



Are Your Procurement Giants Awake?

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We're pleased to feature another article from Sigi Osagie, an expert on effectiveness in Procurement & Supply Chain Management, who helps organisations and individuals achieve enhanced performance growth to accomplish their business and career goals. He is also author of "Procurement Mojo - Strengthening the Function and Raising its Profile" - see our [review here](#) (and you can contact him via www.sigiosagie.com)

When we talk about “[Procurement performance](#)” it’s easy to forget that functional performance is dependent on the performance of each person in Procurement. After all, the Procurement organisation is a team of individuals. Unless individual effort is directed at enhancing the performance capability of Procurement, functional success will remain elusive.

Procurement leaders at all levels must invest significant effort on managing [individuals’ performance](#) to up their game. The tactics employed should drive the desired capability, behaviours and results. Some key principles here are:

- **Ensure accountability.** Individuals must be held to account for their responsibilities and deliverables. Everyone in Procurement is paid a salary to do a job; if they collect the pay-cheque, then it’s reasonable to demand performance delivery, all other things being equal.
- **Cover ‘hard’ and ‘soft’ aspects.** Ensure considerations of ‘performance’ reflect both hard, tangible elements such as measurable results, as well as soft, intangible elements such as attitudes and behaviours.
- **Carry out regular reviews and give honest, constructive feedback.** Don’t wait for the annual or half-yearly formal appraisal, if one exists; six months is a long time to wait to tell someone they’re not performing or they’re doing a fantastic job. Say it as it is when giving feedback, but be tactful to strike the right balance between honesty and encouragement.

- **Don't hold back from applying 'tough love'**, when it is appropriate. Research studies have shown that a leadership approach that balances empathy with hard-nosed directness focussed on desired outcomes achieves significantly better performance.
- **Recognise and reward stellar performance, and take action to tackle poor performance.** Address capability gaps if performance failure is due to lack of competency. Don't reward average performance, otherwise your Procurement function will also be average. Don't shy away from getting rid of people who consistently underperform after appropriate development support, otherwise your Procurement function will also underperform.
- **Use effective performance management and reward mechanisms** to get results for the enterprise, the team and the individual – it's a valuable route to develop people and ignite their passion when done correctly.

Managing individual performance in a manner that [gets the best from people](#) and augments their development requires insights into human motivation – one of the key driving forces behind people's actions. Get it right and you will awaken the sleeping giants in your people and reap the bountiful rewards of their collective inspiration. Get it wrong and you could waste significant organisational energy carrying 'fat' in your Procurement function – you certainly won't find your Procurement mojo.

Individuals' performance is greatly influenced by their motivation, abilities, traits and perceptions of what 'success' looks like. So even with highly developed skills, a misconception of the performance requirements of the job is likely to result in wasted effort and suboptimal outcomes.

A fundamental requirement is to align individual performance to organisational goals and values. Setting objectives for individuals that link to [Procurement's goals](#) is vital. As obvious as this sounds, there are still many purchasing people without clear and appropriate objectives.

Personal objectives bridge the divide between 'organisation' and 'individual' with regard to performance. Some key considerations are:

- Individual objectives must be SMART – specific, measurable, achievable, relevant and time-bound. All the evidence shows that people with SMART objectives perform better than those with fuzzy goals or none at all.
- It's more effective to set a few critical objectives than to go crazy with a catalogue of targets that will never be achieved or have any meaningful impact on the job contribution, the individual's growth or Procurement's performance.
- We only grow when we stretch beyond what we can do already. Hence, it is just as important that individual objectives are somewhat stretching. People perform best when there is a degree of stretch in

their work, enough to stimulate them and [get their juices flowing](#) without creating stress. It's one of the ways we help individuals discover and reveal their true capabilities.

Immeasurable capabilities abound in the human spirit, the same spirit that brought us the steam engine, penicillin and the internet; the same spirit embodied in Richard Branson, Michael Jordan, Adele, Oprah Winfrey, Bill Gates and Ellen MacArthur. That same spirit resides in every individual, including those in your Procurement organisation.

[Everyone is born with the capacity to achieve extraordinary things](#). But we often need the right organisational context to unleash that ability in the workplace. **An effective approach to individual performance and rewards helps keep alight the fire we all have in our bellies; it exposes people's true potential and abilities to excel.**

For any Procurement organisation to find its mojo, its people must be inspired and energised to reach for a level of performance attainment that is well beyond average. Harnessing 'people capability' this way is one of the critical levers to attain sustainable performance success.

