Performance Management Practices

Only study guide for
HRM2604

Compiled by

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Pretoria

Please note
Read this study guide (SG001) in conjunction with the *Study @ Unisa* brochure, Tutorial Letters **HRMALL6/301/4** and **HRM2604/101/3.**
It is strongly recommended that you register for and use **myUnisa** (see the Study @ *Unisa* brochure for details) as this will give you direct access to important information and allow you to perform tasks such as updating your personal information, submitting assignments, confirming receipt of assignments, obtaining assignment marks, obtaining examination time tables and results, joining online discussion forums and many more.

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*Based on a previous study guide written for HRM2604 compiled by Esther Maimela.

Dear HRM2604 Student

In the preface of this study guide you are provided with an orientation to the module, introduced to the online environment and presented with a warm welcome to HRM2604.

Thereafter you will find the workbooks for this module (Workbooks 01–09) which covers the syllabus of HRM2604 and refers you to the corresponding chapters in the prescribed book.

In this study guide you will find all the workbooks for this module, which includes:

Items		
1	Workbook 01	11
2	Workbook 02	29
3	Workbook 03	46
4	Workbook 04	59
5	Workbook 05	73
6	Workbook 06	85
7	Workbook 07	99
8	Workbook 08	116
9	Workbook 09	126
10	Bibliography	140

The printed material will allow you to read the core study material, even if you are not online. Remember, the printed study material serves only as a backup of the material found online on myUnisa. This will help you to access your study material even during times when you don't have access to the internet.

Please do not hesitate to contact me if you have any module-related queries. I hope that you enjoy this dynamic and stimulating module.

Kind regards

Mrs Maryam Moosa
LECTURER: HRM2604
DEPARTMENT OF HUMAN RESOURCE MANAGEMENT
UNISA

PREFACE

Contents		Pages
1	Welcome	1
2	Purpose of the module	2
3	Learning outcomes of the module	3
4	Framework for the module	3
5	Schedule for the module	4
6	How to approach this module	4
7	Assessment	6
8	Icons used in this module	8
9	Success factors	9
10	New language policy	10
11	References to links and the worldwide web	10
12	Concluding remarks	10

1 WELCOME

Image source: Shutterstock

Welcome to the module Performance Management Practices (HRM2604). I trust that you will have a stimulating and successful year of study.

As you progress on your journey through this dynamic module, you will soon realise how interesting and important performance management (PM) actually is in reaching organisational objectives through the sound management of the efforts of the workforce. I know that you will find this module inspiring and of considerable practical value. I want you to know that I am here to assist you every step of the way in facilitating the best possible learning experience for you.

Performance management is one of the most important aspects of human resource management. Organisational success is achievable if all staff members are familiar with the strategic goals of their organisation and know how to achieve their particular individual goals in this organisational context. In fact, the performance of an organisation depends directly on the performance of its people, regardless of the organisation's size, purpose and other characteristics.

This module will expose you to all the elements of a successful performance management system and the spectrum of relevant people management practices significant to performance management in organisations, as per the module learning outcomes. I recommend that you start your studies as soon as possible, as this module is not only intensive, but also comprehensive.

GO ONLINE →USE MYUNISA

I strongly recommend that you register for and use **myUnisa** (see the *Study @ Unisa* brochure for details) as this will give you direct access to important information and allow you to perform tasks such as updating your personal information, submitting assignments, confirming receipt of assignments, obtaining assignment marks, obtaining examination timetables and results, joining online discussion forums, and many more.

As this module is offered mostly online, it is important that you read this tutorial letter thoroughly and then log on to the **myUnisa site** for this module. Over and above the inventory letter and other items, you should also have received the brochure *Study @ Unisa,* which contains important information. This brochure is also available on myUnisa. The Department of Despatch should supply you with the following **tutorial matter** for this module:

➢   two general tutorial letters: HRMALL6/301/4 and HRMONLI/301/4
➢   Tutorial Letter HRM2604/101/3 (which contains contact details for the lecturer, your assignment tasks and due dates, and other module-related information)
➢   this study guide: HRM2604/SG001/4

Tutorial Letters 201 and 202 with feedback on the assignments will be uploaded onto myUnisa a few weeks after the due dates of the assignments.

Note: Some of this tutorial matter may not be available when you register. Tutorial matter that is not available when you register will be posted to you as soon as possible, but is also available on myUnisa under **Official Study Material**.
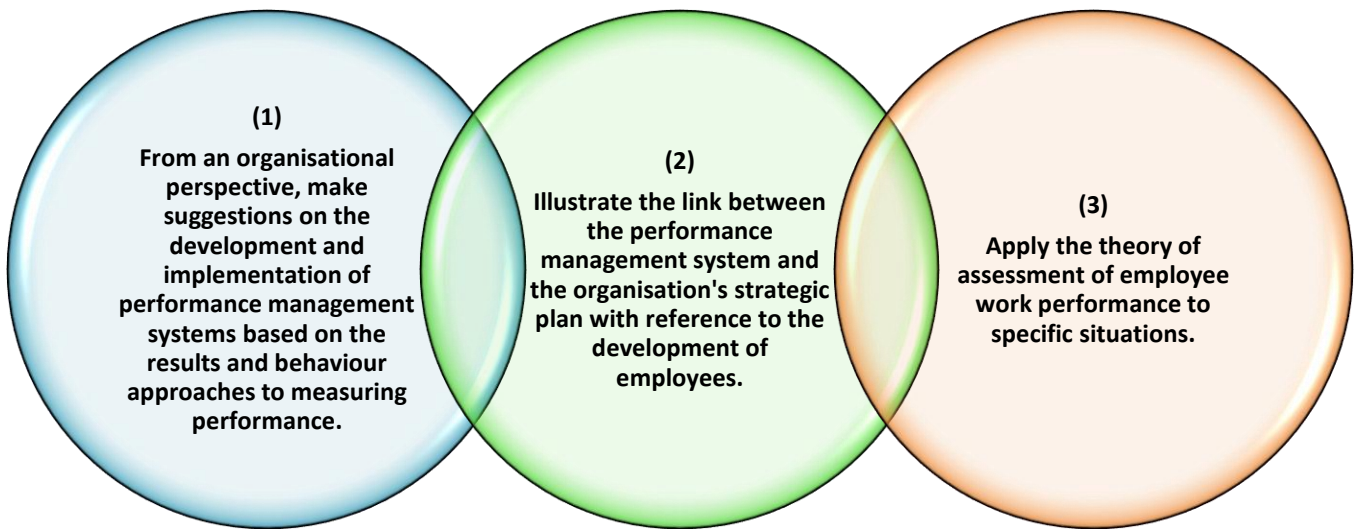
2   PURPOSE OF THE MODULE

This module intends to equip students with the competencies required to manage, evaluate and suggest changes to the performance management practices of an organisation. It will be useful to students who need to develop a detailed knowledge and understanding of the complete performance management system and process in order to effectively direct the performance of employees and ultimately the performance of the organisation.
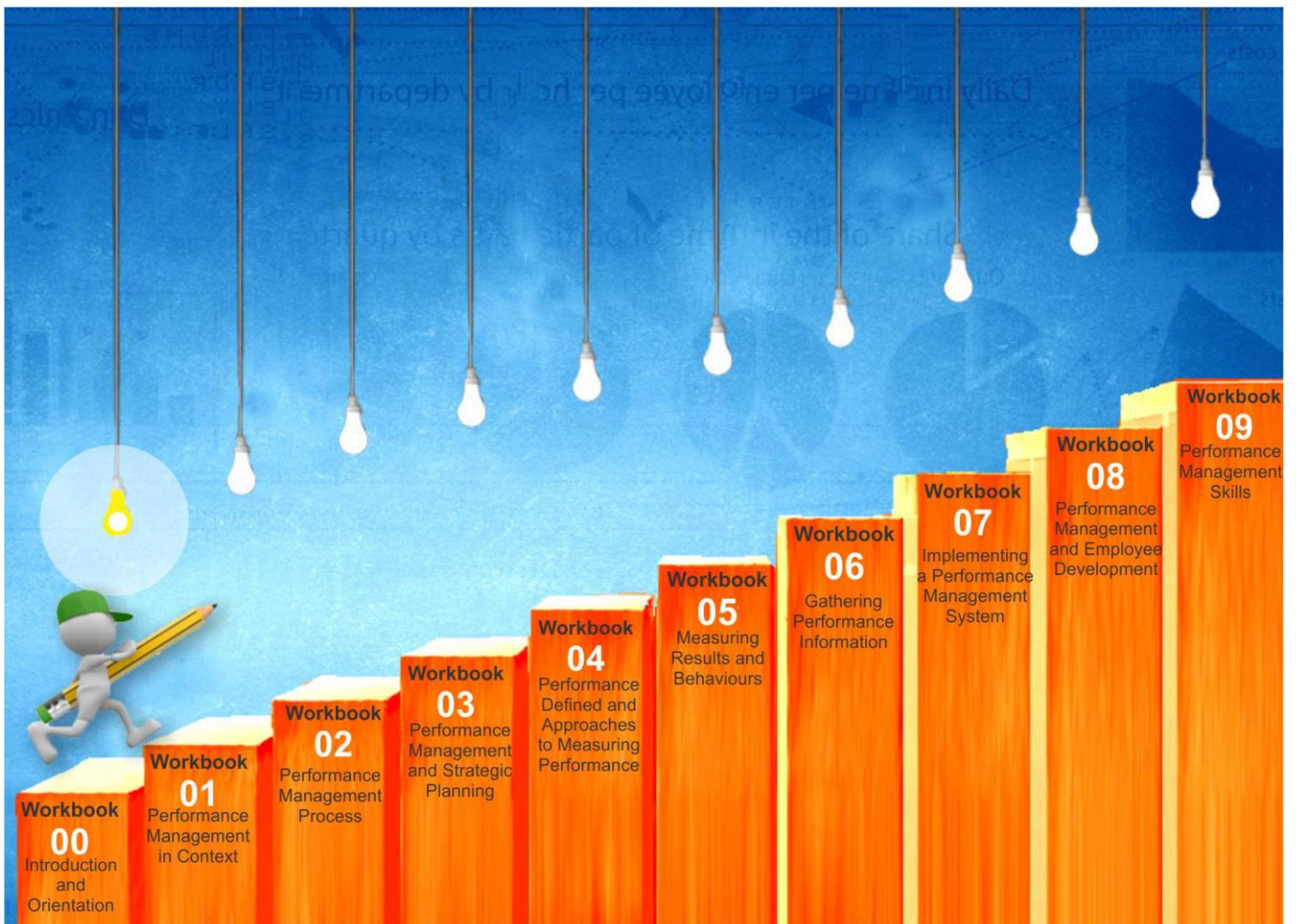
3   LEARNING OUTCOMES OF THE MODULE

The module outcomes are those outcomes that you must achieve in order to complete the module successfully and be effective in the workplace. Figure 0.1 indicates the three broad outcomes that you must achieve for this module.

Figure 0.1: Learning outcomes

(1)
From an organisational perspective, make suggestions on the development and implementation of performance management systems based on the results and behaviour approaches to measuring performance.

(2)
Illustrate the link between the performance management system and the organisation's strategic plan with reference to the development of employees.

(3)
Apply the theory of assessment of employee work performance to specific situations.

4   FRAMEWORK FOR THE MODULE

Workbook 00 Introduction and Orientation

Workbook 01 Performance Management in Context

Workbook 02 Performance Management Process

Workbook 03 Performance Management and Strategic Planning

Workbook 04 Performance Defined and Approaches to Measuring Performance

Workbook 05 Measuring Results and Behaviours

Workbook 06 Gathering Performance Information

Workbook 07 Implementing a Performance Management System

Workbook 08 Performance Management and Employee Development

Workbook 09 Performance Management Skills

The learning material for this module consists of this introduction and orientation as well as nine other workbooks as illustrated in the mind map above. Each workbook starting from number 1 relates to specific chapters in the prescribed book (which you must purchase).

The prescribed book is vital; you will not be able to complete this module successfully without studying it. Information regarding the prescribed book for this module is provided in Tutorial Letter HRM2604/101/3. Remember that the workbooks are here to guide you through the study material, but it will only provide you with a skeleton of the content of the module, the rest of the information will be found in the prescribed book. Always read the workbooks first and then study the relevant sections in the prescribed book as indicated in each workbook.

Please note that **I do not expect you to learn everything in the prescribed book.** The workbooks distinguish between the parts of the prescribed book you have to read and those you have to study. The sections that have to be studied are clearly indicated and form the basis of assignments and examinations. The content of the sections that you have to study in the workbooks and prescribed book must be mastered in order to be able to do the activities and assignments of this module, to master the learning outcomes, and to be successful in the examination. In some parts of the workbooks you will be required to read a certain section in the prescribed book or the workbook. This means that you should take note of the contents because they usually contain useful background information or offer another perspective or further examples. However, you will not be examined on these sections.

In addition to the prescribed book, we encourage you to consult other sources, such as subject journals, newspapers and additional textbooks on this subject. You can also visit the course page for this module on myUnisa to find additional information.

You may wish to read more widely than only the workbooks and the prescribed book. Remember that when you read information in the prescribed book or in other sources you should not simply accept it blindly. You should question the ideas and information you encounter by using what you have learnt in this module as a guideline. To test your understanding of the ideas that you learn about in this module, you should try to apply them to real situations.

5   SCHEDULE FOR THE MODULE

You will need to spend at least 120 hours on this module. This includes approximately 40 hours of reading and studying the learning material, 40 hours doing the activities and assignments, and 40 hours preparing for the examination.

6   HOW TO APPROACH THIS MODULE

I know that it can be difficult for you to understand how this module works. To make your life a little easier, I have tried to summarise the main aspects of the module and guide you on how to approach it (see figure 0.2).

I will now explain each of the different types of study material that are required in this module and how to use it.

Tutorial Letter 101 and the **workbooks** will guide you through the learning material for this module. In the past Unisa used the study guide approach to guide your learning process. Unisa has now implemented the workbook approach to integrate online learning for you. The workbooks follow a similar approach to study guides, but they allow for more interaction between students and the lecturer. All workbooks will be available in the study guide **(SG001)** document on myUnisa under **Official Study Material** and you can easily download them. You will also receive a printed version of the study guide (SG001), which you will receive from Unisa. You may find the online learning environment challenging, so we suggest you start off by reading this **preface** and Tutorial Letter 101 containing all the information

you need to know. Upon registering and joining myUnisa, you will also be linked to an e-tutor site for this module. Your e-tutor will support and encourage you and guide you through the learning process.

Prioritise your time to purchase the **prescribed book** as stated under point 4 of this workbook. Without this book you will not be able to master the content of this module. Work through the workbooks and the chapters in the prescribed book and develop an understanding of the content. Apply the content in different contexts by doing the activities or assignments and self-assessment questions and look at it again when preparing for the examination. Once again, I would like to emphasise that you have to demonstrate that you have mastered the learning outcomes for the module. Some of the assignments will assess your ability to integrate a number of the learning outcomes. It is therefore imperative for you to fully understand all the learning material. This will enable you to apply and integrate the various learning outcomes.

Remember that the most important part of the learning process is that you understand the content of this module. Once you have a clear understanding of each workbook, you will be able to answer any assignment or examination question with ease. I therefore suggest that you keep your workbooks at hand when working through the prescribed book. One of the best ways to make sure that you understand the material is to make a summary of the theory in the prescribed book. These notes or summaries should be detailed and cover all the important aspects. Also make sure that you use the appropriate subject terminology and that you understand all the basic concepts.

In addition, to help you understand and remember the theory, do the **self-assessment questions** at the end of each workbook and all of the **assignments** set for this module. I have provided brief guidelines for answering the self-assessment questions at the end of each workbook. Remember that the notes or summaries that you compile for each workbook should be detailed and complete, as you will use them when preparing for your HRM2604 examination. Once you have done all of this, you should know the work, understand it and be able to apply it in practice.

Since this is an online module, you will be required to have access to the internet and visit the module site regularly. I will post important information and discuss a number of concepts on the **Discussion Forum** on myUnisa. You will see that in each workbook you will be urged to log onto the Discussion Forum on myUnisa to interact with your peers regarding a certain activity. Each activity will be named and easy for you to find. In addition to these 'activity' forums, there will be general forums for study groups, Assignment 01, Assignment 02, the exam, and general enquiries.

If you need to contact me, please use the **Course Contact** option on your myUnisa course page. An e-mail will be sent directly to me and I will respond as soon as possible. I hope to offer you the best service and support. I know that every day is precious in terms of time and studying.

For a summary of everything that I have just said, please see figure 0.2.

Figure 0.2: How to approach HRM2604
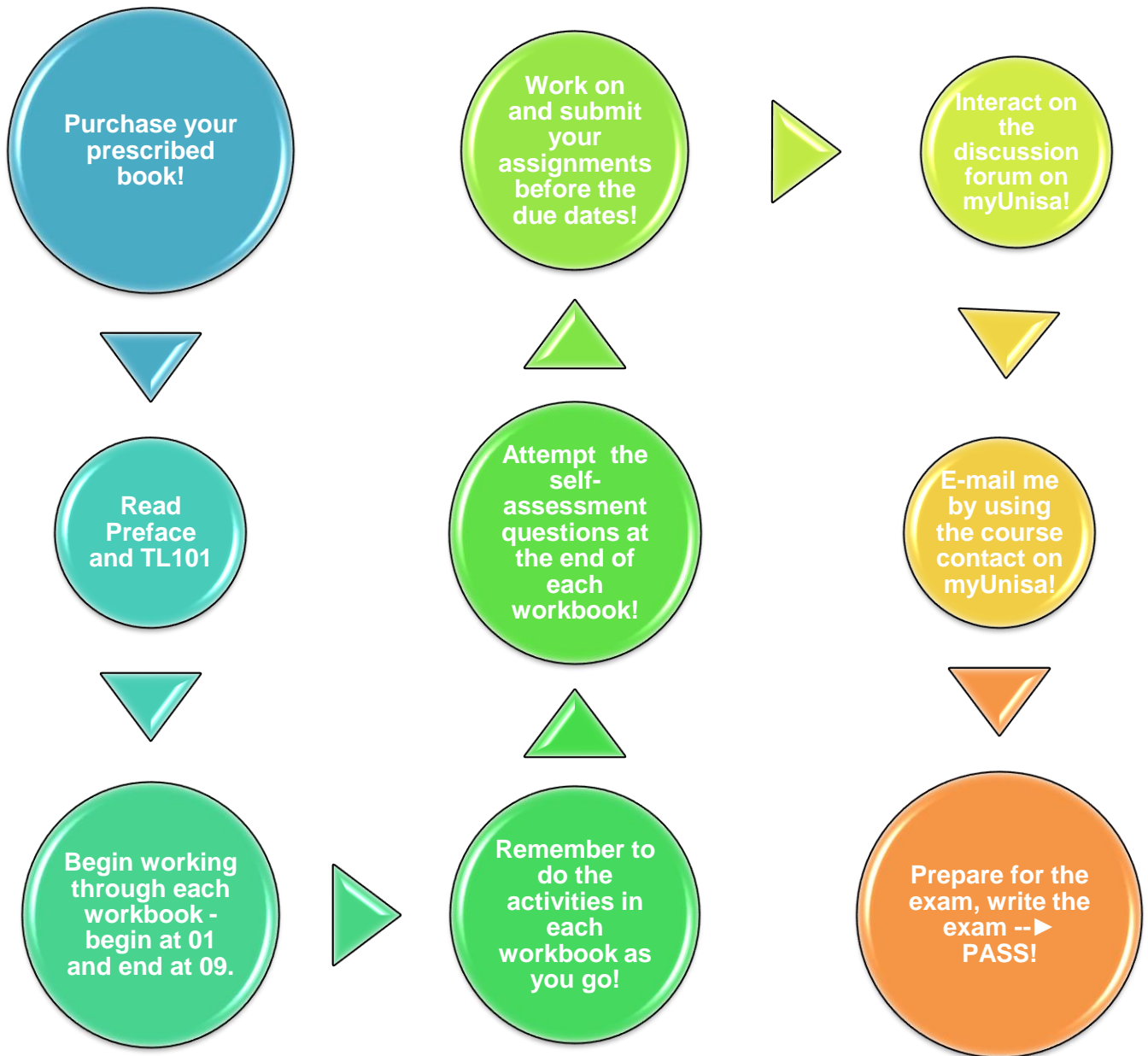
7   ASSESSMENT

You will be assessed in the following ways for this module.

7.1   Activities

As mentioned earlier, you will come across various types of activities in this workbook:

- ✓   reflection on the work covered
- ✓   application of the work covered
- ✓   self-assessment questions

I believe that the completion of the activities in the workbooks and the assignments are crucial if you want to complete this module successfully. The activities will help you to:

✓   develop an understanding of the topic at hand and master the learning material and learning
    outcomes in a meaningful way
✓   improve your insight into the learning material by discovering things for yourself and assessing
    yourself by using the feedback provided on all activities

7.2   Assignments

The assignments for this module are provided in the Tutorial Letter 101 (HRM2604/TL101/3).

The completion of assignments is crucial to help you achieve the learning outcomes. By completing the
essay assignments you can apply the knowledge that you have learnt and obtain first-hand feedback
from the lecturer. The assignment questions also afford you an opportunity to apply the theory to a case
study or a practical situation relating to your own workplace. In each assignment you will be informed of
the outcomes to be assessed. You will also be provided with the assessment criteria so that you know
what is expected of you and can prepare an assignment that will serve as a learning opportunity.

The submissions of both assignments will make up your year mark. The assignment marks will
contribute a maximum of 20% (10% each) to the final assessment mark for the module, while the
examination mark will contribute 80%.

The format of and requirements for the examination are provided in Tutorial Letter 101. A few weeks
after the due date for each assignment, a tutorial letter containing the answers to and guidelines on each
assignment will be uploaded onto myUnisa.

7.3   Self-assessment questions

At the end of each workbook you will find a list of self-assessment questions based on the work covered
in that workbook. You may be required to go online and complete some of these self-assessment
questions, while others can be done without having to go online. I advise you to answer these questions
diligently since they give you a perfect opportunity to prepare for possible examination questions. Do not
consult the guidelines provided before you have attempted to answer each question yourself. Self-
assessment plays a vital role in mastering learning outcomes and you should therefore make an effort to
complete all the self-assessment activities in the workbooks. You will find most of the answers to these
questions in the learning material covered in the workbooks and the prescribed book. According to the
principles of outcomes-based education, you should not be faced with any nasty surprises in the
examination. It is in your own interest to work through these self-assessment questions.

7.4   Final assessment of the module

Your progress during the semester will be assessed in two ways: by formative assessment
(assignments) and summative assessment (examination).

The summative assessment for this module takes place at the end of the semester in the form of a
written examination. Succeeding in the final examination is of utmost importance since the mark you
obtain here contributes 80% to your final mark. You will find more details about this in Tutorial Letter 101.
Remember that we expect you to master the learning outcomes for the module and this is what you will
be assessed on.

Always be prepared for every type of assessment. Walk into the examination hall with this attitude:

Image source: Shutterstock

8 ICONS USED IN THIS MODULE

The following icons are used in this module; the purpose of each icon is indicated in the following table.

Icon	Description
	Activity This icon refers to the activities that you must complete to develop a deeper understanding of the learning material.
	Additional resources We provide additional resources that you can use to achieve the learning outcomes.
	Carry on This icon indicates that you may now move on to the next section or workbook.
	Discussion forum You need to engage in communication with your fellow students on a particular topic.
	Feedback This icon indicates that you will receive feedback on your answers to the activities and self-assessment questions.
	Internet search/source Obtain information by accessing a suggested website.
	Key concepts The key concepts icon points out which terms or keywords are important for a particular topic or learning unit.

| Icon	Description
	Learning outcomes The learning outcomes indicate which aspects of the particular topic you have to master and be able to demonstrate.
	Mind map Mind maps are provided to help you see the relationship between various parts of the learning material.
	Read If we suggest that you read a certain section, it means that you should take note of the content because it contains useful background information or offers another perspective or further examples. You will not be examined on this material.
	Reflection Reflect on the important issues or problems dealt with in the study material.
	Schedule The schedule outlines guidelines on week-by-week activities that you should complete when studying the module.
	Self-assessment When you see this icon, you will be required to test your knowledge, understanding and application of the material you have just studied.
	Study This icon indicates which aspects of the study material you need to study and internalise.

9   SUCCESS FACTORS
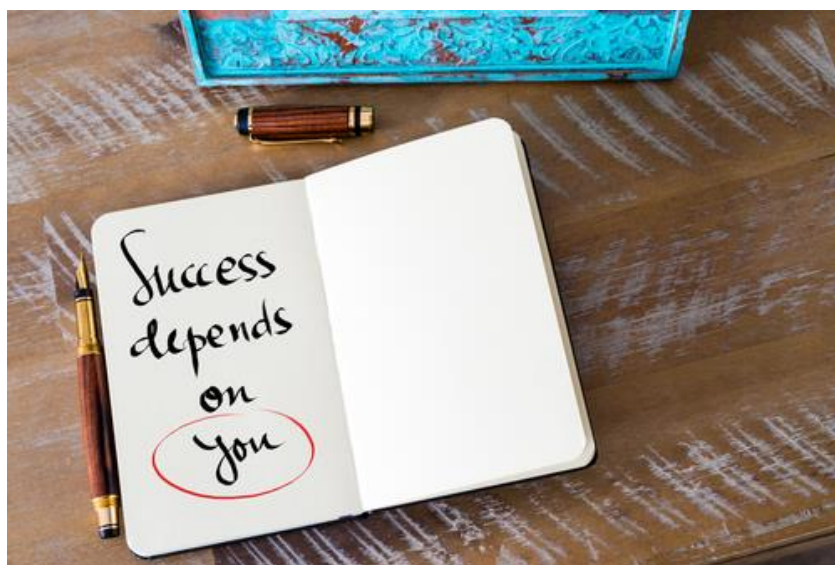
Image source: Shutterstock

Students always ask me how they can succeed in this module. To ensure that you deliver the quality of work required to successfully pass this module, I suggest that you do the following:

✓ study the workbooks conscientiously according to the guidelines provided
✓ relate what you are learning to your work situation if applicable
✓ plan your studies according to the time available and develop your own study plan
✓ use the workbooks and the prescribed book according to the guidelines provided
✓ accept responsibility for asking for assistance if you struggle with certain concepts, principles or processes
✓ submit the assignments on or before the due dates and study the feedback on assignments carefully to ensure that you understand the work properly
✓ complete the activities and assessment questions in the workbooks
✓ visit the myUnisa site regularly to keep up with the latest information
✓ use your e-tutor sites to engage in active discussions
✓ develop more than a superficial understanding of the concepts and principles in this module
✓ assess your own progress continuously by completing the activities and assessment questions and carefully study the feedback and guidelines on them
✓ apply your knowledge in practice
✓ make sure that you master each of the learning outcomes for this module

10   NEW LANGUAGE POLICY

Unisa has introduced a new language policy stating that all modules will be offered in ENGLISH only. This will apply to HRM2604 as well. Therefore all official study material (workbooks, tutorial letters and examinations) will be provided in English. You are required to submit assignments and answer your examinations in English. If you use another language your assignment or examination will not be marked. All other communication (discussion forums on myUnisa, e-mail correspondence, self-assessment questions on myUnisa and e-tutor forums) will also be provided in English only.

11 REFERENCES TO LINKS AND THE WORLDWIDE WEB

Remember that references are sometimes made to information that you will find on the worldwide web. As this is an ever changing environment some of these links can change. On the module site on myUnisa you will find under **Additional Resources** a document in the 'Links' folder. The name of the document is 'Changes to Links'. This document will contain information about links or websites that I refer to in this study guide that have changed and how you should deal with it. You can use the **'general enquiries' Discussion Forum** to alert the lecturer to problems with links referred to in the study material to make the lecturer aware of these. I thus strongly advise that you consult this document first when you stumble upon links that may no longer be available, before alerting the lecturer to it.

12   CONCLUDING REMARKS

You are now ready to begin the Performance Management Practices module. I trust that you will approach your studies with enthusiasm and commitment. Remember that you are welcome to contact me at any time if you need assistance. My contact details are available in Tutorial Letter HRM2604/101/3 or you can click on **Course Contact** on the HRM2604 myUnisa module site.

I wish you a very successful and rewarding semester!

Kind regards

Mrs Maryam Moosa
LECTURER: HRM2604
DEPARTMENT OF HUMAN RESOURCE MANAGEMENT
UNISA

WORKBOOK 01

Performance Management in Context

Contents		Pages
1	Introduction and outcomes	12
2	Key concepts	13
3	Defining performance management	14
4	The performance management contribution	18
5	Disadvantages/dangers of poorly implemented performance management systems	19
6	Reward systems	20
7	Aims and role of performance management systems	21
8	Characteristics of an ideal performance management system	22
9	Additional information	24
10	Summary	24
11	Self-assessment	25

This is the very beginning of an exciting journey which will provide you with basic knowledge to help you understand the complex field of performance management. I hope that by now you are familiar with the HRM2604 myUnisa module site and the general myUnisa environment. By using and interacting on myUnisa you will be drawn to a world of possibilities and learning that you have not experienced before.

By now, you should have read the introduction and orientation to the module and Tutorial Letter HRM2604/101/3. In this workbook I begin with the content of the module.

MIND MAP

The following mind map will be repeated at the beginning of each workbook. The aim of this mind map is to indicate where you are in the process of working through the study material. It will give you an overall idea of how far you are and how much further you have to go. You will see that performance management is a process, and each stage of the process is integral to the success of the performance management system.
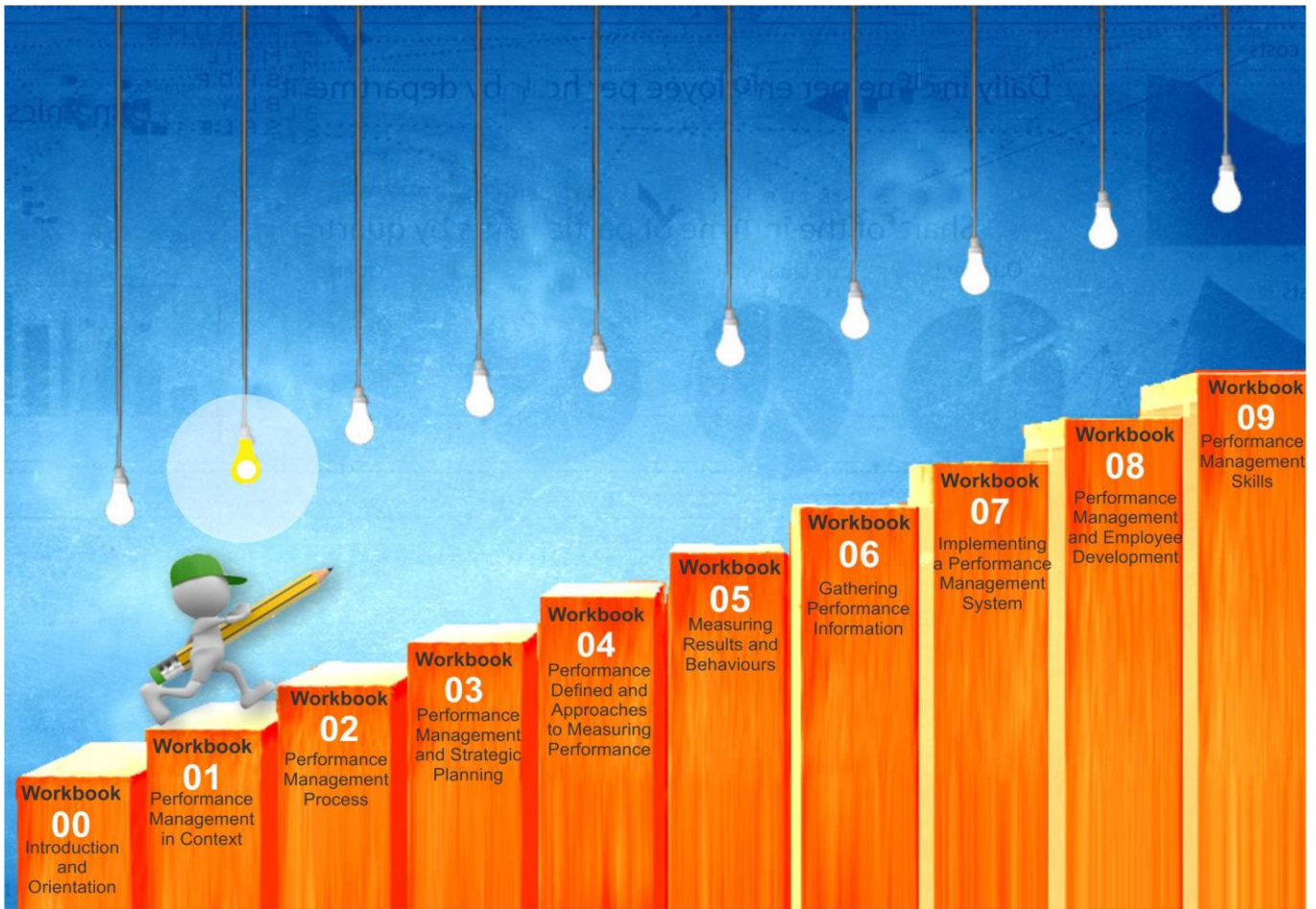
1   INTRODUCTION AND OUTCOMES

As you know, the objectives of employees and those of the employer are often in conflict. For the employee it is important to experience job satisfaction while performing his or her tasks, and also to be rewarded satisfactorily. On the contrary, for the typical organisation, productivity and profit, is most important. It is not too difficult to see that these two sets of needs are not necessarily compatible (or complementary). Take the following as an example of this tension between the employee and employer: employees would be happy to receive high salaries, while management's position would be that this would directly undermine the objectives of the employer. Surely, in your life you have also sensed the underlying conflict between these two poles, whether you are an employer or an employee.

You may ask yourself, is there a way to synchronise these two sets of objectives? This is an interesting and challenging question and one that we will be addressing throughout this module. The answer is a resounding yes - it looks like there is indeed at least one way to achieve harmony between the opposing sides of the employer and the employee. This can be achieved through the process of performance management (PM) where the interests of both sides are acknowledged, developed and addressed.

It is so important that you can already see the link between individual performance and organisational goals. This lays the foundation for your understanding of performance management as a whole. Remember that the first workbook lays the groundwork for the rest of the workbooks and that you need to pay careful attention to it. To enhance your understanding of performance management, I have included a brief background of the evolution of PM for your benefit.

The idea of managing performance, at both individual and organisational levels, is far from new and it has evolved over the years into the concept that you are studying right now. The practice that we know today as performance management, developed from as early as the 1930s. There is an extensive range of literature that covers the subject. Should you be interested in reading more on the issue, a good

account of the development of performance management may be found in Fletcher (2002) (see the list of references at the back of this document – look under surnames starting with the letter F). He traces performance management's origins as far back as the Second World War (1938–1945), focusing on the period since the 1950s, a decade that involved personality-based appraisal. This means that the focus was on evaluating performance, with no intention to improve it.

Appraisal practices in the 1960s shifted to a greater emphasis on goal-setting and the assessment of performance-related abilities (and more recently, competencies) rather than personalities. The late 1980s and the 1990s saw organisations undergo a process of rapid and successive change. Almost inevitably, what Fletcher (2002) calls "performance appraisal" became a central mechanism in a more holistic approach towards managing people and business in general. This meant that managers did their work by encouraging and assisting their employees to accomplish goals and reach targets.

It could be said that during the 1980s, people became more performance oriented. During the 1990s, things shifted once again in this field and performance management began to be seen as more of a core management process which started to grow out of its "appraisal" box, developing into an integrated and strategic concept (Houldsworth & Jirasinghe, 2006:6).

During those early days the emphasis was on employees' individual competencies. Over the last couple of decades this has developed into the very sophisticated organisational function that is practiced in organisations all over the world. As it currently stands, performance management (PM) is a fundamental part of the rest of the enterprise, recognised as contributing to the achievement of the strategic goals of the organisation. In this workbook I refer to chapter 1 in the prescribed book. I want you to use this workbook and chapter 1 in conjunction with each other.

LEARNING OUTCOMES

After completing this workbook, you should be able to do the following:

➢ Explain the concept of performance management (PM)
➢ Distinguish between performance management and performance appraisal.
➢ Explain the contributions that a performance management system can make in the organisation.
➢ Discuss how a poorly implemented performance management system affects both the organisation and the employee.
➢ Describe and identify the multiple purposes of a performance management system.
➢ Describe and explain the key features of an ideal performance management system.

2   KEY CONCEPTS

You will come across numerous subject-related concepts in each workbook. These are listed as key concepts at the beginning of each workbook. This will assist you in becoming familiar with the different concepts that are referred to in this workbook.

Some of the important key concepts in this workbook are:

✓ **PERFORMANCE MANAGEMENT (PM)**
✓ **PERFORMANCE APPRAISAL**
✓ **PERFORMANCE MANAGEMENT PROCESS**

3   DEFINING PERFORMANCE MANAGEMENT

STUDY

Study section 1.1 (Definition of Performance Management) in chapter 1 of your prescribed book.

Your prescribed book mentions that there is, unfortunately, no generally accepted definition for the concept of performance management. However, the definition in your prescribed book is in line with the one provided in the *Guide to Managing Human Resources* (2011). It explains performance management as an ongoing process of communication between a supervisor and an employee that occurs throughout the year in support of accomplishing the strategic objectives of the organisation. This guide (as mentioned above) further states that the communication process includes clarifying expectations, setting objectives, identifying goals, providing feedback, and evaluating results. Performance management is one of the key processes of the organisation, that, when carried out effectively, helps employees to know that their contributions are recognised and acknowledged.

Before I go any further, let us take a look at the performance management process as shown in chapter 2 of your prescribed book. This process lays the foundation for a successful performance management system.

Figure 1.1: Performance management process
Source: Adapted from Aguinis (2016)
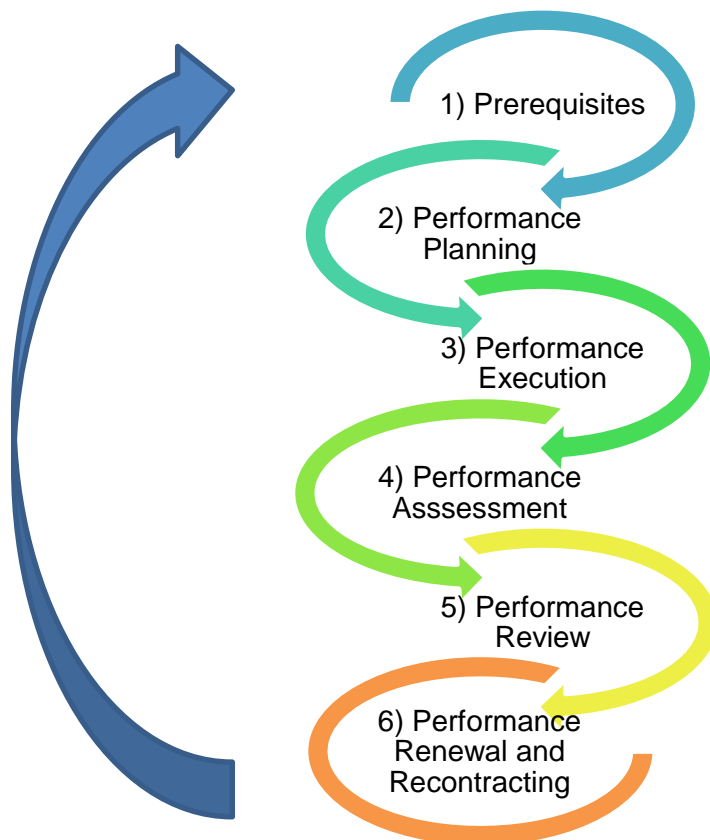
Let's take some time and have a look at figure 1.1. Can you see the arrows starting from stage 1, cascading down to stage 6? What happens when they reach stage 6? Yes, they start moving upwards! This is why we say that performance management is a never-ending process. From stage 6, the process starts all over again!

According to the prescribed book there are two main components of the definition of PM which are of utmost importance to your understanding of performance management as a whole. These two components lay the foundation for the entire performance management system and if they are not met, could lead to the failure of the system. These two components are:

1. Continuous process

As you study this module, you should be able to verify that performance management is indeed a continuous process of measuring performance. It is never-ending, when one performance cycle ends, another begins and so the process continues. It is important to remember that PM takes place throughout the year and is not a once-off event or meeting. Each stage of the PM process will be discussed in more detail in the next workbook.

2. Alignment with strategic goals

Think a bit about the organisational goals of the organisation at which you are employed. If you are not working, ask a relative or a friend. I am sure there are a few goals that you can think of. Now think about your job description. Try to link your daily tasks with your organisational goals.

➢   Can you find the link?
➢   Can you clearly establish how your daily tasks contribute to the goals of the organisation as a whole?

If not, your organisation is less likely to achieve its goals. If you feel that your activities are not directly linked to the strategic goal of the organisation, there is a problem that needs to be addressed at your organisation. This is where the PM system comes in, it is there to close that gap, to find the link and ultimately to increase the competitive advantage of your organisation.

ACTIVITY 1.1

Read the scenario in section 1.1 of the prescribed book based on Sally's experience with the performance management process. After you have read the case study consider the following questions:

1.   Does the manner in which Sally conducts the PM system cover the two components – continuous process and alignment with strategic goals - as discussed above?
2.   How would you feel if you were one of the ten employees working for Sally?

Once you have thought about Sally's situation carefully, read the Merrill Lynch scenario in the same section.

3.   What did this organisation do that led to its PM system being successful? Use this information to make recommendations in Sally's organisation.

FEEDBACK TO ACTIVITY 1.1

1.   Sally's behaviour does not cover the component of PM being "continuous". For her to be able to fill in the forms within 20 minutes is a clear indication that she did not set goals and objectives, and that she does not have time to observe performance and to give ongoing coaching and feedback. Obviously these activities cannot be carried out in 20 minutes! In other words, she just gives once-off feedback.

       Also, the "alignment with strategic goals" component is not covered in the scenario. It looks like Sally does not care how her subordinates perform and how their performance contributes to the organisational goals; hence she

finds the whole PM process to be a "waste of time".

2. I do not know about you, but if I was an employee working for Sally I would be highly upset, demotivated and unsatisfied. These are only a few of the emotions and consequences that can occur due to badly implemented PM systems. Can you think of any other consequences that can occur due to badly implemented PM systems?

3. The following activities take place at Merrill Lynch which make its PM system successful:

   ✓ At the beginning of the year, employees and managers set employee objectives.
   ✓ Mid-year reviews assess what progress has been made towards the goals and how personal development plans are faring.
   ✓ The end-of-the-year reviews incorporate feedback from different sources, evaluate progress towards objectives and identify areas that need improvement.
   ✓ Managers get extensive training on how to set objectives and conduct reviews.
   ✓ There is a website containing all information about all aspects of PM that is accessible for managers.
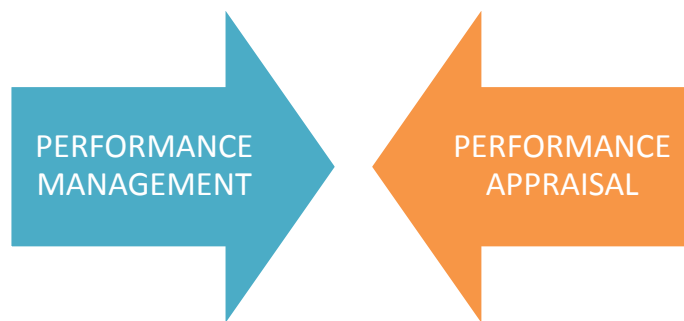
Now that you have a brief understanding of what a proper PM system should comprise of, it is of utmost importance that you comprehend what I am about to tell you very clearly. Performance management is NOT the same as performance appraisal (PA). This is a common misconception held by many managers and employees alike. Performance appraisal is indeed an integral part of PM. However PM is a much broader term which includes the entire process of performance measurement and includes different stages as shown in figure 1.1. Section 1.1 in your prescribed book discusses the difference in more detail. Find the major differences between PM and PA below.

Table 1.1: PM versus PA

DIFFERENCE BETWEEN PM AND PA	
PERFORMANCE MANAGEMENT	PERFORMANCE APPRAISAL
✓ **Strategic business considerations** ✓ **Conducted throughout the year** ✓ **Ongoing feedback, so employees' performance can improve** ✓ **Driven by line manager**	✓ Assesses employee strengths and weaknesses ✓ Conducted once a year ✓ Lacks ongoing feedback, once-off performance rating is given ✓ Driven by HR

Table 1.1 provides only a brief account of the contrast between PM and PA. For a better understanding of the difference between these two concepts, Rao (2008) tabulated comparisons between PM and PA which can be found in table 1.2.

Table 1.2: Comparisons between performance management systems and performance appraisal systems
Source: Adapted from Rao (2008)

Performance management systems	Performance appraisal systems
Focus is on performance management	**Focus is on performance appraisal and generation of ratings**
Emphasis is on performance improvement of individual employees and their departmental or team performance	**Emphasis is on relative evaluation of individuals**
Continuous process with quarterly or periodic performance review discussions	**Annual exercise, though normally periodic evaluations are made**
Emphasis is on performance planning, analysis, review, development and improvement	**Emphasis is on ratings and evaluation**
Performance rewards may or may not be an integral part, but defining and setting performance standards are an integral part	**Rewards and recognition of good performance are important components**
Designed by the personnel/HR department, but could be monitored by the respective departments themselves	**Designed and monitored by the HR/ administration department**
Ownership is with line managers; personnel/administration department facilitates its implementation	**Ownership is mostly with personnel/ administration department**
KPAs or KRAs are used as a planning mechanism	**KPAs and KRAs are used to ensure objectivity**
There are review mechanisms which is essential to bring about performance improvement	**There are review mechanisms to ensure objectivity in ratings**
It is process driven with emphasis on the format as an aid linked to performance improvement and through this to other career decisions as and when necessary	**It is format driven with emphasis on the process linked to promotions, rewards, training and development interventions, placement, etc.**

REFLECTION: PM versus PA

Think about your perception of performance management. Did you perceive PM correctly? Did you know that there was a difference between a performance appraisal meeting that you attend every year and the actual performance management system as a whole? Most people never know the difference and many organisations are still trying to close the gap between a once-off performance review and a holistic, never-ending process of managing performance.

4   THE PERFORMANCE MANAGEMENT CONTRIBUTION

STUDY

Study section 1.2 (The Performance Management Contribution) in chapter 1 of your prescribed book.
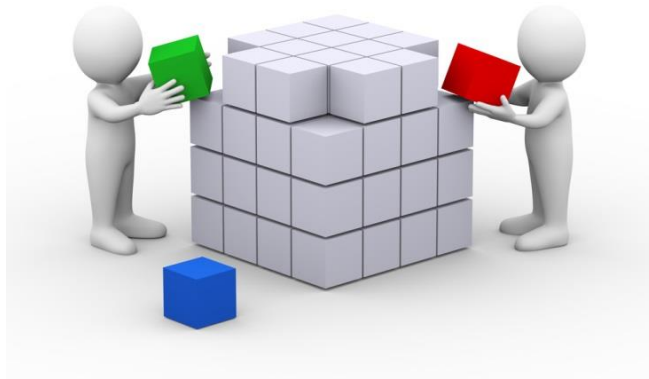
Image source: Shutterstock

The PM system should benefit both the employer and the employees. However, the perception held by many employees is that PM systems aim at benefiting only the organisation in terms of improved productivity. Many employees do not see the importance of PM on an individual level and therefore have little or no commitment towards the process. Many others do not believe that PM can have any impact on improving their performance. There are many benefits or contributions associated with PM systems which must be communicated to employees in order for them to understand the true value of the system. To ensure that you get a clearer understanding of how this can be achieved, watch the following video:

Employee recognition is essential for performance management

https://www.youtube.com/watch?v=_1oCjW_gFcg

Sixteen contributions of PM to organisations and employees are provided in this section. You will notice that all of these advantages benefit both the employer and the employee. Once you have read and understood the contributions of PM, do the following activity:

ACTIVITY 1.2

Participate in the **Discussion Forum** on myUnisa (Workbook 1, Activity 1.2) by answering the following question:

- Pick any of the advantages provided in section 1.2 of the prescribed book and indicate how it could benefit both the organisation and the employee.

FEEDBACK TO ACTIVITY 1.2

This activity will help you to hold a critical discussion with your peers on the use and importance of PM systems. You should have explored the many advantages to both the employer and the employees, and related it to your personal view or experience. Remember that if you are not employed yet, ask employed relatives or friends if they can identify with them. Please refer to table 1.1 in the prescribed book which provides you with a summary of the advantages or contributions of PM.

5   DISADVANTAGES/DANGERS OF POORLY IMPLEMENTED PERFORMANCE MANAGEMENT SYSTEMS

STUDY

Study section 1.3 (Disadvantages/dangers of poorly implemented PM systems) in chapter 1 of your prescribed book.

Image source: Shutterstock

You might notice that I keep emphasising the significance of having a good PM system in place. What does actually happen when a poor PM system is implemented? Having read Sally's scenario in section 1.1, as well as Merrill Lynch's in the same section of the prescribed book, you should be able to spot the difference between well- and poorly implemented PM systems. Once you have completed this module, you should be able to notice a poorly implemented PM system in no time. This section is very important since it shows you the extreme consequences of having a badly implemented PM system. Your prescribed book describes a few of the consequences of low quality and poorly implemented PM systems in this section.

ACTIVITY 1.3

- Read the scenario in box 1.2 in your prescribed book.
- Now, from the list of consequences of poorly implemented PM systems, select the ones that impacted directly on this scenario.
- Substantiate your choice by highlighting how each consequence impacted on the scenario.
- Lastly, list the consequences that could have an indirect impact on the scenario.

FEEDBACK TO ACTIVITY 1.3

The consequences of a poorly implemented PM system that are impacting directly on the scenario are:

- ✓ **Increased risk of litigation –** the female employee took the matter to the relevant institution for intervention. In South Africa, that institution would be the Commission for Conciliation, Mediation and Arbitration (CCMA).
- ✓ **Wasted time and money –** by running up and down, having to pay a substantial amount of money for emotional distress and economic damages.
- ✓ **Relationship between the female employee and her manager was damaged** – this is evident since the female employee did not sit back and accept the negative reviews, she escalated the problem and took down the reputation of her manager at the same time.

Can you think of the consequences of a poorly implemented PM system that had an indirect impact on the scenario?

I listed the following points, kindly communicate any additional points that you can think of through the **Discussion Forum** on myUnisa.

- ✓ increased turnover
- ✓ lowered self-esteem
- ✓ decreased motivation to perform
- ✓ employee burnout and job-dissatisfaction
- ✓ varying and unfair standards and ratings
- ✓ emerging biases

In the first part of this question you had to indicate how each consequence could have a direct impact on the case study. You were then asked for those with an indirect impact. Remember, while the disadvantages that you identified in the second part of the question impacted indirectly on the scenario in box 1.2, they could also impact directly on another scenario. In other words, what the problem would be in the scenario as a result of a poorly implemented PM system will depend on the situation at that point in time.

6   REWARD SYSTEMS

READ

Read section 1.4 (Definition of Reward Systems) in chapter 1 of your prescribed book.

Rewards and the fair allocation of rewards are of utmost importance to performance management. It could help promote acceptance of the system or it could lead to its failure. However the type of rewards, allocation and the manner in which it is carried out falls beyond the scope of this module.

Please read section 1.4 for a brief overview of the different types of rewards that employees could receive. Remember that not all types of rewards are directly related to PM systems. Employees may receive some rewards based on how long they have been working for the organisation (seniority) as opposed to performance. You may know of factors other than seniority. In some organisations, qualifications may also play a role in some employees receiving more rewards than others.

7   AIMS AND ROLE OF PERFORMANCE MANAGEMENT SYSTEMS

STUDY

Study section 1.5 (Aims and role of PM systems) in chapter 1 of your prescribed book.

Performance management is regarded as a critical aspect of organisational performance (Gruman & Saks, 2011). Pulakos (2011) explains that this is because PM is the key process through which work is accomplished. It should therefore be treated by managers as the most valuable aspect of reaching organisational goals. The aims and roles discussed in section 1.5 are applicable to most organisations in South Africa and other countries in the world.

The main aim of a PM system is to improve individual, team and organisational performance, based on the principles of measurement, appraisal, action, and monitoring. It manifests in very different forms, depending on whether the aim is to further improve good performance or deal with underperformance. The prescribed book discusses the six purposes of a PM system.

Figure 1.2: Six purposes of PM
Source: Adapted from Aguinis (2016)

STRATEGIC

ADMINISTRATIVE

INFORMATIONAL

DEVELOPMENTAL

ORGANISATIONAL MAINTENANCE

DOCUMENTATIONAL

ACTIVITY 1.4

- Take another look at figure 1.1 at the beginning of this workbook based on the performance management process.
- Now look at figure 1.2 related to the purposes of PM.
- See if you can link each stage of the PM process to one of the purposes of PM.
- Go to the **Discussion Forum** on myUnisa (Workbook 1, Activity 1.4) to discuss your findings with your peers.

This is an in depth exercise. It will require you to work together with your peers to reach an answer. You must hold onto your answers and re-evaluate them after you have worked through the next workbook which discusses each stage of the PM process in more detail. Remember, I will also take part in the discussions, so together we will find the answer.

If you struggled with this activity, do not despair. For you to understand each role well, you will need to study them in conjunction with the stages in the PM system in workbook 2. This way it will be easy for you to find a link.

8 CHARACTERISTICS OF AN IDEAL PERFORMANCE MANAGEMENT SYSTEM

STUDY
Study section 1.6 (Characteristics of an ideal PM system) in chapter 1 of your prescribed book.

In section 1.3 the disadvantages of poorly implemented PM systems were discussed. In this section, you will study how PM systems should be implemented in a way that benefits both the employer and the employee. In other words, in this section we will try to answer questions such as: How does a good PM system look? What qualities will a good system have?

The ideal characteristics have been summarised in table 1.2. You should look at each item and then try to understand its meaning, relevance, and value.

Table 1.2: Characteristics of an ideal PM system
Source: Adapted from Aguinis (2016)

IDEAL CHARACTERISTICS
Strategic Congruence
Context Congruence
Thoroughness
Practicality
Meaningfulness
Specificity
Identification of Effective and Ineffective Performance
Reliability
Validity
Acceptability and Fairness
Inclusiveness
Openness
Correctability
Standardisation
Ethicality

ACTIVITY 1.5

Read the following scenario and answer the question.

CASE STUDY 1

> It is getting close to the end of the year and Nkwe, the line manager in the production section of a large manufacturing firm in Gauteng, is preparing documents to start with employees' performance reviews. He realises that it is too late for this process and that the senior management will require reports soon. He is panicking and eventually he decides to outsource this task to a private consulting firm. He knows that it would be very expensive, but he does not have any choice. He advises the consultants that, during the performance review meeting, they should pay more attention to the reduction of waste and the number of units each employee produced. According to Nkwe, these aspects were very important in the organisation. A number of employees received poor ratings. Although they had valid explanations for why they performed poorly, nobody listened to them. Their problem was that during certain night shifts, their machines would get stuck; they then had to wait a long time for technicians to come in and fix them during the night.
>
> Employees were also very upset when they discovered that they received different rewards, despite the same performance review ratings. Some employees who happened to be favourites of the line manager were not even interviewed. They just received satisfactory ratings. This inconsistency caused a lot of unhappiness.

It is evident that there are a few problems with the PM system at this organisation. Identify the characteristics of an ideal PM system that are absent in Nkwe's organisation. Substantiate your answer.

FEEDBACK TO ACTIVITY 1.5

The absent characteristics are:

- ✓ **Thoroughness –** behaviour is not evaluated, only results are evaluated. For example, only the reduction of waste and units produced are evaluated. Also, some employees were given ratings even though they were not interviewed.
- ✓ **Practicality** – outsourcing the performance management function is expensive compared to Nkwe doing it in-house.
- ✓ **Meaningfulness –** some employees were rated poorly, despite the fact that factors preventing them from performing well were beyond their control. For example, the breaking down of machines during the night shifts.
- ✓ **Validity –** both behaviour and results should be measured, not only a single facet of performance. Facets that were measured in the case study were beyond the employees' control.
- ✓ **Acceptability and fairness** – obviously the PM in the scenario lacked these. There was no two-way communication, as employees could not mention their concerns. As a result, they will not accept and perceive the system as fair.
- ✓ **Openness** – meetings should consist of two-way communication. This is not the case in the scenario. Employees could not raise their concerns.
- ✓ **Correctability** – there should not be favouritism. This was the case in our scenario, which resulted in these employees receiving high ratings that they did not deserve, while some received poor ratings, yet their poor performance was due to factors beyond their control.
- ✓ **Standardisation** – there is no consistency in ratings in the scenario. Raters were subjective, being strict to some employees and lenient to their favourites.
- ✓ **Ethicality** – the raters in the scenario put forward their personal bias during the evaluation process (by having favourites among employees and rating them high).

You could have chosen characteristics other than those highlighted here. Remember, you had to substantiate your answer in more detail. This means that if you chose a specific characteristic, you were able to justify by quoting from the scenario what statement or activity informed you that this characteristic was missing. Here I provided you with some clues only. However, if you study these characteristics in more detail, you will find this activity easy and interesting.

REFLECTION

Once again I want you to put yourself in the shoes of Nkwe's employees. Can you imagine how frustrating and upsetting it would be to work so hard and then to be unfairly treated and to not be heard?

Performance management systems must aim to achieve the ideal characteristics stated in this section so that employees and management alike will reap the benefits.

9 ADDITIONAL INFORMATION

READ

Read section 1.7 (Integration with other human resources and development activities) in chapter 1 of your prescribed book.

There is a clear link between PM and other human resource management functions. Some links are visible, while others are not. For instance, there is an obvious link between PM and training, development and compensation, while the link is not so obvious between PM and workforce planning, recruitment and hiring.

READ

Read section 1.8 (Performance management around the world) in chapter 1 of your prescribed book.

The world is a vast place, filled with different cultures and ways of doing things. Enrich your mind by reading through this section which provides brief overviews of how performance management is conducted around this wonderful place we call the world.

10 SUMMARY

We have now reached the end of Workbook 01. At this stage we need to pull all the pieces together. In this workbook the following took place:

✓ You were introduced to PM systems. The term was defined with two important components, namely continuous process and alignment with the strategic goals of the company.
✓ The contributions of PM were stated which showed how PM can benefit both the organisation and the employee.
✓ We looked at the detrimental effect that poorly implemented systems could have on the organisation and its employees.
✓ We explained and analysed the six distinct purposes of PM.
✓ We identified some of the ideal characteristics of a PM system.

The following unit will look deeper into the PM process.

11   SELF-ASSESSMENT

Now that you have completed this workbook, you need to determine whether you have achieved the relevant learning outcomes stated at the beginning of the workbook. Therefore, read through the outcomes again before attempting to answer the self-assessment questions.

Multiple-choice questions

Question 1
The objectives of the employer and those of employees are often in conflict. What is the process of synchronising these sets of objectives called?

1   Performance appraisal
2   Performance review
3   Performance management
4   Performance execution

Question 2
What are the two main components of the performance management definition?

1   Continuous process and alignment with strategic goals
2   Alignment with strategic goals and performance assessment
3   Continuous process and performance review
4   Alignment with strategic goals and identifying prerequisites

Question 3
Which of the following statements regarding performance management are correct?

a   A performance management system has an aim and purpose of both a strategic and an administrative nature in the organisation.
b   Performance management is more than just evaluating employees' performance.
c   Employees' motivation to perform as well as their self-esteem are increased through the process of performance management.
d   Performance management systems serve as important "feeders" to other human resource and development activities.

Choose the correct option:

1   a & b
2   a, c & d
3   b, c & d
4   a, b, c & d

Essay-type questions

Question 1
Performance management is not performance appraisal. Do you agree or disagree with this statement? Substantiate your answer.

Question 2

Find a link between performance management and the following administrative decisions in the organisation:

➢ salary adjustments
➢ promotions
➢ employee retention or termination
➢ recognition of superior individual performance
➢ identification of poor performers
➢ lay-offs
➢ merit increases

Question 3

The documentational role of performance management is important should there be a court case regarding an employee's dismissal based on poor work performance. Why do you think this is so?

Question 4

Discuss the disadvantages/dangers of poorly implemented performance management systems. Provide examples of your workplace and/or the workplace of a family member/friend.

Question 5

Briefly explain the aims and roles of a performance management system.

Image source: Shutterstock

Have you attempted to answer these questions without looking at the answers?

Self-assessment means that you need to answer the questions on your own first and then evaluate your answers by using the guidelines provided. Do not read the answers if you have not yet attempted to answer the questions yourself!

FEEDBACK TO SELF-ASSESSMENT QUESTIONS

Multiple-choice questions

Question	Answer	Reference
1	Option 3	Refer to the introduction section in this workbook.
2	Option 1	Refer to section 1.2 in the prescribed book.
3	Option 4	Refer to sections 1.1, 1.2, 1.5, 1.6 and 1.7 in the prescribed book.

Essay-type questions

You could have structured your answers in the following way:

Question 1
Study the last part of the feedback to activity 1.1 and table 1.1. The distinction between performance management and performance appraisal is made clear in more detail.

Question 2
Salary adjustments, promotions, recognition of superior individual performance, layoffs and merit increases may occur as a result of performance management. It is only through the PM system that the performance of employees can be traced in order to reward good performers and either demote or terminate poor performers. (However, the correct procedure should be followed here. This will be discussed in more detail in workbook 9.)

Try to recall if you have ever experienced any of these in your workplace. If you are not employed or have never been employed before, consult a friend or a relative. Was it fair, reliable, valid, consistent, and so forth? If it was not, what actions did you take?

Just think how you would feel after your annual performance review, in which you are complimented for the good work you did and received a high rating but no accompanying reward. You then speak to your close colleague and he mentions that he was also complimented for good work and received a good rating. Surprisingly, he further tells you that his salary was adjusted accordingly. You get furious and confront your manager to find out what is missing in your case for you not to have received an adjustment on your salary. At first she ignores you but eventually she responds: "You know what, salary matters are confidential, so I would like to treat them accordingly. You were not supposed to discuss such issues with your colleague in the first place!"

Obviously such a situation would make you feel upset and demotivated.

Question 3
If your organisation does not keep records and does not have a policy clearly stating when a salary adjustment is applicable, it will be in trouble should you decide to take this matter to the CCMA as an unfair labour practice.

This emphasises the importance of the documentational role played by performance management. If the organisation can show proof in its documents that there was no evidence of an unfair labour practice in this matter, it will be off the hook! For example, perhaps the salary adjustment in this organisation is based not solely on performance ratings, but also on years of experience and how long an employee has been with the organisation. In such a case the organisation will be able to justify its decision, but this should be documented.

Question 4
Study the disadvantages in section 1.3 in the prescribed book. Make sure that you can explain how each disadvantage occurs in the PM system. For example, let us take the disadvantage "increased turnover". This happens when employees find their PM system unfair and inconsistent. This may result in them leaving the organisation. Let us take the disadvantage "damaged relationships" as another example. This happens when employees feel that their ratings were not accurate, perhaps the supervisor was guilty of rater errors and favouritism. In such cases they will not fully cooperate with the manager and as a result, there will always be tension among managers and their subordinates.

Question 5

Study the aims and roles in section 1.5 in the prescribed book. Make sure that you can explain how the PM system fulfils each role. Let me provide you with two examples for your convenience.

Firstly, let us take the aim/role "the definition of role and criteria are clarified". For the organisation to be able to rate employees as poor, average or outstanding performers, managers should first explain to employees what is expected of them (results and behaviour), as well as how they will be assessed (criteria to be used for assessment) to determine whether they met the expectation (we will deal with this aspect in the subsequent workbooks).

Secondly, let us look at the aim/role "organisational goals are made clear". For employees to contribute to the organisational goals, these goals must be explained to employees at the beginning of the performance management cycle (we will learn more about this in the subsequent workbooks). This will ensure that the unit and individual performance are in line with the organisational goals. From these two examples you should be able to substantiate how PM fulfils the remaining aims/roles.

Please do not proceed to the next workbook before you have mastered all the activities, the self-assessment questions, as well as the learning outcomes of this workbook!

CARRY ON

Now that you have successfully completed Workbook 01 and all the activities, you can go on to Workbook 02.

WORKBOOK 02

The Performance Management Process

	Contents	Pages
1	Introduction and outcomes	30
2	Key concepts	31
3	Stage 1: Prerequisites	33
4	Stage 2: Performance planning	35
5	Stage 3: Performance execution	37
6	Stage 4: Performance assessment	39
7	Stage 5: Performance review	40
8	Stage 6: Performance renewal and recontracting	41
9	Summary	42
10	Self-assessment	43

MIND MAP

Take a look at the mind map to see where you are now on your journey of understanding PM.

1   INTRODUCTION AND OUTCOMES

Do you remember the discussion in workbook 01 that performance management (PM) is an ongoing process? It does not take place just once a year. It is a continuous process consisting of several components. The process is repeated in figure 1.1 for ease of reference. Recall that the arrows in-between the stages simply highlight that each stage should follow the previous one and that after the last stage, the process will start all over again. Because PM is an ongoing process (continuous), after the last stage the PM process starts again at stage 1. There is no way that PM can start at the performance review or performance execution stage! However, we must acknowledge the fact that in some organisations (maybe many!), PM starts and ends at any stage. Therefore you need to be able to recognise that this process forms the foundation of your understanding of PM and you must understand why the stages follow one another in the order shown in figure 1.1. This is very important to enhance your comprehension of PM as a whole. If you have a good grasp of the process, you will see how easily the other pieces of the puzzle will fall into place to make up a complete framework of PM. This workbook looks at each of the stages of the PM process individually so that you can see what takes place at each stage. You will notice how the different stages have an impact on the stages to come. This is a very interesting workbook and I hope that you will enjoy learning more about it.

Figure 1.1: Performance Management Process
Source: Adapted from Aguinis (2016)
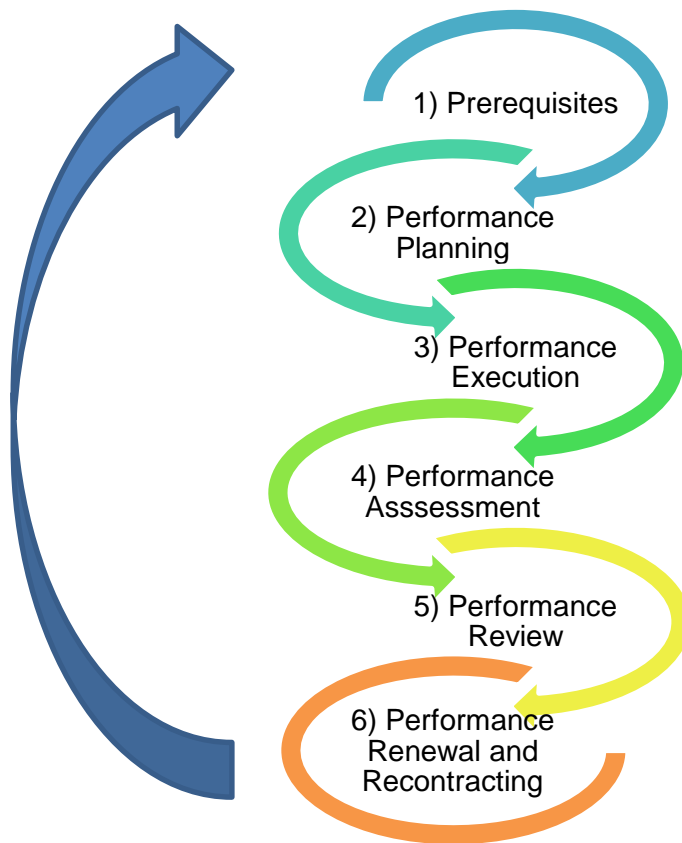
We are going to unpack the stages in this process from the next section. These stages are discussed in more detail in sections 2.1 to 2.6 in the prescribed book.

LEARNING OUTCOMES

After completing this workbook, you should be able to do the following:
➢   Apply the stages of the PM process in the organisational context step by step.
➢   Explain the interrelatedness of the stages in the performance management process.
➢   Justify the importance of implementing all the stages of PM.

> ➤ Discuss the consequences of skipping any stage in the PM process.

2   KEY CONCEPTS

Some of the important key concepts in this workbook are:

✓ **PREREQUISITES**
✓ **PERFORMANCE PLANNING**
✓ **PERFORMANCE EXECUTION**
✓ **PERFORMANCE ASSESSMENT**
✓ **PERFORMANCE REVIEW**
✓ **PERFORMANCE RENEWAL AND RECONTRACTING**

Considering that this is an online module, we assume that you have access to the internet. You should therefore view the internet as a valuable source of information. You may have used this source as your point of departure to find information on the PM process You would have found the following if you had searched on Google for the "Performance Management Process".
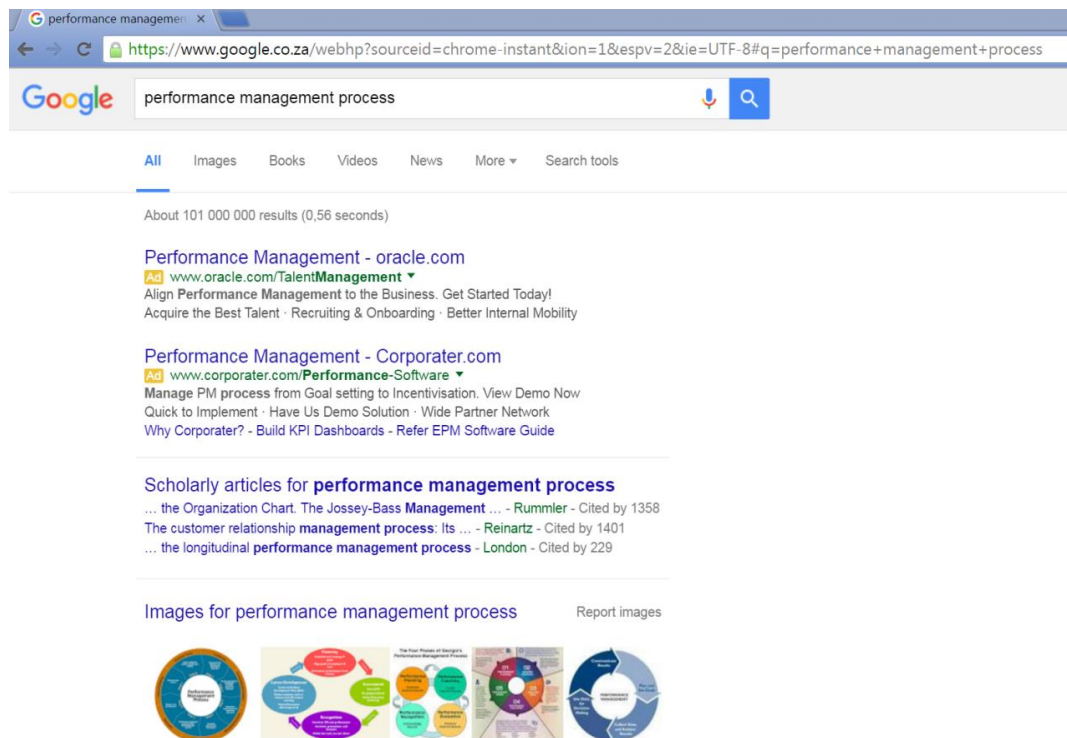
Do you see how much information is available on this particular term? To date, Google identified 101 000 000 potential sources of information. However, it is essential for you to understand that although the internet contains vast amounts of information, not all of it is equally reliable. So, when you use information from websites, make sure that the websites are accurate and reliable. Let's look at one of the "hits" as they call it – that is, a potential source related to the PM process that we found following our search. I would like to bring your attention to the website called Wikipedia.
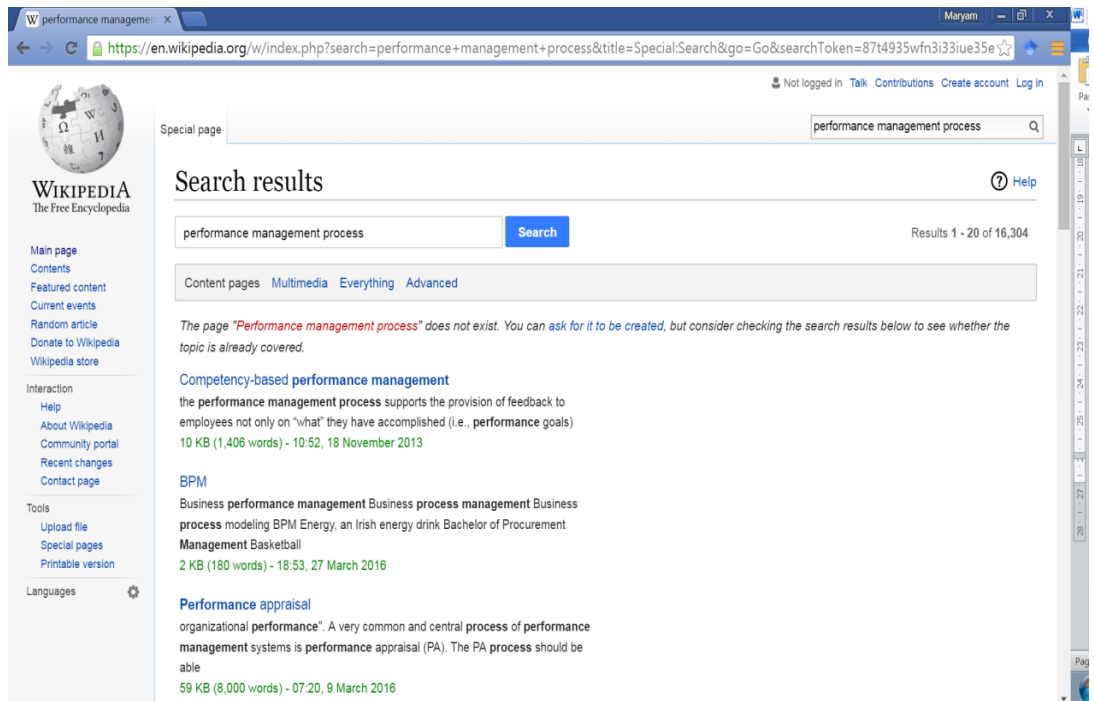
This site will give you ample information on the PM. But beware! Wikipedia is a free online encyclopaedia that **anyone can edit**. This means that although you will find information on almost any topic on Wikipedia, it is not necessarily academically sound or reliable. You are therefore welcome to use Wikipedia as a general source of information, but always check the information by consulting additional books, websites or articles on the particular topic.

Therefore, I would like to encourage you to use the internet, do not be afraid of it. However, be aware of the sources of the content. It is advisable to sometimes search for information that is only related to South Africa. For those of you who do not know, you can do this by clicking on "Search tools" and then under the drop down arrow for "Any country" click on the option "Country: South Africa" as shown below. Furthermore if you would like to search only for academic articles, you can use Google Scholar for this purpose.
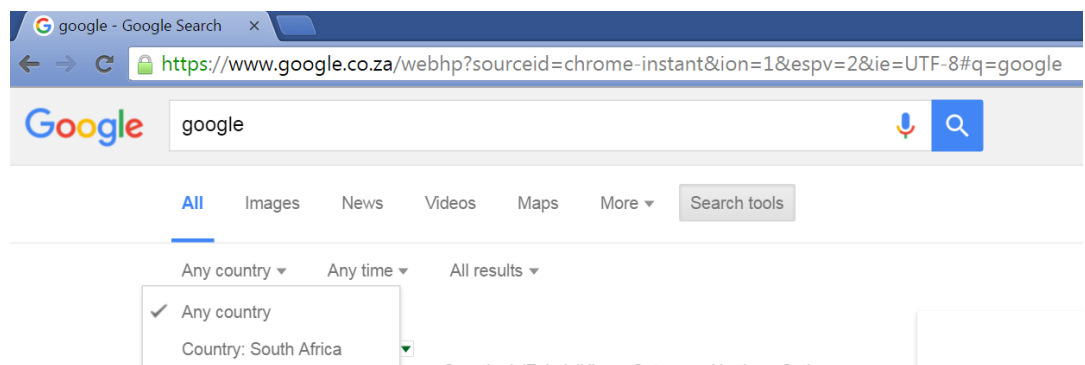
3   STAGE 1: PREREQUISITES

STUDY

Study section 2.1 (Prerequisites) in chapter 2 of your prescribed book.

As you have noticed from workbook 01, prerequisites are the first stage of the PM process. This means that there are two important prerequisites (as shown in figure 2.1) which need to be fulfilled before a PM system can be implemented. This means that stage 2 (performance planning) of the PM process cannot begin before the following two prerequisites are met:

Figure 2.1: Prerequisites
Source: Adapted from Aguinis (2016)
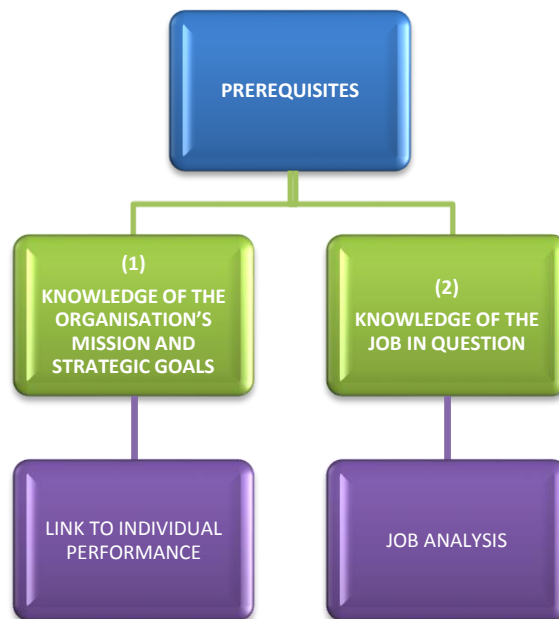
We will now look at each of these prerequisites in more detail.

1.   Knowledge of the organisation's mission and strategic goals

Take note that the organisational plan is not enough! The mere presence of a strategic plan does not guarantee that the information will be used effectively as part of the performance management system.

In fact, countless organisations spend thousands of hours creating strategic plans that lead to no tangible actions. These organisations spend too much time and effort crafting their mission and vision statements without any understanding of the various positions within the organisation. Additionally, concrete follow-up actions tend to be missing in strategic business plans of organisations. To ensure that strategic goals cascade downwards within the organisation (and that employees provide inputs to the strategic goals with reference to their specific positions in the organisational structure) a conscious effort must be made to link individual performance with the strategic goals of the organisation. More about the link between individual and organisational goals forms part of workbook 03.

For now, what you need to know is basically that a link is needed between the organisation's strategic plan cascading down to the unit's (departmental) strategic plans, to job descriptions and finally to individual performance.

2.   Knowledge of the job in question

Knowledge about what a job entails is obtained by means of a job analysis. Does this concept ring a bell? It probably does, because you may have come across it in previous human resource management modules or courses. During this process, the required duties for a particular job are clarified, as well as the knowledge, skills and abilities (KSA) required for the particular job. Different methods are used to conduct a job analysis, namely observation, job-related questionnaires, and interviews.

Know this concept well as it is an integral element of PM and HR processes. The information gained from the job analysis is used to formulate a job description which describes the tasks and responsibilities assigned to a specific job.

ACTIVITY 2.1

Image source: Shutterstock

Imagine that you are on a path and in order to get to your next destination or pit stop you will need to cross this rock. This means that you would want the rock to be firmly in place, wouldn't you? Because if the rock were to quaver, you could fall. Now I want you to think of the PM process in the same terms. Imagine that the next stage of the PM process is just beyond this rock. In order to get there you will have to cross the rock, with the rock symbolising the two prerequisites (knowledge of the organisation's mission and strategic goals; knowledge of the job in question) which must be met. These two prerequisites must be instilled firmly in the organisation in order for the PM system to succeed.

For this activity, go to the **Discussion Forum** on myUnisa (Workbook 2, Activity 2.1) to discuss why you think these two aspects are of such great importance to the PM system. In your discussion also provide your thoughts on the illustration in this activity.

FEEDBACK TO ACTIVITY 2.1

I would like you to engage in a discussion with your peers to grasp the importance of these two prerequisites (knowledge of the organisation's mission and strategic goals; knowledge of the job in question). Each person's thoughts on the topic will add value to your own understanding. Remember to be open to learning from different types of sources; this will enhance your learning experience and overall comprehension of the subject matter. Do not be shy to express your opinion. I am looking forward to connecting with you.

4   STAGE 2: PERFORMANCE PLANNING

STUDY

Study section 2.2 (Performance Planning) in chapter 2 of your prescribed book.

"If you fail to plan, you are planning to fail"
–Benjamin Franklin

Image source: Shutterstock

As you can see from this image, a plan helps you to reach your goal. Without a plan you will lack direction, motivation and focus. During the performance planning stage, the manager and the employee meet to agree on what is expected from the employee within a specific job (or project). Basically at this stage of the process, the necessary behaviour to be displayed and expected end results that an employee should produce must be stipulated. The manager and the employee need to determine how the work will be carried out. Finally during this stage, the development plan should be compiled. In essence the performance planning stage proposes the behaviour that employees should display, the results that are expected of each employee, and the composition of development plans.

You should understand that in some situations it becomes important to measure behaviour rather than results. This is especially the case where the employees do not have full control over their performance. For instance, in the case of customer service, employees' behaviour may be more important than actual results. The opposite is also true, there are times when measuring results is more appropriate. For instance, a marketing consultant should be measured by the results produced since there are many ways of doing this particular job. You will learn more about this in workbook 4.

Figure 2.2 gives you an indication of the performance planning process. You should also study what a consideration of both results and behaviours needs to include as shown in figure 2.2.

Figure 2.2: Performance Planning
Source: Adapted from Aguinis (2016)

Study the example of the university professor's job in sections 2.2.1 and 2.2.2 in your prescribed book. This example will provide you with a thorough knowledge of when to measure results, when to measure behaviour and when to measure both. When behaviour and results are agreed upon, the manager and the employee will compile a development plan for the employee together. Development plans are covered in more detail in workbook 8.

ACTIVITY 2.2

In order to think in practical terms, I would like you to consider the job of an administrative officer. If you are working, you would know that every successful department has an admin team behind them – offering help and support. Taking the discussion regarding performance planning into account, can you indicate how each of the following can be related to the job of an administrative officer?

➢ Key accountabilities
➢ Objectives
➢ Performance standards

FEEDBACK TO ACTIVITY 2.2

For this activity you will need to take a keen interest in the elements of performance planning and especially when considering results. To get you started I will give you an example of the key accountabilities of an administrative officer:

1. Provide accurate, organised and efficient administrative support
2. Respond promptly and thoroughly to requests for information

Now think about the objectives and performance standards for an administrative officer as stated in the question. Remember you can always log onto the **Discussion Forum** (Workbook 2, Activity 2.2) to interact with your peers and see what you can come up with.

5   STAGE 3: PERFORMANCE EXECUTION

STUDY

Study section 2.3 (Performance Execution) in chapter 2 of your prescribed book.

Image source: Shutterstock

Ready →   set →   go!

This is what can be referred to as the "hands-on" stage. This is the stage where the actual work gets done, in other words, employees are engaged in performing their tasks. They will be striving to display the required behaviour towards the achievement of the expected results. The obligation to execute performance well rests with the employee; however managers must provide guidance and support regarding the expected standard of performance required within a specific job (or project). Refer to section 2.3 in the prescribed book, where the factors that must be present during this stage for both the employee and the manager are clearly discussed. You must be aware that in this stage, there is a two-way communication process whereby the manager should provide feedback and coaching, while employees should communicate openly about developmental areas where they encounter problems that could impact negatively on their performance. In an ideal situation, the management of performance must always be an open, interactive, reciprocal process whereby an employee offers good performance in exchange for growth, recognition and encouragement. If you look at figure 2.3, you will see that in order for the scale to be balanced, there must be equal input from both sides.

Figure 2.3: Performance Execution
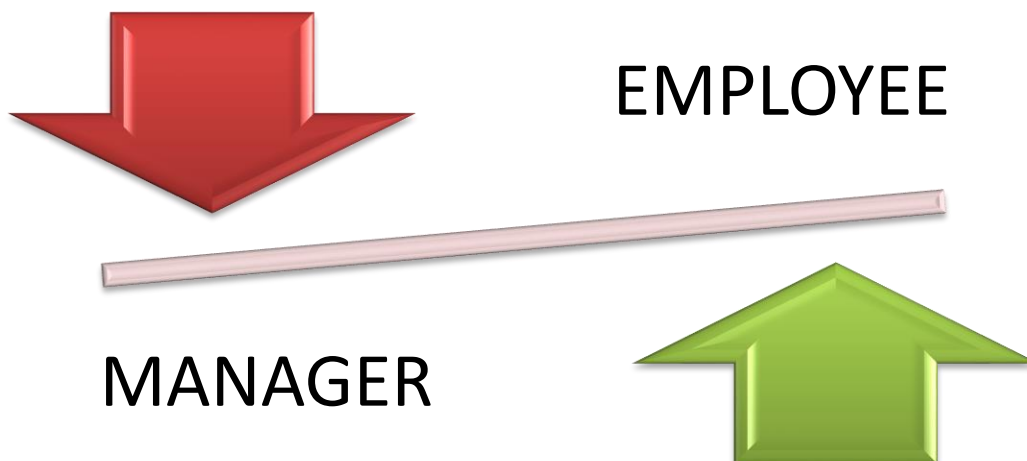
REFLECTION

Now that you have learnt about the performance execution stage, were aware that one of the stages of the PM process takes place when you are carrying out your daily duties and tasks at work? This should show you that PM is an ongoing process that should be in progress throughout your working life.

ACTIVITY 2.3

Read through the following scenario and answer the questions.

CASE STUDY

Sipho and André work together at Brooklyn Bank. They have both recently graduated with a degree in financial management and it is their first full-time job. In the first month of work they were introduced to their jobs. Their supervisor gave them a clear indication of what is expected of them, what their roles and duties are, the results they must produce, the behaviour they must display, and he helped them to draw up their developmental plans. After a clear purpose was established, Sipho and André began working.

Sipho has eased into working life without a problem and he is really enjoying working at the bank. He has frequent informal meetings with his supervisor, has committed himself to a number of goals and is constantly appraising his own work. André on the other hand is struggling with his duties. He is even considering quitting his job and lacks the motivation to perform. After a number of months of poor performance, André decided to ask his supervisor for help. He then received the guidance and coaching he needed so badly. André has been doing very well ever since. So by the end of the year André has gained the knowledge, skills and motivation that he once required.

Once you have read through the scenario, log onto the **Discussion Forum** (Workbook 2, Activity 2.3) and debate with each other about the following two questions:

1. In which stage of the PM process are Sipho and André when they begin working?

2. In the stage referred to in question 1, the employee and the manager must take responsibility for certain factors regarding the execution of performance. Discuss these factors and indicate if they are present in the scenario or not.

FEEDBACK TO ACTIVITY 2.3

This scenario demonstrates that performance depends on many factors that must be present on the part of the employee and the manager respectively. Sipho and André received the same education and both were appointed for the first time in a full-time job. However due to certain circumstances, Sipho adapted much better to his duties and he was able to perform well. As you can see from the scenario, André struggled at the beginning of his duties. What is your opinion on how this could have happened to André and if something similar has ever happened to you? Please share your experiences so that we can learn from each other.

6   STAGE 4: PERFORMANCE ASSESSMENT

STUDY

Study section 2.4 (Performance Assessment) in chapter 2 of your prescribed book.

This stage in many organisations is called mid-year reviews. However, it does not necessarily have to take place in the middle of the year. It could be at the half-way mark of a project, quarterly or at any other important period. Basically the manager will be assessing the extent to which employees are on track towards achieving the required results or whether they are displaying the expected behaviour. Appraisal forms should be completed by both the employee and the manager at this stage. Activity 2.4 will help you to gain a better understanding of what takes place during the performance assessment stage in the PM process.

ACTIVITY 2.4

WHAT IF IT WAS YOU?

Think of the following situation carefully:

As an employee in an organisation, you have been informed about the goals of the organisation, the goals of the unit or department, as well as your job description. You now know exactly how your contribution will help your department and organisation to achieve these goals. You aim very high to exceed the expectations, if possible. You work hard in pursuit of these goals.

However, you are not sure if your hard work will indeed lead you towards the achievement of these goals. You are wondering if you are on the right track. No-one assesses your performance and informs you whether your performance is indeed helping the organisation in achieving its goals. You are also not sure if you display the required behaviour. The worst part is that you submitted your developmental plan which indicates what skills and knowledge you will need to enhance your performance, but no one follows up to make sure that the development is taking place.

What do you do?

FEEDBACK TO ACTIVITY 2.4

I am sure that it is evident to you that what is lacking in this situation is the performance assessment activity; this is where the manager and the employee sit down to discuss the progress in working towards set organisational goals.

In this scenario, you needed your manager to sit down with you to inform you whether you were on the right track and to encourage you to keep up the good performance. In case you were experiencing some problems that seemed to somehow hinder your performance and you wanted to bring these to the attention of your manager, the performance assessment stage would be the right platform to address the situation.

This scenario should indicate to you the importance of this stage of the PM process. If you do not receive any feedback on your progress, you could be carrying out tasks that are not relevant or required. The performance assessment stage provides you with the platform to raise issues and to get an idea of where you stand regarding your performance.

7   STAGE 5: PERFORMANCE REVIEW

STUDY

Study section 2.5 (Performance Review) in chapter 2 of your prescribed book.

"I hope these reviews don't make you nervous."

Image source: Shutterstock

This stage is well known as the performance appraisal stage. Generally when people hear the words performance management, they automatically think of the performance appraisal meeting. As you have learnt thus far you now know that this is not the case. PM incorporates so much more than just one appraisal meeting. Nevertheless it is an integral component of the process as a whole. It is undoubtedly hated by both managers and employees. Managers are uncomfortable about this stage, especially when they have to provide feedback on poor performance. Employees on the other hand always regard this stage as one in which the manager wants to get back at them. Many employees perceive this stage as subjective and biased. However, if the PM of the organisation is done properly, that is, if all stages in the process are applied, there should not be any reason for the discomfort on either side.

We will learn more about performance review/appraisal in workbook 5.

Watch the following humorous video about an employee's performance appraisal from the series Scrubs:

https://www.youtube.com/watch?v=09bp__4Muh8

REFLECTION

Although the video was meant to give you a little giggle, it should also show you how badly PM is implemented in organisations all around the world and in different industries. Take a moment to think about this. Can you imagine how disastrous the consequences could be if the performance review stage was implemented like this at all companies? Have a quick chat with some of your friends to hear how the performance review is conducted at their companies.

The sensitivity and criticality of the fifth stage, is evident as Rao (2008:3) puts it:

"[Performance review] has caused a few people to get promoted, some of them undeservingly, a few others to leave their jobs, and yet a few others to walk into office every day with low interest and satisfaction and carry on with their jobs."

8   STAGE 6: PERFORMANCE RENEWAL AND RECONTRACTING

STUDY

Study section 2.6 (Performance Renewal and Recontracting) in chapter 2 of your prescribed book.

With reference to the PM process (figure 1.1) the performance renewal and recontracting stage is the final stage in the PM process before the process restarts at stage 1. This stage involves reviewing organisational goals in preparation for the next review cycle. This stage acknowledges that in some instances goals are not reached, not because employees do not make the effort, but because goals may not be practically achievable. As is the case with any system, it is of great importance that the process is reviewed and problem areas are identified.

ACTIVITY 2.5

The performance renewal and recontracting stage uses the insights and information gained from the other stages of the PM process. Provide the kind of information to be obtained from other stages and justify the use of each in the performance renewal and recontracting stage.

FEEDBACK TO ACTIVITY 2.5

This is a very broad question which could have a number of correct answers since you could have thought of something that I did not. Here follows an example of how I would have answered this question:

Prerequisites:

➢   What are the goals of the organisation that were set at the beginning of the review cycle?
➢   Are the unit's or departmental goals in line with these goals?
➢   Are they clear?
➢   How are the individuals' job descriptions linked to these goals? Where can we improve?

Performance planning:

➢   The behaviour, results against specific standards as well as development plans will be reviewed during this stage.
➢   It will indicate whether improvement is required from this perspective, for example if results were achieved but did not reach the required standard.
➢   The problems that could have led to this situation should be discussed and addressed to ensure that it does not affect performance again in the next performance review cycle.

Performance execution:

➢   What employees reported as an obstacle to achieve their targeted performance will be reviewed during this stage.
➢   Managers will rely on the information that they document during the execution stage to improve performance in the next review cycle.

Performance assessment:

➢ Here the information to be focused on depends on the kind of assessment for each employee in this stage.
➢ If they seem to be on the right track, they will be encouraged to keep up the good work.
➢ If they do not reach the required standard, they will be given suggestions on how to improve in the next cycle.

Performance review:

➢ Based on the results of this stage, employees can be rewarded for a good job or be advised to undergo some training to help them to improve their future performance.

9   SUMMARY

In this workbook, I have provided you with a brief introduction to each one of the stages of the PM process. As I said at the beginning of this workbook, understanding the PM process and each of its intricate stages will form the foundation of your knowledge of PM as a whole. I have tried my best to explain the concepts in different and practical ways so that you can imagine how it is used in organisations. From the final activity, you should notice how interdependent each of the stages of the PM process are on one another. In essence, it looks like one stage is meaningless without the others.

We shall look deeper into this in the next workbook. For now, you could watch the following slides that summarise all that we have learnt in this workbook.

SLIDE SHARE

http://www.slideshare.net/preeti52/chapter-2-50496138?qid=8a37417a-c898-4ac4-a75c-8167d02fd203&v=&b=&from_search=5

10   SELF-ASSESSMENT

Now that you have completed this workbook, you need to determine whether you have achieved the relevant learning outcomes stated at the beginning of the workbook. Therefore, read through the outcomes again before attempting to answer the self-assessment questions.

Multiple-choice questions

Question 1
Which one of the following statements is correct?

1   The first stage in the performance management process is performance planning.
2   The performance prerequisites stage involves the identification of results and the behaviour of employees.
3   Only employees have some responsibilities during the performance execution stage.
4   During performance review, employees receive feedback on their performance.

Question 2
Where should improvement areas and goal-setting be included?

1   Behaviour analysis
2   Results assessment
3   Development plan
4   Performance standards

Question 3
Which of the following statements are correct?

a   Job analysis is a prerequisite for any performance management.
b   There should always be a link between the organisation's strategic plans, the unit's or departmental strategic plans and individual and team performance.
c   It is the responsibility of managers to observe and document performance on a daily basis.
d   The performance renewal and recontracting stage is identical to the performance review stage.

Choose the correct option:
1   a & b
2   b, c & d
3   a & d
4   a, b & c

Essay questions

Question 1
Illustrate the performance management process by using a diagram and discuss each stage involved in more detail. Provide one example from each stage of the process.

Question 2
The stages in the performance management process are interrelated. Elaborate on this statement.

Question 3
Defend the inclusion of all these stages in the performance management process by explaining the implication of skipping one of these stages.

Question 4
Identify and describe the primary responsibilities of employees during the performance execution stage.

Question 5
List the three required aspects that a development plan should include.

Image source: Shutterstock

Have you attempted to answer these questions without looking at the answers?

Self-assessment means that you need to answer the questions on your own first and then evaluate your answers by using the guidelines provided. Do not read the answers if you have not yet attempted to answer the questions yourself!

FEEDBACK TO SELF-ASSESSMENT QUESTIONS

Multiple-choice questions:

Question	Answer	Reference
1	Option 4	Refer to sections 2.1, 2.3 and 2.6 in the prescribed book.
2	Option 3	Refer to section 2.2.3 in the prescribed book.
3	Option 4	Refer to figure 2.1 in the prescribed book.

Essay questions:

You could have structured your answers in the following way:

Question 1
Refer to sections 2.1 to 2.6 in the prescribed book. Make sure that you put these stages in a sequential order. You must keep in mind that a process follows a certain sequence. For instance, it would not make sense to have performance planning before we clarify prerequisites. How could employees agree to contribute to organisational goals if they are not told about them first?

You should have referred to the different stages listed in sections 2.1 to 2.6. Prove that you did not just memorise these steps by discussing each of them and giving practical examples. You will not be able to do this if you do not understand the theory behind each stage. Basically you need to do the following:

✓ First study these stages step by step.
✓ Discuss what each of them involves.
✓ Make sure that you are able to put them in a sequential order.

Question 2

Follow the same three steps as you did when answering question 1. To understand the interrelatedness of these stages, remove one or two and try to think what is likely to happen. Let us assume that you are the manager and you choose to remove the performance planning stage from this process in your organisation. What do you think would happen?

First ask yourself the following questions: How would employees know the exact results expected from them? On what standard should these results be? How would you as the manager know which specific skills could help improve the performance of these employees?

Can you see that ignoring this stage will hinder performance in the organisation as a whole?

Now try to remove other stages and see if you can notice the implications of each action. As you can see, you only find negative implications for both the organisation and employees. This is a clear indication of the interrelatedness of the stages in the performance management process.

Question 3

With this question I wanted to introduce another version of question 2. There are many ways to phrase questions. However, there is only one way of mastering them, which is to study with understanding and be able to provide examples from the workplace where necessary. So, basically, this question can be answered by following the guidelines I provided for question 2.

Question 4

The primary responsibilities of employees during the performance execution stage are clearly discussed in section 2.3 of the prescribed book.

Question 5

At the very least, a developmental plan should include:
- ✓ areas that need improvement
- ✓ goals to be achieved in each area
- ✓ both results and behaviours that need to be reached or displayed

Make sure that you can clearly explain the purpose of including all these aspects. Study stages 1 to 6 of the performance management process in figure 2.1. Each stage plays a role in compiling a development plan.

CARRY ON

Now that you have successfully completed Workbook 02 and all the activities, you can go on to Workbook 03.

WORKBOOK 03

Performance Management and Strategic Planning

MIND MAP

Take a look at the mind map to see where you are now on your journey of understanding PM.

1   INTRODUCTION AND OUTCOMES

Many of you might be wondering why there is a section on strategic planning in your PM module. The reason is simple; PM is not only concerned with the performance of an individual. Instead it incorporates the performance of the organisation as a whole. In order to attain the best performance on all levels of the organisation, a strategic plan is essential. In this section we will learn more about the concept of strategic planning and how it relates to PM. Hopefully by the end of this workbook you will have no doubt in your mind regarding the link between strategic planning and PM.

LEARNING OUTCOMES

After completing this workbook, you should be able to do the following:
➢   Define strategic planning and its overall goal
➢   Describe the various specific purposes of a strategic plan
➢   Explain the process of linking performance to the strategic plan
➢   Understand how to create an organisation's strategic plan, including an environmental analysis resulting in a mission statement, vision statement, goals and strategies
➢   Distinguish between the concepts of environmental analysis, mission, vision, goals, and strategies of the organisation
➢   Understand how to conduct an effective gap analysis during the environmental analysis
➢   Justify the need to cascade organisational goals down to the departmental unit, team and individual levels

2   KEY CONCEPTS

Some of the important key concepts in this workbook are:

✓ **STRATEGIC PLANNING**
✓ **ENVIRONMENTAL ANALYSIS**
✓ **GAP ANALYSIS**
✓ **MISSION**
✓ **VISION**
✓ **GOALS**
✓ **STRATEGIES**

3   DEFINITION AND PURPOSES OF STRATEGIC PLANNING

STUDY

Study section 3.1 (Definition and purposes of strategic planning) in chapter 3 of your prescribed book.

Image source: Shutterstock

I am sure that during the course of your studies you have come across the concept of strategic planning or at least the term strategy. If so, take a moment to think about what the term strategy means to you. If someone had to ask you to define it, would you be able to?

Now that you have given it a moment's thought, allow me to expand on your definition. Strategic planning is of utmost importance to organisations who want to succeed and plan for the future. Organisations use strategic planning to develop goals and comprehensive plans for achieving these goals. This is done at the top management level of the organisation. As you have learnt in workbook 02, it is very important that top management share these goals and plans with employees at all levels in the organisation. The main reason for this is to ensure that everyone in the organisation knows how their contribution supports the performance of the organisation as a whole. You also learnt about the importance of explaining the organisational goals to all employees. If you think carefully back to the discussion of the PM process, you will remember that the very first stage of the process tells you that in order for a PM system to be implemented, one must first have knowledge of the organisation's mission and strategic goals. This information is derived from the organisation's strategic plan. If you feel that you cannot remember the prerequisites stage very well, please revise workbook 2 as it is of utmost importance that you approach this workbook with a sound knowledge of all the stages of PM.

ACTIVITY 3.1

After studying this section, try to dissect the definition of strategic planning provided in your prescribed book into three parts. Are you able to do this? Now look at each component of the definition and think of why it is used to define a strategic plan. Does each component make sense to you?

FEEDBACK TO ACTIVITY 3.1

Sometimes it is easier to view something when you take a step back. This is what I expected of you in this activity – to take a step back and intricately examine the definition of strategic planning. If you are able to do this, you will be well on your way to understand and enjoy the rest of this workbook.

To get you started, I will help you to identify the three components of the definition of strategic planning. Please see figure 3.1.

Figure 3.1: Definition of strategic planning
Source: Adapted from Aguinis (2016)
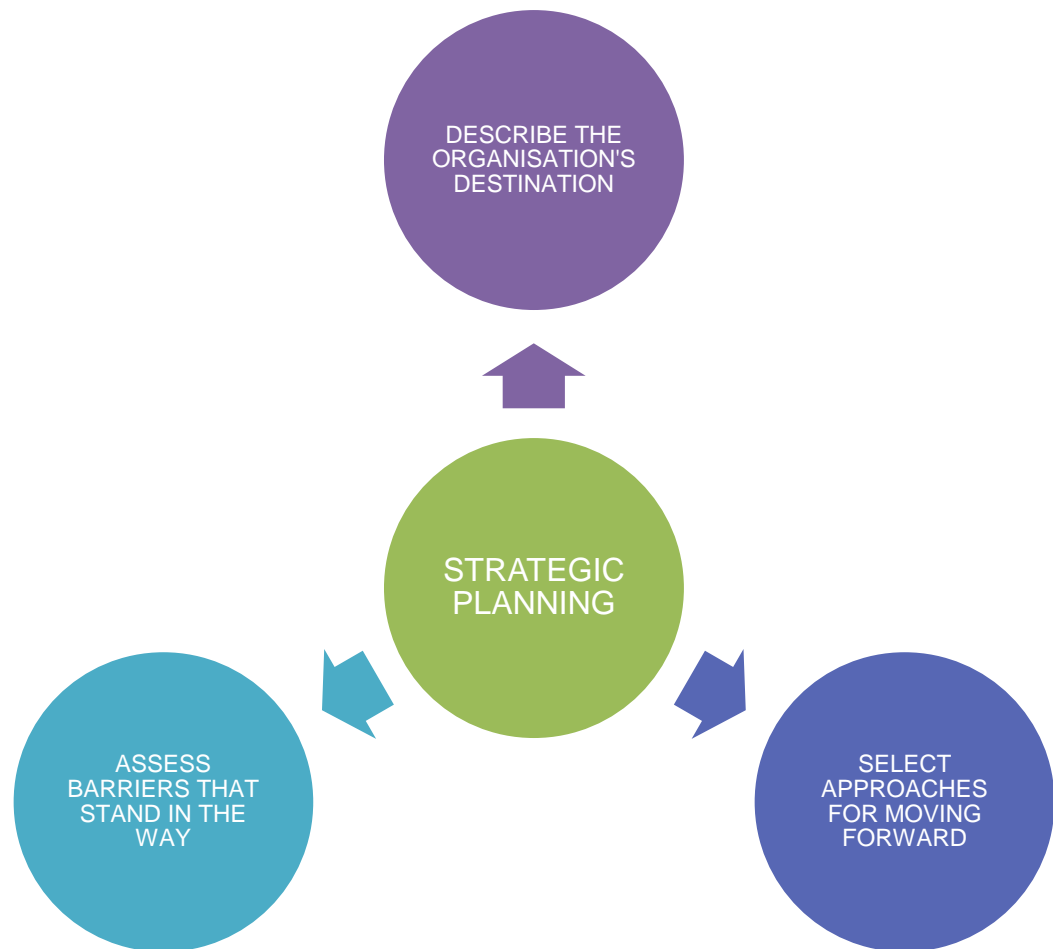
4   PROCESS OF LINKING PERFORMANCE MANAGEMENT TO THE STRATEGIC PLAN

STUDY

Study section 3.2 (Process of linking PM to the strategic plan) in chapter 3 of your prescribed book.

This includes all subsections (3.2.1 – 3.2.4).

As you saw with the PM process in the previous workbooks, it is much easier for us to understand something when we are given a visual representation of it. This is why the process of linking performance management to the strategic plan of the organisation is clearly depicted in figure 3.1 in chapter 3 of the prescribed book. For ease of reference I have also provided the process in figure 3.2. As you can see, it all begins with the organisation's strategic plan which includes its mission, vision, goals, and strategies. This information then cascades down towards each unit's strategic plan. A unit usually refers to a department. The unit's strategic plan, including its mission, vision, goals, and strategies must be in line with the organisation's strategic plan. Once this is in place, job descriptions that will help the organisation achieve its goals are drawn up. This step entails that every job in the organisation by means of the tasks, knowledge, skills and abilities of individuals, will be in harmony with the organisation's strategic plan. Lastly, job descriptions are given to employees who work hard to perform in order to achieve the desired results and display the required behaviours through the use of a development plan. In this way, the organisation's strategic plan flows down all the way from the top-level where strategic decisions are made, right to an individual employee's performance on the job.

Figure 3.2: Process of linking PM to the strategic plan
Source: Adapted from Aguinis (2016)

ORGANISATION'S STRATEGIC PLAN
- Mission
- Vision
- Goals
- Strategies

UNIT'S STRATEGIC PLAN
- Mission
- Vision
- Goals
- Strategies

JOB DESCRIPTION
- Tasks
- Knowledge
- Skills
- Abilities

INDIVIDUAL AND TEAM PERFORMANCE
- Results
- Behaviours
- Development Plan

Study the Key Bank of Utah (section 3.2 in the prescribed book) for an overview of how the whole process of alignment takes place. The scenario provides a good example of the alignment process. You will see that although it sounds complicated, it is actually quite simple to understand. Basically the organisational goals are set and plans are made at the strategic level, cascaded down to the unit or departmental level, further cascaded down to the job description of each individual and then compared to the actual performance of teams and individuals, thereby determining whether the organisational goals have been achieved.

REFLECTION

Based on your existing knowledge of strategic planning and on what you have just learnt, are you able to see the link between individual performance and the strategic plan of the organisation? Do you think that this link is necessary?

Finally, I want you to think carefully of the value that linking strategic planning to individual performance can have for both the employee and for the organisation.

Share your thoughts by using the blog tool on your myUnisa module site.

ACTIVITY 3.2

If you are working, please refer to your own job and organisation for this activity. If you are not working, please ask a friend or relative to assist you.

After learning about the process of linking the strategic plan to individual performance, use examples from your workplace to answer the following questions:

➢ Are you aware of your organisation's strategic plan?
➢ Are you aware of the strategic plan at the unit or departmental level?
➢ Do you have a written job description?
➢ Can you find a link between your activities and the organisation's strategic plan?

Discuss your answers with your peers on the **Discussion Forum** (Workbook 3, Activity 3.2).

FEEDBACK TO ACTIVITY 3.2

I hope that this activity helped you to understand the practical side of this workbook by applying it to your own unique situation and organisation.

If your organisation is doing things the way that they should be done, you would have had no problems answering any of these questions and finding the link between what you do and the strategic plan of your organisation. On the other hand, if your organisation does not have a strategic plan in place or is not aware that job descriptions must be linked to the strategic plan, you would have found it very difficult to obtain answers here.

I am looking forward to hearing your comments on this activity on the **Discussion Forum**.

Sections 3.2.1 – 3.2.4 describe each of the stages of the process in more detail. You must study each of these sections in order to gain a holistic understanding of the link between strategic planning and individual performance.

With all this talk about the strategic plan you must be wondering how the actual plan will be drafted. Section 3.2.1 explains that there are a number of steps that must be taken for a strategic plan to be created. An appreciation for these steps is necessary for your overall comprehension of this workbook. Figure 3.3 depicts the steps that must be taken to create a strategic plan.

Figure 3.3: Steps for creating a strategic plan
Source: Adapted from Aguinis (2016)
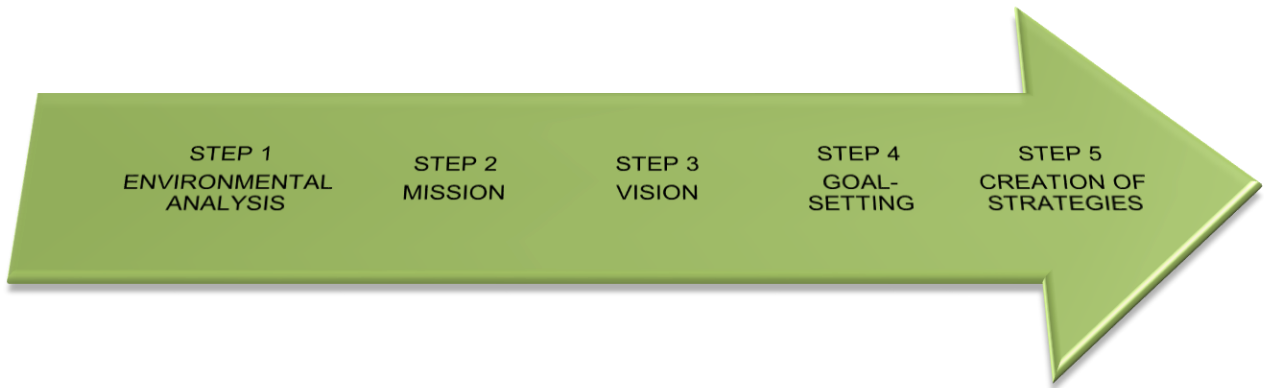
The first and perhaps one of the most important steps is the environmental analysis. This analysis examines the internal and external environments of the organisation in order to get a clearer understanding of the 'big picture' and to allow organisations to be proactive rather than reactive in their decision making.

Image source: Shutterstock

The external environment includes a deliberation of the opportunities and threats, while the internal environment includes a reflection on the strengths and weaknesses of the organisation. Table 3.1 provides you with a brief summary of what is included in these two analyses. For a full discussion of each of these issues, refer to section 3.2.1.1 in your prescribed book.

Table 3.1: Environmental analysis

ENVIRONMENTAL ANALYSIS (GAP ANALYSIS)	
INTERNAL ENVIRONMENT ↓ *STRENGTHS AND WEAKNESSES*	**EXTERNAL ENVIRONMENT** ↓ *OPPORTUNITIES AND THREATS*
Organisational structure	Economic
Organisational culture	Political/legal
Politics	Social
Processes	Technological
Size	Competitors
	Customers
	Suppliers

A gap analysis occurs when the external environment is examined in relation to the internal environment. In other words, a gap analysis is when external opportunities and threats are matched with internal strengths and weaknesses. Depending on how internal and external issues are paired, certain situations such as a constraint, problem, vulnerability or leverage situation may arise. The four different types of situations that may stem from the gap analysis are shown in table 3.2.

Table 3.2: Results of gap analysis

OPPORTUNITY + STRENGTH = LEVERAGE
OPPORTUNITY + WEAKNESS = CONSTRAINT
THREAT + STRENGTH = VULNERABILITY
THREAT + WEAKNESS = PROBLEM

By identifying these situations early, it could drastically help an organisation to achieve a competitive advantage. Each type of situation is discussed in more detail in section 3.2.1.1 of your prescribed book. Think practically about each type of situation and of the different ways that it could come about in organisations.

ACTIVITY 3.3

Read the following scenario and answer the question.

CASE STUDY !

In the telecommunications industry, there are new product developments daily. The latest on the market is a waterproof phone which can be submerged in water and still works perfectly. Universe Unlimited is a company that provides all the latest products to its customers. They have encountered a problem with the waterproof phone and cannot find stock of it anywhere in the country. Luckily for them, they have a partner company in America who will be able to acquire 100 phones to be sent to South Africa to meet the demands of local customers.

What type of situation is present in the scenario above?

1   opportunity + strength = leverage
2   opportunity + weakness = constraint
3   threat + strength = vulnerability
4   threat + weakness = problem

Once you have read through the case study, log onto the **Discussion Forum** (Workbook 3, Activity 3.3) to see if your peers agree with your choice.

FEEDBACK TO ACTIVITY 3.3

Did you feel confident to answer the question straight away after reading the case study? If you were able to do so, it shows that you understand this concept well. Congratulations! Do not worry if you could not, I am always here to guide you. When answering a question like this, you could have reasoned as follows:

As discussed above, once the external and internal issues have been considered, information is collected regarding strengths, weaknesses, opportunities and threats.

This information is used to conduct a gap analysis, which analyses the external environment in relation to the internal environment. This combination can lead to certain situations as shown in table 3.2.

In the case of Universe Unlimited, there is an external threat, namely waterproof phones that are not available in South Africa. However, this threat can be contained because of the presence of an internal strength – a partner company in America is able to buy stock of the phone. Therefore, since a threat + strength = vulnerability, option 3 is correct.

The other options are other types of situations which may occur depending on the combination of strengths, weaknesses, opportunities and threats.

The following steps in creating a strategic plan are the creation of the organisational mission, vision, goals, and strategies. Each one of these is discussed separately in your prescribed book (sections 3.2.1.2 – 3.2.1.5) Note that there is a relationship between each one of these concepts, as I will explain to you now. Since a mission statement provides clarity on why the organisation exists, its scope, what products it will supply to the market, and the targeted customer, it forms the basis for the development of a vision statement. In other words, for the vision statement to be formulated, it needs the information provided in the mission statement. Because mission and vision statements are broad in nature, the organisation needs to formulate short-, medium- and long-term goals in line with its mission and vision statements. Because goals are more measurable, specific, practical and realistic, they provide clear guidance towards the envisioned organisational future. Strategies indicate the way the vision, mission, and goals can be achieved. They provide a description and a game plan, as well as the procedures to reach the set goals. I hope that this makes sense to you and that you enjoy learning all about strategic planning.

ACTIVITY 3.4

Match the concepts in column A with the strategic planning purposes in column B. Note that some of the concepts in column A are applicable to more than one strategic purpose.

COLUMN A	COLUMN B
Mission	1. Helps organisations to prepare for the future
Vision	2. Helps define the organisation's identity
Goals	3. Enhances the ability to adapt to environmental change
Strategies	4. Provides focus and allows for better allocation of resources
Environmental analysis	5. Produces an organisational culture of cooperation
	6. Allows for the consideration of new options and opportunities
	7. Provides employees with information to direct daily activities

FEEDBACK TO ACTIVITY 3.4

Mission	Vision	Goals	Strategies	Environmental analysis
2	1	4, 5 & 7	6	3

Discussion:
Purpose 1 is matched with the mission statement. The mission statement clarifies who the organisation is and what it does. In other words, the identity, purpose and scope of the organisation are clarified.

Purpose 2 is matched with the vision statement, because the vision statement expresses what the organisation wishes to be in the future. In other words, the vision highlights to everyone involved in the organisation what the future aspirations of the organisation are.

Purpose 3 is matched with environmental analysis, since it aims at informing the organisation about anything happening in both the external and internal environment to facilitate decision making on how to adapt should it become necessary.

Purpose 4 is matched with the concept of goals because goals tell people in the organisation what exactly they must achieve (in the medium or long term). Also, they clarify tangible targets to be met daily, weekly or monthly, as well as how to achieve them by using which resources.

Purpose 5 is also matched with goals, since they clarify tangible targets to be met, as well as how to achieve them. By providing the targets that each employee needs to meet, a culture of performance and cooperation is encouraged.

Purpose 6 is matched with strategies since it informs the organisation about opportunities in the environment (both internal and external) and gives advice on what new approaches to follow in order to pursue organisational goals and plans.

Purpose 7 is also matched with goals because by specifying the targets that each employee needs to meet, they are likely to work towards meeting them.

Once you have understood these concepts, you must proceed to sections 3.2.2, 3.2.3 and 3.2.4 which discuss unit level strategic plans, job descriptions, and individual and team performance respectively.

READ

Read section 3.3 (Building Support) in chapter 3 of your prescribed book.

Owing to the scarcity of resources and the politics as a result of resource allocation in organisations, every system must benefit the organisation in the long run. If this is not the case, such systems are likely to be rejected by top management. For the PM system to be successful, it should involve people from the very beginning. If people are not involved in this process, they may resist its implementation and not support the system at all. Note that for the PM system implementation to succeed, not only management should be convinced, but all participants should understand their roles in the system.

5   SUMMARY

This workbook began with an introduction and an explanation of strategic planning and the purpose it serves. It then focused on how the organisation's strategic plan should be cascaded down to the unit level, through to job descriptions and finally to individual and team performance. As we have seen, this is crucial if the organisation wants to reach its strategic goals. Employees must be instrumental in the success of the organisation and their activities must be in congruence with the mission, vision, goals, and strategies of the organisation. The workbook also provided you with background information on how to create a strategic plan and the considerations of each step. We also learnt that it is of utmost importance that all participants must be involved in the PM process. Please do not move on to the next workbook if you have not mastered all the learning outcomes for this workbook.

6   SELF-ASSESSMENT

Now that you have completed this workbook, you need to determine whether you have achieved the relevant learning outcomes as stated at the beginning of the workbook. Therefore, read through the outcomes again before attempting to answer the self-assessment questions.

Multiple-choice questions

Question 1
Which of the following are purposes of strategic planning?

a   It helps to define the organisation's profitability.
b   It helps organisations to anticipate an economic downturn.
c   It enhances the ability to adapt to environmental changes.
d   It provides employees with information to direct daily activities.

Choose the correct option:
1   a, b & c
2   b, c & d
3   c & d
4   b & d

Question 2
An environmental analysis is required when compiling a strategic plan. What is the process of analysing the external environment in relation to the internal environment called?

1   Gap analysis
2   Opportunities analysis
3   Threats analysis
4   Weaknesses analysis

Question 3
Which of the following statements are correct?

a   Economic and technological factors are common factors affecting the internal environment of the organisation.
b   An examination of the external environment involves a consideration of opportunities and threats.
c   Why does the organisation exist? This question is answered in the mission statement.
d   Performance management is likely to be successful if it is put in the hands of top management.

Choose the correct option:
1   b, c & d
2   a & d
3   a, b, c & d
4   b & c

Essay questions

Question 1
List the purposes of strategic planning.

Question 2
Briefly explain what is meant by cascading down the organisational goals.

Question 3
Briefly explain the role of job analysis in the process of performance management.

Question 4
Explain the internal and external factors that should be considered during strategic planning.

Question 5
Discuss the importance of analysing the organisation's internal and external environments for the success of the performance management system.

Image source: Shutterstock

Have you attempted to answer these questions without looking at the answers?

Self-assessment means that you need to answer the questions on your own first and then evaluate your answers by using the guidelines provided. Do not read the answers if you have not yet attempted to answer the questions yourself!

FEEDBACK TO SELF-ASSESSMENT QUESTIONS

Multiple-choice questions:

Question	Answer	Reference
1	Option 3	Refer to section 3.1 in the prescribed book.
2	Option 1	Refer to section 3.2 in the prescribed book.
3	Option 4	Refer to section 3.2 in the prescribed book.

Essay questions:

You could have structured your answers in the following way:

Question 1
The purposes of strategic planning are summarised as follows:

- ✓ It helps to define the organisation's identity
- ✓ It helps the organisation to prepare for the future
- ✓ It enhances the ability to adapt to environmental changes
- ✓ It provides focus and allows for better allocation of resources
- ✓ It produces an organisational culture of cooperation
- ✓ It provides employees with information to direct daily activities

Make sure that you understand how strategic planning fulfils all these purposes. Study section 3.1 for guidelines.

Question 2

Normally organisational goals are set at top management level. However, employees from the different business units or departments are the people who ensure that the organisation achieves these goals. Therefore, the business unit's or departmental goals should be in line with the goals of the organisation as a whole. Further, job descriptions for each individual should be linked to the unit's or departmental goals. This will clarify the contribution of each individual or team to the achievement of organisational goals.

Question 3

You first have to define the process of job analysis and then proceed to explain its role in the PM system. You should structure your answer as follows:

Job analysis refers to the process of determining the key components of a particular job, including all activities, tasks, products, and processes.

We can align the goals of the organisation and department with those of individuals only by having a thorough knowledge of the different jobs in the organisation. We can gain this knowledge by conducting a job analysis and then develop job descriptions that are in line with the organisational and departmental goals. Employees will be able to carry out their duties clearly, knowing what impact their contributions have on the success of the organisation as a whole, which in return will make it easier for managers to evaluate or measure their performance.

Question 4

These factors are clearly discussed in section 3.2.1.1 in the prescribed book; they are economic, political/legal, social and technological factors, and competitors, customers and suppliers. This section also provides questions to be asked when analysing these factors. Make sure that you understand how each factor impacts on the organisation's strategic planning.

Question 5

Study the feedback provided for question 4. Note that it will be easy for you to understand the impact of the internal and external factors on performance management if you know their impact on the strategic planning of the organisation as a whole. For instance, if economic growth is low, the country will fail to create more jobs (economic factor). Or if the minimum wage set for different categories of employees is set very low, people's buying power will decrease. As a result, they will not buy the products or services offered by the organisation. This will affect the performance of employees such as salespeople who may not be able to reach their sales targets.

CARRY ON

Now that you have successfully completed Workbook 03 and all the activities, you can go on to Workbook 04.

WORKBOOK 04

Performance Defined and Approaches to Measuring Performance

Contents		Pages
1	Introduction and outcomes	60
2	Key concepts	60
3	Defining performance	60
4	Determinants of performance	61
5	Performance dimensions	64
6	Approaches to measuring performance	66
7	Summary	68
8	Self-assessment	69

MIND MAP

Take a look at the mind map to see where you are now on your journey of understanding PM.

1   INTRODUCTION AND OUTCOMES

This workbook presents to you the first unit that deals with the actual implementation of the PM system. For this reason you must ensure that you read, study and understand all the sections in this workbook. The chapter begins by defining performance. It then goes on to describe the three determinants of performance; this is very interesting since it makes you think about the factors that can influence your performance. I will try to show this aspect in practical terms to help you understand this concept better. Thereafter the two types of performance dimensions, namely task and contextual performance are illustrated. The workbook then finally reveals the three approaches used to measure the performance of employees. These three approaches are the results, behaviour and trait approaches respectively. It is important to decide which approach to use and it is imperative that you understand why different approaches may be used. In general, the results and behaviour approaches are most widely used, while the trait approach is rarely used, since it is very difficult to apply in practice.

LEARNING OUTCOMES

After completing this workbook, you should be able to do the following:
- ➢ Define performance in relation to performance management
- ➢ Analyse the determinants of performance
- ➢ Discuss factors influencing the determinants of performance
- ➢ Evaluate both task and contextual performance behaviours
- ➢ Differentiate between the different approaches of measuring employee performance (results, behaviour and trait approaches)
- ➢ Discuss and apply the circumstances where one approach to measuring performance is more suitable than another

2   KEY CONCEPTS

Some of the important key concepts in this workbook are:

<div align="center">

✓ **PERFORMANCE**
✓ **DETERMINANTS OF PERFORMANCE**
✓ **DECLARATIVE KNOWLEDGE**
✓ **PROCEDURAL KNOWLEDGE**
✓ **MOTIVATION**
✓ **TASK BEHAVIOUR**
✓ **CONTEXTUAL BEHAVIOUR**
✓ **RESULTS APPROACH**
✓ **BEHAVIOUR APPROACH**
✓ **TRAIT APPROACH**

</div>

3   DEFINING PERFORMANCE

STUDY

Study section 4.1 (Defining performance) in chapter 4 of your prescribed book.

The core concept that underlies this entire module is "performance". Have you ever tried to understand what "performance" stands for, what it really means? Ask yourself: is performance the same as performance management? Section 4.1 in the prescribed book answers these questions. With reference

to stage 2: performance planning of the PM process (discussed in workbook 02), PM includes the assessment of both the behaviour of employees as well as the results produced. On the other hand, the definition of performance only considers what employees actually do, in other words performance includes the action or process required to perform a specific task or function in a job. Therefore it is only their behaviour on the job that is taken into account. Behaviour can then be broken down further to include the following two characteristics: evaluative and multidimensional. To gain a better understanding of these characteristics of behaviour, please refer to section 4.1 in the prescribed book which provides a wonderful explanation.

ACTIVITY 4.1

Are you able to explain the "evaluative and multidimensional" nature of behaviour in relation to performance and then apply it in practical terms?

Log onto the **Discussion Forum** on myUnisa (Workbook 4, Activity 4.1) to ask your fellow students about their views. Think of examples and compare it with one another.

FEEDBACK TO ACTIVITY 4.1

The evaluative nature of behaviour means that it can always be judged as positive, neutral or negative. This judgement is always based on whether the behaviour displayed is in line with what was agreed upon in stage 2 - performance planning (with reference to workbook 02) and whether the behaviour is in line with the required behaviour towards the achievement of the organisational mission, vision, and goals (with reference to workbook 03).

The multidimensional nature of behaviour means that when evaluating behaviour, we may not stick to only one specific behaviour and make a judgement. Some employees may not directly reflect the required behaviour, but other behaviour which may lead to the achievement of organisational goals is implied in their activities. The prescribed book provides an example of such a scenario. Study this example and see if you can come up with similar scenarios. Here is an example of a scenario that I thought of:

"Obed is a truck driver who works for a transport business. He is not punctual and always arrives late with customers' goods. However, even though the customers reported this to the employer, the same customers always ask the employer to send Obed to deliver. When the employer asked why they still want him even if he is always late with their goods, they replied: "Although your driver is always late, he saves us a lot of money. He offers to unload all the goods from the truck himself, so that we do not have to hire other people to unload our goods."

As you can see, Obed did not display one of the required behaviours, but he was still going the extra mile to satisfy the organisation's customers.

4   DETERMINANTS OF PERFORMANCE

STUDY

Study section 4.2 (Determinants of performance) in chapter 4 of your prescribed book.

This includes all subsections (4.2.1 – 4.2.2).

Image source: Shutterstock

In this section, you have to ask yourself – what actually determines performance? The prescribed book categorises the factors that will determine the extent of performance into three groups:

1. declarative knowledge: knowledge regarding facts, principles, and goals
2. procedural knowledge: cognitive, psychomotor, physical, and interpersonal skills
3. motivation: choices in terms of expanding effort, level of effort, and persistence

These determinants of performance refer to the aspects that play a role in ensuring that the required and expected performance takes place. For instance, we cannot expect recently appointed employees to be high performers in the next performance review cycle without taking any initiative to help them become high performers. Basically, employees must be equipped with the knowledge (both declarative and procedural) to perform at a specific level. However, they must also develop a certain level of motivation for performance to take place.

Figure 4.1 presents the formula used to determine performance.

Figure 4.1: How to determine performance
Source: Adapted from Aguinis (2016)

This means that for performance to take place, all three factors need to be present within an individual employee. For instance, if employee X possesses a degree and has some previous work experience we cannot assume that this employee will always perform as required. Knowledge does not automatically result in the required performance. This employee must also be motivated to perform. In a nutshell, if any of the determinants of performance has a zero value, then performance will also have a zero value.

Depending on which determinant is missing, the employer should find a way to address the situation. The first step is to determine the source of poor performance and address it accordingly. For instance, employee X in the scenario may not have the motivation to perform and, as a result, will perform poorly.

Should the employer send such an employee for training? No, training is not the solution here. Instead employee X should inform the employer about their lack of motivation and the employer in turn should try to help the employee to become more motivated. Motivation is linked to a number of elements such as job satisfaction, variety of work and organisational commitment. Motivating an employee to perform is a tricky and difficult process for employers, but the rewards are well worth it in the long run.

Declarative and procedural knowledge are easier to attend to by sending employees on courses or providing on-the-job training. Declarative knowledge can be addressed by formal courses or qualifications which teaches employees the required factual knowledge that they require. In addressing procedural knowledge, the employer considers training interventions that will equip employees with skills and the know-how to perform their duties as required. After these employees have acquired the necessary skills and know-how, they should be given the opportunity to practice these to get hands-on experience of what they have learnt during their training.

It is also interesting to note that these determinants of performance are influenced by the employees themselves, human resource practices, and the work environment.

ACTIVITY 4.2

CASE STUDY!

Melisha and Jennifer are teachers at the local high school. They both have the relevant qualifications in teaching and have the technical skills required for the job.

Melisha is highly enthusiastic about teaching and loves working with children. She tries out new exercises every day and spends many hours preparing for her lessons. Even though Melisha does all this, her students do not interact well with her because of her poor presentation and interpersonal skills.

Jennifer, on the other hand, has a natural gift for teaching, she hardly spends time preparing for lessons, but her students are captivated throughout the lesson and look forward to her classes. Unfortunately Jennifer has recently lost interest in teaching owing to financial pressures. She has begun looking for a job in a different field with a higher earning potential.

After you have read the case study, you should get an idea of where this discussion will lead. Melisha and Jennifer are very different in terms of personality as well as in their approach as teachers. Now try to answer the following questions:

1. Which determinant of performance is Melisha lacking?
2. Which determinant of performance is Jennifer lacking?

FEEDBACK TO ACTIVITY 4.2

From the case study you should notice that different individuals have different strengths and weaknesses. The aim of PM is to help enhance the strengths and develop the weaknesses in order to help individuals reach higher levels of performance. By establishing which of the determinants of performance are deficient, we can work on improving those factors to increase performance.

In order to complete activity 4.2, you need to analyse the case study thoroughly. You must always take the information presented to you in a case study very seriously and look for important points and facts. When answering the questions you could have taken the following approach:

A combination of three factors allows people to perform at higher levels than others.

These are: 1) declarative knowledge, 2) procedural knowledge, and 3) motivation. They are referred to as the determinants of performance.

In the scenario Melisha possesses good declarative knowledge because she has completed her qualifications and has the required technical skills. She is also highly motivated to perform as is evident in her passion for teaching and her preparations for the class. However, Melisha lacks procedural knowledge; her students do not interact well with her, as her presentation and interpersonal skills are not up to standard.

On the other hand, Jennifer is an excellent teacher because her students are captivated by her teaching method; this indicates that she has sufficient procedural knowledge. She also demonstrates declarative knowledge by her qualifications and technical skills. However, the problem with Jennifer is that she lacks the motivation to perform. She is no longer interested in teaching due to financial burdens and is looking to pursue a new career path.

Did you come to the same conclusion? Please think about your own performance and try to analyse the factors that determine it. Is there a way for you to improve? If you think so, have a chat with your manager and start your journey to performing at higher levels.

5   PERFORMANCE DIMENSIONS

STUDY

Study section 4.3 (Performance dimensions) in chapter 4 of your prescribed book.

Figure 4.2: Performance dimensions
Source: Adapted from Aguinis (2016)
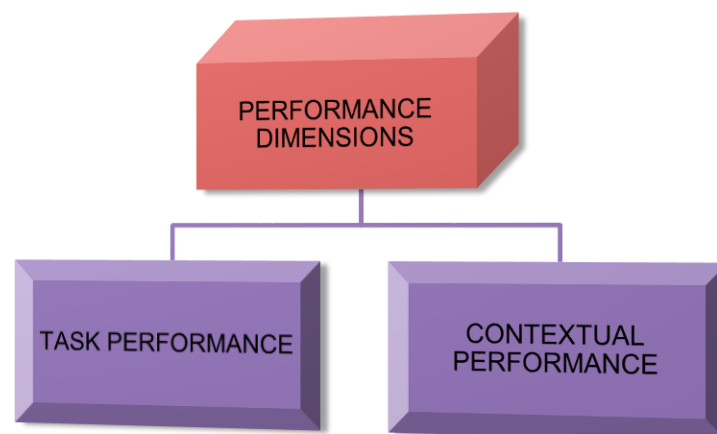
We learnt about the two characteristics of behaviour in section 4.1. This section proceeds to distinguish between two types of performance, namely task and contextual performance, as shown in figure 4.2. Do you remember the evaluative nature of performance? Remember, performance management systems should evaluate both behaviour and results when measuring employee performance. Further, the system should take into account the two dimensions of performance, namely task and contextual performance. Task performance involves how well an employee performs compared to the job description. This takes us to section 4.2 where the determinants of performance were introduced. We may say an employee who is rated high on task performance possesses all determinants of performance and is expected to perform well. However, what happens if the employee does not display contextual performance

behaviour? Do you think this employee should still receive a high rating during the performance review? No, since globalisation and intense competition force organisations to encourage employees to also pay attention to positive contextual performance. Think of Thato, a cashier at a huge retailer; he is fast at scanning goods and manages queues very well. However, Thato steals money from the till point of a colleague, Joni, when he is not around. Of course Joni will be held accountable for the shortage at the end of the day and will even have to pay it in. Employer-employee relations will be damaged, but the organisation's profit will also be at stake.

You may find yourself asking the question: Should both task and contextual performance dimensions be included in the PM system? The answer is a resounding yes. See table 4.1 for a few reasons.

Table 4.1: Reasons why task and contextual performance should be included in the PM system

FIVE REASONS TO INCLUDE BOTH TASK AND CONTEXTUAL PERFORMANCE DIMENSIONS
✓   Global competition is raising the level of effort required of employees
✓   The need to offer outstanding customer service
✓   Organisations are forming employees into teams more frequently
✓   Employees are more satisfied and perceive the system as fair
✓   It is difficult for supervisors to ignore the contextual performance dimension

It is therefore important to encourage positive contextual performance if an organisation wants to sustain a competitive advantage. In a nutshell, employees should display both task performance (possess skills and the ability to carry out their daily tasks) and contextual performance (team spirit, motivation to go the extra mile). Task performance can be addressed through training and mentoring, but it is difficult to address contextual performance, since it has to do with people's personalities. Can one's personality be changed? You be the judge.

ACTIVITY 4.3

I think that it is much easier to understand the concept of task performance as opposed to contextual performance. For this reason I would like you to click on the following link and read the short article which explains contextual performance a little further.

http://www.wisegeek.com/what-is-contextual-performance.htm

FEEDBACK TO ACTIVITY 4.3

Did the article help you to grasp an understanding of the concept of contextual performance? There is a clear distinguishing feature between task and contextual performance. Where task performance is learnt (through skills and knowledge), contextual performance has more to do with an individual's personality.

6   APPROACHES TO MEASURING PERFORMANCE

Image source: Shutterstock

This is a very important section that discusses the three approaches to measuring the performance of an individual. Before discussing the actual approaches, I would like you to take a look at figure 4.3 (figure 4.1 in the prescribed book).

Figure 4.3: Job Performance in Context


This figure puts job performance into context. It highlights that to achieve results; the individual should have certain traits that would enable them to demonstrate the desired behaviour in a specific work situation. Therefore, different approaches to measuring performance should be considered, depending on the circumstances. See figure 4.4 for the three approaches to measuring performance

Figure 4.4: Approaches to measuring performance
Source: Adapted from Aguinis (2016)
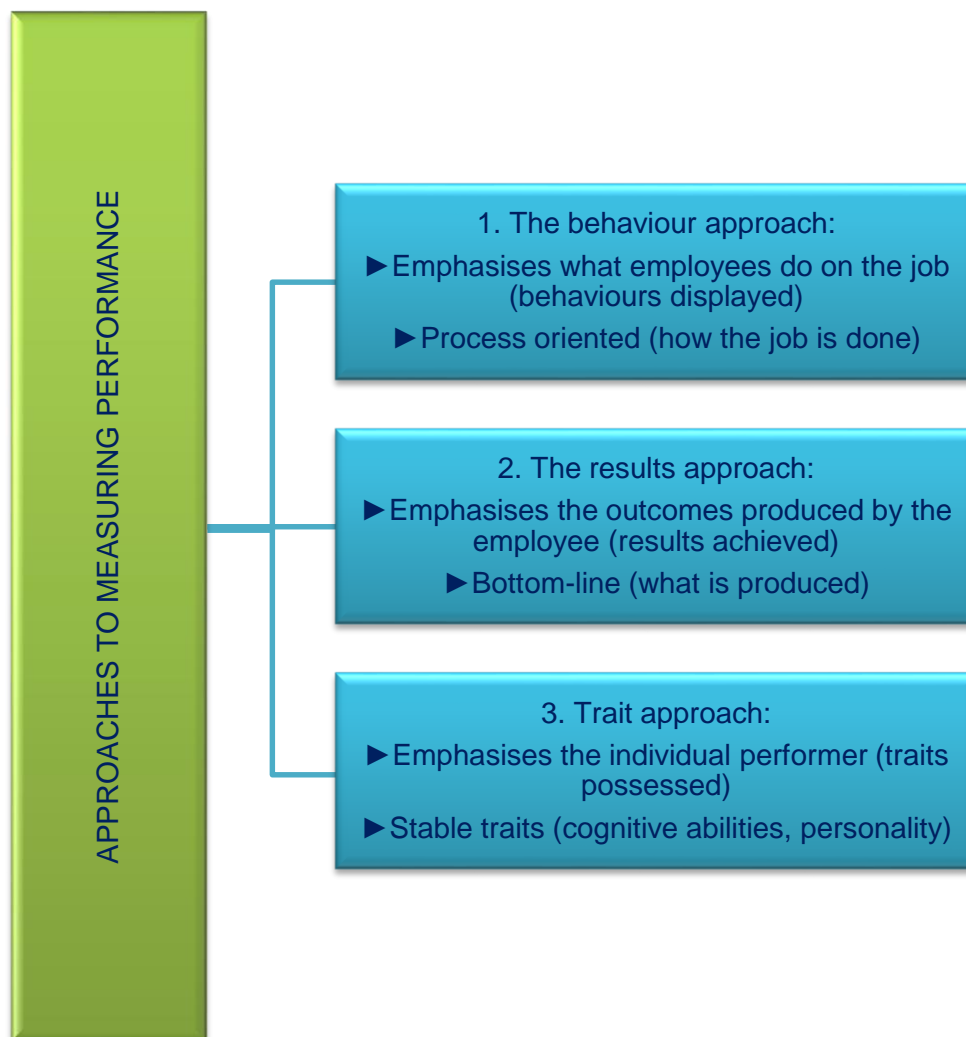
Once you understand these three approaches, you should also understand when each approach should be used. As I said before, the situation and unique circumstances play a huge role here. For the circumstances when the behaviour, results or trait approach should be used, refer to sections 4.4.1, 4.4.2 and 4.4.3 respectively. These circumstances are vital in helping you to determine which approach should be used. It is of utmost importance to choose the correct approach (behaviour, results or trait), since it could lead to the success or failure of the PM system. If this decision is not taken seriously, employees may perceive their performance review and the entire PM system as unfair.

It could also prove dangerous when one approach is given preference and the other is ignored. Consider the following scenario:

SCENARIO:

Tibane is a salesperson at Tau Enterprises. She exceeds the sales target every month and as a result, she receives a large commission at the end of the month. Everybody admires her, but they do not know how she achieves the high sales. It was discovered eventually that she was using a misleading advertisement telling potential customers in brochures that if they buy one product, they will receive another product for free, which will be sent through registered mail. When these buyers enquired about their pending goods after a while, they found that the organisation knew nothing about them. The buyers then reported the organisation to the Consumer Commission. The entire organisation is in hot water because of one person whose behaviour in obtaining outstanding results was ignored.

In this scenario, if the salesperson's behaviour was managed well (i.e. how these high sales figures were achieved was evaluated), this situation could have been avoided.

ACTIVITY 4.4

CASE STUDY!

> Fashion Fusion is a medium-sized fashion design company. It is located in the heart of the business hub of Sandton. The company is highly innovative and is building a name within fashion circles. Many of the designers who work there are highly skilled individuals who have established themselves in the industry. The company realises the value of their employees and therefore grants them high levels of autonomy in carrying out their tasks. Like the CEO of the company once said: "I don't care how they do it, all that matters is the final design".

Identify the approach that should be used to measure designers' performance at Fashion Fusion?

Log onto the **Discussion Forum** on myUnisa (Workbook 4, Activity 4.4) to compare your answer to this question with your fellow students'. It will be interesting to find out if you have all come to the same conclusion.

FEEDBACK TO ACTIVITY 4.4

I look forward to reading your answers, since it will give me an indication of your understanding of this important section. To point you in the right direction, I will say that you should look at the circumstances when each approach is most appropriate and then compare it to the facts in the case study. Good luck!

REFLECTION

After studying this section and working through the case study, you should be able to see the importance of choosing the correct approach to measuring performance.

7   SUMMARY

In this workbook we started off by learning what performance is and what it is not. The workbook then highlighted the three determinants of performance that has a major impact on performance; no performance or poor performance could result if one of the determinants is absent. Further, it was noted that employees' performance is affected by individuals themselves, human resource practices as well as the work environment. The two dimensions of performance – task and contextual – were identified and explained. Finally the three approaches of measuring employee performance were introduced, as well as the circumstances in which each can be applied. The next workbook provides guidelines on how to apply the behaviour approach and the result approach to measuring employee performance. If you have not mastered the learning outcomes of this workbook, please study them again, as they serve as a basis for understanding the next workbook.

8   SELF-ASSESSMENT

Now that you have completed this workbook, you need to determine whether you have achieved the relevant learning outcomes stated at the beginning of the workbook. Therefore, read through the outcomes again before attempting to answer the self-assessment questions.

Multiple-choice questions

Question 1
Which of the following statements are correct?

a   The definition of performance does not include the results of an employee's behaviour, only the behaviour itself.
b   Judging behaviour as positive, neutral or negative reflects the evaluative nature of performance behaviour.
c   Contextual performance varies across jobs.
d   The work situation affects employee performance.

Choose the correct option:
1   a, b & c
2   c & d
3   b & d
4   a, b & d

Question 2
Name the approach of measuring performance that emphasises what employees do and does not consider employees' traits or the outcomes resulting from their behaviour.

1   Traits
2   Results
3   Behaviour
4   Contextual

Question 3
Which of the following circumstances are most appropriate for the results approach of measuring performance?

a   Workers are skilled in the required behaviour.
b   Poor results are due to factors beyond the employee's control.
c   Outcomes occur in the distant future.
d   Results are consistently improving over time.

Choose the correct option:
1   a & d
2   b & c
3   c & d
4   a, b & c

Question 1
Elaborate on the following statement: "If any of the determinants of performance has a zero value, then performance also has a zero value."

Question 2
Discuss how performance problems can be addressed.

Question 3
Briefly explain how an employee, human resource practices, and the work environment can affect employee performance. Provide examples.

Question 4
Identify factors that make it imperative to have a workforce that is highly equipped not only with task performance, but also with positive contextual performance behaviour.

Question 5
By means of a table, differentiate between the three approaches to measuring performance.

Image source: Shutterstock

Have you attempted to answer these questions without looking at the answers?

Self-assessment means that you need to answer the questions on your own first and then evaluate your answers by using the guidelines provided. Do not read the answers if you have not yet attempted to answer the questions yourself!

FEEDBACK TO SELF-ASSESSMENT QUESTIONS

Multiple-choice questions:

Question	Answer	Reference
1	Option 4	Refer to sections 4.1 – 4.3 in the prescribed book.
2	Option 3	Refer to section 4.4 in the prescribed book.
3	Option 1	Refer to section 4.4 in the prescribed book.

Essay questions:

You could have structured your answers in the following way:

Question 1
There must be a combination of all three of the determinants of performance for performance to take place at the required standard (or even to exceed the standard), hence the following formula is used:

Performance = Declarative knowledge × Procedural knowledge × Motivation

The statement "If any of the determinants of performance has a zero value, then performance also has a zero value", therefore means that if an employee is in possession of just two determinants, for instance procedural knowledge and motivation, there is no way that this particular employee can perform at the required standard, since declarative knowledge (skills, knowledge and ability) to perform that particular job will be lacking. With this in mind, if we then substitute the formula as follows:

Performance = Declarative knowledge × Procedural knowledge × Motivation

Performance = 0 × Procedural knowledge × Motivation

Performance = 0

It is clear how this formula works and how the determinants affect performance.

Question 2
In order to address performance problems properly, managers must analyse the individual to understand the source of the problem, depending on which of the determinants of performance are lacking, whether it is declarative knowledge, procedural knowledge, motivation, or some combination of these three factors. Once the source of the problem has been identified, only then can corrective or developmental action be taken. For instance, it will not help to train an employee if the reason for poor performance is actually a lack of motivation.

Question 3
The question asks how these three factors can affect employee performance.
➢ Employee – whether the employee's performance will be good or poor, depends on whether he or she possesses the abilities, skills, and motivation to do the job.
➢ Human resource practices – sometimes an employee may not possess the required skills and knowledge to do the job. The organisation should play a role in offering training opportunities, while employees should take responsibility for their own development.
➢ Work environment – for employees to perform better, the right equipment and tools should be available to carry out their duties. The environment should be conducive to performance.

Question 4
Factors that make it imperative for having a workforce that is highly equipped with both task and contextual performance behaviour include:

✓ global competition
✓ the need to offer customer service
✓ the formation of teams in the organisation
✓ employees find the system to be fair
✓ they have an impact on ratings of overall performance (implicit impact), if not explicitly defined, ratings can be more subjective and biased

Make sure that you can clearly explain how each performance dimension compels the organisation to focus on both types of behaviour. These factors are clearly discussed in section 4.3 in the prescribed book.

Question 5

APPROACHES TO MEASURING PERFORMANCE	
NAME OF APPROACH	**BRIEF DESCRIPTION**
Behaviour approach	Process oriented
Results approach	Outcomes oriented
Trait approach	Focused on traits/characteristics

CARRY ON

Now that you have successfully completed Workbook 04 and all its activities, you can go on to Workbook 05.

WORKBOOK 05

Measuring Results and Behaviours

Contents		Pages
1	Introduction and outcomes	74
2	Key concepts	74
3	Measuring Results	75
4	Measuring Behaviours	79
5	Summary	81
6	Self-assessment	82

MIND MAP

Take a look at the mind map to see where you are now on your journey of understanding PM.
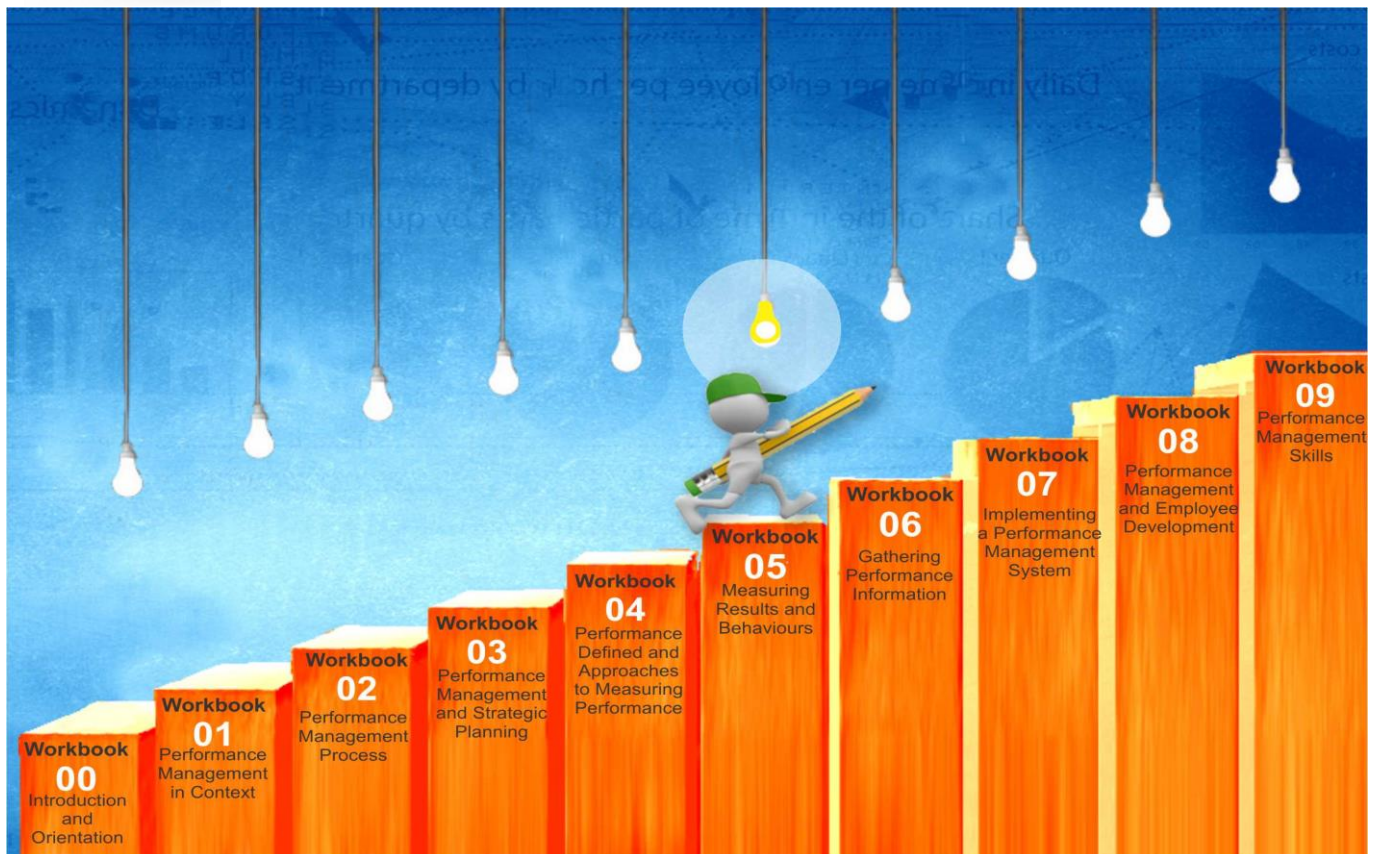
1 INTRODUCTION AND OUTCOMES

As you have learnt in workbook 04, there are different approaches to measuring performance, depending on the unique circumstances of each case. In this workbook we will look at the two most common approaches to measuring performance in more detail, as shown in figure 5.1.

Figure 5.1: Two common approaches to measure performance
Source: Adapted from Aguinis (2016)

The results and behaviour approaches are more frequently used, contrary to the trait approach which is only used in rare instances. These two approaches will be discussed in this workbook due to their widespread application, it is important that you understand both approaches very well in order for you to fully comprehend PM as a whole.

LEARNING OUTCOMES

After completing this workbook, you should be able to do the following:
➢ Distinguish between the results and behaviour approaches of measuring performance
➢ Differentiate between the accountabilities, objectives and performance standards of a specific job when measuring results
➢ Develop accountabilities, objectives and performance standards for a specific job, bearing in mind the characteristics of each
➢ Distinguish between the two types of competencies when measuring behaviours
➢ Explain the two types of systems used to evaluate competencies

2 KEY CONCEPTS

Some of the important key concepts in this workbook are:

✓ **ACCOUNTABILITIES**
✓ **OBJECTIVES**
✓ **PERFORMANCE STANDARDS**
✓ **COMPETENCIES**
✓ **INDICATORS**
✓ **DIFFERENTIATING COMPETENCIES**
✓ **THRESHOLD COMPETENCIES**
✓ **COMPARATIVE SYSTEMS**
✓ **ABSOLUTE SYSTEMS**

3　MEASURING RESULTS

STUDY

Study section 5.1 (Measuring results) in chapter 5 of your prescribed book.

This includes all subsections (5.1.1 – 5.1.3).

Image source: Shutterstock

When the results approach is used to measure performance, three aspects need to be considered. These are shown in figure 5.2.

Figure 5.2: Results Approach
Source: Adapted from Aguinis (2016)

1. KEY ACCOUNTABILITIES	•Information about the job must be collected to correctly identify accountabilities. The easiest and best way to do this is to examine job descriptions. Job descriptions provide a collection of the most important tasks that an employee is responsible for. These tasks can be grouped together and prioritised to show what an employee must do and be accountable for in order to produce results.
2. EXPECTED OBJECTIVES	•Measuring results depends largely on the objectives that have been set and whether these objectives have been met. Objectives are simply statements of importance which have a measurable outcome. If objectives are accomplished, it will ensure success for the accountability and produce results.
3. PERFORMANCE STANDARDS	•Performance standards must be defined to help people understand the extent to which the objectives have been met. This is also known as benchmarks of performance. Performance standards provide raters with information about what to look for to determine the level of performance that has been achieved.

Let us now discuss the relationship between each of these elements of the results approach.

Key accountabilities must be provided in order to explain clearly to employees the exact broad objectives they should achieve as outcomes. An accountability is a major job responsibility or initiative that an employee is committed to accomplish during the review cycle. An important benefit of setting accountabilities is that it improves communication between the employee and supervisor, as they jointly clarify job responsibilities and performance expectations at the beginning of the review cycle. Each accountability must have the related objectives, in other words, what must be achieved in each specific area.

When developing accountabilities, the following should be clarified:
✓   the percentage of time that employees spent performing each accountability
✓   the impact of inadequately performing the accountability on the unit's mission
✓   the serious consequence of an error for the employees or the organisation as a whole

See the good example of the accountabilities for the position of Training Specialist/Consultant – Leadership and Team Development at Target Corporation in section 5.1.1 in the prescribed book. You may consult as many sources as possible to make sure that you master this topic very well. Remember, accountabilities are not job descriptions. However, as you can see from the Target Corporation case, we need the job description to determine job accountabilities.

In order to check whether the accountabilities are accepted successfully, objectives should be set. In other words, if employees reach the set objectives, the organisation can be sure that it is on the right track towards achieving its goals. Section 5.1.2 in the prescribed book provides the example of setting objectives for the position of Training Specialist/Consultant at Target Corporation.

For the objectives to serve a useful function, they must have certain characteristics. Study these characteristics in section 5.1.2 in the prescribed book. Make sure that you fully understand the implication of ignoring one of these characteristics when setting objectives. These characteristics are listed and explained in section 5.1.2 in the prescribed book. For ease of reference, I have included them in table 5.1.

Table 5.1: **Characteristics of objectives**
Source: Adapted from Aguinis (2016)

CHARACTERISTICS
Specific and clear
Challenging
Agreed upon
Significant
Prioritised
Bound by time
Achievable
Fully communicated
Flexible
Limited in number

The final step is to measure whether there is any progress towards achieving the objectives set. This refers to the performance standards. It will be useless to set objectives if the organisation will not be able to gauge the extent to which employees are meeting them. Standards can refer to a number of features of an objective, of which the most common are quality, quantity, and time. As you saw with objectives, performance standards also have certain characteristics that can determine whether a standard is useful, which is found in section 5.1.3 in the prescribed book. I have summarised these characteristics in table 5.2. You will notice that the same Target Corporation case is also given in section 5.1.3 in the prescribed book to provide you with guidelines on how to set a performance standard.

Table 5.2: Characteristics of Performance Standards
Source: Adapted from Aguinis (2016)

CHARACTERISTICS
Related to the position
Concrete, specific and measurable
Practical to measure
Meaningful
Realistic and achievable
Reviewed regularly

REFLECTION

Once you have worked through the example in chapter 5 of the prescribed book, you should be able to distinguish between these three concepts. Or is it all jumbled up in your mind? It is very important for you to understand these concepts fully since they make up your understanding of the results approach to measuring performance.

ACTIVITY 5.1

Choose any specific type of job that you are familiar with. Think back to the information that you have just learnt about measuring results and the three main aspects under consideration. I want you to focus on the first one – key accountabilities. Try to determine any two accountabilities for the position that you chose. If you can think of more than two, please go right ahead.

FEEDBACK TO ACTIVITY 5.1

I also participated in this activity. I decided to think of two positions so that I could give you feedback on both. I chose the following two types of jobs: an operations manager and a sales manager. I have listed the accountabilities that I could think of for these two positions:

➢ Operations manager:
  ✓ Administer the operations budget (25%).
  ✓ Establish and maintain quality vendor services within the allotted budget (15%).
  ✓ Proactively recommend and implement quality enhancements to operational systems (15%).
  ✓ Demonstrate leadership in managing operations staff.

➢ Sales manager:
  ✓ Increase total annual corporate sales.
  ✓ Demonstrate sales leadership.
  ✓ Recruit, retain and develop top sales talent while maintaining a low average annual employee turnover rate.

Can you add objectives and performance standards for each accountability? Examples are provided in sections 5.1.1 to 5.1.3 in the prescribed book. Use them as guidelines.

ACTIVITY 5.2

"My goal is to complete my degree by the end of the year with an average mark of 70%."

With reference to the characteristics of good objectives, critically evaluate this objective.

FEEDBACK TO ACTIVITY 5.2

There are ten characteristics of good objectives; the given objective fulfils five of these characteristics.

The objective meets the requirements of the following characteristics:

✓ Specific and clear
   The objective is easy to understand as well as verifiable and measurable.
✓ Challenging
   The objective is challenging, yet it is not impossible to achieve.
✓ Significant
   The objective is important to the individual.
✓ Bound by time
   The objective has a deadline; objectives which lack a time dimension are likely to be neglected.
✓ Achievable
   The objective is attainable, it can be reached.

The objective does not meet the requirements of the following characteristics:

✗ Agreed upon
✗ Prioritised
✗ Fully communicated
✗ Limited in number
✗ Flexible

ACTIVITY 5.3

Now that you have gone through all three concepts. Can you briefly explain the relationship between accountabilities, objectives, and performance standards?

FEEDBACK TO ACTIVITY 5.3

Accountabilities refer to a broad area of the job in which the employee is responsible for producing results. How can you determine whether employees are succeeding in carrying out their accountabilities? This can be done by setting objectives on which employees will receive feedback in terms of progress made for each of their accountabilities. Performance standards must also be set, serving as yardsticks to gauge whether employees work towards the achievement of the set objectives, which will indicate whether employees are succeeding in carrying out their accountabilities.

Always make sure that you are able to distinguish between concepts that are interrelated, such as the ones referred to in this section. You also need to understand how they are related. Ask yourself: Is it possible to have objectives if we do not have clear accountabilities? Can we reward an employee for outstanding performance if we have not set performance standards?

4   MEASURING BEHAVIOURS

STUDY

Study section 5.2 (Measuring behaviours) in chapter 5 of your prescribed book.

This includes all subsections (5.2.1 – 5.2.2).

Image source: Shutterstock

You were introduced to the behaviour approach of measuring performance in workbook 4. You also learnt about circumstances that justify the application of this method. The behaviour approach considers the assessment of competencies. In other words, we can only be sure that employees will behave in a required manner if they possess certain competencies. Competencies are certain measurable clusters of skills, knowledge, and abilities. Competencies can be divided into two groups, differentiating and threshold competencies. There are also certain indicators to tell us whether they possess these competencies. See the example of the university professor who teaches an online course in section 5.2 in the prescribed book.

To evaluate competencies, two systems can be used, namely comparative and absolute systems. Neither of them is a perfect method, since each has advantages and disadvantages. Please see figure 5.3 for an indication of how the behaviour approach is applied.

Figure 5.3: Behaviour approach
Source: Adapted from Aguinis (2016)

DIFFERENTIATING COMPETENCIES
Distinguish between average and superior performers.

THRESHOLD COMPETENCIES
Need to be displayed by every employee to perform at the minimum standard.

ASSESSMENT OF COMPETENCIES
Consideration of two types of competencies

BEHAVIOUR APPROACH

COMPETENCIES ARE MEASURED BY INDICATORS
An indicator is an observable behaviour that provides information about a specific competency.

THE BEHAVIOUR APPROACH IS EVALUATED BY
1. COMPARATIVE SYSTEMS:
Compares employees to one another
2. ABSOLUTE SYSTEMS:
Evaluates employees without making direct reference to other employees

COMPARATIVE:
Simple rank Ooder
Alternation rank order
Paired comparisons
Relative percentile
Forced fistribution

ABSOLUTE:
Essays
Behaviour checklists
Critical incidents
Graphic rating scales

ACTIVITY 5.4

Think about the job that you chose in activity 5.1 again, but this time in terms of the behaviour approach.
➤ Can you recognise the competencies that would be needed to carry out daily tasks for this position?
➤ Can you identify indicators that could suggest whether competencies to perform well in the position are present or not?

FEEDBACK TO ACTIVITY 5.4

With reference to activity 5.1, I decided to also do this activity with you. In terms of the positions that I chose (operations and sales managers), since they are both managers, the competencies required in their jobs are more or less the same. I have found the following competencies for the position of a manager:

✓ Sensitive to individual and team motivators/demotivators.
✓ Plan and direct activities.

- ✓   Ability to build self-reliance (awareness/responsibility).
- ✓   Ability to foster a cooperative team style.
- ✓   Innovative and creative.
- ✓   Communicate effectively, both verbally and written.
- ✓   Direct and coordinate activities.

I then went on to pinpoint the indicators for two of the competencies:

Competency: Sensitive to individual and team motivators/demotivators.
Indicator 1:   Listen to the concerns of individuals and teams
Indicator 2:   Apply consistency in compensation and development matters

Competency: Ability to foster a cooperative team style
Indicator 1:   Organise diversity awareness days
Indicator 2:   Encourage whole-team goal-setting sessions

If you found this activity interesting, please go ahead and conduct research on the remaining competencies to find as many indicators as possible.

ACTIVITY 5.5

As I already discussed, there are two types of systems used to evaluate performance in terms of the behaviour approach, namely the comparative and absolute systems. How do you feel about these two systems? Would you like to be compared to your colleagues? Or would you feel better if your performance was considered in isolation?

Share your thoughts on the **Discussion Forum** (Workbook 5, Activity 5.5).

FEEDBACK TO ACTIVITY 5.5

It is always interesting to hear personal viewpoints on a matter, and I look forward to hearing yours on this topic.

5   SUMMARY

If you are struggling to put together all the concepts you have learned in this workbook, please click on the following link for a summary of the important aspects of this workbook.

http://www.slideshare.net/preeti52/chapter-5-50496141

This workbook explained the two most common approaches to measuring performance – the results and behaviour approaches. As mentioned previously, you must understand these two approaches to understand PM as a whole. This workbook showed you what needs to be considered in each approach. The results approach involves a consideration of three aspects: key accountabilities, expected objectives, and performance standards. This is fairly straightforward and I hope that you will be able to master these concepts; the behaviour approach is a little more complex to understand. In order to measure behaviour, we first need to determine whether the required competencies are present. These competencies can be divided into differentiating and threshold competencies. To determine whether the required competencies for a specific position are present, indicators are used. Two main systems that can be used to measure behaviour are comparative and absolute systems, each having its own advantages and disadvantages. Now that you have learnt about the theory behind the approaches, the next workbook will focus on how to gather performance information.

6   SELF-ASSESSMENT

Now that you have completed this workbook, you need to determine whether you have achieved the relevant learning outcomes stated at the beginning of the workbook. Therefore, read through the outcomes again before attempting to answer the self-assessment questions.

Multiple-choice questions

Question 1
Which of the following statements are correct?

a   Accountabilities are the same as a job description.
b   When objectives are achieved, they will help to ensure that the accountability is carried out successfully.
c   The two systems to evaluate competencies are comparative and attribution systems.
d   An indicator is behaviour that, if displayed, suggests that the competency is present.

Choose the correct option:
1   a, b & c
2   b & d
3   b & c
4   a, c & d

Question 2
Read the scenario and answer the question that follows by filling in the blanks..

In the previous three performance review cycles, Tau and Dipuo, employees in the painting section at Ford-Mazda Motor Company, received outstanding ratings for their performance. The other four employees in the same section received average ratings in these cycles. These four employees did not understand why their two colleagues scored so high, despite the fact that they were provided with the same working tools and were generally working under the same conditions.

In this scenario, Tau and Dipuo possess _____ competencies, while their four colleagues possess _____ competencies.

1   differentiating, threshold
2   threshold, differentiating
3   indicator, threshold
4   differentiating, comparative

Question 3
Which one of the following statements about the comparative measurement system is correct?

1   It is not straightforward: it is difficult to see which employees are where in the distribution.
2   It is biased.
3   It may be subject to legal challenge.
4   Individual assessment is the focus.

Essay questions

Question 1
Identify characteristics of good objectives and performance standards.

Question 2
Define competencies and differentiate between the two types of competencies.

Question 3
Distinguish between comparative and absolute evaluation systems of measuring behaviour.

Question 4
Discuss the role played by competencies when measuring behaviour.

Image source: Shutterstock

Have you attempted to answer these questions without looking at the answers?

Self-assessment means that you need to answer the questions on your own first and then evaluate your answers by using the guidelines provided. Do not read the answers if you have not yet attempted to answer the questions yourself!

FEEDBACK TO SELF-ASSESSMENT QUESTIONS

Multiple-choice questions:

Question	Answer	Reference
1	Option 2	Refer to sections 5.1 and 5.2 in the prescribed book.
2	Option 1	Refer to section 5.1 in the prescribed book.
3	Option 3	Refer to section 5.2.1 in the prescribed book.

Essay questions:

You could have structured your answers in the following way:

Question 1
The characteristics of objectives and performance standards are clearly discussed in sections 5.1.2 and 5.1.3. Study them and make sure that you understand how each will impact on the performance review if absent. A good way of linking it to the real working environment is to relate each characteristic to your own working environment. (If you are not employed, ask an employed friend or relative for some information from their workplace.)

Question 2

Competencies are measurable clusters of knowledge, skills, and abilities (KSAs). The two types of competencies are differentiating and threshold competencies. For more detail, refer to section 5.2 in the prescribed book.

Question 3

Refer to section 5.2 for a detailed discussion of comparative and absolute evaluation. Make sure that you can differentiate between the two and do not confuse them with each other. Go through the advantages and disadvantages of the two systems to help you to understand the concepts better.

Question 4

To tell whether employees will display the required performance behaviour, they should possess certain competencies. The presence of these competencies is a clear indication that the behaviour required for performance will be displayed. There are indicators that can suggest that an employee possesses the required competencies. This is clearly discussed in section 5.2. Examine different positions and the required competencies to perform these jobs and study them until you have mastered this topic.

CARRY ON

Now that you have successfully completed Workbook 05 and all its activities, you can go on to Workbook 06.

WORKBOOK 06

Gathering Performance Information

Contents		Pages
1	Introduction and outcomes	86
2	Key concepts	86
3	Appraisal Forms	86
4	Determining Overall Rating	89
5	Appraisal Period and Number of Meetings	91
6	Sources of Performance Information	92
7	Rater Motivation	93
8	Rater Training Programmes	94
9	Summary	95
10	Self-assessment	96

MIND MAP

Take a look at the mind map to see where you are now on your journey of understanding PM.

1   INTRODUCTION AND OUTCOMES

In workbook 05 you learnt more about the behaviour and results approaches to measuring performance. In this workbook, you are introduced to the actual process of gathering performance information. This includes a consideration of appraisal forms and how to determine an overall rating. What constitutes an appraisal period and the number of meetings to be held as part of the PM system is also examined. The discussion leads to the recognition of the many different sources of performance information; in other words, the different people who could provide information on employees' performance. The workbook then concludes with a model of rater motivation and an indication of how rating distortion can be minimised through rater training programmes.

LEARNING OUTCOMES

After completing this workbook, you should be able to do the following:
➢ Discuss the components of appraisal forms as a means of collecting performance information
➢ Distinguish between the two strategies used to determine an overall performance rating
➢ Examine the number of meetings required between a subordinate and supervisor as part of the PM system
➢ Explain the importance of considering multiple sources to collect performance information
➢ Interpret motivational barriers that prevent raters from providing accurate performance information
➢ Argue the role of rater training programmes to prevent rating distortion

2   KEY CONCEPTS

Some of the important key concepts in this workbook are:

✓ **APPRAISAL FORMS**
✓ **OVERALL RATING**
✓ **APPRAISAL PERIOD**
✓ **SELF-APPRAISAL**
✓ **RATER MOTIVATION**
✓ **RATING DISTORTION**
✓ **RATER TRAINING PROGRAMMES**

3   APPRAISAL FORMS

STUDY

Study section 6.1 (Appraisal forms) in chapter 6 of your prescribed book.

Image source: Shutterstock

At the heart of performance management systems is performance measurement. According to the performance management process (in workbooks 1 and 2), this takes place in stage 5 of the process, where employees' performance is reviewed, rated and rewarded. If performance does not meet the expected standard (which was set during the performance planning stage), the manager and the employee will have to sit down to draw up a development plan. Reviewing an employee's performance must be compiled in a document in which all the information about the employee is recorded. This information should be gathered through-out the performance management cycle (normally a year). It is important to note that it is not a once-off session. Read Sally's scenario in section 1.1 in the prescribed book. Can we really say that she is practising performance management? This is indeed a bad approach to performance management!

The gathered performance information is recorded on appraisal forms. I am sure that you have come across the concept of an appraisal form before; recall that this is an important tool for the effective implementation of a PM system. Information on appraisal forms can be captured manually (on paper) or electronically. There are certain advantages of completing the appraisal form electronically as described in your prescribed book. However, regardless of whether the organisation uses the paper or electronic way to complete the form, it must comprise of a combination of several components. These components are summarised in table 6.1.

Table 6.1: Components of appraisal forms
Source: Adapted from Aguinis (2016)

Major components of appraisal forms
Basic employee information
Accountabilities, objectives and standards
Competencies and indicators
Major achievements and contributions
Developmental achievements
Developmental needs, plans and goals
Stakeholder input
Employee comments
Signatures

Some of the components are included as general common sense, such as employees' comments and signatures. Think about it. Under normal circumstances, employees are likely to accept their performance rating if they are given an opportunity to voice their opinion. Therefore a performance appraisal form that has an employee's comments section is likely to be perceived as fair by employees. Another reason for having this section is for the organisation to have proof of the decisions that were made during performance review meetings. This signature section also confirms that an employee

acknowledges and accepts the outcome of the review. An employee knows exactly what it is and has agreed with it.

Consider this example: A decision is made that employee X is not getting a promotion as he did not attain a high performance rating this year. In the employee's comments section employee X admitted that he did not make an effort with some duties that were included in his performance agreement and promises to work harder in the coming year. The organisation is safe in case employee X later threatens the organisation to press charges with the CCMA for unfair labour practice for being denied a promotion. The organisation will simply retrieve the form in which employee X provided his comments and which he signed.

ACTIVITY 6.1

CASE STUDY↓

Vusi was called in for a meeting with his supervisor. After a very short meeting, he was told that he would receive feedback on his performance within the hour. Vusi was surprised to find that his feedback came in the form of a paper copy of his performance review form. The form contained only two sections. The first section consisted of basic employee information such as name, department and division, and the second section was based on competencies. Under this section, Vusi's supervisor had provided a long essay-type answer. The problem was that the rest of the form had been handwritten, whereas this section was typed and pasted on a separate piece of paper. The answer was also so long that Vusi could not understand how his supervisor managed to complete it in an hour. The form was not signed either.

After reading through the case study, answer the following questions:

➢ Try to identify the key components that Vusi's appraisal form is lacking.
➢ Explain why each of the missing components is necessary to provide an overall review of an employee's performance.

FEEDBACK TO ACTIVITY 6.1

As you know, appraisal forms are used to collect and gather information on performance. As you have learnt, these forms usually contain a combination of a number of components. By reading through the scenario, it is easy to spot the components that Vusi's review form lacks. It is stated in the scenario that Vusi's appraisal form only has two sections, one for basic employee information and one section for competencies. A discussion of each of the other components that should have been included in Vusi's appraisal form is shown below:

➢ Accountabilities, objectives and standards: these components are usually included when an organisation adopts the results approach to measuring performance. Since Vusi's form includes a section on competencies, this indicates to us that the company where Vusi works uses the behaviour approach to measuring employees' performance.
➢ Major achievements and contributions: forms can include a section where an employee's achievements (during the review period) are recorded.
➢ Developmental achievements: information on the extent to which the developmental goals which were set for the period under review were achieved. Workshops, courses, and skills can be included in this section.
➢ Developmental needs, plans and goals: this section is future oriented. Specific goals are set and timeframes are put into place for the goals to be achieved.
➢ Stakeholder input: stakeholders are people who are affected by the employee's performance and who have first-hand knowledge of the

performance. This section can be filled out by stakeholders to increase the number of sources of performance information.

➢ <u>Employee comments</u>: the employee being rated, in this case Vusi, can provide his own comments and thoughts on his performance in this section.

➢ <u>Signatures</u>: this section includes all the signatures of the people involved in the performance management process, namely the employee being rated, the rater and the rater's supervisor. The signatures prove that each person involved in the process has seen and discussed the content of the form.

If you want to visualise an appraisal form, I suggest that you do a quick google image search on appraisal forms (https://images.google.com/). You will find many different types of forms that various companies use.

READ

Read section 6.2 (Characteristics of appraisal forms) in chapter 6 of your prescribed book.

Appraisal forms differ across organisations, depending on whether the organisation adopts the behaviour or result approach to measure employees' performance. Some forms may minimise these two approaches and focus entirely on the developmental side. However, whether organisations view performance from the viewpoint of behaviour, results or development, appraisal forms must still contain certain features to make them effective. These characteristics are discussed in more detail in section 6.2 of the prescribed book. It would be useful for you to read and understand these characteristics to evaluate the appraisal form used at your own company.

For instance, if it is a good form it will have all the required characteristics. Consider the example of an appraisal form which is not comprehensive – where not all performance dimensions agreed upon during the performance planning stage (stage 2 in the performance management process) are reviewed. Or rather, they are reviewed, but only for a certain period instead of for the entire cycle. Employees will view such a system as unfair and biased. This example refers to an appraisal form that does not meet the characteristic of comprehensiveness. Note that all the characteristics have their own implications. Use this example as a guideline to think of the implications of a form that does not meet the other characteristics.

4   DETERMINING OVERALL RATING

STUDY

Study section 6.3 (Determining overall rating) in chapter 6 of your prescribed book.

Image source: Shutterstock

Now that performance information has been collected, the manager should give a rating to each competency being reviewed (if the behaviour approach is being used) or to the results achieved by the employee (if the results approach is being used). Providing ratings means that the manager must determine the overall performance of the employee for that particular cycle. This means that the employee's performance from beginning to end should be reviewed and rated. To do this, two strategies can be used, namely judgemental and mechanical.

The judgemental approach does not involve any calculation. The rater determines the overall rating by simply looking at every aspect of performance and giving a rating. However, with the mechanical approach, some scores and weights are assigned, and then multiplied. The answer reflects the final points that an employee scored. Figure 6.3 shows an appraisal for a grocery retailer. Study this to learn how to determine overall ratings following the mechanical strategy/approach.

ACTIVITY 6.2

You must understand the two strategies that are used to determine an overall rating. The judgmental strategy is relatively straightforward. In this activity, I would like you to list the steps to be followed to determine an overall rating when the mechanical strategy is adopted.

FEEDBACK TO ACTIVITY 6.2

The following steps should be followed when implementing the mechanical strategy:

✓ Provide scores for each competency being reviewed.
✓ Multiply scores with the weight allocated to each competency.
✓ Provide scores for each key result being reviewed.
✓ Multiply scores with the weight allocated to each key result.
✓ The answer you get reflects the total earned by the employee.
✓ To get the subtotal, add the scores for competencies to the scores earned for the key results.
✓ Divide the sum by four. The answer you get reflects the overall rating of the employee.

It is very easy to follow if you study these steps and apply them practically in the example provided in figure 6.3 in your prescribed book. Some of you may be lucky to find that this is what you do at work on a daily basis!

5   APPRAISAL PERIOD AND NUMBER OF MEETINGS

STUDY

Study section 6.4 (Appraisal period and number of meetings) in chapter 6 of your prescribed book.
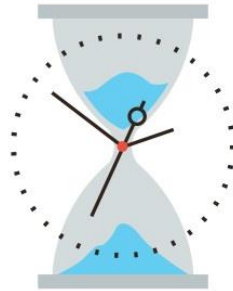
Image source: Shutterstock

Different organisations have different performance appraisal/review periods. However, whether the organisation prefers annual, semi-annual or quarterly reviews, there are basically six formal meetings between the subordinate and the supervisor. These meetings are classified into the categories shown in figure 6.1.

Figure 6.1: **Appraisal meetings**
Source: Adapted from Aguinis (2016)
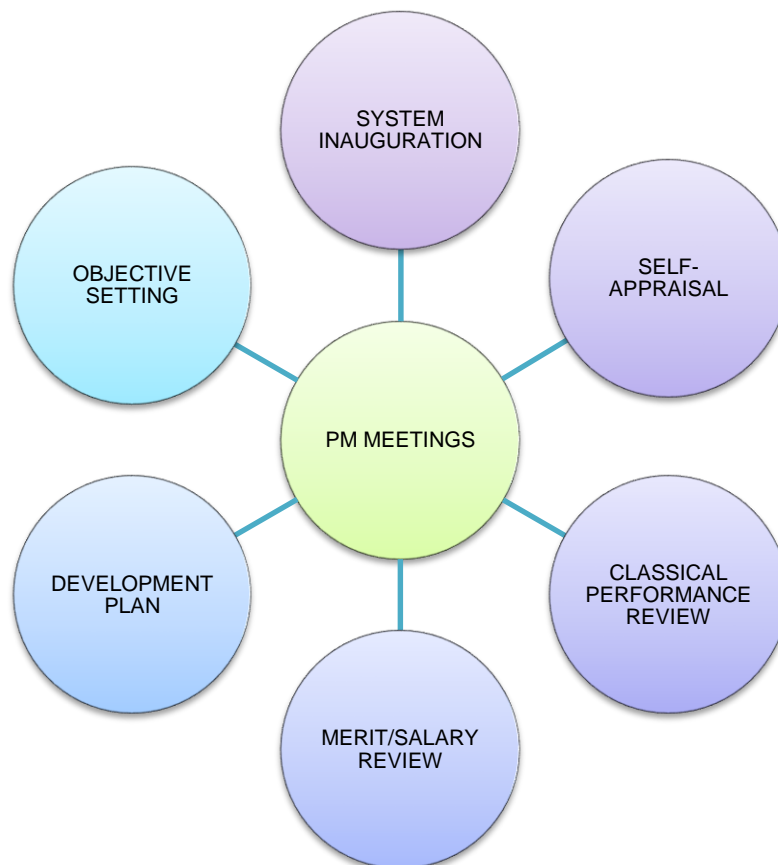
You will notice that these meetings are not practically separable. During one meeting, issues meant for other meetings can overlap and be discussed. For example, employee Y may give herself low ratings in the first half of the year. During the appraisal meeting she may be required to indicate initiatives that she believes could help her to improve her performance. As a result, issues for the development plan meeting are also covered.

Think of more overlapping issues from each appraisal meeting.

ACTIVITY 6.3

Think of how the PM system works at your company. If you are not employed, ask a friend or a relative. Now think of the number of meetings you have had that have been related to your performance. It might have been in a formal setting or it could even have taken place informally. For this activity, log onto the **Discussion Forum** (Workbook 6, Activity 6.3) to talk about your experiences with appraisal meetings and find out from your peers about the number of meetings they have had in relation to performance.

FEEDBACK TO ACTIVITY 6.3

As always, I will also be taking part in the discussion and I am looking forward to hearing your views. Taken from a theoretical perspective, it is easy to say that a PM system should include six meetings, but as we all know time is a very precious resource and this might not happen in real-life practical situations. It will be a good learning exercise to find out from each other how appraisal meetings are carried out in different companies.

6   SOURCES OF PERFORMANCE INFORMATION

STUDY

Study section 6.5 (Who should provide performance information?) in chapter 6 of your prescribed book.

Image source: Shutterstock

In section 6.3 we analysed the information to be included in the employee's appraisal form. We then went on to discuss strategies to determine performance ratings for employees. Now the question lies: who should gather this information? Why these parties? It is always assumed that the supervisor is the solely eligible for collecting employees' performance information. This is a misconception that must be addressed. Many parties can be involved; for example, not only supervisors/line managers, but also peers, subordinates and customers could provide valuable inputs into the performance of an employee.

It is also highly valuable to provide a self-appraisal by objectively rating one's own performance. When information is collected from sources all around the employee, it is known as a 360 degree feedback system. This concept will be explored in greater detail in workbook 08.

ACTIVITY 6.4

For this activity I want you to take a critical look at your own job (or you may choose any job if you are unemployed). Think carefully: is your supervisor the only person who can provide information on your performance? Reflect for a moment and then consider the following question:

➢   Why is it important that organisations consider multiple sources for obtaining performance information? Give reasons for your answer.

FEEDBACK TO ACTIVITY 6.4

There could be a wide range of answers to this question. Perhaps you thought of a reason that I did not. Some of the reasons why I think that multiple sources of performance information are necessary are:

✓   Employees will perceive the performance appraisal to be fair if multiple sources are used.
✓   For some jobs, the supervisor may not observe subordinates' performance on a regular basis. (Can you think of any jobs that are like this?)
✓   Sometimes supervisors may be biased when evaluating employee performance. (Try to identify reasons for a supervisor to be biased.)

7   RATER MOTIVATION

STUDY

Study section 6.6 (A model of rater motivation) in chapter 6 of your prescribed book.
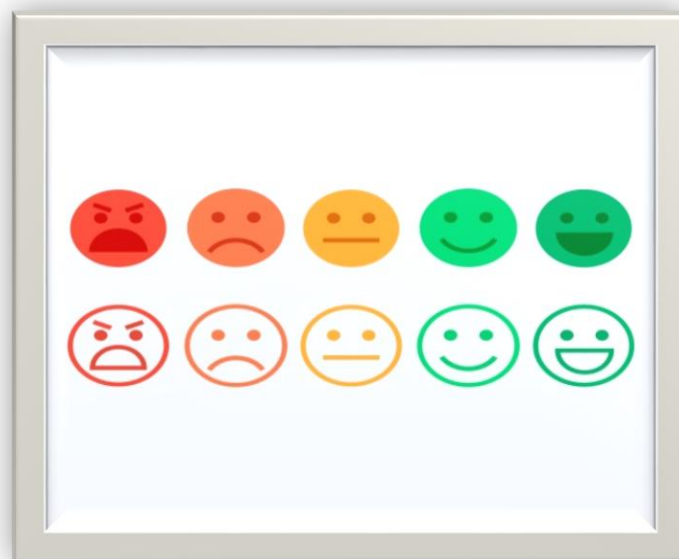

Image source: Shutterstock

At the heart of our nature as human beings lies subjectivity and bias, either intentionally or at the subconscious level. For this reason, employee performance ratings can be inflated (too lenient) or deflated (too strict). When either of these occurs, it is known as rating distortion, since ratings do not reflect the true performance of the individual and have been distorted to some extent.

As you can see from this section, there are several factors that motivate supervisors to either inflate or deflate performance ratings. Table 6.3 in your prescribed book further provides us with a summary of the reasons for rating distortion. Generally, there are several motivational barriers that lead to supervisors inflating or deflating performance ratings. Study them in this section. Make sure that you can identify and interpret the motivational barriers that lead to the deflation or inflation of ratings.

REFLECTION

You have been through your entire schooling life, and some of you have even been through a number of jobs and supervisors. If you look back, can you think of a time in your life when you were subjected to bias of any sort? Something tells me that we will all be able to relate to this in one way or another. You may have even been the one to have prejudiced another person, knowingly or unknowingly. I want you to think about this so that you can see for yourself how easy it would be to make this same mistake. As you may be in a management position one day, always remember to be fair and just when rating employees and do not allow your personal interests to get in the way of that.

8   RATER TRAINING PROGRAMMES

STUDY

Study section 6.7 (Preventing rating distortion through rater training programs) in chapter 6 of your prescribed book.

Image source: Shutterstock

This section follows directly from the previous section because it provides an answer to the problem posed by incorrect ratings. Training programmes can help to address the problem of distorted ratings when appraising employee performance. Training can help to address both intentional and unintentional errors in rating performance. If raters are given training, the chances of distorted ratings will be reduced. In this section of the prescribed book, some of the topics covered in rater training programmes are discussed. The different types of training programmes that raters could attend are presented in workbook 07.

9   SUMMARY

In this workbook you learnt about gathering performance appraisal information. More specifically you were shown that performance information is documented by using appraisal forms which should contain a competencies section (if the behaviour approach is followed) or key result areas (if the result approach is followed) along with a number of other components. Either judgemental or mechanical strategies can be used to determine overall performance ratings. You must understand by now that the supervisor is not the only person who can collect employees' performance information. Parties such as peers, job incumbents themselves, and customers are other valuable sources of performance information. Some of the reasons why raters distort performance ratings were presented in a model of rater motivation. Finally it was established that rater errors that may occur during the appraisal meetings can be addressed through training programmes.

10 SELF-ASSESSMENT

Now that you have completed this workbook, you need to determine whether you have achieved the relevant learning outcomes stated at the beginning of the workbook. Therefore, read through the outcomes again before attempting to answer the self-assessment questions.

Multiple-choice questions

Question 1
Which of the following are components of appraisal forms?

a   Competencies and indicators
b   Major achievements and contributions
c   Developmental achievements
d   Employee comments

Choose the correct option:
1   a, b & c
2   a & b
3   c & d
4   a, b, c & d

Question 2
Which of the following statements are correct?

a   Descriptiveness and adaptability are two of the desirable features that make an appraisal form effective.
b   The two main strategies used to obtain an overall performance score for each employee are judgemental and threshold strategies.
c   The use of weights in performance rating allows the supervisor to come to an objective and clear overall performance score for each employee.
d   Employees are likely to trust ratings from their supervisors more than ratings from peers.

Choose the correct option:
1   a, b, c & d
2   b & d
3   a & c
4   a, c & d

Question 3
Which of the following are sources to be considered when collecting performance information?

a   Customers
b   Peers
c   Suppliers
d   Self

Choose the correct option:
1   a, b & d
2   c & d
3   b, c & d
4   a & d

Essay questions

Question 1
Discuss the components of appraisal forms.

Question 2
Distinguish between different strategies used to obtain an overall performance score for each employee.

Question 3
Examine motivational barriers that prevent raters from providing accurate performance information.

Image source: Shutterstock

Have you attempted to answer these questions without looking at the answers?

Self-assessment means that you need to answer the questions on your own first and then evaluate your answers by using the guidelines provided. Do not read the answers if you have not yet attempted to answer the questions yourself!

FEEDBACK TO SELF-ASSESSMENT QUESTIONS

Multiple-choice questions:

Question	Answer	Reference
1	Option 4	Refer to section 6.1 in the prescribed book.
2	Option 3	Refer to section 6.5 in the prescribed book.
3	Option 1	Refer to section 6.5 in the prescribed book.

Essay questions:

You could have structured your answers in the following way:

Question 1
These components are clearly discussed in section 6.1 and summarised in table 6.1 in the prescribed book. It is important that you understand why they should be included in the appraisal form.

Question 2
The two strategies used to obtain an overall performance score for each employee are judgemental and mechanical. The judgemental strategy considers every aspect of performance and then arrives at a defensive summary, whereas the mechanical strategy relies on the ability of the rater to arrive at a fair and accurate overall score by using ratings and weights.

Question 3

Differentiate between motivators that can lead to supervisors inflating or deflating performance ratings. Refer to section 6.6 in the prescribed book for more detail on motivational barriers.

CARRY ON

Now that you have successfully completed workbook 06 and all its activities, you can go on to workbook 07.

WORKBOOK 07

Implementing a performance management system

Contents		Pages
1	Introduction and outcomes	100
2	Key concepts	100
3	Communication plan	100
4	Appeals process	103
5	Training programmes	105
6	Pilot testing	111
7	Monitoring and evaluation	111
8	Summary	112
9	Self-assessment	113

MIND MAP

Take a look at the mind map to see where you are now on your journey of understanding PM.

1 INTRODUCTION AND OUTCOMES

Effective performance management relies on systems and people working together to make sure that the right things happen at the right time to achieve the required results. This workbook aims to provide you with all the information you require to understand the nitty-gritty details needed to implement a successful performance management system. Before implementing a performance management system, all managers must be committed to the system and they must be aware of the approved standards that each employee will be expected to achieve. You should know by now that employee acceptance of any system is achieved through effective consultation and interaction. In this workbook I will start by discussing how a communication plan is used to gain system acceptance. I will then go on to explain the need for and the steps in an appeals process, training programmes for conducting performance appraisals and submitting ratings, as well as the necessity of continuous monitoring and evaluation of the PM system. If these plans or processes are not taken seriously, the PM system could fail.

LEARNING OUTCOMES

After completing this workbook, you should be able to do the following:
➢ Discuss the need for a communication plan with reference to the type of information that is conveyed through it.
➢ Explain the importance of and steps to be taken in an appeals process.
➢ Discuss different training programmes that can equip raters with the required skills for the implementation of a PM system.
➢ Identify different rater errors occurring during performance appraisal.
➢ Explain the purpose and manner of conducting a pilot test of the PM system.
➢ Describe how PM systems should be monitored and evaluated.

2 KEY CONCEPTS

Some of the important key concepts in this workbook are:

✓ **COMMUNICATION PLAN**
✓ **APPEALS PROCESS**
✓ **RATER ERROR TRAINING**
✓ **PILOT TESTING**
✓ **MONITORING AND EVALUATION**

READ

Read section 7.1 (Preparation: communication, appeals process, training programs, and pilot testing) in chapter 7 of your prescribed book.

3 COMMUNICATION PLAN

STUDY

Study section 7.2 (Communication Plan) in chapter 7 of your prescribed book.

Image source:
https://commons.wikimedia.org/wiki/File:Ghozt_Tramp_-_Business_Communication_Duplicat_model.jpg

As you have learnt so far, the PM system serves a crucial role in any organisation – it could help employees feel motivated and satisfied, or if not implemented correctly it could cause them to leave and be disgruntled. Everyone in the organisation should know about the PM system and have detailed information about it. This is referred to as the organisation's communication plan. Section 7.2 of the prescribed book highlights questions that this plan aims to answer. Read and understand these questions carefully as they provide insight into the type of information conveyed by a communication plan. If you are working, have you received information regarding the PM system at your organisation? If not, how do you feel about that? All employees want to know how their performance is rated and how the system works.

This section (7.2 in the prescribed book) further warns against cognitive biases which may prevent the success of the communication plan. These biases are selective exposure, selective perception, and selective retention. To minimise these cognitive biases, table 7.1 in the prescribed book lists several considerations to limit the effects of communication barriers.

ACTIVITY 7.1

CASE STUDY

Suhana has recently started working at Sunflower Caterers. Robert is appointed as her direct supervisor. The last company that Suhana worked for had a strong strategy on performance management. All the information relating to performance management (definition, processes, benefits, etcetera) was continually communicated and shared with staff. Naturally, Suhana expected the same at her new job, but after a few months of asking other colleagues, supervisors and management about performance management, Suhana learnt that none of the staff had an answer for her. The only thing that they could tell her was that the company implemented a PM system that is in line with other companies in the industry. Suhana was not satisfied with this response and even felt like leaving the company.

Try to identify what Sunflower Caterers is lacking in terms of its performance management system. Discuss the implications of this with reference to the scenario.

FEEDBACK TO ACTIVITY 7.1

By reading through the scenario, you should pick up that the company that Suhana worked for previously had something positive in its performance management system that Sunflower Caterers did not have. This is a clear communication plan. Communication plans are designed to ensure that information regarding the performance management system is widely circulated throughout the organisation.

Suhana spent many months trying to obtain information about the performance management system at Sunflower Caterers and she could not find any answers. This is unacceptable.

In order for a performance management system to be accepted by employees, information on the system must be made available to them. A poor or non-existent communication plan will result in decreased employee satisfaction with the system.

As you have learnt in this section, a good communication plan answers a number of questions. The implications for Sunflower Caterers of not having a communication plan available are that the following questions would not be answered:

➢ What is performance management?
   It is crucial that all members of the organisation understand general information about the performance management system, how it is implemented, as well as the goals they want to achieve.

➢ How does performance management fit into the organisational strategy?
   The relationship between performance management and strategic planning must be conveyed to all employees, specifically how performance management will achieve strategic goals. Note that Sunflower Caterers follows a 'copy and paste' approach by merely adopting a PM system followed by other organisations in the industry. However with performance management system "one size" does not fit all!

➢ What is in it for the employee?
   This is one of the most important questions that an employee will ask. The benefits for all of the people involved in the performance management system, especially the employee, must be highlighted.

➢ How does the performance management system work?
   A detailed description of the performance management process and timeline should be included and shared with every employee.

➢ What are the responsibilities of each individual?
   The communication plan should include information on the role and responsibilities of each person involved at each stage of the process so that every person understands what is expected of them.

➢ How is performance management related to other initiatives?
   Performance management is linked to many other initiatives in the organisation. The relationship between them should be discussed (for example, employees must be aware of how performance management will influence promotions in the organisation).

4   APPEALS PROCESS

STUDY

Study section 7.3 (Appeals Process) in chapter 7 of your prescribed book.

Many employees dread facing another annual performance appraisal, yet they hope for the best and are anxious to discover the amount they will receive from a salary increase or bonus. Other employees may look forward to the appraisal as it may provide them with the positive feedback that they crave after putting in so many hours of hard work. On the other hand, supervisors and managers may disregard this annual event, because it requires honest feedback on employee performance, which sometimes results in confusion or disappointment. At other times, supervisors are so pressed for time that they do not afford the appraisal the time it deserves, which may cause them to provide incorrect or unreasonable ratings. As you can see, there are many things that could go wrong with an employee's performance appraisal if the necessary procedures are not followed. What happens if an employee is given a low rating but believes strongly that they deserved a higher rating and has the evidence to prove it? Do you think that the rating provided by the supervisor should be final and unquestionable? The answer is a definite no. If employees receive an unsatisfactory performance review and feel that the evaluation of their job performance is unfair, they should be given an opportunity to appeal. This is done by means of an appeals process.

Because the appeals process endeavours to clarify that the ratings were correct and that the correct procedure was followed, good relationships will be built between the supervisor and employees. I have mentioned in previous workbooks that the more employees perceive their performance review to be fair, the more likely they are to buy into it and work towards improving their performance. This fairness can be perceived only if they are satisfied that the ratings were true reflections of their performance and that the procedure was followed properly. If there is no appeals process available within organisations, the relationship between supervisor and subordinate can be bruised forever. This could result in poor performance of the employee and ultimately the entire business unit, because employees will perceive such a system as unfair and punitive. They will further resist any developmental initiatives.

The dissatisfaction that employees feel regarding their ratings is normally due to two types of issues, namely judgemental and administrative issues. The difference between these two issues is shown in table 7.1.
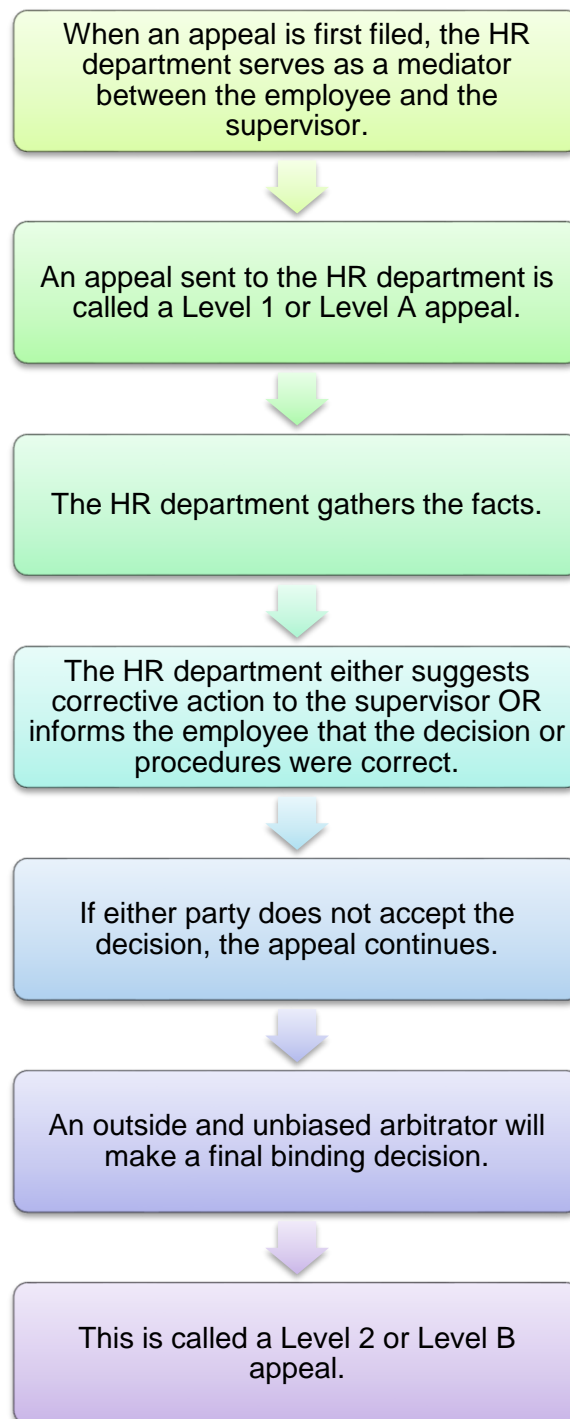
Table 7.1: Judgemental and administrative issues

JUDGEMENTAL	ADMINISTRATIVE
Validity of the performance rating is questioned – based on the judgement of the supervisor.	Correct policies and procedures followed – based on the objectivity of the system.
Example: Employee feels that the rating is not reflective of their actual performance.	Example: Supervisor does not meet with the employee and provides a rating based on performance from previous years.

Section 7.3 of the prescribed book explains how an appeals process should be conducted. Please see figure 7.1 for the steps to be taken in an appeals process.

Figure 7.1: Steps in an appeals process
Source: Adapted from Aguinis (2016)

When an appeal is first filed, the HR department serves as a mediator between the employee and the supervisor.

↓

An appeal sent to the HR department is called a Level 1 or Level A appeal.

↓

The HR department gathers the facts.

↓

The HR department either suggests corrective action to the supervisor OR informs the employee that the decision or procedures were correct.

↓

If either party does not accept the decision, the appeal continues.

↓

An outside and unbiased arbitrator will make a final binding decision.

↓

This is called a Level 2 or Level B appeal.

ACTIVITY 7.2

Watch the following video:

https://www.youtube.com/watch?v=unmKnS5jPOc

Log onto the discussion forum (Workbook 7, Activity 7.2) to give your viewpoint on whether Casie should appeal her performance review. If yes, on what grounds.

FEEDBACK TO ACTIVITY 7.2

I love seeing how things actually happen in practice. It is one thing learning about something and another thing experiencing it first-hand. I hope that this video showed you how a performance review can take place.

I'm sure you can see a lot of what Casie's supervisor is doing incorrectly in the video you just watched. Casie also points these out as the appraisal is conducted (the times when she looks at the camera and talks). I look forward to hearing your viewpoints on whether you think the appraisal was fair or not.

5   TRAINING PROGRAMMES

STUDY

Study section 7.4 (Training programs for the acquisition of required skills) in chapter 7 of your prescribed book.

This includes all subsections (7.4.1 – 7.4.4).

> "What I hear, I forget
> What I see, I remember
> What I do, I understand"
> *-Confucius*

A PM system cannot be successful if it is implemented without any preparatory measures. If managers are not effectively trained, they will be likely to commit rater errors when rating their subordinates. Different types of rater errors are discussed in section 7.4.1 in the prescribed book, once you have worked through this section, think about if you have ever been the subject of any one of these biases. I am sure most of you will be able to answer affirmatively; whether we like it or not, these errors occur more frequently than we care to admit. As you can imagine, committing errors when determining ratings of employees could be detrimental to the system as a whole and could cause the system to fail. Not to mention that, by using inexperienced and untrained raters it is extremely unfair to the employee who requires a fair and just rating. It is therefore of utmost importance for the organisation to train every manager on all aspects of PM before it implements such a system. The different types of training programmes that could be offered to raters are shown in figure 7.2.

Figure 7.2: **Rater training programmes**
Source: Adapted from Aguinis (2016)
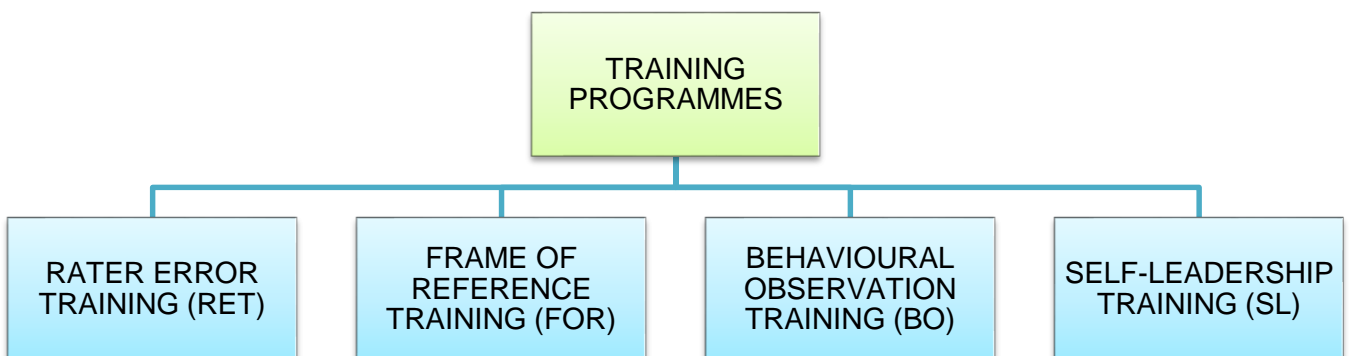
It is important to know that the main purpose of these training programmes is to provide participants in the performance management system with the skills and tools needed to do a good job. Another purpose is to help increase satisfaction with the system. All of these training programmes are discussed in detail in section 7.4 of your prescribed book. You should be able to briefly discuss each of these training programmes. To give you an idea of what each one entails, I have provided you with a short description of each:

➢ Rater error training
  This training alerts supervisors to the fact that there are errors associated with the performance management system (intentional or unintentional) and aims to educate raters on the type of errors that could be made. In order to increase rating accuracy, rater error training provides guidance on how to avoid these errors.

➢ Frame of reference training
  During this training, supervisors are familiarised with the various performance dimensions to be assessed. The overall goal of this training is to give raters the skills to provide accurate ratings on each performance dimension by developing a common frame of reference. The point of departure in this training is the discussion of the job description of the employee to be rated.

➢ Behavioural observation training
  This training focuses on enhancing raters' ability to observe, store and recall information about performance.

➢ Self-leadership training
  The goal of this training is to improve raters' confidence in their ability to manage performance. The assumption is that if there is increased self-direction, self-motivation and self-confidence, there will be increased accuracy.

ACTIVITY 7.3

Complete the following table by providing a practical example of each rater error and indicating how it can be rectified. Try your best to provide your own original examples, rather than using examples from sources such as articles, the internet or HR books. This will ensure that you understand the errors in this module and extend your understanding to the real-work situation.

RATER ERROR	PRACTICAL EXAMPLE	CORRECTIVE ACTION
Similar to me error		
Contrast error		
Leniency error		
Severity error		
Central tendency error		
Halo error		
Primacy error		
Recency error		
Negativity error		
First impression error		

Spill-over error		
Stereotype error		
Attribution error		

FEEDBACK TO ACTIVITY 7.3

You could have raised so many possible examples with corresponding corrective actions. Please complete your own table before looking at mine. Remember this is for your own benefit and learning experience.

Once you have your answers jotted down, compare it with the guidelines provided in the following table.

RATER ERROR	PRACTICAL EXAMPLE	CORRECTIVE ACTION
Similar to me error	Ms X has divorced in the past two years. The rater knows this and knows the grounds for the divorce. The rater is also divorced many years ago and finds that Ms X is quite similar to her because they both went through the same emotional roller-coaster of divorce, perhaps even for similar reasons. So the rater gives Ms X a high rating.	The performance review should focus on the performance standards set in the planning stage. Factors that are not work- related must never be taken into consideration.
Contrast error	Nelly, as compared to Tom, generally performs very poorly in her work. The rater knows that Tom is an excellent employee. During the performance review meeting Nelly is pleasantly surprised to receive an average rating and Tom gets a high performance rating as expected.	Raters should focus on the pre-set standards instead of comparing employees with one another.
Leniency error	The rater: "I know you always work very hard, I have even noticed that you leave your office very late in the evening almost every day. You therefore deserve a high rating!"	The rater should base ratings on either the behaviour displayed or the results achieved by employees, not on the time that is spent in their offices as they could be doing other work during

		this time.
Severity error	The rater to the team: "I am not happy with any of your work; I will therefore give you all the minimum of 2 out of 5 on the rating scale. Maybe this will push you to work harder in the next review period!"	If employees are not meeting the standards, this should be clearly pointed out to each individual. Raters should be trained to provide good developmental activities to help employees to improve their performance. A low rating will not in any way encourage them to improve.
Central tendency error	Rater: "Do not worry, I will make sure that no one gets less than 3 on the scale (average performance). Your performance is not that bad anyway."	Performance appraisal should not be only judgemental, but should have an element of development. Poor performers should be informed of their true performance so that they can make an effort to improve, whereas high performers should be recognised and rewarded where possible.
Halo error	Nhanhla is an attractive contact centre agent who is always friendly to potential customers on the phone. She also respects everyone in the organisation and always greets everyone. Therefore she receives a high rating in all performance dimensions.	All these qualities are good in terms of the customer service performance dimension. But the question is: does she meet all the daily or weekly targets? Is she always up to date with her work? The rating should also cover these aspects and not only focus on one aspect of her performance.
Primacy error	Rater: "It is December now and time for the performance appraisal, Fatima. You impressed me in February when you increased our sales figures by 6%. I will therefore give you a high rating."	We must ask ourselves what happened between March and November. Did Fatima further increase the sales figures? The rater should focus on information gathered throughout the performance appraisal period, rather than only on information for the beginning of the period.

Recency error	In the past couple of weeks Tina has been coming into work late because she has just returned from maternity leave and is getting used to a new routine of dropping her baby at day care. Besides the past few weeks, Tina has always been extremely punctual when arriving at work. Tina is given a low rating and told that her late-coming has really affected her rating for the current performance appraisal period."	It is clear from the example that Tina was arriving at work early at the beginning of the year. Only recently she started to arrive late. So why does the rater focus only on the recent scenario? The rater should focus on information gathered throughout the performance appraisal period, rather than only on recent information.
Negativity error	Sam is a dedicated employee who has made employee-of-the-month many times this year. This is how his performance review took place: Rater: "Sam, do you still remember the argument you had with one of our customers in the reception area in July? Well I certainly do and I am sorry to say that it has negatively affected your rating for this performance appraisal period."	How can just one negative incident be used to pin an employee down? The rater did not even consider the fact that Sam has been the employee-of-the-month a few times this year.
First impression error	Rater: "By merely looking at you, young man, I see a performer. You look energetic and appear to be a responsible guy. I do not have doubts that you deserve an outstanding rating!"	Looks and appearances have nothing to do with an employee's performance. Only work-related information, based particularly on the standards and targets to be achieved, should be the main focus during performance appraisal.
Spill-over error	Rater: "Dan, you are a hardworking young man. Looking at your previous performance review, I	Raters should be taught during training to focus only on the current review period when

	see that you achieved an outstanding performance rating in all performance dimensions. There is no need to go into detail for this appraisal period. I trust that you must have kept up the good work and that you deserve an outstanding rating once again.	reviewing employee performance. If you were in Dan's shoes would you have corrected the rater if you had not performed as well as you did in the last review period?
Stereotype error	Rater: "Everybody knows that women are generally not 'time conscious' at all. Therefore I have given all the women in my division a low rating for the time management category in their performance reviews."	This statement is not based on facts of any kind. Such generalisations should be avoided at all costs when appraising employee performance. Raters should rather collect information to support whatever ratings they decide to give to employees, regardless of gender or any other personal characteristic.
Attribution error	Rater: "We cannot accept excuses here, Nomsa. If you do not get along with the current team leader, there is no way we can move you to a new team. You must work out your differences; I know that you are a very stubborn young woman! I expect your performance to improve in the next performance review period.	The fact that Nomsa and her team leader have a problem that hampers her performance means that the manager should intervene. Rather than accusing Nomsa of being stubborn, the problem should be discussed and jointly resolved!

What an exercise! I hope that you have learnt enough about each rater error from this activity and do not to repeat them when you have to rate someone on their performance. Unfortunately some of them come naturally, at the subconscious level where we are not even aware of the bias or stereotypes that we hold.

Remember, in dealing with all these errors, the rater's focus should always be on the work-related performance dimensions and nothing else!

6　PILOT TESTING

STUDY

Study section 7.5 (Pilot Testing) in chapter 7 of your prescribed book.

Image source: https://pixabay.com/en/test-testing-sign-laboratory-670091/

A pilot is like the feasibility study conducted when you intend to start a new business. It is a small experiment designed to test logistics and gather information prior to the full implementation of a specific system in order to improve the system's quality and efficiency. A pilot study can reveal deficiencies in the design of a proposed system, which can then be addressed before implementation.

REFLECTION

After reading through the section on pilot testing, can you see why it is so important? Use the blog tool on myUnisa to reflect on your thoughts on pilot testing and how it could benefit the PM system as a whole.

7　MONITORING AND EVALUATION

STUDY

Study section 7.6 (Ongoing monitoring and evaluation) in chapter 7 of your prescribed book.

Image source: https://pixabay.com/en/feedback-opinion-gut-bad-neutral-1311638/

There are times when the PM systems can be the cause of frustration and dissatisfaction. It could be due to existing methods of formal employee performance management and appraisal, sometimes the type of approach used is questionable, at other times it could be the rating scale or even the number of sources used to collect performance information. In other instances, there could be a certain strategy which works perfectly in theory but which has many drawbacks in practice. Whatever the reason may be, ongoing monitoring and evaluation of the performance management system is necessary to ensure that the system remains relevant and useful to the organisation and its employees. Section 7.6 in the prescribed book provides several measures that can be used on a regular basis to monitor and evaluate performance management systems.

ACTIVITY 7.4

Briefly explain the implications of not monitoring and evaluating the PM system after its implementation.

FEEDBACK TO ACTIVITY 7.4

You should have thought about this question seriously because there are many people who believe that there is actually no need to monitor or evaluate the PM system. Some people think: "if it ain't broke – why fix it?"

How do you feel about this?

I feel that there are numerous consequences of not monitoring and evaluating the PM system. For instance, it will not be clear whether all stakeholders have bought into the idea of introducing and implementing the system. If either the employees or their managers have negative attitudes towards and perceptions of the performance management system, they will not cooperate. As a result, the system will not yield the intended results, that is, performance will not improve.

8   SUMMARY

This workbook described a number of key elements of PM systems which sometimes are neglected or go unnoticed. Firstly it is important for the organisation to have a communication plan that addresses the key questions that participants may ask. This helps to increase the acceptance of and involvement with the system. Then there is the appeals process which ensures that employees can get clarity on their scores and managers can prove that all procedures were followed correctly. As I have explained, rater errors are very common and need to be addressed; therefore there are several training programmes for raters to attend which would give them the necessary skills to provide accurate ratings. This workbook also emphasised the importance of a pilot test and ended off by justifying the need for ongoing monitoring and evaluation of the performance management system. Once all these processes have been put into place, the PM system is ready to be applied. The next workbook shows you that once the system has been implemented, PM can be used to enhance employee development within organisations.

9   SELF-ASSESSMENT

Now that you have completed this workbook, you need to determine whether you have achieved the relevant learning outcomes stated at the beginning of the workbook. Therefore, read through the outcomes again before attempting to answer the self-assessment questions.

Multiple-choice questions

Question 1

Which of the following are key questions to be addressed in a communication plan to be implemented before the performance management system is launched?

a   What is the role of other parties in the system?
b   What are my responsibilities in the system?
c   How is the system related to other initiatives?
d   How will the system deal with poor performance?

Choose the correct option:
1   a & d
2   b, c & d
3   b & c
4   a, b & c

Question 2

Anna possesses good typing skills and her boss always gets his typed documents in time; therefore he gives her a high rating for this performance dimension. High ratings are also given when reviewing file management skills and customer service.

Which one of the following rater errors is Anna's manager committing in the scenario?

1   Contrast error
2   Halo error
3   Primacy error
4   Spill-over error

Question 3

What is the training programme called that emphasises intrinsic (internal) sources of behavioural standards and doing things for their intrinsic value?

1   Rater error training
2   Behavioural observation training
3   Frame of reference training
4   Self-leadership training

Essay questions

Question 1

Design a communication plan to ensure that information regarding the performance management system is widely disseminated in the organisation.

Question 2
Explain the importance of including an appeals process in the performance management process.

Question 3
Discuss the training programmes for raters in order to equip them with the required skills for the implementation of a performance management system.

Question 4
Explain the purpose of conducting a pilot test of the performance management system.

Question 5
Discuss how monitoring and evaluation of the performance management system should be conducted.

Image source: Shutterstock

Have you attempted to answer these questions without looking at the answers?

Self-assessment means that you need to answer the questions on your own first and then evaluate your answers by using the guidelines provided. Do not read the answers if you have not yet attempted to answer the questions yourself.

FEEDBACK TO SELF-ASSESSMENT QUESTIONS

Multiple-choice questions:

Question	Answer	Reference
1	Option 3	Refer to section 7.1 in the prescribed book.
2	Option 2	Refer to section 7.4.1 in the prescribed book.
3	Option 4	Refer to section 7.4 in the prescribed book.

Essay questions:

You could have structured your answers in the following way:

Question 1
Your communication plan should always address the key questions discussed in section 7.1. It must also focus on minimising the effects of communication barriers by considering the guidelines in table 7.1. Study the example of a communication plan for the senior executive service provided in the last paragraph in the prescribed book. You can submit your communication plan to me for comments and feedback.

Question 2

Study section 7.3 to answer this question. You first need to explain what an appeals process is. Then indicate whether an appeal process is necessary in a performance management system. Explain what would happen if it is not included in the performance management system.

Question 3

Study the training programmes in section 7.4 in the prescribed book. The four different training programmes for raters are rater error training, frame of reference training, behavioural observation training, and self-leadership training. Make sure that you can argue how each training programme can improve rater accuracy when rating employee performance.

Question 4

Study section 7.5 for the answer. Basically, pilot testing of the performance management system will enable managers to adjust and revise the system as required. In other words, it allows for the identification and early correction of any flaws before the system is implemented throughout the organisation.
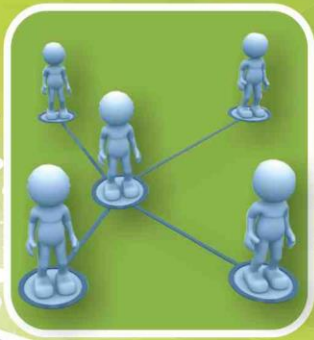
Question 5

Several measures are clearly discussed in section 7.6. Make sure that you understand how each contributes to the monitoring and evaluation of PM systems.

CARRY ON

Now that you have successfully completed workbook 07 and all its activities, you can go on to workbook 08.
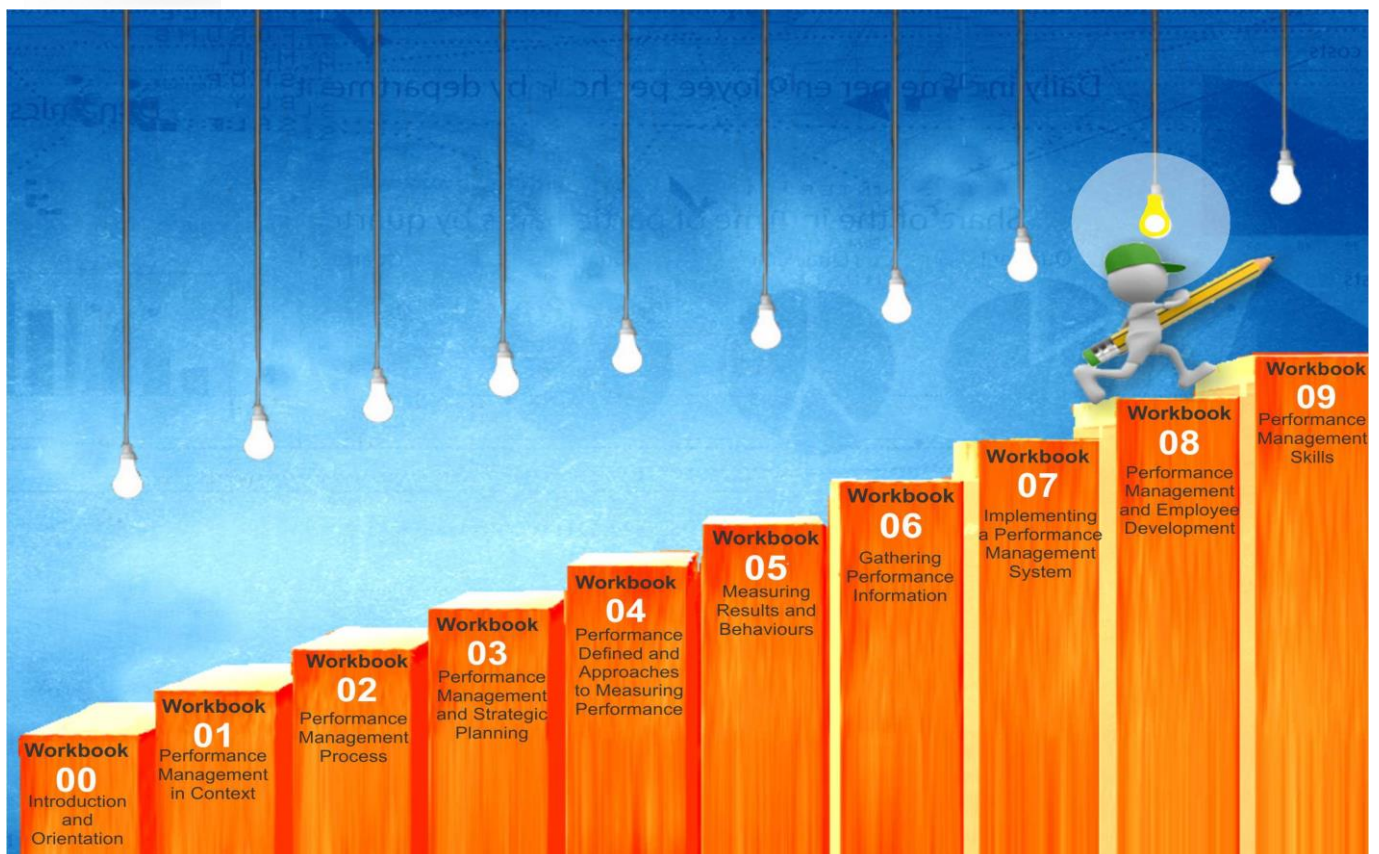
WORKBOOK 08

Performance Management and Employee Development

Contents		Pages
1	Introduction and outcomes	117
2	Key concepts	117
3	Personal developmental plans	117
4	360-degree feedback systems	120
5	Summary	123
6	Self-assessment	124

MIND MAP

Take a look at the mind map to see where you are now on your journey of understanding PM.

1   INTRODUCTION AND OUTCOMES

As you have learnt in Chapter 1 in the prescribed book, one of the aims of performance management is to develop employees in order to improve their performance. During the performance review stage, an employee is rated to determine whether his or her performance is at the expected standard or not. If employees achieve the expected standard, they will be rewarded and recognised for their contributions. Employees who are not performing well, will receive feedback and strategies to help them improve their performance will be discussed. All employees will be referred to the development programme with the aim of improving performance in the next performance management cycle, to develop their skills, and to plan for their future career paths. The personal developmental plan (PDP) will be drafted by the line manager in consultation with the employee. This plan should include a description of specific steps to be taken and objectives to reach, the resources and strategies that will be used to achieve these objectives, and the completion date. More importantly, the plan should keep the needs of both the organisation and the employee in mind. PDPs are discussed in this workbook. As you can see, feedback processes play a big role in the development of employees. For this reason, this workbook also introduces you to the 360-degree feedback system, which is a tool used to enhance employee development by obtaining feedback on performance from multiple sources. The growth and development of employees is an integral component of a PM system and therefore it must receive the attention that it deserves.

LEARNING OUTCOMES

After completing this workbook, you should be able to do the following:
➢   Describe the importance and benefits of including a developmental plan as part of the PM system.
➢   Discuss the various short- and long-term objectives of a developmental plan.
➢   Evaluate the need for developmental plans from facts provided in a scenario.
➢   Identify the key activities that will facilitate the successful implementation of a developmental plan.
➢   Explain how a 360-degree feedback system works with reference to employee development
➢   Identify the advantages and the risks of implementing a 360-degree feedback system.
➢   Discuss the characteristics of a good 360-degree feedback system.

2   KEY CONCEPTS

Some of the important key concepts in this workbook are:

✓ **PERSONAL DEVELOPMENTAL PLANS (PDP)**
✓ **DEVELOPMENTAL OBJECTIVES**
✓ **DEVELOPMENTAL ACTIVITIES**
✓ **360-DEGREE FEEDBACK SYSTEMS**

3   PERSONAL DEVELOPMENTAL PLANS

STUDY

Study section 8.1 (Personal developmental plans) in chapter 8 of your prescribed book.

This includes all sub-sections (8.1.1 – 8.1.3).

 developing yourself today!

Image source: https://pixabay.com/en/start-stairs-start-up-success-1063441/

This workbook will expose you to PDPs. Some authors also refer to it as an individual developmental plan or employee developmental plan. Employees in organisations are continually assessed through performance reviews, which can be formal or informal. There are two main stakeholders involved in this process, namely employees who seek to improve their performance and the line manager/supervisor/leader who is playing a guiding and supporting role in the development of these employees.

After the completion of the performance review session, both parties (employee and manager) need to look at ways of addressing the identified performance gaps. A personal developmental plan serves as a guiding document that indicates which areas need to be addressed. In other words, personal development is a lifelong process of nurturing, shaping, and improving employees' skills, knowledge, and interests. The long-term aim of personal development is also to enhance employees' effectiveness and adaptability, and minimise the chance that their skills might become obsolete, or that they might be made redundant. A PDP is a useful tool for personal development.

Three of the main areas covered in the prescribed book on developmental plans are summarised in table 8.1.

Table 8.1: Personal developmental plans
Source: Adapted from Aguinis (2016)

PERSONAL DEVELOPMENTAL PLANS	
OBJECTIVES	➢ Improve performance in the current job ➢ Sustain performance in the current job ➢ Prepare employees for advancement ➢ Enrich the employee's work experience
CONTENT	➢ Steps to be taken ➢ Objectives to be reached ➢ Skills and training required ➢ Information on resources and strategies ➢ Completion date
ACTIVITIES	➢ On-the-job training ➢ Courses ➢ Self-guided reading ➢ Mentoring ➢ Attending a conference ➢ Getting a degree ➢ Job rotation ➢ Temporary assignments ➢ Membership or leadership role in professional or trade organisations

Make sure that you master the objectives, the content as well as the activities of the developmental plan.

ACTIVITY 8.1

CASE STUDY 1

During the performance review, Mabaso, the line manager in the finance department, reviewed Kabelo's performance (he is the financial clerk) and gave him a very high rating. Kabelo actually exceeded the expected performance standards in every performance dimension and the manager is very proud of him. The manager told him that owing to his outstanding performance, he seems to be ready for a senior clerk position. The manager and Kabelo agreed that since he is doing so well in his current position, there is no need to prepare a PDP as it will be a waste of time.

This is a very interesting case study. How do you feel about the decision taken by Mabaso and Kabelo regarding the PDP? Do you agree with them?

Log onto the discussion forum on myUnisa (Workbook 08, Activity 8.1) to discuss your opinion with your peers.

FEEDBACK TO ACTIVITY 8.1

I have not provided you with a straightforward answer for this activity because I would like to see how you reason and come to your own conclusion. Remember that the discussion forum is there to help you to interact with your peers and with me as your lecturer. Everyone's opinion is valued and by participating you will contribute to other student's understanding of this concept.

I know that it must be difficult for you to understand exactly how a PDP works if you have never seen one. Please click on this link which explains to you some of the categories that are included in a PDP and also provides you with a template.

https://www.reed.co.uk/career-advice/personal-development-plan-template/

Remember that different companies will have different templates that they use for their employees' developmental plans and depending on the nature of the job, different aspects will be covered in these plans.

REFLECTION

If you are currently employed, have you ever drawn up a PDP with your manager? Or have you ever been sent on training or courses that have helped you to reach your goals?

Use the blog tool on myUnisa to share your thoughts and to reflect on the importance of developmental plans in shaping your career and reaching your goals.

READ

Read section 8.2 (Direct supervisor's role) in chapter 8 of your prescribed book.

By now you must be aware that the PDP is a joint effort by the employee and the line manager. It is informed by the formal performance review and the future skills demanded or the succession plan. Even though the manager may ask an employee to draft it alone, they will eventually sit down to discuss its contents.

Let us look at the role of a supervisor in the process of drafting a PDP. This might vary from organisation to organisation, depending on the organisational philosophy and what needs to be achieved. However, in general the supervisor could play the following roles in drafting a PDP:

➢ Inform the employee of what is required of him or her to achieve the set performance standard and make him or her aware of the performance standard that needs to be achieved.
➢ The supervisor will also advise the employee on steps to be taken towards improving his or her performance.
➢ Assist the employee by seeking a third party's intervention where needed. This might include but is not limited to mentors, coaches, and other departmental activities to assist the employee in achieving the set goal.
➢ Review the set developmental objectives and make suggestions to ensure that the objectives are achievable, specific, and doable.
➢ Introduce reinforcement mechanisms such as rewards as incentives.

4   360-DEGREE FEEDBACK SYSTEMS

STUDY

Study section 8.3 (360-degree feedback systems) in chapter 8 of your prescribed book.

This includes all subsections (8.3.1 – 8.3.3).

Image source: https://pixabay.com/en/feedback-opinion-review-exchange-1291746/

A 360-degree feedback system is a process in which employees receive confidential, anonymous feedback from the people who work with them. In workbook 06 you were introduced to the different sources that can provide performance information for an employee. The 360-degree feedback system uses all these sources when determining an overall rating of an employee. It is called a 360-degree system because information is gathered from sources all around the employee which forms a 360-degree circle. For developmental purposes, the sources of performance information are typically subordinates, the direct manager, peers, and customers. The system will include questions covering a broad range of workplace competencies, measured on a rating scale, and will request a rater to provide written comments. The system also includes the employee being rated. Look at figure 8.1 for a simple graphical illustration of this concept.

Figure 8.1: 360-Degree feedback system
Source: Adapted from Aguinis (2016)
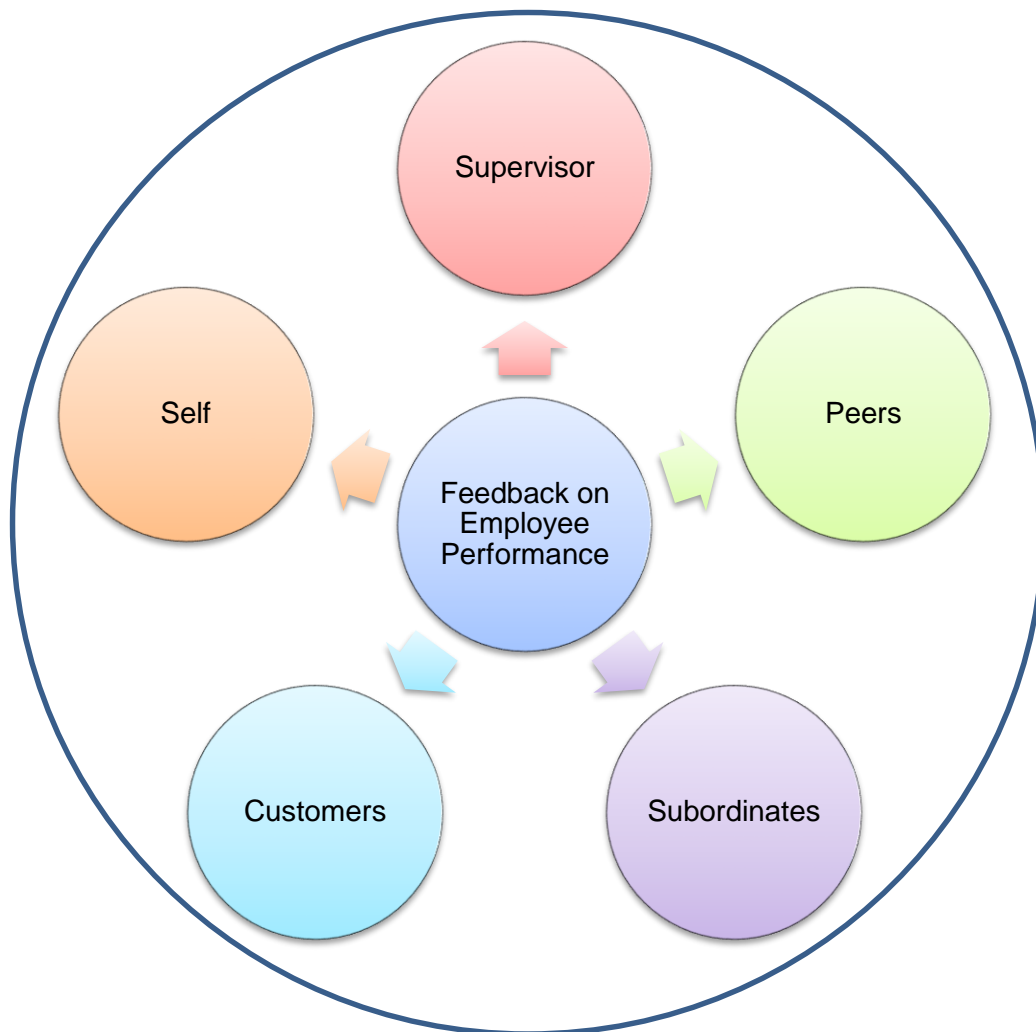
This is a tool that helps employees to build new skills and improve their performance in general by gathering and analysing performance information from several reliable sources. The information from various sources will be compared to establish discrepancies between all the opinions on an employee's performance. This system is largely implemented for employees who hold supervisory roles, but it can be used for all positions in the organisation. A key element of this type of system is that responses are anonymous to help increase honest feedback.

The internet is becoming one of the best tools for administering a 360-degree feedback system due to the time and cost-savings that it offers. The electronic 360-degree feedback system automatically compiles the results into a table and presents them in a format that helps the recipient to create a PDP. Individual responses are combined with responses from other raters in the same category to preserve anonymity and to give employees a clear picture of their overall strengths and weaknesses. The results can be automatically e-mailed to employees and the direct line manager to be reviewed before they meet to establish a PDP.

A 360-degree feedback system could include information on general competencies like adaptability and task management, but it could also include information on more direct job-related characteristics such as customer service. These systems should be used primarily for developmental purposes but could also be used for administrative purposes once the system is functioning effectively and for a reasonable amount of time.

Sections 8.3.1 to 8.3.3 further discuss the advantages of a 360-degree feedback system, the risks of implementing a 360-degree feedback system and the characteristics of a 360-degree feedback system. These factors are summarised in table 8.2.

Table 8.2: 360-degree feedback systems
Source: Adapted from Aguinis (2016)

360-DEGREE FEEDBACK SYSTEMS	
Advantages	➢ Decreased possibility of biases ➢ Increased awareness of expectations ➢ Increased commitment to improve ➢ Improved self-perceptions of performance ➢ Improved performance ➢ Reduced "undiscussables" open and nonthreatening environment to provide true feedback ➢ Employees are enabled to take control of their careers
Risks	➢ Negative feedback can hurt an employee's feelings, particularly if feedback is not given in a constructive way ➢ The system will only lead to positive results if individuals feel comfortable with the system and believe that they will be rated honestly and treated fairly. ➢ It may be easy for the employee being rated to identify who the raters are. This is likely to distort the information they provide ➢ Raters may become overloaded with forms to fill out because they need to provide information on so many individuals ➢ Implementing a 360-degree feedback system should not be a one-time only event as that will not be as beneficial.
Characteristics	➢ Anonymity ➢ Observation of employee performance ➢ Feedback interpretation ➢ Follow-up ➢ Used for developmental purposes only (at least initially) ➢ Avoidance of survey fatigue ➢ Emphasis on behaviours ➢ Raters go beyond ratings ➢ Raters are trained

ACTIVITY 8.2

A 360-degree feedback system exposes you to a number of different sources of performance information as discussed previously. Think for a moment of how obtaining feedback from other people could contribute to your development and future performance. For this activity, briefly explain how each of the following parties could play a role in providing feedback on performance as part of the 360-degree feedback system:

➢ Peers
➢ Supervisors
➢ Subordinates

FEEDBACK TO ACTIVITY 8.2

Think carefully about this question, we are all familiar with the concept of supervisors providing feedback on performance, but how would you feel if feedback was obtained from your colleagues or your subordinates?

I believe that obtaining information from these sources could contribute in the following ways:

➢ Peers: Since peers work close to each other, they are well positioned to assess their colleagues and identify the interventions that can be used to enhance team and individual effectiveness, for example qualities such as cooperation and interpersonal skills.

➢ Supervisors/line managers: They know what is expected of each job incumbent in each position. They are therefore in a good position to be able to identify employees' strengths and weaknesses.

➢ Subordinates: Subordinates work very closely with their line managers on a daily basis. They are therefore a good source of feedback on their line managers' performance in dimensions such as communication and leadership skills.

If you are still not clear about what a 360-degree feedback system entails or how it works, read the following article:

http://www.custominsight.com/360-degree-feedback/what-is-360-degree-feedback.asp

5   SUMMARY

In this workbook you learnt that the PM system includes a dimension which is specially geared towards the development of employees. Effective PM systems help employees to improve and provide them with the training and assistance that they require. Employee performance can be improved through the implementation of a PDP. In these plans, employees and managers outline the areas in which improvement is needed so that suggestions can be made on interventions to help improve their performance. PDPs are also used for future developmental goals and career planning. This workbook then provided you with a brief summary of the direct supervisor's role in employee development which is for informational purposes. Finally, the 360-degree feedback system was presented. This system provides anonymous feedback from subordinates, the direct manager, peers, and customers for developmental purposes. The value of 360-degree feedback is shown by the advantages offered by the system; however, care should be taken of the potential risks that go along with it. It should be noted that the characteristics of 360-degree systems shown in this workbook should be adhered to for optimal functioning of the system as a whole. In the next workbook you will be shown the importance and necessity of the skills required to successfully implement a PM system.

6 SELF-ASSESSMENT

Now that you have completed this workbook, you need to determine whether you have achieved the relevant learning outcomes stated at the beginning of the workbook. Therefore, read through the outcomes again before attempting to answer the self-assessment questions.

Multiple-choice questions

Question 1

Which one of the following statements is correct?

1   Developmental plans should include a description of specific steps to be taken, as well as dates for completion.
2   Only line managers can draft employees' developmental plans.
3   The 360-degree feedback system creates rivalry between employees.
4   Managers cannot make errors when observing and evaluating behaviour related to the PDP.

Question 2

Which of the following are risks associated with implementing a 360-degree feedback system?

a   Anonymity can be compromised and the sensitive information can be distorted.
b   Raters might experience information overload as they have to complete many forms.
c   Employees might not value the opinion of others and start questioning its reliability and validity.
d   Managers might be reluctant to cooperate with their subordinates.

Choose the correct option:
1   a & b
2   a, b & c
3   c & d
4   b, c & d

Essay questions

Question 1

Argue the need for PDPs in the organisation.

Question 2

Discuss the characteristics of a good 360-degree feedback system.

Question 3

Identify the advantages and the risks of implementing a 360-degree feedback system.

Image source: Shutterstock

Have you attempted to answer these questions without looking at the answers?

Self-assessment means that you need to answer the questions on your own first and then evaluate your answers by using the guidelines provided. Do not read the answers if you have not yet attempted to answer the questions yourself.

FEEDBACK TO SELF-ASSESSMENT QUESTIONS

Multiple-choice questions:

Question	Answer	Reference
1	Option 1	Refer to sections 8.1.2, 8.2 and 8.3 in the prescribed book.
2	Option 3	Refer to section 8.4 in the prescribed book.

Essay questions:

You could have structured your answers in the following way:

Question 1
Because the PDP will be outlining areas in which employees feel they need some improvement, it will indicate to line managers exactly which mechanisms are needed to intervene in this regard. Furthermore, there are four main objectives of PDPs, which are discussed in more detail in section 8.1.1 in the prescribed book. Make sure that you understand each objective.

Question 2
The characteristics of a 360-degree feedback system are discussed in section 8.3.3 in the prescribed book. In order to understand why a 360-degree feedback system "must" have all these characteristics, you need to first reflect on what would happen if it does not have each of these. Let us assume, for example, that the characteristic of anonymity is lacking in a 360-degree feedback system. Peers will know who rated them negatively. They will therefore become rivals and enemies, which can hamper the performance of the organisation as a whole. Imagine also what would happen when a subordinate rates a direct line manager negatively. The employee can be victimised by this manager in the future. Do the same with the other characteristics in the prescribed book. This will enhance your understanding of all these characteristics.

Question 3
Although there are many advantages associated with 360-degree feedback systems, there are also risks involved. You should do exactly what you did in question 2. Analyse each advantage and ask yourself the following questions:

➢   Why are we saying this aspect is an advantage to the organisation?
➢   Is this aspect benefiting the organisation, employees, or both? How?
➢   How does each risk affect employees and the organisation?

These questions will help you to master any learning outcome set around the advantages and risks involved in 360-degree feedback systems.

CARRY ON

Now that you have successfully completed workbook 08 and all its activities, you can go on to workbook 09.

WORKBOOK 09

Performance Management Skills

MIND MAP

Take a look at the mind map to see where you are now on your journey of understanding PM.

1   INTRODUCTION AND OUTCOMES

This is the final workbook for this module which emphasises the immense importance of the skills required to conduct PM effectively. The previous workbooks have taught you about the processes and the plans that must be incorporated for a PM system to succeed. However, one of the most critical factors of any system is how it is implemented by the human element; this ultimately decides the fate of the system in question. If the PM system is not carried out by trained and experienced individuals, the entire system could fail even if every other aspect of the system is conducted perfectly. In this workbook you are introduced to the concept of coaching as a skill required for PM. Coaching when used as a developmental initiative, should be incorporated into the management of each and every employee's performance. By using coaching as a tool to help develop employees, productivity should increase and employees are more likely to be satisfied. The coaching process is presented, different coaching styles are identified. The significance of accurate observation and feedback to employees during the PM process is highlighted. Finally the performance review meeting is analysed in terms of the skills required to conduct this meeting appropriately and to enhance its effectiveness.

LEARNING OUTCOMES

After completing this workbook, you should be able to do the following:
➢   Explain the meaning of coaching in the PM context
➢   Discuss the four guiding principles that provide a good framework for successful coaching
➢   Evaluate the role of coaching in an endeavour to improve employee performance
➢   Distinguish between the different types of styles of coaching
➢   Explain the aspects that need to be addressed to improve employee performance
➢   Graphically illustrate and explain the five steps of the coaching process
➢   Distinguish between the two strategies used to determine an overall performance rating
➢   Understand the different types of constraints involved in observing and documenting employees' performance
➢   Describe the benefits of accurate documentation, feedback and praise of an employee's performance
➢   Understand the purposes of and skills required to conduct the performance review meeting.

2   KEY CONCEPTS

Some of the important key concepts in this workbook are:

✓ **COACHING**
✓ **COACHING STYLES**
✓ **COACHING PROCESS**
✓ **DOCUMENTATION**
✓ **FEEDBACK**
✓ **PRAISE**
✓ **NEGATIVE FEEDBACK**
✓ **PERFORMANCE REVIEW MEETINGS**

You will come across numerous subject-related concepts in each workbook. These are listed as key concepts at the beginning of each workbook. This will assist you in becoming familiar with the different concepts that are referred to in this workbook.

3   COACHING

> **"Coaching is unlocking a person's potential to maximize their own performance. It is helping them to learn rather than teaching them." – Timothy Gallwey**

You will remember from workbook 08 that certain developmental activities must be carried out in order to reach the developmental goals set out in the developmental plan. Coaching is one of these activities and forms the foundation of this workbook. Coaching is seen as an essential component of the PM system. When it comes to PM, supervisors must display the necessary skills required, not only as supervisors but also as coaches and mentors in order to assist with the growth and development of employees. If undertaken correctly, coaching could provide numerous benefits to the employees and the organisation as a whole. Two key underlying notions of coaching are that 1) it is a collaborative process and 2) it is ongoing. This simply means that supervisors and employees work together on the employees' developmental goals throughout the PM cycle. Coaching is not reserved for once-off meetings with one's supervisor and is not seen as a one-way process. For a more detailed explanation on the concept of coaching, please refer to chapter 9 of the prescribed book.

Aguinis (2013) has summarised a number of theories on PM to come up with four guiding principles that provide a good framework for understanding successful coaching. These principles are shown in figure 9.1.

Figure 9.1: Guiding principles for successful coaching
Source: Adapted from Aguinis (2016)

Specifically coaches are responsible for providing employees with the following functions:
➢   Advice
➢   Guidance
➢   Support
➢   Confidence
➢   Competence

By doing each of these, coaches can help employees to believe in themselves and to reach their goals. Have you ever experienced a coaching relationship with your supervisor? If yes, you should count yourself lucky, since this type of relationship is valuable to both the employee and the supervisor. If you are a supervisor, I hope that you will aim to include coaching elements in your interactions with your employees.

One of the key characteristics of the coaching function is that feedback is used to obtain results. This means that feedback is provided in such a way that it takes on an active role which turns feedback into desired results. In order for this to be accomplished, coaches need to conduct each of the following behaviours:
1.   Establish developmental objectives
2.   Communicate effectively
3.   Motivate employees
4.   Document performance
5.   Give feedback
6.   Diagnose performance problems
7.   Develop employees

You must note that not all coaches perform coaching by engaging in all of these behaviours. Some may do one but not the other. However, as you can imagine managers who do carry out each of these functions are highly effective leaders.

The functions and behaviours expressed here are explained in more detail in section 9.1 and summarised in table 9.1 of your prescribed book.

ACTIVITY 9.1

IN YOUR SHOES!

You are the production manager of a tyre manufacturing plant in Soweto. The reports for the past three months show that customer complaints have increased dramatically. After conducting your own informal research, you found that customers are no longer satisfied with your product (the quality of tyres manufactured by this organisation). You are tempted to put all the blame on the line manager, but then you recall the good coaching principles that you studied in the performance management module you took at Unisa to solve such problems.

➢   Apply all four good coaching principles to this situation.

FEEDBACK TO ACTIVITY 9.1

I understand that it could have been a bit tough for you to integrate all four guiding principles for good coaching to this scenario. To help you along, see how I have structured the answer.

Firstly, as the manager, you have to put yourself in the shoes of the line manager and view the job and organisation from his or her perspective. You also need to search for positive aspects of the employee (strengths), because this is likely to lead to a better understanding and acceptance of the employee (principle 1).

Secondly, in order to expect change in behaviour from the employee, put the employee in the driver's seat. For instance, ask this line manager to send you weekly reports, so that you can review them and monitor whether there is some improvement. Return these reports after you have reviewed them. Include some comments, congratulating successes, or making suggestions for areas in which improvement is needed (principles 2 and 4). The coach must understand that each employee is a unique individual with several identities (job-related and job-unrelated) and a unique personal history, and must never compare this line manager with other line managers in other sections (principle 3).

Simple, was it not?

The supervisor will appreciate the mere fact that the manager takes his time to read his reports each week and return them with comments and compliments. This will motivate him to reach the lofty goal that was set for him.

For a light read on why it is important that managers are also good coaches, read the following article.

https://hbr.org/2014/07/you-cant-be-a-great-manager-if-youre-not-a-good-coach

4   COACHING STYLES

STUDY

Study section 9.2 (Coaching styles) in chapter 9 of your prescribed book.

Image source: https://pixabay.com/en/computer-user-icon-peolpe-avatar-1331579/

In the same way that different people have different personalities and different behavioural choices, so do different people have unique coaching styles which are distinct to them as individuals. Your prescribed book identifies four main coaching styles, namely:

1.   Driver
2.   Persuader
3.   Amiable
4.   Analyser

For a description of each style, please refer to your prescribed book. It is a fun exercise for you to think about which style would suit you best or which style you would most likely use when you are in the position of a coach. It is important to note that every style has its advantages and that one style is not

superior to another. There may be instances where a certain situation may call for a specific type of coaching style or when a certain individual responds best to a specific style. Depending on the circumstances of each situation and individual, the correct coaching style should be used.

ACTIVITY 9.2

As mentioned, I am sure many of you would like to know what your coaching style would be. Refer to the following presentation to help you to determine your coaching style.

https://prezi.com/6jp2ri0fif8_/what-is-your-coaching-style/

FEEDBACK TO ACTIVITY 9.2

This is an educational but also entertaining exercise and I hope that you enjoyed placing your strengths and weaknesses on the axis to see which coaching style would suit you best.

5   COACHING PROCESS

STUDY

Study section 9.3 (Coaching process) in chapter 9 of your prescribed book.

(This includes subsections 9.3.1 and 9.3.2.)

As I mentioned before you must remember that coaching, just like performance management, is not a once-off event, but instead it is a constant process. This is depicted well by the coaching process in figure 9.2.

Figure 9.2: Coaching process
Source: Adapted from Aguinis (2016)
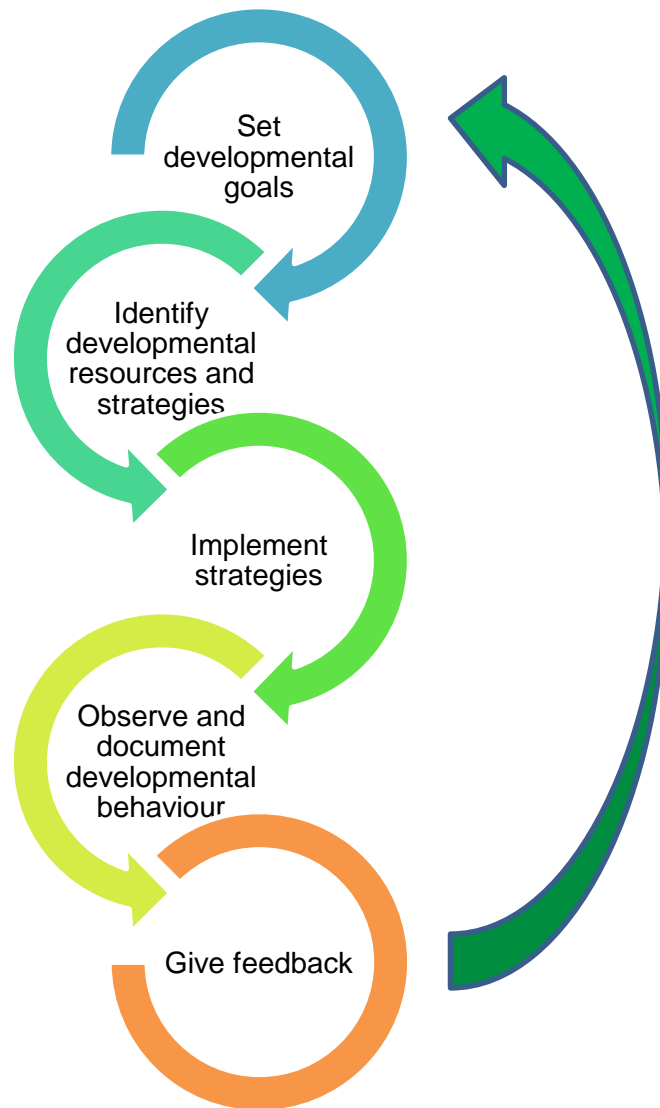
You will notice that I have discussed the first three steps of this process in workbook 08. The first step which deals with setting developmental goals was covered when the employee and supervisor sit together to draw up the developmental plan. The second step of identifying resources and strategies could be accomplished by planning developmental activities such as on-the-job training, formal courses, and so forth. The third step of implementing strategies takes place when the developmental activities identified in the previous step are carried out, such as when an employee registers for an online course which will help him achieve the developmental goals set in step 1. The last two steps of the coaching process which are observing and documenting developmental behaviour and providing feedback respectively, are not new concepts in terms of PM but are explained in more detail in your prescribed book from a coaching perspective (sections 9.3.1 and 9.3.2).

The fourth step of the coaching process which includes the observation and documentation of developmental behaviour, attempts to assess the extent to which each of the developmental goals have been achieved. As you can imagine, or you may even have personal experience that observing employees' progress in reaching their goals is not as easy as it may seem. In workbook 07 you were shown the different types of errors that could be made when rating an employee's performance. Unfortunately, the same type of errors could also be made (either intentionally or unintentionally) when observing and evaluating behaviour related to developmental goals. In addition to these errors, there are also a few constraints that managers might experience in an attempt to observe an employee's performance regarding developmental plans. These constraints are shown in figure 9.3.

Figure 9.3: Constraints to observing developmental behaviour
Source: Adapted from Aguinis (2016)

Time constraints

- Managers may be too busy to gather and document information about an employee's progress towards achieving developmental goals. Consequently, too much time may elapse between the assignment of the activity and the manager's checking on the employee's progress.

Situational constraints

- Managers are often unable to observe employees as they engage in developmental activities and therefore may not have first-hand knowledge about their performance. For example, managers do not observe the extent to which an employee enrolled in an on-line course is an active participant and contributor, or a passive learner.

Activity constraints

- When the development activity is highly unstructured, such as an employee reading a book, the manager may have to wait until the activity is completed to assess whether the activity has been beneficial.

Your prescribed book provides a few suggestions on how to minimise these constraints. Amongst these suggestions are to provide a good communication plan, train managers, and understand the forces that motivate managers to make an effort to develop their employees. Some recommendations on how to document performance regarding developmental activities in a constructive way is also provided. These recommendations are summarised in table 9.3 in your prescribed book.

The final step in the coaching process is giving feedback. As you have learnt so far, feedback is a critical component of PM and assumes a vital role in the coaching process. Feedback provides information in the form of advice and criticism to the employee with the intention of using that information to improve future performance. Feedback fulfils the purposes of building confidence, developing competence and enhancing involvement of the employees. However there are many aspects that could go wrong with the implementation and interpretation of feedback which is why it is such a complex component of the coaching and PM processes. Table 9.5 in your prescribed book offers some of the characteristics of feedback which should be fulfilled in order to enhance feedback and to make it more effective. You should also refer to sections 9.3.2.1 and 9.3.2.2 in your prescribed book which addresses the concepts of praise and negative feedback respectively.

To prove that you have mastered the coaching process, do the following activities. Do not despair if you find it challenging, you will get clarity from the feedback. However, do not cheat, try it on your own first and use the feedback for corrections. Good luck!

ACTIVITY 9.3

Refer back to activity 9.1. Remember that you applied the guiding principles for good coaching in this activity. Now try to advise the line manager on how to practically apply the steps in the coaching process with the aim to improve performance in his section.

FEEDBACK TO ACTIVITY 9.3

Was it easy to apply all the steps of the coaching process? Well done if you managed to do that without taking a peek at the feedback!

Step 1 – Set developmental goals. The line manager analyses the areas in which employees need to improve. The developmental goals can be set based on the developmental plan each employee submitted.

Step 2 – Identify developmental resources and strategies that will help employees to achieve the developmental goals set in step 1. These strategies could be, for instance, attending courses and mentoring, or job rotation to provide employees with the skills they need to improve performance in this division.

Step 3 – Implement strategies. The line manager can now receive actual on-the-job training, participate in job rotation, or start attending a course. It will be useless to identify developmental resources and interventions without implementing them.

Step 4 – Observe and document developmental behaviour. Here the line manager should collect and evaluate data to assess the extent to which the employee has achieved each of the developmental goals (see the challenges in this step in the next section).

Step 5 – Give feedback. As a coach, the line manager should provide feedback to the employees. Whether each developmental goal has been achieved or not, all the goals should be revised and then the entire process starts again.

ACTIVITY 9.4

Study the rater errors during performance review/appraisal provided in workbook 07. Choose any three of these errors and indicate how they can also manifest during the observation of developmental behaviour and outcomes. Give practical examples of each error you have chosen.

Log onto the **Discussion Forum** on myUnisa and compare your answers with your peers. (Workbook 09, Activity 9.4).

FEEDBACK TO ACTIVITY 9.4

You had to choose any three of the rater errors. To prove that you understand how each one of them occurs, you had to give a practical example to illustrate how each of them manifests during the observation of developmental behaviours and outcomes. See my examples and compare them with yours on the discussion forum on myUnisa.

➢ Negativity error – this error occurs when the manager regards negative information as more important (and therefore puts more focus on it) than positive or neutral information. Meisie, a saleslady at PTT Supermarket, was told to improve her customer service, team-working skills, communication skills (both verbal and written), and report-writing skills. Several activities were provided to her in an attempt to help her to improve her performance in each of these performance dimensions. She was sent to different workshops so that she could network with other salespeople and learn from them. During the observation period, the manager realised that Meisie improved a lot in the customer service performance dimension, but still battled with team work. Instead of acknowledging the improvement in customer service, the manager dwells/focuses more on the area in which she did not improve (working in a team) and gives her a very low rating.

      ➢   Stereotype error – this error occurs when the manager has an oversimplified view of individuals based on group membership. For example (back to the scenario in the first bullet), if the manager is a sexist male (views women generally as poor performers) and does not regard women as capable human beings, he will rate Meisie negatively, even if she shows improvement in all her developmental goals.

      ➢   Contrast error – this error occurs when managers compare individuals with one another instead of against predetermined standards. Returning to the scenario in the first bullet, it would be a contrast error if, instead of measuring Meisie's progress against the pre-set developmental goals, the manager compares her progress with other salespeople's progress.

6   PERFORMANCE REVIEW MEETINGS

STUDY

Study section 9.4 (Performance review meetings) in chapter 9 of your prescribed book.

When you were first introduced to the PM process in workbook 02, you were asked to familiarise yourself with the term 'performance review'. I hope that by now this term is not new to you and that you understand its meaning and significance as part of the PM process. You should also remember that the appraisal meeting which takes place as part of the performance review is not very popular amongst employees and supervisors alike. However, if this meeting is planned and implemented correctly then it could be of immense value to the employees, the supervisors and the organisation as a whole since it could boost morale and acceptance of the PM system. For this reason, the performance review meetings must be conducted appropriately and must abide by the ethical code of the company. Your prescribed book refers you back to workbook 06 where you were shown the different types of meetings required in a PM system. However, many companies may choose to merge the six different types of meetings. If this approach is taken, a combined performance review meeting should follow a certain sequence of events as shown in figure 9.4.

The performance review meeting is very important to build good relationships between employees and supervisors and to help employees improve performance. Unfortunately sometimes employees fail to see the reasoning or the benefit behind these meetings and end up being very defensive. This can be a serious problem for managers if it is not addressed correctly. Some suggestions on what supervisors can do to prevent defensive behaviour during the performance review meeting are:

➢   Establish and maintain rapport
➢   Be empathetic
➢   Be open-minded
➢   Observe verbal and non-verbal cues
➢   Minimise threats
➢   Encourage participation

It should be noted that sometimes no matter how hard the manager may try, the employee will still be defensive and this is seen as unavoidable due to the personal nature of performance review meetings.

Figure 9.4: Sequence of events in performance review meeting
Source: Adapted from Aguinis (2016)
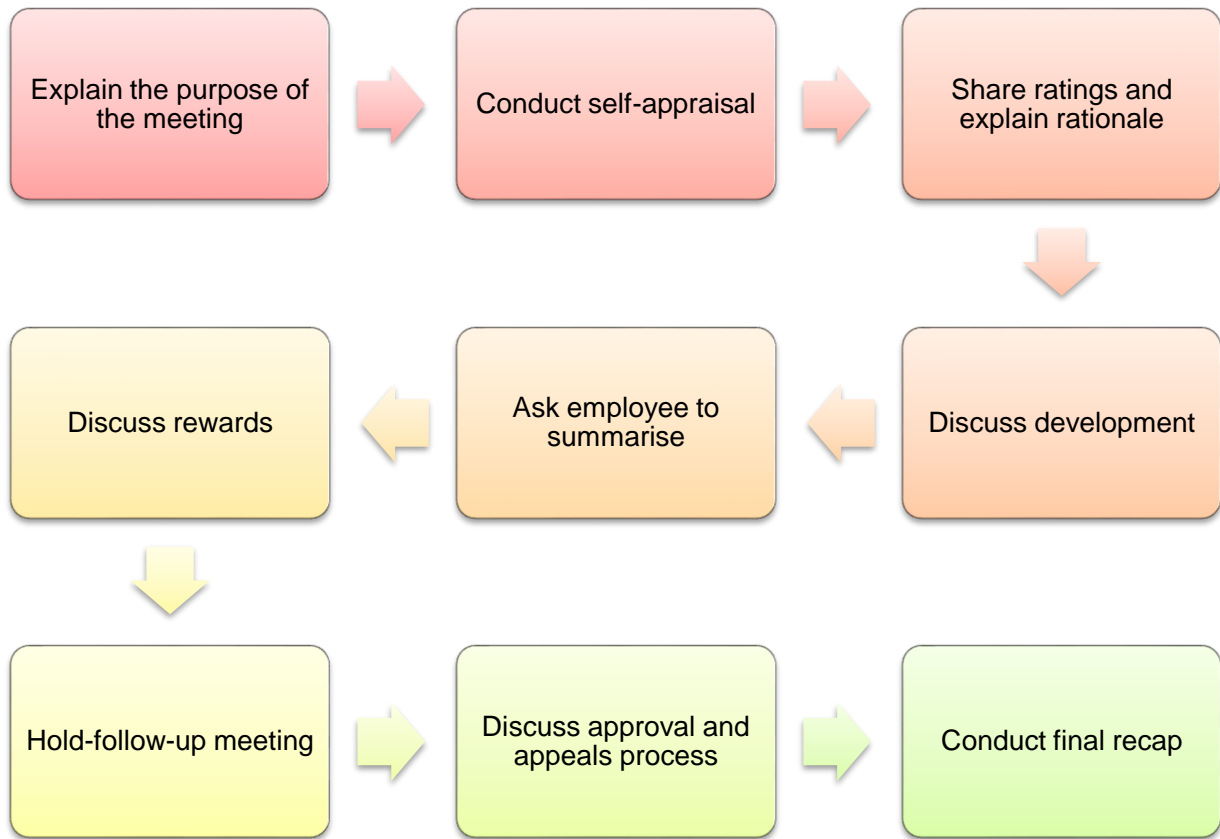
REFLECTION

Read the conversation that takes place between Jason and Susan in chapter 9 of your prescribed book at the end of Section 9.4. Do you think that Jason handled the meeting well? If so, can you identify specific skills that he displayed?

7   SUMMARY

In this workbook you learnt about the concept of coaching as a developmental activity. The four guiding principles of coaching were identified and you learnt how this can be applied in a practical situation. The steps that coaches need to take to turn feedback into results were also examined and thereafter you were introduced to the different types of coaching styles that managers can use. You were then presented with the coaching process and each step was critically analysed and the first three steps of the coaching process were related back to your knowledge from workbook 08. The final two steps of observing and documenting behaviour and giving feedback were reviewed in finer detail to provide you with some background on these two steps. Finally the performance review meeting was discussed with regards to the sequencing of events necessary for this meeting and the skills required by the manager to avoid defensive behaviour.

We have come to the last workbook for this module and I sincerely hope that you have enjoyed learning all about PM. I look forward to hearing your comments and interacting with you on myUnisa. If you have any suggestions on the structure or the manner in which the content of the module is presented, please let me know. I would like to enhance the learning experience of students who come after you and I can only do this by obtaining your valued feedback.

8   SELF-ASSESSMENT

Now that you have completed this workbook, you need to determine whether you have achieved the relevant learning outcomes stated at the beginning of the workbook. Therefore, read through the outcomes again before attempting to answer the self-assessment questions.

Multiple-choice questions

Question 1
John is the supervisor of a team of HR graduates. He uses a collaborative, ongoing process where he interacts with his employees and takes an active role in their performance.

What is the name of the process that John is engaging in with his employees?

1   Mentoring
2   Job analysis
3   Coaching
4   Development planning

Question 2
Which one of the following statements is NOT one of the guiding principles for successful coaching?

1   The coach is the facilitator of the employee's growth
2   The employee is whole and unique
3   The coach is the source and director of change
4   A good coaching relationship is essential

Question 3
Thabo is a hardworking employee but he does not deal well with criticism. He always lashes out at his supervisors when they try to offer him constructive feedback.

Which one of the following actions can Thabo's supervisor take to effectively handle Thabo's situation?

1   be open-minded and empathetic
2   maximize threats
3   discourage participation from Thabo
4   Rely only on verbal cues

Essay questions

Question 1
Briefly explain the role of the coaching process in an endeavour to improve employee performance.

Question 2
Sumaya works as a marketing manager. She is very active in her duties and provides resources to the employees who work with her. She always tries to provide her team with feedback on their work, with the hope that they will use the feedback to improve their performance. Unfortunately they don't always improve their performance and Sumaya wonders how she can turn feedback into concrete results. Advise Sumaya on the steps she can take to accomplish this task.

Question 3
Explain why managers are not comfortable with providing negative ratings to employees.

Image source: Shutterstock

Have you attempted to answer these questions without looking at the answers?

Self-assessment means that you need to answer the questions on your own first and then evaluate your answers by using the guidelines provided. Do not read the answers if you have not yet attempted to answer the questions yourself!

FEEDBACK TO SELF-ASSESSMENT QUESTIONS

Multiple-choice questions:

Question	Answer	Reference
1	Option 3	Refer to section 9.1 in the prescribed book.
2	Option 3	Refer to section 9.1 in the prescribed book.
3	Option 1	Refer to section 9.4 in the prescribed book.

Essay questions:

You could have structured your answers in the following way:

Question 1
If the line manager finds coaching to be a suitable intervention to improve employee performance, he or she must ensure that all steps in the coaching process are followed. Based on the specific area that needs improvement, the line manager should ensure that specific goals are set, come up with ways to help the employee to improve, allow employees to take part in the developmental initiatives, observe employees participating and document the developmental behaviour. It is very important for the line manager to regularly give feedback, whether positive or negative. Complimenting good work will encourage employees to work harder, while giving negative feedback will alert an employee to improve performance. Because coaching is an ongoing function, employee performance can be observed on a daily basis and poor performance can be corrected early.

Question 2
The coaching process helps turn feedback into results. In order to help turn feedback into results, Sumaya can take the following steps:

Establish developmental objectives
The manager works together with the employees in creating the developmental plan and its objectives.

Communicate effectively
The manager maintains regular and clear communication with employees about

138

their performance.

Motivate employees
Managers must reward positive performance. When positive performance is rewarded, employees are motivated to repeat this level of positive performance in the future.

Document performance
Managers observe employee behaviour and results. Evidence of instances of good and poor performance must be gathered.

Give feedback
Managers measure employees' performance and their progress towards achieving goals. They praise good performance and point out instances of substandard performance.

Diagnose performance problems
Managers must listen to employees and gather information to determine whether performance reaches the set standard. Managers should point out instances of substandard performance and assist employees to avoid poor performance in the future.

Develop employees
Managers provide financial support and resources for employees' development (eg. funding for training and allowing time away from the job for developmental activities) by helping employees to plan for the future and by giving challenging assignments that force employees to learn new skills.

Question 3
It is often very difficult for a manager to provide negative feedback to employees. This could be attributed to the following reasons:

➢   Negative reactions from employees and consequences of negative feedback
➢   Negative experiences in the past
➢   Supervisors could be said to be playing "God"
➢   Managers must provide irrefutable and conclusive evidence of poor performance and may view this as a waste of time.

CARRY ON

Now that you have successfully completed workbook 09 and all its activities, you can go on to the assignments and self-assessment questions.

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