

The Performance Management Cycle

Plan (Performance agreement)

This involves achieving agreement between the manager and the individual.

Firstly it is about setting objectives - – any actions required by the individual and the manager to achieve the overall objectives of the job. If it's a new employee, there will be a detailed discussion about the requirement of the job in general.

As part of this discussion employees will agree with their managers, what they need to do in specified areas of their jobs such as reaching sales or productivity targets, working accurately, providing services to internal customers, cutting costs, reducing waste, meeting deadlines. In any development area, goals are set on what has to be done and by when, and agreement reached on how the expected results will be achieved.

If there are any behavioural performance problems such as being uncooperative or lack of effort, plans are agreed on how the problems can be overcome. The plan should be focused; too many goals will only dissipate improvement efforts.

Finally personal development plans should be drawn up. These are learning plans to achieve learning goals for which individuals are responsible with the support of their managers and the organization. Learning and development activities should be linked to the achievement of personal objectives which in turn are linked to organizational objectives. Again the goals should be limited to make them more attainable.

Act (personal development planning)

This is where the individual takes responsibility for their own performance. This means that they take action to manage their own performance with guidance as required from their manager or team leader. They are there to meet the demands of their roles as defined at the planning stage in the form of key result areas, goals, competency requirements and action plans.

Monitor (Ongoing performance management)

Perhaps one of the most important features of performance management is that it is a continuous process which can be described as ongoing performance management or 'managing performance throughout the year'. This means regularly monitoring outcomes against plans and ensuring that corrective action is taken when necessary. It involves individuals monitoring and managing their own performance and managers giving feedback, support and guidance. Feedback and the recognition of good work by the manager is provided as and when appropriate, which means at the time or immediately after an event has occurred rather than being saved up for a later formal performance review session. It also means updating objectives, and continuous learning on the job (through coaching, mentoring, delegation) and/or through specific training and development activities). Another requirement is to deal with underperformers in good time so that improvements can take place.

Review

Although performance management is a continuous process it is still useful to have a formal review once or twice yearly. This provides a focal point for the consideration of key performance and development issues and leads to the completion of the performance management cycle by providing the basis for updating performance agreements. The performance review meeting is an important means of ensuring that the five primary performance management elements of agreement, feedback, assessment, positive reinforcement, and dialogue can be put to good use. Performance reviews may be carried out by a manager with an individual on a one-to-one basis and the results are usually recorded on a performance management form.