

PERFORMANCE MANAGEMENT

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- Continuous process of identifying, measuring and developing the performance of individuals and teams and aligning performance with the strategic goal of the organization

Disadvantages of poor PM

- Increased turnover
- Use of misleading information
- Lowered self esteem
- Wasted time and money
- Damaged relationship
- Decreased motivation to perform
- Employee burnout and job dissatisfaction
- Increased risk of litigation
- Unjustified demands
- Emerging bias
- Unclear rating system.

Performance execution

Employees

Commitment to goal achievement

Ongoing performance feedback and coaching

Communication with supervisor

Collecting and sharing performance data

Preparing for performance reviews

Managers

Observation and documentation

Updates

Feedback

Resources

Reinforcement

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Performance Review

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Appraisal meeting

Past performance

Present change in compensation based on past performance

Future plans to improve and develop

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Key Result Areas



Key Performance Area

- Key = crucial/main
- Performance = Achievement/Attainment
- Area = space/range/field of operation
- ***KPA = Main achievement space***
- **Point to Note**
 - KPA is the overall scope of activities that an individual on a job role has to perform.
 - KPA is not always result focused.
 - KPA's can be inclusive of KRA's

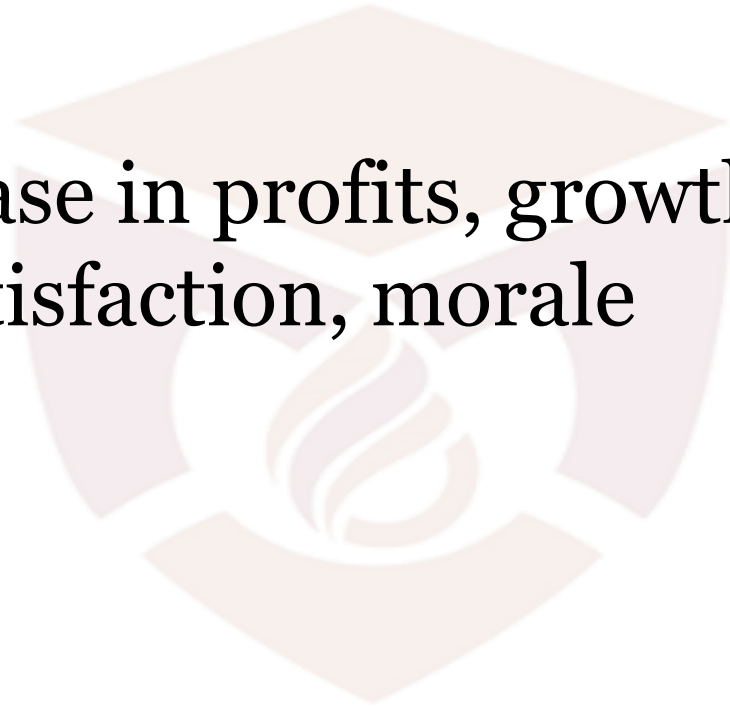
Performance measurement and evaluation

- Performance measurement is the ongoing, regular collection of information for monitoring how a program, policy or strategy is doing.
- It is a systematic way of mapping the evidence of the progress you are making towards your expected results.
- Performance measurement is concerned with compiling evidence to determine the progress of an individual, a unit or an organization towards predetermined objectives



Performance measurement is the process of quantifying the efficiency and effectiveness of past action.

- Indicators are increase in profits, growth in sales rise in costs, loyalty, goodwill, satisfaction, morale



Types of measures

- Based on functional area
- Based on level
- Based on representation
- Based on organizational control system
- Common categories

Based on Organizational Control System

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Control System	Expresses
Revenue center	Comparison of actual and expected revenue
Cost center	Actual cost and budgeted cost
Profit center	Measures profit
Investment center	Measures return on investment

Performance Measurement Approaches

- Behavior Approach
- Results Approach
- Traits Approach



Trait Approach

- Emphasizes the individual performer (intelligence, personality) and ignores the specific situation, behaviors and results
- Disadvantages of this approach are
 - Traits are not under the control of individuals
 - Traits are relatively stable
 - Positive traits may not lead to positive results/behaviors

Problems in conducting review meetings

- Relationship between manager and the individual
 - Mutual trust and understanding between both parties
- Skills of supervisor
 - Communication skills, interpersonal skills
- Meeting procedure
 - Agenda, supporting documents, schedules
- Improper balance of issues
 - More emphasis on performance improvement
- Lack of clarity and bias in discussions
 - Factual evidence, favoritism, defensive behavior
- Improper focus on outcomes
 - Equal attention to all rather than to extreme performers

Other Problems

- Evaluation criterion
- Compiling collected information
- Resolving conflict
- Handling defensive behavior

• Norman R.F

Guidelines for effective appraisal interviews

- Be prepared
- Have an agenda
- Create right atmosphere
- Use time productively
- Balance past performance against future potential
- Balance criteria
- Encourage analysis of performance
- Invite self-assessment
- Provide good feedback
- Agree to measurable objectives and a plan of action

Performance Appraisal Feedback

Effective feedback should be:

- Honest
- Specific
- Should meet the needs of all parties
- Meaningful
- Accurate
- Could acted upon
- Instantly followed up in writing

Necessary conditions for Coaching

- Climate of openness and mutuality
- Helpful and empathetic attitude of management
- Uninhibited participation by employees
- Dialogic relationship in goal setting and performance review
- Focus on work oriented behavior
- Focus on work related problems and difficulties
- Avoidance of discussion on salary and other rewards

Performance Communication

Formal Methods

- One-on-one meetings
- Department meetings
Via regular status reports on projects/major tasks
- Small team meetings (such as when a few employees are working together on a task/project)
- Review meeting
- Interview
- Feedback
- Coaching

Informal Methods

- General talks
- Coffee or lunch with individual employees
- “Popping” by an employee’s desk or workspace
- As a situation arises (such as immediately after a client phone call or a client meeting)
- Informal meetings (employee stopping by your office)

Objectives

- Analysing strategic purposes, results and key processes for their achievement
- Identifying key positions at the company
- Identifying crucial competencies and behaviors which contribute to achieving organizational strategy and enhance organizational efficiency (competence model);
- Analyzing the demand for talent, analyzing human potential and identifying skilled employees at the company
- Providing “players A for positions A” within the company
- Considering deficiencies and applying effective strategies for attracting and retaining of new talents
- Applying strategies, policies and programmes for motivation, development and commitment of talented employees
- Applying differentiated approach in HRM policies in order to overcome deficiencies in strategic readiness of human capital and to achieve the potential needed for the accomplishment of strategic objectives
- Developing organizational culture which foster talent-oriented attitude

Talent Management Practices

1. Set Clear Expectations and Align Organizational Goals
2. Go Beyond Regular Performance Appraisals
3. Provide Professional Development Opportunities
4. Measure and Improve Talent Management with Analytics