

Performance leadership

Leader speak



The true measure of the value of any business leader and manager is performance.

– Brian Tracy

Performance measurement is one of the most difficult things in an organisation. Every employee works to be treated fairly and be judged fairly. It is never easy to get performance appraisals 100 per cent right even with the best process and even with leaders with the best intentions. There is a subjective element in every appraisal and one must keep that in mind when we discuss this topic.

What is a good performance? To me given a set of economic factors, a good performance is one where the company and the individual are competitive and deliver results better than competition. This is easy to measure where we have industry data on growth and profits. This is easy for teams with quantitative targets. How do we judge support functions like legal, HR, finance, supply chain, etc. on performance?

A good performance is always a combination of number targets and softer behaviours. The measurement of numbers is an easy task once the numbers are set. The behaviour judgement is the difficult part. While the numbers are self-explanatory, I have always looked at the attitude of the employee, does he or she have a winning mindset, does the person care for the company above all else, does the employee help others out in the spirit of the company winning and does the employee take pride in being part of the company? The hallmark of a great employee is loyalty to the company before loyalty to the boss.

A good function must be an

enabling and a supporting function for the business. Does the function respond quickly to the issues raised with them? Or, does it hide behind rules and regulations? A lot of a functions' behaviour comes from the leader and the way the function has worked historically or has been used historically. Most finance departments see their role as protectors of company wealth and profit. Most audit departments see themselves as guardians of the policies in a company. I would judge every function on its ability to support the company to get higher revenue and profit from its customer base. If functions in a company are internally focused, then that company will never be customer centric. I have in the companies where I was the leader developed a responsiveness index for every function as seen by the employees of the company. Having an internal responsiveness measurement system helps raise awareness of which department is the weakest link in the value delivery chain.

I have followed the following to ensure better performance in the companies that I led:

- Every year have all MBOs or KRAs shared by each team member with the team, and specifically ask for the help they need to achieve their objectives. This helps create a common agenda for the leadership team
- I have always shared my objectives with the full organisation and also signaled progress versus my objectives every quarter and in every employee town hall meeting.

- I have also done a quarterly catch up with each direct report to see how he/she is progressing versus the objectives. This ensures that there is clear communication both ways on performance hits and misses and hence takes away the surprise at the end of the year.
- I always ask the leaders to rate his/her own people and see if he/she rates himself/herself higher than his team or lower than his/her team. Leaders who rate themselves higher than their subordinates have an enormous ego and believe that they are the reason for the team's delivery. These leaders are dangerous. The role of a leader is to build team capability.
- No one teaches us to be fair, we learn fairness through the family values we have grown up with and the role models we see at work. This is the most important aspect of being a performance focused leader – fairness!



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