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I write about management in its many forms.

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Why Companies Underperform When It Comes To Managing Performance

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One of the things I've always liked and respected about management is that, at least theoretically, it's such a rational performance-based endeavor. If management is doing its job, employees have clear expectations and tangible goals and targets by which to measure performance.

A rational meritocracy, in short, where strong performers are rewarded and weak performers aren't.

Anyway, that's the theory. The reality, of course, is quite different. At least according to data I recently reviewed from Gallup's comprehensive report [State of the American Workplace](#).

While the whole report is worth reviewing, I was especially interested in a section on performance management – since this is such a critical yet commonly neglected element of management – and at the end of the day management should be all about results. Achieving results an organization needs.

So how did management measure up in this recent study? Let's look at the data.

In simple language, the study's high-level stats show many managers don't do it very well.

Only 21% of employees agree their performance is managed in a way that motivates them to do outstanding work. This is a substantive shortcoming; without motivation, consistently productive performance will be elusive at best.

Only 18% of employees strongly agree that employees who perform better grow faster at their organization. Another substantive issue. Little demoralizes employees more thoroughly than seeing the wrong people succeed. Little dampens enthusiasm more than working extraordinarily hard and watching a less deserving individual get a promotion.

30% of employees strongly agree their manager involves them in setting their goals. There are significant benefits to having employees take part in – and thus be personally invested in – goal setting. It gives them "skin in the game" – a compelling additional reason to care about attaining goals.

23% of employees strongly agree their manager provides meaningful feedback. Numerous studies show lack of feedback is a chronic management problem. Giving timely thoughtful feedback should be a core management skill – and the absence of it leads easily to frustration and employee disengagement.

In short, these stats strongly suggest that in the aggregate managers are underperforming when it comes to managing performance.

So what can managers do to raise their game in this regard?

This Gallup study also offers a number of helpful management tips, but the two broad categories that resonated most with me involved 1) establishing meaningful expectations, and 2) creating an environment in which accountability is integral.

Both of these are key to optimizing employee performance. Was I surprised by the study's generally lackluster findings? Not really. My own impression, after several decades in management, is that goal-setting, a vital piece of the productivity puzzle, is too often viewed as a bureaucratic exercise, rather than the critically important foundation for performance it is.

My sense is most managers don't spend nearly enough time on it (and other studies confirm this as well). But when goals are painstakingly and thoughtfully set, and agreed to by employees with their active involvement, that's a clear standard to manage to.

Similarly, holding employees accountable is always important – yet doing so can cause conflict and thus often is avoided. Studies show that many managers, even senior ones, are surprisingly weak at accountability. Strong results can require persistence and backbone, and the more managers recognize and accept this, the more effective they'll likely be.

Organizations count on managers to deliver the results they need. For companies consistently struggling with employee performance issues, this study provides nourishing food for thought – areas for senior executives and HR to focus on as they develop their own managers.

Victor Lipman is an executive coach and author of The Type B Manager.