



UNDERSTANDING THE LINK BETWEEN INDIVIDUAL AND ORGANISATIONAL PERFORMANCE

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1.

Definition and description of High-Performance working.

High performance working is defined as 'a general approach to managing organisations that aims to stimulate more effective employee involvement and commitment to achieve high levels of performance' (Former UK commission for employment and skills).

It is about building culture where there is an open line of communication, trust and transparency. Its about creating a structure where employees are happy, engaged and motivated and share visions (Buzzcot).

High performance working practises policies and processes that are put in place that can result in improved performance of employees.

High performances work practises drop into three areas which are:

- *High employee involvement*
- *HR practises*

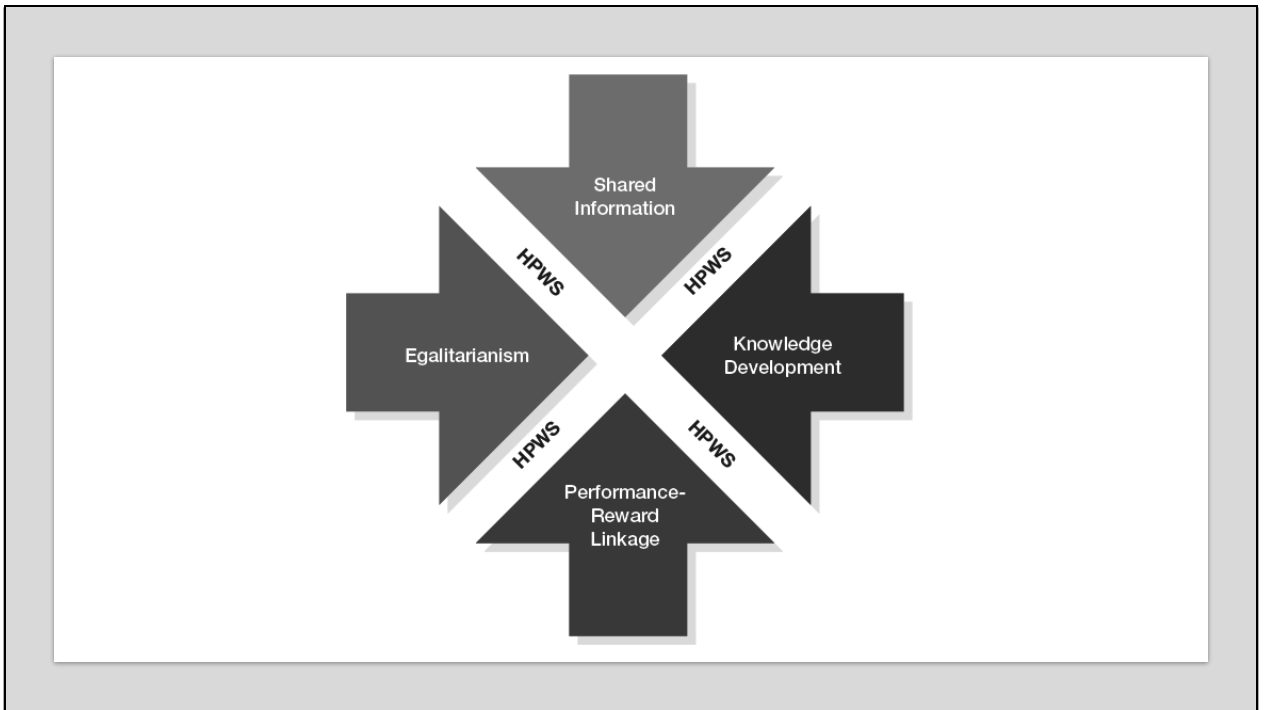
- *Compensation and reward*

They tend to be more beneficial when used collectively. Studies into high performance working practises state that 20-40% improvement in productivity that adopt high performance working practises, compared to those that do not (Dan Couruso Beagle UK).

It has been suggested that if the below practises are adopted, then an organisation will be successful:

1. "Employment security"
2. "Selective hiring of new personnel"
3. "Self-managed teams and decentralization of decision making as the basic principles of organizational design"
4. "Comparatively high compensation contingent on organizational performance"
5. "Extensive training"
6. "Reduced status distinctions and barriers, including dress, language, office arrangements, and wage differences across levels"
7. "Extensive sharing of financial and performance information throughout the organization"

(Prefer, 1998)



1.1

The Concept and Components of HPW

The key concept of HPW is about building a culture where there is an open line of communication, trust and transparency. Its about creating a structure where employees are happy, engaged and motivated and share visions (Buzzcott).

HPW is practices, policies and processes which are put in place, that can result in improved performance.

It drop into three areas, these are:

- High employee involvement
- HR practices
- Compensation and reward

These tend to be beneficial when used collectively. Studies into HPW practices state that 20-40% improvement in productivity is seen in organisations that adopt HPW

practises, compared to those that don't. (Dan Couruso).

CIPD states a lot of emphasis on importance of motivation in HPW, motivation is the vehicle that determines employees view on HPW (Sung J & Ashton .D)(CIPD 2005).

The key components are high employee involvement, self-directed teams, quality circles and sharing company information. Human resources practices value led recruitment, performance appraisals, work redesign and mentoring, reward and recognition, friends and family policies, flexi working (Steven.R).

To ensure high performing working practises, this must come from the top, by leading by example (Tankin. P).

High-performance work practices (HPWPs) and organizational performance

In high-performance work practices, employees are a source of competitive advantage. HPWPs refer to a set of practices that promote employee knowledge, motivation and commitment.

In organizations, HPWPs are characterized by:



See for example Pfeffer, J. (1998). The Human Equation: Building Profits by Putting People First.

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1.2

The link between HPW and organisational performance is that HR are able to implement practises, such as training and development that help develop employee competence (Evans & Davis 2005).

Productivity increase as people do more, more profitability increases as costs are lowered and turnover is higher. As a consequences the organisation rises upwards to the top of the sector, its market share increases as costs and budgets are under control therefore the business has competitive advantage. The link between HPW and employee wellbeing (ACAS). Suggest that the link it predicted an organisations implementing HR practises and procedures benefit the employee, such as, high involvement reward and commitment, flexible working, job design, for example:

“Providing better flexible working opportunities as part of well being is associated with better job design to produce “good work” also produces higher engagement and willingness to “go the extra mile” (ACAS 2013).

Some say that competitive advantage from HPW is made by not being afraid to make changes or re-evaluate and keep up to date with market requirements and needs . It

is suggested that businesses that have re-invented themselves and have gained competitive advantage by listening and engaging with others (Wilson2014).

Netflix, when they started they were known for ordering DVD's online and delivering the next day. The consumer was looking for something different t, so they offered online streaming. They lost money when they stopped the DVD's service, they increased the subscription fees and introduced their own series and films which gave them the 'edge'(Wilson 2014).

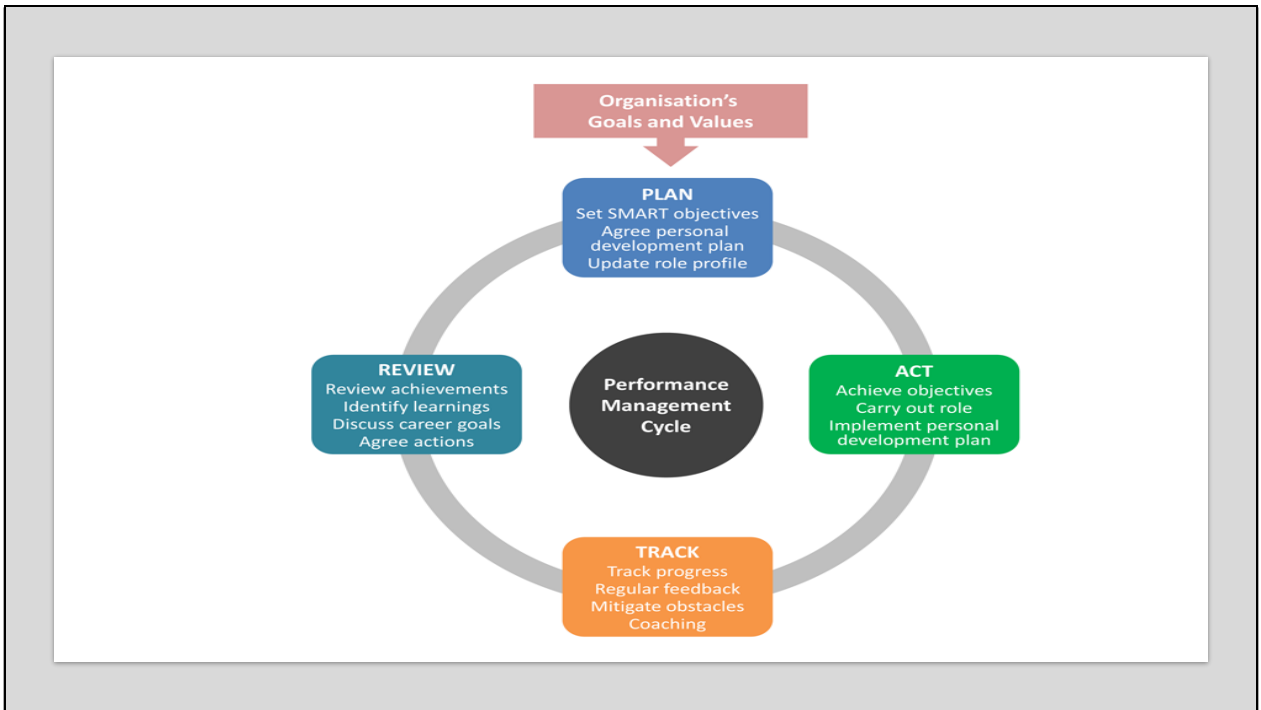


1.3

“Providing better flexible working opportunities as part of well being is associated with better job design to produce “good work” also produces higher engagement and willingness to “go the extra mile” (ACAS 2013).

There is a consistent clear link between employee well being and HPW. When people are happy and well in themselves, they are more productive and are more likely to go over and beyond their normal duties. If you give employees more flexibility in their role, they will remain focussed and engaged, which leads to a high performance environment (CIPD) (Making business matter).

It is clear that employers are paying more attention to well being. However more action is required to ensure that their efforts pay off. Senior leaders need to lead by example, line managers need to have skills and the confidence to support employees if required. It is all about focusing on prevention (CIPD 2019).



2

Performance management is a process that looks at the relationship between the people working in an organisation and the value they deliver. Performance management maximises this value and supports employees to deliver objectives. This can be formal or informal. There is no standard definition but it describes the process as:

- Establish objectives- through individuals and teams, allowing them to see the organisation's mission and strategy.
- Improve performance – Among teams, employees and the organisation
- Hold people to account for their performance by linking it to reward, career progression and termination of contracts.

(CIPD John Gilford 2020).

Performance management provides a structured development plan for managing continuously improving performance, using accurate documentation, consistently

maintained, that tracks development and growth (Cody Bees 2016)

The five main reasons are :

1. Planning- The planning stage sets smart goals that are set between the manager and the employee. They will identify to what standard they re to be achieved. This will also identify skill gaps
2. Monitoring – The performance should be continually monitored. This doesn't mean watch over their every move. The manger should focus on the target and results. This could be changed the meet circumstances.
3. Reviewing – At this stage the manger reviews what has been accomplished from the first stage. They will also cover the skills gap and look at how this can be used going forward.
4. Improving – This is achieved by understanding what is preventing the employee from meeting the required standard. This could be removing some remit. A manager should keep an open mind to discuss.
5. Measurement – This is about collecting data . The main challenge is matching and aligning results with strategy , structure and culture. Then having the right type and numbers of measures .

(Prsims).



2.1

Capability and Commitment.

Performance management can be used to manage poor performance. Employees might need extra support due to lack of training or knowledge or it could be they other factors or general demotivation. When a capability issue is found it would be good to offer a buddy or someone to shadow them , that they could learn from (ACAS 2019).

A manager could offer a PDP, this would give clear detail of what improvement is required. It is important to have regular documented conversations. These should document concerns, success and development required.

The commitment is to plan, observe , measure and evaluate an individual using performance appraisals. As performance management is a holistic view the focus on an individual goal aligned with an organisation strategic direction. The commitment would be to be continue coaching and mentoring, this could be completed y using 360-degree feedback.

(Ashish Malik 2018).

REWARD & RECOGNITION

2.2

Recognising and Rewarding

To think about employee recognition, firstly you need to look at what is currently offered and ensure its not just about financial compensation (M. Biro 2019).

By having measurable objectives that are set along side the business strategy, followed by a performance management process that allows you to monitor and recognise high performers and reward where appropriate. Performance management allows you to reward financially or non financially

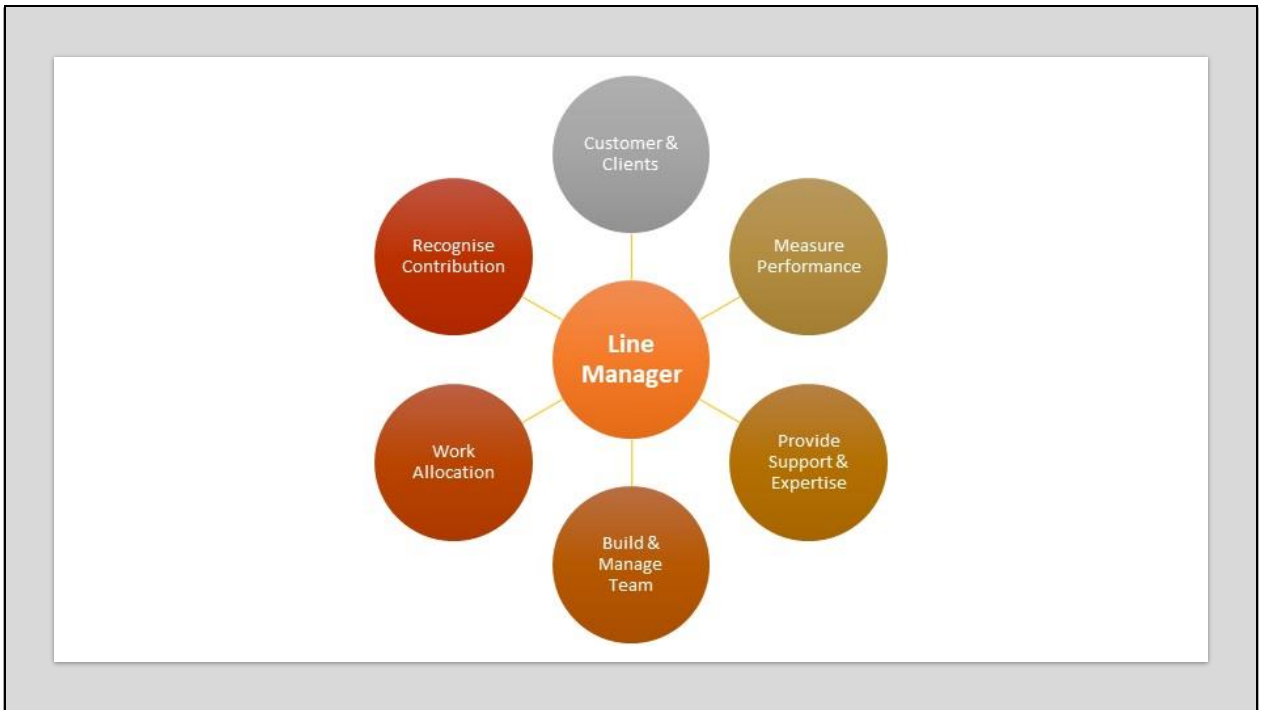
Financial

- Bonus aligned to objective and goal achievements.
- Incentives
- Career development (Pay rise negotiated)

- Benefits package

Non-Financial

- Thank you – make it sincere
- Charity days or events
- Career development programmes
- Peer to peer recognition



3.1

Top managers play a lead in the performance management process. They set the scene by acting as role models. They are responsible the policy and define and act upon the core values relating to the performance. They ensure that the line manager is convinced that performance management can be crucial to achieving business goals.

(Management study guide).

Line managers role in performance management is to create the vision for the employee, ensure policies are adhered to, create targets and objectives and they keep morale positive and have the end results in sights.

- Managers should be involved in setting objectives
- Managers should know the process end to end and where each department fits into this.

- Ensure they have the time
- A manager should feel challenged not over worked
- An employee is accountable for achieving, a manager is accountable for reviewing, and that the goals given are smart.
- Reviews must be given regularly
- Line managers should have the training to provide reviews with training to provide reviews with coaching, open and honest conversations
- They could have unconscious bias training to help recognise learned behaviours.

(Juneja . N . D)



3.2

In most organisations HR are usually the ones that are responsible for all employee issues, including performance and motivational issues.

Hr drive recruitment, development, motivation and performance. They are entrusted to build and embed behaviours.

There are many legalities with regards to performance management, line managers may find this difficult to understand and execute. The problems lies in the ability and consistency of line managers and HR helps them to understand and drive organisational strategic goals (Caroline Ong 20170.

The HR function plays an important role, by ensuring that all processes are fair, accurate and managed appropriately. They help by setting departmental and individual performance targets. They evaluate the whole process to improve effectiveness. They are key for managing behaviours, such as coaching, communication, listening , trust and respect.. By supporting the line manager the will benefit.

(Armstrong M & Baron A 2004).



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