HARVARD BUSINESS REVIEW

Leadership And Managing People

# The Case for Performance-First Management

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July 1, 2026

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**Summary.** What began as a crisis-driven response to the Covid pandemic laid the foundation for today's dominant management paradigm: people-first management. But today's business demands a different approach, as performance and productivity have replaced engagement and retention atop the CEO agenda. Performance-first management represents a gentle shift toward an approach where managers empower their teams to deliver high-impact results within a complex and evolving reality. It keeps people at the center, but reorients the manager's role around enabling performance, not just supporting satisfaction. Gartner research shows that managers who shift toward a performance-first approach are up to 21% more likely to deliver the business results that are expected of them. And employees who say that their managers are performance-first report higher overall satisfaction with their employee experience. **close**

The onset of the Covid-19 pandemic in March 2020 initiated a seismic reconfiguration of how we work, the speed and scale of which far exceeded any historical precedent. Overnight, kitchens became offices; meetings moved to living rooms. The traditional boundaries between work and life dissolved as workers tried to maintain productivity through economic upheaval, all while decontaminating groceries and managing their children's online classes.

A year later marked the beginning of what came to be known as the Great Resignation, in which voluntary attrition surged by nearly 30% in the United States, compared to pre-pandemic levels, according to Bureau of Labor Statistics figures.

In response, CEOs elevated employee engagement and retention to the top of the agenda, authorizing unprecedented increases in compensation budgets to respond to fierce talent competition. Meanwhile, CHROs rewrote the fundamentals of the employee value proposition en masse to keep pace with the perks and work-life considerations that employees had come to expect.

What began as a crisis-driven response laid the foundation for today's dominant management paradigm: people-first management. After years of training on empathetic leadership and people-first principles, Gartner research finds that two-thirds of managers see their primary role as managing people, rather than the projects and processes that keep the organization humming. A December 2025 Gartner survey of 2,947 employees and managers reveals just how deeply this mindset has taken hold:

- 62% of managers say that they feel obligated to protect the members of their team.
- 45% of managers report that they make decisions that favor their employees at the expense of the business.
- The average manager spends nine hours—equivalent to more than 20% of their working time—listening to and trying to resolve employees' personal and emotional tensions.

## A New Macroeconomic Mandate

The forces that necessitated a people-first approach have given way to a new set of pressures that demand a different managerial approach. Today's leaders face a complex and fragile reality: persistent economic uncertainty, the rapid integration of AI, and an increasingly volatile geopolitical landscape. Against this backdrop, performance and productivity have replaced engagement and retention atop the CEO agenda.

Business priorities have shifted—and management must shift accordingly. This doesn't mean abandoning empathy; it means reframing and integrating it into a management framework that aligns with the current mandate.

Performance-first management represents a gentle shift away from an approach where managers see their primary role as managing people and toward one where they empower their teams to deliver high-impact results within a complex and evolving reality. It keeps people at the center, but reorients the manager's role around enabling performance, not just supporting satisfaction. Flexibility and care remain important—but they become tools in service of outcomes, not the outcomes themselves.

Gartner research shows that performance-first management works. Managers that shift toward a performance-first approach are up to 21% more likely to deliver the business results that are expected of them. And employees who say that their managers are performance-first report higher overall satisfaction with their employee experience.

The question is no longer whether to shift, but how. To enable a performance-first management approach, leaders first need to help change managers' mindset about the primary orientation of their roles by taking three actions.

## Reestablish Management Fundamentals

The focus on people-first management has trained managers to be empathetic, but not necessarily effective at the execution of work. In fact, Gartner research suggests that only about half of employees say that their manager is effective in the most fundamental components of management: providing clear developmental feedback, helping to prioritize work, and providing support through difficult projects.

To bridge this gap, organizations should consider shifting manager selection and training toward the tactical and operational components of the managerial role. Though these may vary by industry and function, core performance-first management fundamentals include:

- Translating "what" to "how": Turning high-level business strategy into discrete, actionable tasks
- Outcome tracking: Measuring success by results, not effort

- Workflow design: Identifying and fixing inefficiencies in how work gets done
- AI integration: Demonstrating how to use AI tools effectively and responsibly
- Career facilitation: Connecting employee strengths and ambitions to team performance

One example comes from AIA Group Limited, a life insurance and financial services group operating primarily in the Asia-Pacific region. To drive organizational growth and performance, AIA focuses on delivering a culture of empowerment with accountability, equipping leaders and employees to achieve their ambitions by building expertise and providing access to necessary resources and guidance. Leadership essentials are core to AIA's performance-oriented culture, and every employee is expected to embed these essentials in their day-to-day activities.

In 2025, AIA's high-performance culture and strong engagement levels were recognized by the Gallup Exceptional Workplace Award for the fourth consecutive year.

## Expect—and Accept—Some Employee Dissatisfaction

Over the past five years, organizations reshaped the employee experience around flexibility and personal needs, signaling that work should accommodate employees' personal lives, not the other way around. But as macroeconomic conditions tightened, many of those concessions—from fully remote work to extreme flexibility—are being scaled back.

Managers feel caught in the middle. While leaders set policies, the managerial cohort is left to defend and enforce them. Yet Gartner research shows 72% of managers still believe they are responsible for ensuring a positive employee experience—even when they lack the authority to grant the perks that have come to define it. This disconnect has created a massive drain on managers' time and resources.

Managers need to accept that some employee dissatisfaction is not only inevitable but expected during periods of significant organizational change. Instead of attempting to fix personal discontentment, which they have limited ability to do, managers should be encouraged to focus on the four environmental levers within their direct control:

1. Aligning work with employee interests and aspirations
2. Creating a clear perception of fairness
3. Assisting in the prioritization of tasks
4. Providing frequent recognition for contributions

When managers execute well on these fundamentals, Gartner research shows employee sentiment improves—even in less flexible environments. Employees who say that their manager is effective in each of these four actions report significantly higher satisfaction with their employee experience.

## Reset Manager Objectivity

The benefits of a strong relationship between managers and employees are well documented. Employees who report a favorable relationship are more likely to report feelings of psychological safety, greater innovation, and are generally at lower risk of attrition. But for many managers, a personal affinity for employees can lead to a "loyalty trap" that runs counter to the organization's interests.

Performance-first management requires a recalibration. Managers must shift their primary loyalty from individual employees to team outcomes and organizational success. This is not about weakening relationships, but about leveraging them to achieve common goals.

Building more objective managers takes time. It requires:

- Clear expectations around decision-making
- Practical tools and frameworks
- Consistent support and reinforcement from leadership

Organizations can help reset manager objectivity through three mechanisms:

### Training

Offering case studies, such as what to do with a well-liked low performer, can help identify where a manager's protective instincts may hurt the business. Organizations can also offer simulations or role-play exercises to help managers deliver direct and productive feedback, as well as workshops on ROI-based decision-making to help managers evaluate employee accommodations and changes to project plans.

### Tools

Organizations should give managers standardized criteria that objectively define what success looks like. They can provide calibration dashboards that allow managers to objectively assess their team's output against predetermined goals, or scoring matrices that help managers evaluate the most critical tasks for team success.

### Reinforcement

Outcome-based KPIs should create clear and direct alignment between the manager's priorities and team performance. Organizations can offer rewards and recognition for top-performing managers. Peer-support networks can also give managers a forum to share how they've changed their own approach and exchange successful tactics.

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The past five years have redefined what it means to lead. But the next phase will demand something different. Employee engagement is insufficient to drive success as organizations transform around AI. In a world defined by uncertainty and rapid change, performance must take center stage.

To succeed, HR must equip their managers to make that shift from protecting teams to empowering them, from prioritizing satisfaction to enabling excellence.

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