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Managing People

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Performance Management (PM)

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Transforming Education; Transforming Lives



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Introducing performance

The performance of individuals is key to any successful organisation

Many organisations are very successful in getting the most from people and which support their people to be at their best. But this is not always the case!

Performance cannot be left to chance, and experienced HR professionals can support other individuals, teams and even organisations to be at their very best.



Performance management (PM) defined

... it is about how work can be organised to achieve the best results'

(Marchington et al, 2016)

“....is a continuous process that links together performance, motivation, individual goals, departmental purpose and organisational objectives. It incorporates central HRM issues from recruitment, induction, training and development, and reward management through to capability procedures and termination”

(Boxall and Purcell, 2011 cited in Marchington et al, 2016).

The components of performance

Performance can be broken down into 3 areas:

Mindset – attitudes, beliefs, thoughts and feelings

Environment – the physical and non-physical space around us

Teamwork – working with others

How do these affect your performance?

Mindset

After decades of research, world-renowned Stanford University psychologist Carol S. Dweck, Ph.D., discovered a simple but groundbreaking idea: the power of mindset.

People with a fixed mindset believe that abilities are fixed, and are less likely to flourish. However, people with a **growth mindset** believe that abilities can be developed.

Almost every area of human performance can be dramatically influenced by how we think about our talents and abilities.



Source: Mindset Works

(Source: <http://bit.ly/2kilt5l>)

Environment

The environment that you operate in influences performance. This relates to the physical space around us such as offices, meetings rooms and desk space.

The non-physical environment is also key to consider and is easier to manage. Novelty, unpredictability and complexity in our work can help to focus our attention.

Teamwork

In workplace settings it is very important to work as part of a team.

HR professionals need to support teams so that they can communicate effectively, listen to each other and agree shared goals.

Allow each team member to participate fully and equally. Teams need to get the most from different personalities and have a degree of freedom to choose how they approach tasks.

Performance management includes

a formal appraisal of an employee's performance and other actions such as

follow-up or feedback

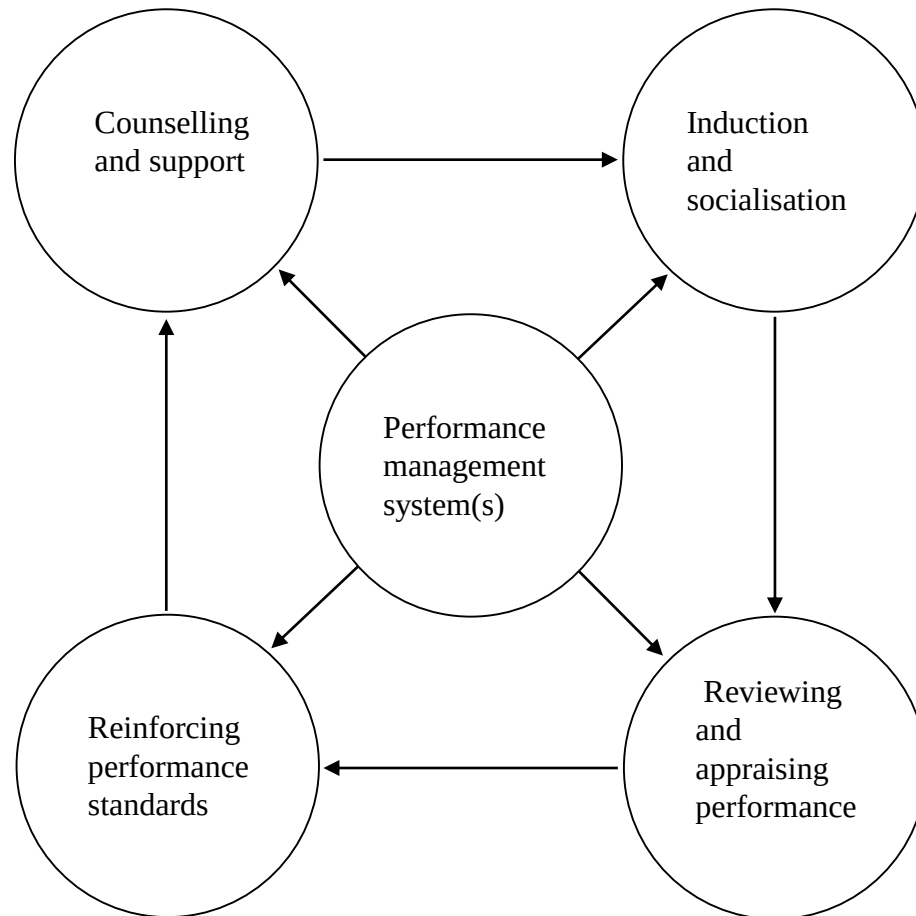
ongoing reviews

rewards and

ongoing professional development or training.

It should be linked to other human resources management processes such as work standards, benchmarks and business goals.

Principal elements of the PM process



Marchington & Wilkinson, 2012

Induction

- Final stage of recruitment and selection process
- Terms – onboarding, orientation (course), socialisation (way in which new starters build up relationships/find roles for themselves)
- Definition – the whole process whereby new employees adjust or acclimatise to their new jobs or working environments (Taylor, 2014)

It makes good business sense to
invest time and money in an
appropriate induction for new
starters. Why?

Induction is critical because it:

- ‘improves the person-job fit, reducing turnover and absenteeism, and increasing employee commitment and job satisfaction’ (Taylor, 2014)
- helps employees become productive in a reasonable timescale
- avoids ‘induction crisis’ when employees feel over-whelmed, and resign
- is an opportunity to ensure the organisation’s culture and values are assimilated by the employee
- helps employees settle in and feel comfortable socially
- allows the organisation to establish the psychological contract
- raises awareness of policies and procedure and sets standards of behaviour upfront, thus preventing undesirable behaviour (less disciplinary hearings)

A.I & Induction (onboarding)

- Penny Stoker, Global Leader of HR Services at EY, demoed a new onboarding mobile app called "Onboarding Buddy".
- An AI chat bot that integrates with SAP SuccessFactors. It allows a brand new employee to ask the "dumb" questions they might otherwise feel embarrassed to ask their boss, but still need to somehow figure out.



Poor Induction

- Ineffective employees
- Poor integration into the team
- Lack of confidence
- Demotivation
- Damage to employer branding (reputation)
- Early leavers and associated costs of additional recruitment and selection

Excellence in Induction

<https://www.youtube.com/watch?v=cExluE-4akw>

<https://www.personneltoday.com/hr/personnel-today-awards-2015-hr-impact/>

<https://www.youtube.com/watch?v=9No-FiEInLA>

What's excellence in your view?
Discuss in groups & report back
Comment on any good practice you've experienced

Performance Review

A **performance appraisal** (PA), also referred to as a **performance review**, **performance evaluation**, (career) development discussion, or **employee appraisal** is a method by which the job **performance** of an **employee** is documented and evaluated.

WHY: Aims of performance review

- Clarification of performance expectations and standards
- Allocation of rewards
- Identification of training/development needs
- Career management
- Counselling
- Discipline
- Planning remedial actions
- Setting goals and targets
- Improved motivation and morale
- Improved communications

Why do it?

Marchington & Wilkinson, 2012

Why review performance?

- Staff will more clearly understand how their work aligns with the overall business goals – what part they play in achieving these goals, what they should be doing and how they should be doing it.
- Employees are generally more productive, more enthusiastic and more committed when they know how they contribute.
- Under-performance and its reasons, either work-related or personal, can be identified early, discussed and resolved before bigger problems arise.
- Potential skills gaps and appropriate training and skill development can be identified.
- Employees' career pathways can be defined more easily.

Why review performance?

- Succession planning opportunities can be identified.
- Employees welcome constructive feedback – a pat on the back for a job well done can increase productivity and commitment.
- A structured, regular performance appraisal or review creates an opportunity for staff to raise issues and concerns and express their opinions about their work.
- Managers and employees can discuss what it is that they enjoy about their work and what motivates them – for example, achievement, advancement, responsibility, new challenges, learning or financial rewards.
- Absenteeism is likely to be reduced as the process establishes regular communication and feedback with staff.

HOW: Performance management processes

- Appraisals
- Performance development plan
- Performance development review
- 360 feedback
- Performance related pay

Types of appraisal systems

- Objective-setting
- Behaviourally-anchored rating scales (BARSs)
- Simple rating systems (eg merit rating)
- Critical incidents
- Blank sheet

WHO: who carries out performance review

- Supervisor/line manager
- Self-assessment
- Peer assessment
- Upward appraisal
- Customer appraisal
- 360-degree review

Problems with performance review

- Validity
- Conflict of purpose
- Control or commitment?
- The context and culture
- Effectiveness
- Bureaucracy
- Line manager training and skills
- Power distance
- Ratings bias – family, hierarchy, age, gender...
- Collectivist cultures
- Loss of face
- Uncertainty avoidance
- Think of others...

Individual differences & rewards

'Different people react to different incentives in different ways... People differ in personality, ability, values, and needs, and these differences manifest themselves in different desires and different reactions.'

Dessler 2005

'We have noted that employees are motivated in different ways. The reasons for this are complex and hard to pin down... Moreover, employee needs and motivators do not remain static and are likely to change throughout a person's life.'

Lamb 2006

Managing performance standards

- Capability issues and dismissal
- Ill-health – stress and bullying
- Absenteeism
- Rehabilitation and wellness, health management

Ways people underperform

- Falling short of contractual obligations
- Absenteeism
- Not meeting objectives or goals
- Poor/inappropriate relationships with others
- Lack of communication skills
- Poor team working
- Not adhering to company rules and regulations

Organisational characteristics contributing to underperformance

- Job or goals unachievable
- Lack of planning
- Lack of understanding of reasons for change
- Pay not considered fair or equitable
- Inappropriate tools to do the job
- Inadequate training
- Inappropriate levels of discipline
- Poor management/leadership
- Physical conditions distract from performance
- Location & transport problems

Dealing with poor performance

- Discussion to identify why there is a problem
- Goal setting
- Identification/removal of barriers
- Commitment from individual to reach goals
- Training
- Follow up and review

If all else fails.....

- Discipline



Counselling and support

- Counselling
- Employee assistance programmes

Activity

Feedback on how AI will support performance management in the future.

“AI will have a huge impact on performance management because it will allow us to correlate information and create insights that weren’t possible before, so we can take the best possible decision”

High-performance working

- 'appropriate' recruitment and selection
- comprehensive induction
- extensive training
- coherent PMS
- flexibility of workforce skills
- job variety and responsibility
- teamworking
- frequent and extensive communication
- quality improvement teams
- harmonisation
- market competitive pay
- rewards related to individual/group performance
- policies to achieve work- life balance

CIPD/EEF report 2003

HR practices associated with high performance workplaces include:

- Aligned business and resourcing strategies
- Formal assessment tools for recruitment
- Diversity
- Annual appraisals
- Formal feedback from manager/customers & direct reports
- Multi-skilling
- Work redesign
- Work/life balance strategies
- Regular review of employee training needs
- Mentoring
- Continuous development programmes (CPD)
- Structured induction training
- Quality Assurance
- Business Excellence Model

Performance in Workplace 4.0

Live Activity: Small Groups



<https://www2.deloitte.com/insights/us/en/multimedia/videos/human-capital-trends.html>