

# THE PERFORMANCE MATRIX

---

The reality is that there are vast differences in individual performance. Statements like "she does the work of three people" or "he's worth his weight in gold" often are more truth than myth. The best managers recognize this and make every effort to identify and promote high performers, and develop or weed out low performers. People decisions - who to hire, who to fire, who to promote, who to spend your time with - make or break most leaders.

To aid in this process, a Performance Matrix can be applied periodically (semi-annually or annually) as the basis for recruiting, performance assessment and talent reviews.

Most performance assessment rituals consist of annual numerical rating systems that provide little insight into how to truly classify and differentiate the contributions of employees. Yet, effective leaders and managers intuitively know that seemingly comparable employees, with comparable pay scales, often make very different levels of contribution. It is not uncommon to hear phrases like, "that person is worth at least twice as much as that other person." Why is this? And how can we develop performance assessment systems that both encourage and acknowledge these dramatic differences in individual contribution?

First of all, we must recognize that there is a clear distinction to be made between the contributions of egocentric people versus people who are more focused on the welfare of the organization as a whole. While everyone acts on some level out of self-interest, some people act primarily out of self-interest and really cannot contribute to any discussion about the welfare of the whole organization without making reference (explicitly or implicitly) to their own needs. This is what we mean by egocentric people.

Egocentric people are pretty easy to recognize. They are the ones who will contort the dialogue, no matter what the issue, in whatever fashion necessary to be able to tell you what they think or talk about their background. They love telling you what they know, and are frankly not much inclined to listen to what you might know. They often start with the assumption that they have the answer. They over-generalize from their own experience, to grand theories of the universe. Especially if they are in senior positions, they expect administrative personnel to bend to their every whim. Finally, they are much more likely to be men than women.

Egocentric people believe that the world revolves around them, and that this is the way it should be. Their need to consider their own personal agenda when resolving any organizational issue is often much more apparent to those they interact with than they realize.

The significance of all this for our purposes here is that it turns out that egocentric people make lousy leaders and managers. There are several reasons for this:

Egocentric people tend to blame others for failures, rather than accept responsibility, and this of course makes establishing a constructive learning organization impossible. They find it impossible to have a genuine dialogue on any organizational issue without explicitly or implicitly inserting their own personal agenda. Great leaders learn to love the people who they work with, both peers and those who work for them. Egocentric people love themselves first, and everyone else a distant second if at all. Potential followers sense this, and emotionally they run as far as they possibly can away from egocentric leaders. Simply put, people know whether their boss cares for them or not - and there is no way for the boss to fake that. No matter who thinks they should lead, nobody will really follow an egocentric boss over the hill.

The actions of egocentric leaders are driven primarily by increasing their organizational power base or their personal financial returns, rather than by improving the market power and effectiveness of the organization as a whole.

This brings us to the second dimension upon which individual contributions can be assessed - the level of output and results that the individual can deliver - either directly or by managing their work group.

It is a fact of organizational life that individuals vary greatly on this dimension. Based upon their values, attitude, talent, life circumstances, knowledge and experience, we might think of three levels of performance:

### **1. High Output Performers**

These are individuals who can be counted on to consistently get a massive amount of work done per unit of time. High Output Performers are typically internally driven, as evidenced by personal histories where they have delivered high output over a period of years no matter what the organizational context.

### **2. Solid Performers**

These are individuals who can be counted on to deliver results above the acceptable standards of the organization.

### **3. Weak Performers**

These are individuals whose individual contributions do not measure up to the standards of the organization. Frequently, these people can "talk a good game" but, when it comes time to deliver, the results are not to be found.

Putting together these performance dimensions, a Performance Matrix can be utilized to classify and differentiate varying levels of individual contribution to organizations:

**Headaches** are weak performers who are also egocentric. These are the folks who not only complain, but add marginal or negative value to the organization. Changing individuals who are headaches into valuable organizational performers is a low probability proposition. The solution for these people is simple to conceive, although not always so simple to implement - they need to exit the organization, either voluntarily or involuntarily.

**Heartaches** are also weak performers, but they have the best interests of the organization at heart. The challenge with heartaches is to provide them with the skill training, performance goals and mentoring support to enable them to raise their performance. Heartaches who are able to become valued professionals are some of the most loyal employees that an organization has. On the other hand, heartaches who are unwilling to acknowledge performance gaps or unable to raise their performance must go. These are some of the hardest actions that a conscientious manager must take, because they know that the employee really wanted to succeed. The best organizations go to great lengths to give heartaches every chance to succeed, before concluding that they can't make it.

**Cowboys** and **Cowgirls** are employees who think mostly about themselves, but still are able to deliver results. In high-tech companies, the classic example of this is the renegade programmer who produces working software, but refuses to follow any kind of structured process to do so. Salespeople who send the message, "don't tell me how to sell, or ask me to follow a process, just leave me alone to go sell", are another example. The underlying assumption of Cowboys and Cowgirls, is "results are all that matter." The problem with tolerating these folks is that their interpretation of results is too narrow - if the organization only focuses on what gets achieved but pays no attention to how it is achieved, then nothing has been learned to ensure that results can be repeated (or improved upon) in the future.

**Professionals** are people who show up for work every day, work hard, care about the organization's interests and deliver results. They are the "backbone" of the organization. Retaining professionals, and identifying and mentoring those who can become Business Builders, is truly a make-or-break proposition for many organizations in today's knowledge-rich, talent-poor economy. In the knowledge-based organization, a lot of the real assets of the company are in the brains of these professionals. Only when those brains are actively engaged does the organization have a chance to succeed.

**Rock Stars** in organizations usually behave just about like rock stars on VH1. They love to be on stage, showing everyone how much they know. They crave attention and tend to dominate (and often ruin) meetings where the organization is actually trying to get something done. They are very poor at sharing ownership for a task (how many rock stars really like to share the stage?). They get their kicks from showing how smart they are, and they will go to tremendous lengths to orchestrate situations for the opportunity to do so. Sometimes they are not so subtle about this; one of us once had a peer who was a classic rock star get up out of his chair in a board meeting, take the presentation pointer out of our hand in mid-sentence, and start finishing the presentation.

The most irritating thing about Rock Stars is that, in a knowledge-based company, you need some of them. They simply bring too much talent for high-output individual contribution to the table, and often too much experience, to get rid of them. However, you need them in the right role. We have one guideline here that is very important and very simple - Rock Stars should not have anybody working for them. As we've seen, all egocentric people make lousy leaders and managers, and Rock Stars make some of the worst - because they truly believe that they are good at just about everything. (The best managers start with the belief that they have something to learn from their direct reports - this is heresy to a Rock Star). We've seen this guideline violated many times, with enormously destructive consequences for the organization - probably because Rock Stars have charismatic personalities that superficially suggest that they should be good leaders. Instead, Rock Stars belong in staff roles or individual contributor roles within a line organization - where a strong leader above them can maximize their contribution and minimize their damage.

The most important professional development is that which turns Professionals into Business Builders. The other important development focus is to turn Heartaches and Cowboys and Cowgirls into Professionals. On rare occasions, Rock Stars also can become Business Builders but this usually does not happen because the Rock Star gets too much ego gratification from their on-stage performance. (They are too busy tending to these ego needs to focus much time on anybody else).

### **Operationalizing the Performance Matrix**

Use The Performance Matrix in your recruiting process. The best employee development system is to get the right people on the bus in the first place.

Use The Performance Matrix in your talent review process and your performance assessment system. Categorize each employee in the performance matrix. Set specific goals for what percentage of your employees should be Professionals, Business Builders and Rock Stars.

Use The Performance Matrix in your employee development system. Give your Cowboy and Cowgirl employees every chance to become Professionals by communicating the visions, strategies, goals and programs that represent the organization-centric view. Give your Heartache employees every chance to become Professionals by defining outcomes, leveraging their strengths and helping them find the right fit.

Don't tolerate egocentric behavior from Cowboys and Cowgirls, even though they may be generating narrowly-defined short-term results. It won't pay off in the long-run, and the short-run consequences of egocentric actions are graver than you think.

Don't let Rock Stars lead or manage anybody. Ever.

*The experienced and credentialed team of professionals at David Chinsky & Associates specializes in coaching leaders seeking to become more agile, effective and energetic. We enable leaders to gain the clarity, confidence, effectiveness and vitality necessary for achieving their highest level of leadership fitness.*