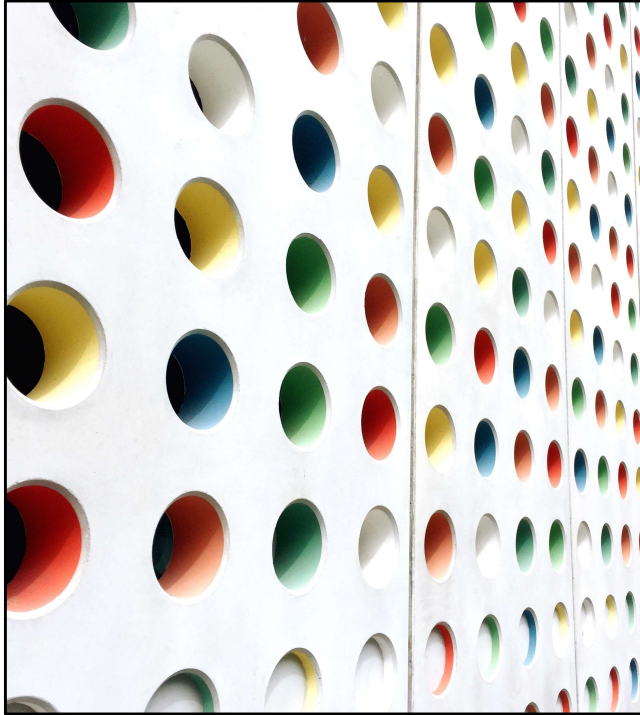




UNDERSTANDING THE LINK BETWEEN INDIVIDUAL AND ORGANISATIONAL PERFORMANCE

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By signing below, I confirm that the work/evidence presented is my own, unaided work. I understand the regulations pertaining to candidate malpractice and the action that may be taken as a result.

Signed:

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Date:

1st August 2021

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KEY COMPONENTS OF HIGH- PERFORMANCE WORKING



‘Good Performance management is critical for an organisations success’ (CIPD, 2020). It is seen as a singular activity but is compiled of many practices. These practices can be approached holistically. Many practices which attribute to High Performance Working are: - Recruitment and selection, training and development, reviews, performance pay, promotions, grievance systems, information sharing, harmonisation of terms and conditions, peer appraisals, flexible working, job security and work-life balance.

High Performance Working falls within three broad

areas:

1. High employee involvement
2. Human Resource practices
3. Reward and commitment practices

Organisations use these in 'bundles' therefore the business can choose which fit best with the needs of written strategies and overall objectives. 20-40% of organisations see an increase in productivity when adopting High Performance Working practices. It can also be linked to positivity, organisational growth, increased profitability, job satisfaction, lower staff turnover and greater creativity and innovation.

Some key practices can include autonomy over working styles as well as information sharing. This can enforce a people focussed culture such as reward and recognition, flexible working family friendly policies, learning and development which provides opportunities to learn new skills or enhance skills, and employee support systems including regular appraisals with multisource feedback (Buzzcot, 2020).

To put simply, high performance working is building a culture in which there is trust, transparency and open communication with a series of practices, policies and processes. When these work in harmony it can have

improved results for individuals and organisations
(Beaglehr, 2020).



Individuals working towards a vision, goal or organisational value are guided to perform. It can help motivate them to perform well in individual roles. Line Manager behaviours and high-performance practices interact and reinforce or underpin this such as motivation, organisational commitment, and job satisfaction (CIPD, 2014).

There is a link between employee engagement and job satisfaction. When a fully engaged Line Manager takes the time to clarify how their objectives fit within the strategy, however if a Line Manager is disengaged and

sees the review as a 'tick box' exercise this can have a detrimental effect on job satisfaction levels. It can be better not to have a review at all rather than a poor review (CIPD, 2014).

Competitive advantage for organisations is linked by establishing objectives so individuals can be clear on their part within the organisation's visions and strategy. This will improve performance when measuring against their goals., holding people to account, which may lead to career progression, reward, or termination of contract if the individual does not perform (CIPD, 2020).

Performance can be reviewed regularly with coaching conversations and constructive feedback in an informal environment, working alongside an individual, it doesn't have to be confined to an office-based conversation. This enables the individual not to have any surprises when receiving a formal performance review.

Traditionally, performance reviews are held annually, however, if feedback is given throughout the year by monitoring progress, the effectiveness of performance will be greater (CIPD, 2020).



Wellbeing can be linked to High Performance Working. Forbes (2020) state that organisations received higher performing well managed companies with wellbeing at the heart of an organisation. It states that there is evidence that supports building a culture of wellbeing provides a competitive advantage in the marketplace. Over a year's period of self-assessment index went from 159% to 235% on corporate health and wellness within high performance, well managed companies.

A recent study 'does higher employee wellbeing led to higher productivity' showed a positive correlation

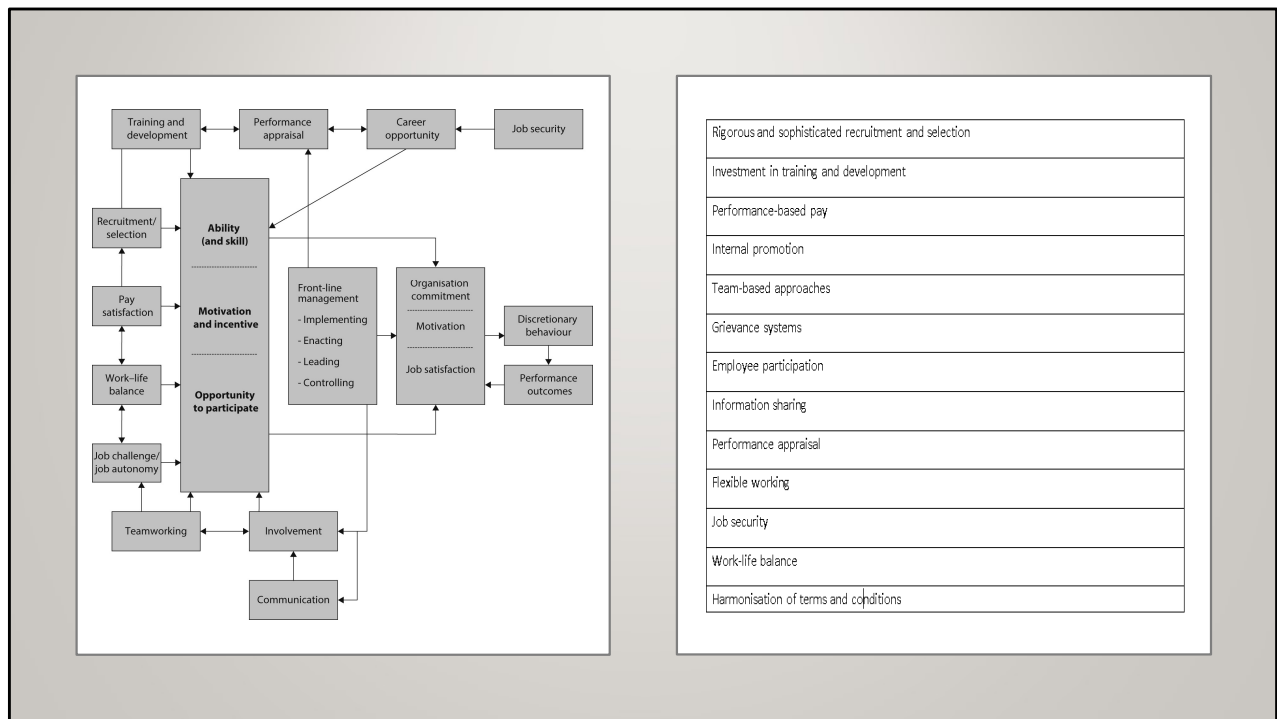
between employee satisfaction and company productivity, loyalty, and labour turnover. Forbes state that higher wellbeing at work is linked to business profitability.

The value of employee wellbeing reflects within a business. CIPD (2020) survey of Health and Wellbeing identified three benefits of focus for a business:

1. Better employee morale and engagement
2. A healthier and more inclusive culture
3. Lower sickness absence

The research states that wellbeing should not be created as an extra activity, it should be at the heart of the business model as the health of the organisation can significant.

Organisations should not play 'lip service' to wellbeing. Manager commitment to engagement, health and work life balance can heavily influenced. To ensure it is embedded the Line Manager needs to role model it into day-to-day activities which will enhance high performance working across the organisation (CIPD, 2020).



When defining the main performance management stages, it becomes clear that it is a continuing cycle which is linked to development and growth of an organisation.

Performance management can be informal or formal. Some key performance activities can include (non-exhaustive list)

1. Planning – Manager and employee agree on what must be accomplished, what standards and identify how it will be measured identifying any training needs to eliminate gaps in competency.

2. Monitoring – Continually monitor results, tracking to ensure following the correct path and make any necessary adjustments if needed.
3. Reviewing – Review is employee accomplishments and standards agreed have been met. Review if goals have been achieved with the manager evaluating and deciding regarding compensation and reward.
4. Improving – Understand the reasons why employee is not performing and keep an open mind by determining goals and ensure effective communication is happening regularly.
5. Measurement – Measuring the performance to the organisations business strategy, structure, and culture. Measurement can be Poor, Good, Excellent for example or scored 1,2,3, effectively.

Objectives should be:

- Clear and understandable
- Specific and results oriented
- Measurable and verifiable
- Sufficiently challenging
- Relevant

Organisations should consider choosing the right

measures. Some use digitalised systems with computer technology collating the data input which calculate the result based on the input (Prisms, 2021).

realistically orientated and economically invested to deliver an efficient process. Tools need to be designed to appreciate an incentive system that works for the human machine. This affects the behaviours, attitudes, and social psychological climates of individual, instilling healthy employee attitudes and appropriate organisational culture.

Many organisations have a performance management system in place. The aim of this is to improve individuals and teams' performance, raise morale, identify developmental opportunities and expectations (CIPD, 2020).

To gain commitment from an employee they must believe in the system. Individuals must understand why it is worth making the effort. It must be clear what they will personally gain/benefit from if there is involvement. Employers must believe that performance management systems provide an opportunity for self-improvement (People management, 2017).

Clear Review (2018) state reward and recognition is hugely beneficial. A third of companies believe reward and recognition result in better staff retention. Continuous improvement promotes growth in mindset.

Engaged employees actively involve themselves in the workplace. If an employee is aware their manager and business care what they are doing and is dedicated to helping them develop and progress, they are far more likely to engage with the company. Encouraging individuals to grow by setting goals that stretch and develop will result in connection and increased likelihood of 'discretionary effort'.

Discretionary effort is an interaction within the workplace where individuals give more than is expected or required from them for the benefit of the organisation (LinkedIn, 2020). Discretionary effort should not be taken for granted or abused but can add value to the individual and the organisation alike.

Performance Management practices are to seek out the best in every individual employee. Capability and training needs can be identified within this. Individuals can freely converse what their training gaps are. Feedback from management is crucial to an individual's performance. Individuals should have a voice when goal setting. A personal development plan can be devised along with implementing a buddy system. The aim for capability is not to use as a weapon for dismissal but to grow the individual, however if there is no improvement it can be used during formal capability process.



Line managers play a vital part within the performance management process. There is a possibility of a combined top-down and bottom-up approach with mutual adjustments of goals and objectives (French and Rees, 2016).

Line Managers must be aware of appraisal bias to gain a balanced view and maintain a consistent approach. Some managers may tend to rate kindly or some, the opposite, very harshly. This can cause issues especially when performance reviews are linked to rewards and

benefits. There are thirteen systematic perception errors according to Furnham.

1. First impressions – Rather than performance
2. Halo effect – Focussing on a favourite behaviour
3. Horns effect – Negative ratings
4. Contrast error – Compare with star performers
5. Same as me – High rating due to sharing common attributes
6. Different from me – Contrary to same as me
7. Recency effect – Judging only on recent behaviour
8. Central tendency – Rating all middle of the scale
9. Leniency rating – generous to all to avoid conflict
10. Strict rating – Consistently strict
11. Performance dimension error – Score two distinct qualities the same
12. Spill Over effect – Based on previous reviews
13. Status effect – Giving better ratings to higher levelled employees

‘bad news’ personal integrity, honesty, and openness, as well as a prompt approach is required. The need for preparation and investment aids managers with adopting the appropriate demeanour as well as a suitable environment all contributes. Gaining advice and being fully briefed will allow for questions and reflection, this can be gained from a HR professional or a more senior Manager.

Line Managers will shy away from performance reviews when they feel ill-equipped to deal with a situation, consider that they may not have ever done a review before. Self-doubt will creep in, therefore, it is necessary for the Line Manager to admit if they have made a mistake in the past, by gaining advice and prepare. Preparing to deal with tricky situations, tricky behaviour or breaking bad news will aid confidence, Line managers should also be aware of their own behaviours.

What the managers should do is aim for clarity, give regular feedback (to ensure no surprises in a review), monitor, foster a team approach, tackle performance and behaviour problems quickly, be aware and think carefully when breaking bad news.

Ensure you do not, assume people know what is

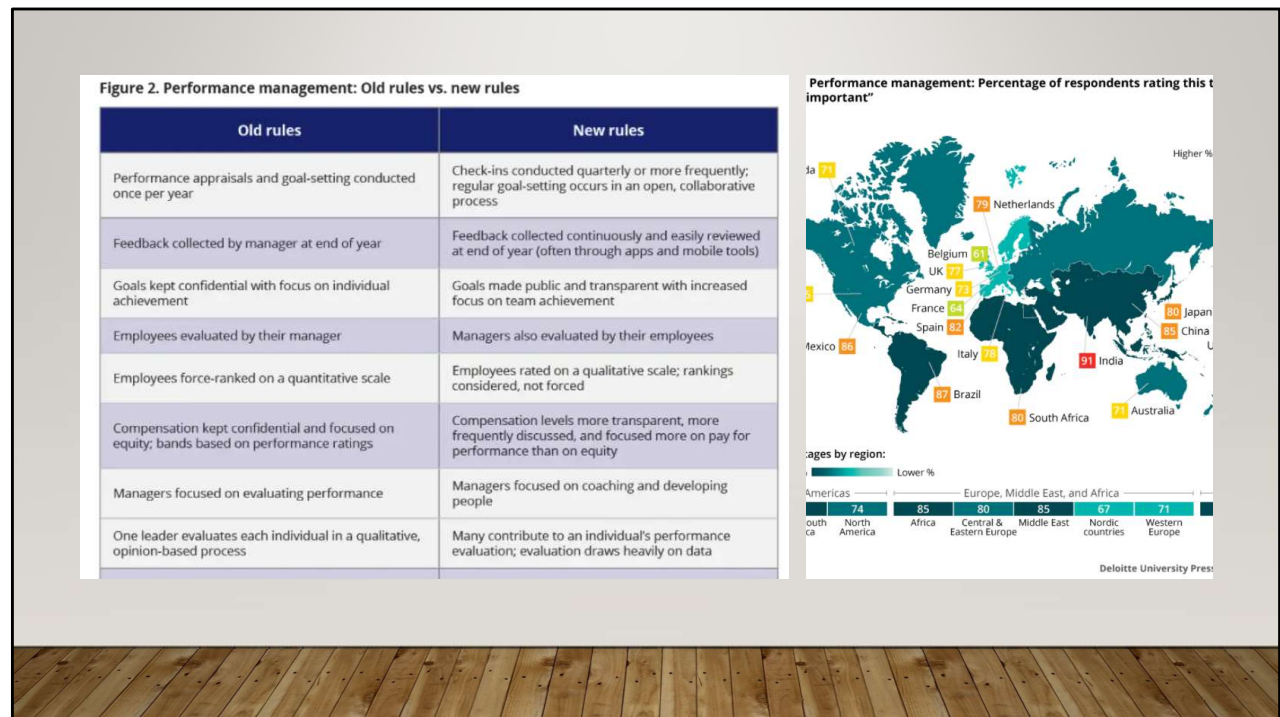
expected, leave feedback until and annual review, hope poor performance will improve without intervention, address any difficult situation without preparing first, and assume you know how people will react.

Line managers need to understand how performance management will add value by setting clear objectives and standards by involving the team, gaining advice where needed being fair and consistent (IES, 2009)



People Management, (2021) state that *'The Key to being a good manager is being a good listener'*. Failure to listen properly is the biggest gripe according to a readers survey conducted 2019. To be able to motivate your team you need to understand them. Relationships can be built if a line manager listens. Managers can often be distracted by their own 'to-do' list and can sometimes only hear parts by not actively listening. To improve listening skills managers should slow down, pay attention, reflect, ask open questions, and banish preconceptions.

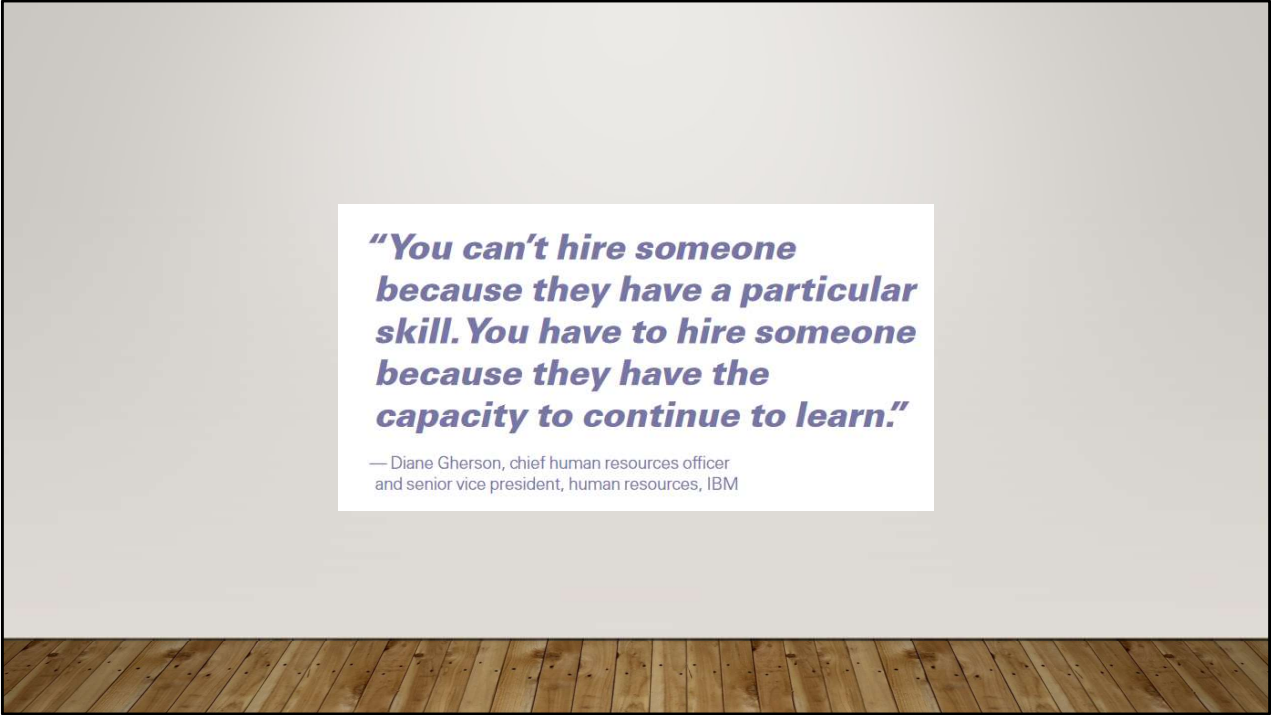
Listening can be seen as a benefit to free education. Individuals have already learned a great deal in life and gained knowledge through difficult experiences. By listening and being curious the individual can share ideas and perspectives which will add value and push the organisation further (People Management, 2021).



Getting performance management right is culturally critical to strategic execution in rapidly evolving business environments. Feedback revealed that individuals wanted to know how they were doing but didn't want a single rating based on one review (McKinsey, 2019).

Human resource and Line managers are interlinked via performance management tools. It can identify learning and development needs or talent spotting trends and also help with retention. Performance management has been redesigned over recent years. It has been focussed on retaining leaders to implement agile, developmental

management approaches. Processes have become simpler. Human resources have had an input on these measures realigning the goals and objectives. New processes focus on improving discussions, creating frequent check-ins and developmental focus

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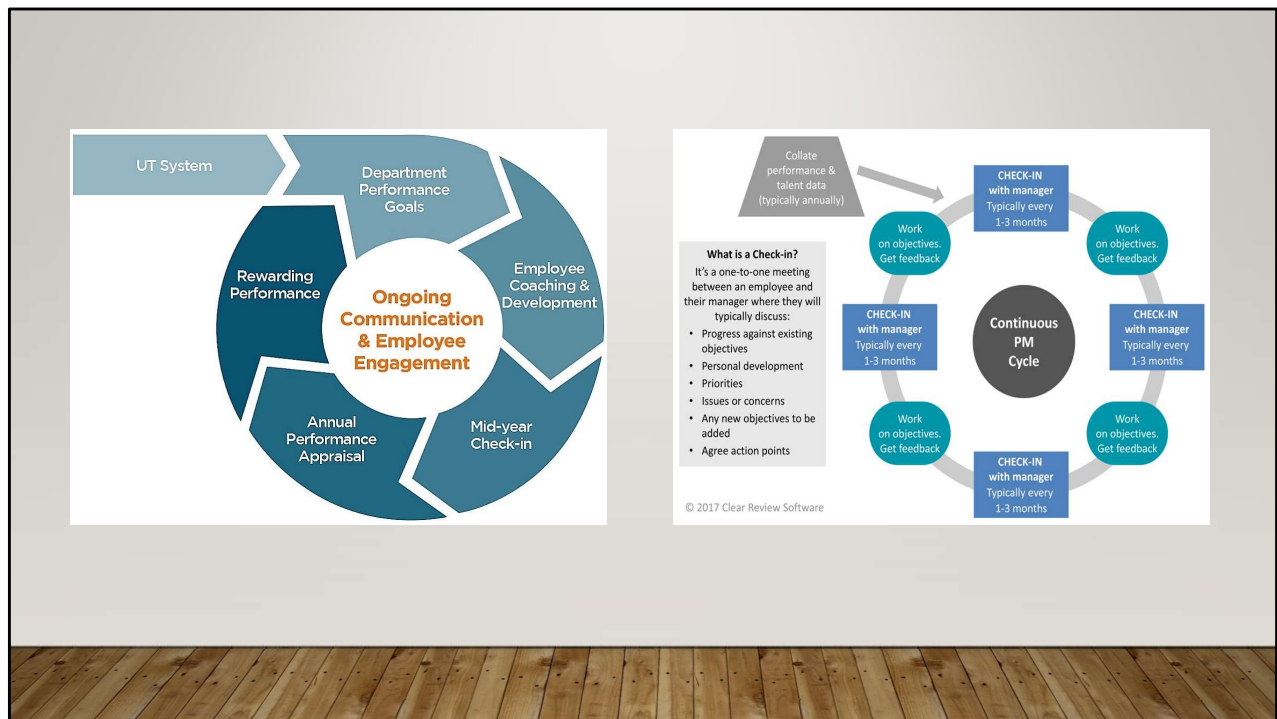
“You can’t hire someone because they have a particular skill. You have to hire someone because they have the capacity to continue to learn.”

— Diane Gherson, chief human resources officer
and senior vice president, human resources, IBM

CIPD podcast state that human resource helping the Line Manager understand and develop skills and experiences will help them do their job well. It integrates career development, talent and succession planning as well as aligning the objectives to the organisation.

Working with the Line Managers, human resources can help set the future ethos by forward working flexibility and capability which will equip individuals to be successful. Ensuring line managers understand how they fit within, by listening to individuals and making

suggestions on how to be more effective



Human resources can explain the benefits of not saving a list of misdemeanours to the end of the year, supporting regular continuous communications. It can also help the line managers personalise the values to them. Think globally but act locally. HR can provide expertise behind the scenes, provide the correct tools to have honest conversations and can be the link between more senior leaders. Having a seat at the table gaining the buy-in from the business.

By HR linking with the line managers, it will add value ensuring that managers prosper in line with their career,

therefore helping the organisation prosper.

WORKING TOGETHER



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