Performance Management

INTRODUCTION

Performance management (PM) is a process which enables managers to set targets, measure and review performance and repeat this cycle to support the achievement of organisational, team and individual goals.

There is often a gap between current and target levels of performance. An effective performance management process helps managers to identify what the gap is and take action to improve the knowledge, skills and competencies of the individuals being performance managed.

WHAT DOES PERFORMANCE MANAGEMENT INCLUDE?

- A Process based on outcomes and required behaviours

- A clear link to the vision, aims and goals of the organisation or business unit

- Clear definitions of the competencies and roles of those being performance managed

- Identification of the gaps in skills, knowledge and behaviours of individuals, teams and the organisation and how these will be met

- A system to record, link and monitor performance

- A method of reviewing whether outcomes have been met and behaviours adjusted to meet specified requirements

BENEFITS OF MANAGING PERFORMANCE

Managing performance is all about encouraging people to be the best they can be and providing them with the resources to achieve.

Benefits include:

- Increased accountability;

- A focus on objectives, goals, targets and results rather than personalities

- Equitable treatment of employees as the focus is on what can be and is achieved

- Increased focus from employees on actions that support the vision and goals of the organisation

- A change in focus from being busy (activities) to being effective (outcomes)

- Improvement in communication and teamwork through sharing information on progress, outcomes and issues

- Recognition of performance as an ongoing process, rather than a singular event

GETTING READY TO IMPLEMENT PM

Prior to implementing PM, consideration needs to be given to particular issues:

- Unclear vision, aims and objectives

- Rate of change in markets, products and systems;

- Lack of clarity in roles and responsibilities;

- Management culture which is closed and focused more on instruction rather than collaboration

- Skills and approach of managers directed at finding fault rather than addressing areas of concern

If any of the concerns above are given as reasons for not using performance management then consideration should be given to addressing these attitudes and behaviours which will be holding the organisation back.

USING THE NATIONAL STANDARDS TO DEVELOP A PERFORMANCE MANAGEMENT SYSTEM

THE PERFORMANCE MANAGEMENT PROCESS

This best practice guide focuses on the process of putting in place a performance management system using the National Occupational Standards (NOS) as a guide.

Identify current situation

The starting point for developing a performance management system is identifying where you are currently and how your organisation is performing. This will require an open dialogue between managers, staff and other stakeholders such as customers and suppliers. Use unit B2 of the NOS as a guide.

Review/Audit systems and processes

Are the organisation's systems and processes aligned to meet the needs of your customers? You may be externally audited through IIP, ISO, and CSCI etc. Each of these processes will provide measures of performance. Use this information and feedback from internal/external customers to identify what is and is not effective. See unit B2.

Identify where you want to be?

What direction does the organisation need to take? Units B3 and B4 act as process checklists to ensure you develop a vision, aim and objectives which are sustainable and linked to the business plan.

Define roles and responsibilities

Are there clear role profiles for each member of your team? The NOS provide guidance on the range of competencies for managers and leaders at all levels. Audit the list of units to identify the activities and processes each manager needs to follow.

Establish Performance Measures/Criteria

Once you have a clear idea of what you want to achieve at an organisational level, decide on the intended outcomes and the behaviours to be demonstrated. These can be linked directly to the NOS.

Performance Appraisal/Review

There are numerous systems which have been designed and developed to record performance, including web based solutions, multi page paper based systems, 360 degree appraisals and informal job chats. It is important to decide which system is most appropriate for you.

Although it is important to acknowledge past performance, it is more important to identify and set clearly defined targets and objectives and monitor these through ensuring the objectives set are SMART.

The action plan needs to describe the changes in skills, knowledge and behaviours, and the support that will be provided in order to help people move towards effective performance.

Beware of allowing the appraisal system to dictate how appraisals are conducted. A highly bureaucratic form-based system can lead to a process whereby managers merely tick boxes and do little else. A good appraisal system provides the tools to enable the much more important process of dialogue between manager and employee to occur.

It takes time, effort and commitment to develop a system that supports and guides everyone to improved performance. In the early stages of the development of the system it is important that there are regular reviews to increase ownership and effectiveness as much as possible.

WORKING WITH PEOPLE UNIT D6

This is a NOS unit that has been specifically developed to help managers use the performance management system to support improved performance in their organisation. This unit, and unit D5 (for Team Leaders), focuses on the outcomes and behaviours of managers whose role it is to 'allocate and monitor the progress and quality of work in their area of responsibility'.

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