performance management needs a new design.
- Twins create awareness and offer the opportunity to challenge tradition.
- With the Twin Cockpit, you can text alternative designs.

Traditional performance management has a problem. This is nothing new. But it is always amazing how long flawed systems last in organizations. People have a great willingness to suffer.

Performance management is an important part of corporate development. It builds a bridge between the performance of organizations and people. Organizational performance management (OPM) is about the efficiency, performance and results of the organization. Individual Performance Management (IPM) deals with the performance of people.

Traditional IPM is in crisis. Most organizations are recognizing what science has long since propagated. In the age of knowledge, goals have lost their impact. Goal orientation works differently today. Target agreements are equated with command & control and are subject to manipulation. Performance is more about target achievement than peak performance. Bonus programs have become a self-service store. It is time to fundamentally rethink traditional IPM. A new design of performance management is needed.

Focusing instead of aiming. We know focus from sport. When it comes to top performance, it is important to focus on your own

abilities. A goal has never led to better performance. Goals cannot cope with a dynamic context. They have to be adjusted again and again as the context changes. Goals do not motivate. Self-responsibility is responsible for motivation. Goals only get in the way. You don't need to ask anyone to focus.

Goal orientation is like crossing a river. If you don't lead the way, the direct route leads to the sidelines. People are goal-oriented by nature. No additional accelerators are needed. Purpose is our best guiding star. Moreover, motivation is always too late.

Negotiating skills win when it comes to agreeing targets (MbO). Goals can also be manipulated. What's the point if I reach 80% in late fall? I assess whether I can still achieve the target or leave it alone, i.e. I go to the beach to prevent 20% being added next year.

Motivation stems from personal responsibility, requires freedom of choice and demands a sense of purpose. Managers, even if their commitment is well-intentioned, can only demotivate. Any intervention regarding goals leads to stress with excessive demands or boredom.

Performance requires learning. Every target agreement is diametrically opposed to this. It is awareness, trust, freedom of choice and focus of attention that enable learning and leadership. No target agreement is needed for this. It prevents performance as it creates stress.

Performance evaluations date back to a time when people had time to wait a whole year to be told off by their superiors. In addition, daily feedback from customers is relevant and not what the boss has to say at the annual review.

Incentive systems. There is no study anywhere in the world that has proven a permanent increase in performance through incentive systems. There is a negative relationship between extrinsic motivation and intrinsically motivated performance. There is no study that suggests a significant convergence between management pay and company performance. Why do companies continue to waste the owner's money?

Twins offer the opportunity to challenge assumptions and principles, identify potential and dysfunctions, determine gaps and key issues to close the gaps and introduce initiatives and the roadmap to develop better performance management. Good

design contributes significantly to performance, good health and a working environment in which employees can fully utilize their knowledge and skills. With the Twin Cockpit, you can test alternative designs.

For more on performance management, see the following blogs: *Focusing Instead of Aiming at Targets*, *When Managers and Employees Go to the Beach*, *Motivating is Always Late*.

The Performance Triangle offers a scientifically sound treatment of performance management proven in practice.

About Management Insights

Founded by Lukas Michel, Management Insights draws on more than 25 years of research and practice to help people understand how their organizations work. The Organization Twin brings organizational patterns into view for reflection, dialogue, and informed choice.

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