

Unit 2

Learning Outcomes

- Apply the stages of the performance management process step by step in the organisational context
- Comment on the interrelatedness of the stages in the performance management process

Apply the stages of the performance management process step by step in the organisational context

Prerequisites Stage

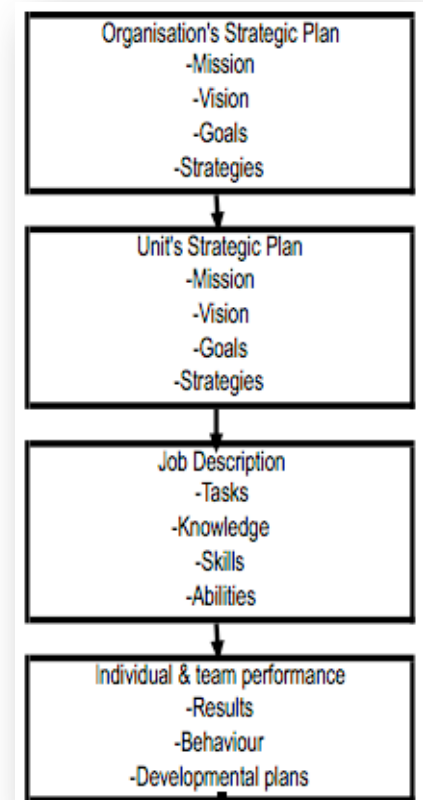
This stage includes 2 important prerequisites for the implementation of the PM system:

Knowledge of the organisations mission and strategic goals

- Just knowing the organisational plan is not enough, the presence of a strategic plan does not guarantee that the information will be used effectively as part of the PM system. To ensure that these strategic goals cascade down the org and lead to concrete actions, a conscious effort must be made to link them with individual performance (as depicted above). PM is the 3rd most important factor affecting the success of a strategic plan.

Knowledge of the job in question

- This is done due to the process of job analysis (process of determining the key component of a particular job, including activities and processes). This is a pre-requisite for any PM process as it is difficult to understand what constitutes the required duties for a particular job, without it, neither do we know what needs to be evaluated or how to do so. The 2 products of a job analysis are the job description (Knowledge, skills and abilities, KSA's and working conditions of a particular job) and the job specification. A job analysis is commonly done by way of observation, interview and questionnaire.



Apply the stages of the performance management process step by step in the organisational context

Performance Planning

This is the stage where the manager provides the employees with a thorough knowledge of the PM system. The manager and the employee meet to discuss and agree upon what needs to be done and how it should be done. The planning stage gives direction to both managers and non-managers alike. If employees know where the org or work unit is going and what they must contribute, they can coordinate their activities, cooperate with each other, and do what it takes to accomplish those goals.

Planning includes a consideration of results and behaviour as well as developmental plans. These factors need to be clarified during the discussions between manager and employee.

Results

Results refer to what is needed to be done or the outcomes an employee must produce.

This needs to include 3 things:

- The key accountabilities, or broad areas of a job for which an employee is responsible for producing results. This information is obtained from a job description.
- A discussion of results also includes specific objectives that an employee will achieve as part of each area of accountability.
- Discussing results also means discussing performance standards.

Behaviour

An exclusive emphasis on results can give a skewed picture of employee's performance.

Behaviour or how a job is done constitutes an important component of the planning stage.

This is because for some jobs it may be difficult to establish precise objectives and standards; employees may have control over how they do their jobs but not over the results of their behaviour.

A consideration of behaviour includes discussing competencies, which are measureable clusters of KSAs that are critical in determining how results will be achieved, e.g: customer service, written or oral communication and creative thinking.

Developmental Plan

The manager and the employee need to agree on a developmental plan. At a minimum, this plan should include identifying areas that need improvement and setting goals to be achieved in each area; highlights an employee's strengths and provides and action plan to improve areas of weakness.

The developmental plan requires the following 3 components:

- Description of developmental objectives
- Activities that will be carried out to achieve these objectives
- Date of completion

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Performance Execution

Once employees are aware of the behaviour to display and the results to be achieved, and that a development plan has been submitted, they must get down to fulfilling these commitments. Employees have the primary responsibility for and ownership of this stage. The following factors must be present in the performance execution stage - Employee:

- Commitment to goal achievement – enhanced by employee being an active participant in process of setting goals

- Ongoing performance feedback and coaching – continuous, do not wait till review or until a serious problem develops

- Communication with manager – regular comms, freedom to request clarity on issues and roles

- Collecting and sharing performance information – regular updates on progress towards goals to manager.

Manager:

- Observation and documentation – daily basis, keep track of good and bad performance

- Updates – revise and update objectives based on changes to org goals.

Feedback – on regular basis

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Performance Assessment

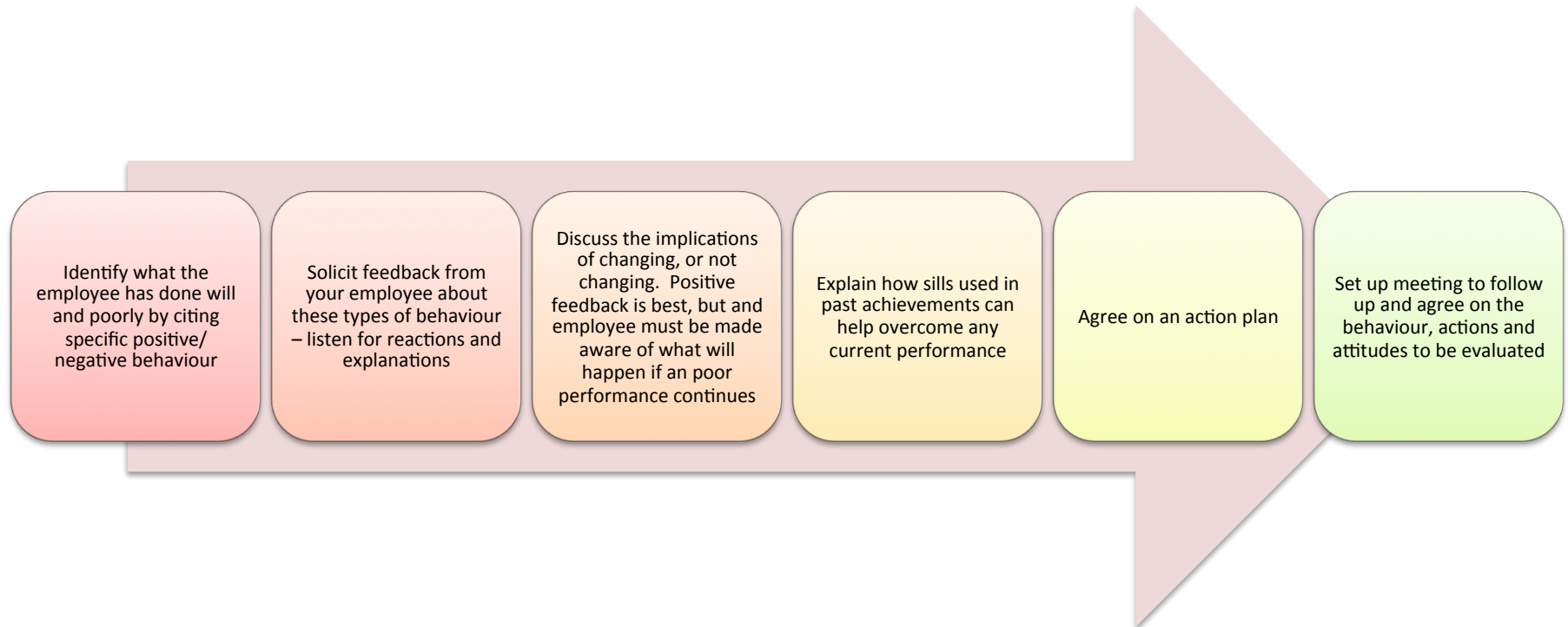
- Both employee and manager are responsible for evaluating the extent to which the desired behaviour has been displayed and whether the desired results have been achieved.
- This includes an evaluation of the extent to which the goals stated in the development plan have been achieved.

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Performance Review

This involves a meeting between the employee and the manager to review their assessments. It is called appraisal meeting or discussion and is important because it provides a formal setting in which the employee receives feedback on his/her performance.

Anguinis recommends the following steps for conducting a productive performance review:



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Performance Renewal and re-contracting

This stage is identical to the performance planning stage except that it uses the insight and information gained from the all other phases

Learning outcome 2

Apply the stages of the performance management process step by step in the organisational context

Each stage within the PM cycle has a purpose and if any of these stages/phases are missing the cycle becomes incomplete than rendering the PM system/process ineffective or inefficient.

- *It is clear that each and every stage within the process is critical for each or both the manager and the employee and most certainly the organisation.*
- *The absence of any of these stage will imply that the process does not add value to all parties and is not be employed as a valuable tool to the organisation.*

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The phases within the PM process add value to the entire process and to the other phases as follows:

Prerequisites

- This stage provides the minimum criteria for a PM process being knowledge of the organisations mission and strategic goals as well as knowledge of the job in question. Without this stage it is impossible to understand what to use as a 'goal post' when planning (phase/stage 2). There is therefore a critical need for complete and accurate understanding of organisational goals and the requirements of the job being evaluated/assessed, the lack of which could yield either incorrect or incomplete information in the following stages thus rendering the process ineffective in its purpose.

Performance Planning

- Once you know what the organisational and the jobs needs are, you are then in a position to plan effectively to ensure that these needs are met (In terms of results, behaviour and a developmental plan). This stage is critical to ensure that both the manager and the employee understand the path to be taken to reach the goal and achieve the required outcomes and what these outcomes are. Understanding where you want to be is great but it is impossible to get there if you don't know how to. The stage identifies just that, what needs to happen to get to the end goal and properly identifies what the end goal is. There is nothing to execute without planning.

Performance Execution

- This involves the actual 'doing' of the plan and the achievement of the expected results and behaviour. Without this stage all other stages are futile as planning, assessing and reviewing are pointless if there is nothing being implemented.

Performance assessment

- This is the stage where both the manager and employee recollect and on their own assess progress and positive/negative results/behaviour. No one can possibly sit down at a review meeting without having gone over the facts first and understood what needs to be discussed in advance. This is in effect the preparation for the review meeting to be held at the next stage. What do you discuss if the information has not been assessed first?

Performance review

- This is the actual meeting. It is superb to go through all of stages 1-4, but if the outcomes from these stages, being the assessment of the execution, are not formally discussed with the employee it is no longer a valuable tool to the organisation. If the employee and the manager do not discuss these matters and arrive at workable solutions for problems, and if the manager does not give credit for positive behaviour in a formal appraisal setting, the employee may consider the entire process to be unfair and useless.

Performance renewal & Recontracting

- This stage may be exactly like stage 1 but it differs in one important aspect, it is performed with all the knowledge gained from stages 1-5. This is invaluable information and acts as a benchmark for the employee/job in question for years to come. It identifies growth of an employee and allows an organisation to award employees for their positive results and behaviour. This stage is where you allow the employees to see exactly what the outcome or benefit of the PM system is to them as individuals. The absence of this stage means that once a performance review is conducted, the process ends. Employees do not gain value from their positive contributions in the form of renewals of contracts or amendments to salary based on their performance as identified through the rest of the stages.