

## **Managing Performance (LCMB7013)**

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## Abstract

A thorough plan for SainCo's Performance Management system modernisation. SainCo must overhaul its Performance Management strategy considering the shifting business landscape and the organisation's desire to increase competitiveness. In addition to addressing organisational and employee problems, this paper emphasises employee engagement and involvement while outlining the major components of the new strategy.

## Introduction

In this report, we're going to take a closer look at SainCo new performance management approach. Breaking away from traditional approaches, we'll dive into an exciting framework that seeks to improve employee development, create a culture of continual improvement, and match individual performance goals with overall company goals. Come join us as we reveal this new way of performance management and how it can help SainCo on its journey to success.

### Performance Management: What it is Involved.

Management of performance combines both business and leadership skills. Management of performance is how line managers exercise their leadership role. Effective leadership requires informal performance management to be implemented. A formal performance management system could also be used with it. The goal of a performance management system is to guide managers in the management of performance through a group of procedures or tasks. A thorough performance management system will include formal procedures for the signing of performance agreements, the setting of SMART goals (S = Specific or Stretching, M = Measurable, A = Agreed, R = Realistic, T = Time-Related), annual performance reviews, performance assessment through a rating system, and the recording of results on a Performance Management Form. (Armstrong, 2021)

As performance leaders, line managers set the direction for their team members, provide them with the tools and resources they need to achieve results, inspire them, keep them engaged, track their performance, provide feedback, coach them, and ensure corrective actions are taken when needed.

Performance leadership involves performance management skills and practices such as setting goals, providing feedback, and coaching your team members. Managers may use these skills when running a formal performance management (PM) system. Many organisations think a PM system is necessary, but it is not. Developing managers as performance leaders with a contextualised approach is a valid alternative.

From the perspective of the organisation, performance management's primary objective is to advance the strategic objectives of the organisation. However, there are also three specific purposes of performance management:

managerial – the framework within which managers can effectively manage performance.

developmental – the foundation upon which learning, and development needs are identified and met.

administrative – the data needed to manage performance pay processes and talent management systems (Armstrong, 2021).

## Organisational and Employee Concerns

SainCo has been maintaining an exceptionally low standards of performance management. As reference to conference title “There’s more to Performance Management than appraising your employees”, by this we can understand that there might be some organisational and employee concerns which can be addressed by modern performance management system.

### **Tracking and increasing productivity:**

All successful organisations have something in common: Employee productivity. According to a Harvard study, the top 40 companies in the world have 40% higher employee productivity than the average company. That’s why tracking and enhancing team productivity continues to be one of the biggest challenges managers faces. But it’s also one of the most difficult challenges because of our ever-changing workplace. Technology, globalisation, and the COVID-19 pandemic have changed the way we work.

It is estimated that 75% of global organisations will increase their utilisation of productivity tools in the coming year. However, it is important to note that this

does not necessarily mean that the first productivity tool that is available should be purchased. It is important to ensure that the tools chosen are in line with the values of the organisation and the objectives of the business. In the same vein, learning and development activities are often associated with an increase in engagement and productivity. There are a variety of online learning solutions available, some of which have been demonstrated to enhance team performance and have a real effect on the business.

### **Managing communication between employees**

Communication is the foundation of any successful company culture. It's what sets a good team apart from a mediocre one! However, recent trends in work have made communication between teams more difficult than ever. According to research, 97% of employees believe communication has a significant effect on their day-to-day work. Did you know that many employees (71%) don't read or respond to company emails or company content? It's a sure way to open the floodgates of miscommunication, and for many companies, it's costing them thousands of dollars in lost productivity. So, how can you improve team communication?

Make sure your messages are straightforward and easy to understand. We're social creatures, so when we feel like we're connected to our bosses and the company, we're more productive. Talk to your employees regularly and let them tell you what they think or what they're worried about. It's important to keep your employees engaged, so don't be afraid to try different ways to communicate. (Growth EngineeringLMS, L&D, 2021)

### **Turnover**

Turnover is the number of employees leaving a company over a certain period. It's a measure of how well a company is doing at recruiting and keeping employees. If a company has a high turnover rate, it means that a lot of people start working at the company and then quit in a short amount of time. This means that the recruiter must spend more time and money hiring new employees to replace the ones who quit. This turnover can be caused by things like the work environment or the way the leadership is run. It's important for companies to make sure that their employees are happy with their job, which helps them keep professionals happy and attract the right people to the job openings. (Indeed, 2022)

## Teamwork

What Is Teamwork? Teamwork is when employees work together to accomplish a common objective. Effective teamwork boosts productivity, boosts revenue, and makes everyone's job easier to accomplish. However, teamwork within your organization can suffer when:

Team members exhibit conflicting personality traits  
Some people contribute more to the project than other  
Managers demonstrate favouritism towards certain people  
Your organization's communication channels are poor to address this organizational problem.

Try to arrange team meetings so that everyone can voice their concerns and come up with solutions. Avoid displaying favouritism so that everyone feels appreciated and encouraged to share their ideas. You can also hold individual meetings with your team members to evaluate the best ways to improve your team based on feedback from each person. If your team members exhibit conflicting personalities, then it's important to have them discuss their issues in a civil manner so they can come up with a peaceful solution. (Jenniferherrity, 2022)

## Employee Engagement and Employee Involvement

Engagement was the manifestation of an individual's intention and concentration of energy, which was visible to others through the demonstration of individual initiative, flexibility, dedication, and perseverance in pursuit of organizational objectives. (Macey et al 2009: 7)

The term 'employee engagement' is a broad term used to describe the relationship between an organisation's workforce and the company's vision, objectives, and values. The problem with employee engagement, and the reason why so many change programmes don't work, is that it is passive and encourages a top-down, prescriptive style of communication. (freeman, 2013)

An employee who is "engaged" will have a clear understanding and agreement with the goals and objectives of the business. They will likely come to work feeling energized and motivated, however, this is not the end of the story. We believe that the next stage, and one that all businesses should aspire to, is "involvement". An employee who is "involved" will actively participate in the

business, introducing new initiatives, taking ownership of them, and actively driving change. "Engagement" is the passive acceptance of the company's values and objectives, which can lead to increased productivity. "Involvement" is the proactive pursuit of these objectives, and an involved employee will contribute to the success of the organisation and add value to it.

Engagement and involvement are very different concepts, but how do you create a culture of engagement rather than just engagement within your organisation? At the heart of all our change programmes, is an overall business goal. This is not a learning goal or an engagement metric. Instead, it needs to be a tangible, business improving goal that is relevant to your company. This could be something like becoming a market leader in your industry, improving your NPS or simply improving your sales performance. Once this goal has been identified, we will work with you to bring it to life with the help of your employees. When your employees take an active part in solving a challenging problem that will define your company's future, your employees take ownership of that problem. The first stage of the change programme is designed not only to create and cultivate involvement but also to encourage collaboration, crowd sourcing, co-creation amongst your frontline employees. The next stage is becoming a truly involved business where everyone in the organisation has a clear understanding of their role in helping to realise the company vision.

Engagement is only a small component of a much larger phenomenon. To achieve tangible outcomes, it is necessary to go one step further.

### **Motivated and Engaged Workspace:**

Studies show that various aspects of working life influence employee engagement, including personality (e.g., self-esteem, resilience, etc.), job design (e.g., job demands, resources, leadership, and management), organisational climate or culture (e.g.: psychological safety, service quality, etc.), and management practices (i.e., mindfulness interventions, training courses, etc.). One of the most well-established drivers of motivation is autonomy (i.e., being empowered to shape your job makes it meaningful and enjoyable). According to our Good Work Index, relationship quality and managerial support are consistently linked to various elements of engagement, such as job satisfaction, job enthusiasm, effort, intention to quit, etc. Various

elements of engagement are most closely linked to different elements of job quality, such as job complexity (how interesting, new, and challenging your work is) and job effort. Terms of employment (i.e.: job security, development opportunities, etc.) are closely linked to general job satisfaction and intent to quit.

The MacLeod Review of 2009 identified four key elements that facilitate employee engagement: leadership that conveys a "strong strategic narrative" about the organisation; line managers who inspire, empower and provide support to their employees; employee empowerment throughout the organisation to enable employees to be involved in decision-making; and organisational integrity that ensures the values expressed are mirrored in the organisational culture; however, it is important to note that human resources and people management systems can impede employee engagement just as much as it drives it. It is essential for employers to be mindful of the notion that workers are inherently "demotivated", and that the solution lies in providing management with an inspiring way to lead and direct them. On the contrary, people are motivated to perform their best work when they feel empowered and supported. (CIPD, 2021)

The way in which managers and HR representatives interact with employees at a company can have a significant influence on the culture of the workplace. Establishing positive employee relations can lead to an increase in staff morale, a decrease in workplace conflict, and ultimately, improved productivity. Here are some simple suggestions and strategies for enhancing employee relations in your organization.

### **Interaction from the first day**

It's all about making a good first impression. Putting a new employee on the spot with a bunch of paperwork and presentations won't make them feel like they're part of the team. Instead, make sure you greet them with the same enthusiasm and get them ready for work right away. Show them around, introduce them to your colleagues, and even assign someone to help them get acclimated. Show them that they're appreciated and welcome from the start and that's something they'll stick with as they get used to your company and how they fit in.

## **Providing Positive Feedback**

Show them how valuable they are. It's something that employees really need to hear from you every now and then. When you tell them that you think they did a great job or did a great job in a tough situation, they'll feel like they're a valuable member of your team. So don't forget to say thank you! Employees who feel like they have supervisors who appreciate their hard work are 67% more likely to stay with your company compared to those who don't. A thank you card or note from you can really make a difference.

## **Communication**

Communicating with employees through a single note or email is not only ineffective, but also impersonal. Make yourself visible: Managers and HR reps should make themselves visible and let their employees know they're available and approachable. Have regular company meetings: Regular company meetings provide an opportunity to share essential information, deliver updates, and give your employees the opportunity to ask questions. Involve employees in setting goals: Employees who are actively involved in setting their own, their team's, and your company's goals are more likely to take ownership of them and work harder to achieve them. Be transparent: Employees who feel their managers are transparent, honest, and reliable are 94 percent happier at work.

## **Career Development**

Organizations that actively promote and support their employees' career growth will experience a more energized and well-prepared workforce. Establishing professional development strategies can assist employees in achieving their career objectives. A tuition reimbursement program may be a viable option. Providing employees with the opportunity to further their education while they are employed by a company leads to a more well-trained and flexible workforce and increases their loyalty to the organization. Additionally, providing career advancement opportunities can be beneficial. According to the study, the majority of Gen-X, Baby Boomer and older workers anticipate a promotion within 1-2 years of taking the job. (SurveyMonkey, n.d.)

## **New Approach to performance Management**

During the Great Resignation, the performance management (PM) systems of many of the world's largest companies were inefficient, frustrating, and overly rigid for a high-risk, dynamic business environment. Instead of a return to normality, the marketplace and workplace are undergoing a generational sea change that will have far-reaching impacts on how we measure and drive performance within organizations. It's time for leaders to adopt a new approach to managing people.

Why is reinventing performance management so critical? It's no secret that performance management has fallen out of favor in recent years. The old-school "end-of-year" appraisal, which dates to the 1970's, is no longer effective. In our 2015 Global Human Capital Trends study, 82 percent of companies said performance evaluations were not worth the time. In a separate study, 41 percent of companies said manager bias was prevalent, and 45 percent said performance evaluations did not inspire motivation. Nowadays, companies operate as networks of teams, with careers and learning as strategic pillars, and they are moving away from 'jobs to work' in their operations. Aligning goals, providing feedback, and coaching for performance are real-time, ongoing, and multi-directional. (Nathan Sloan, 2017)

| TRADITIONAL PERFORMANCE MANAGEMENT                                    | RE-ENGINEERED PERFORMANCE MANAGEMENT                                               |
|-----------------------------------------------------------------------|------------------------------------------------------------------------------------|
| Annual goals set by manager                                           | Agile, collaborative goals that morph as conditions change                         |
| Infrequent, irregular feedback and recognition related to performance | Ongoing conversations, timely recognition, and informal dialogue on a weekly basis |
| Annual performance review                                             | Quarterly progress reviews with accountability and incentive adjustments           |
| GALLUP                                                                |                                                                                    |

(BARRETT, 2020)

### Managing the Feedback process:

The annual performance reviews and ratings have a significant impact on decisions about pay, promotion, and retention. These high-stakes decisions can be stressful and anxiety-provoking for managers and employees alike. For

most employees, the only time they get feedback is during the annual performance review, and they may be caught off guard when they discover a performance issue months later, too late to do anything about it. Continuous performance management, on the other hand, involves ongoing, frequent, informal conversations, sometimes planned, and sometimes occurring organically. Hirsch suggests that managers create and look for opportunities to have these informal conversations as frequently as possible. "The really successful organizations are the ones where these conversations are so commonplace that people don't even think about them, they become as natural and automatic as breathing or blinking or having a cup of coffee," he says. (Mosley, 2020)

### **Balancing Score card**

Balance scorecards are a widely recognized management framework that has become increasingly popular over the past two decades. It was even voted as one of the Most Influential Business Ideas of All Time by Harvard Business Review in 2004. Using balance scorecards, businesses can clarify their strategy and articulate their business objectives and priorities; track progress by gauging the degree to which objectives and priorities are being met; and define and maintain action plans to guarantee that initiatives are being implemented to meet the business objectives and priorities. (Clover Hr, n.d.)

### **Frequent Check In**

It is essential to comprehend the performance feedback of employees. Those who do not receive feedback are often those who are lagging behind in performance, which can have a negative impact on productivity. While many organizations may not view this as a major issue, when the same individual has been promoted to a supervisor, it can have a detrimental effect on the entire team and organization. To prevent this, counselling sessions should be maintained to ensure clarity and comprehension. Regular check-ins, meetings, and one-on-ones between employees and managers should be conducted to discuss progress, difficulties, and potential opportunities. These checks-ins can replace the traditional yearly review and provide a more agile way to address issues. Maintaining an annual review may only make matters worse, so it is important to have frequent check-ins as soon as any issues or problems arise. (Tracey Weiss, 2023)

## **Culture of Respect**

A Company can provide its employees with a wide range of benefits, such as salary, benefits, and environment, as well as employee-friendly policies and perks. However, without respect, an employee is unable to perform at their best. Employees value respect and feel it is essential that all employees are treated equally. They want to be respected at all levels of the organisation. To ensure this, it is important to avoid public criticism. Employees or any individual would prefer to be praised publicly but criticized privately. Being overly harsh in public can lead to a lack of fairness, pride, and motivation. Therefore, it is essential to treat employees with respect and comprehend their expectations of privacy, which can lead to improved performance. (HarvardBusinessreview, 2017)

## **Learning and Development**

New ways of managing performance (and tools) make it easier for people to talk about their skills and abilities on a regular basis, which helps them figure out what to focus on and what kind of learning they should be doing. Plus, new learning solutions are helping create an "always-on" learning environment to meet this need.

## **Overview of the New Approach in the Performance Management**

- The process is highly adaptable, rapid, continuous, and lightweight.
- Numerous factors are considered when evaluating an individual's performance, and the evaluation is heavily reliant on data.
- The focus of managers was to coach and help people grow.
- The report found that compensation levels were more open to scrutiny, were more commonly discussed, and were more heavily weighted towards performance-based remuneration rather than merit-based compensation.
- Employees are evaluated based on their performance on a certain scale, and the rankings are considered and not set in stone.
- Employees also rank managers according to their performance.
- Public and clear goals with a focus on team success.
- The feedback collected is continuously and easily reviewed at the end of the year, often using applications and mobile tools.

- The quarterly or more frequent check-ins are conducted in an open and collaborative manner, with regular goal setting taking place.

## Recommendation

### Short Term

**Communication:** Employees should be made aware of the change in performance management by initiating a companywide communication campaign. Employees should be informed of the advantages of the change and be encouraged to take part in the process.

**Training:** Provide training workshops to equip managers with the knowledge and skills to effectively deliver feedback, provide coaching, and engage in performance discussions. Provide training sessions to equip managers to effectively deliver feedback and provide coaching, encouraging open dialogue.

**Recognition:** Create a peer-to-peer program that encourages employees to recognize and reward each other's efforts. This helps create a more positive and cooperative work environment.

### Long Term

#### Goal Alignment

Create a step-by-step goal-setting system that links individual goals to overall company goals, increasing accountability. It ensures that each employee's work contributes directly to the company's success.

#### 360 feedbacks

360-degree feedback is a system of feedback that enables employees to receive feedback from their peers, colleagues, and supervisors. This comprehensive approach provides an overall overview of an employee's performance.

#### Skill Development

Create an environment of ongoing learning through targeted training, workshops, and mentorship initiatives. Develop tailored development strategies to develop employee skills and competencies.

## **Technology Integration**

Choose performance management software that allows you to get feedback in real-time, track your goals, and analyse your data. Look for quality software solutions that match SainCo's industry and size.

## **Regular checks**

Instead of having one-on-one meetings every now and then, managers and employees should have regular check-ins to see how things are going, what challenges are facing the team, and if there are any opportunities for growth.

## **Goal Setting**

It is now widely accepted that goal setting is effective and valuable for steering and improving performance. The robustness of this finding is further supported by the fact that goal setting as an intervention also affects behavior's or achievement in areas other than workplace performance. However, some scholars believe that goal setting shouldn't be used as an over-the-counter treatment for motivation. Instead, goal setting should be used by managers as a prescription strength medication, with careful dosage and consideration of any adverse side effects. The evidence for this comes from randomised controlled studies in which very high goals were used in combination with economic incentives. The impacts were small, but included a decreased ability to control one's feelings, thoughts, and actions. (CIPD, 2016)

## **Conclusion**

Reconnecting with modern performance management processes is essential for the growth and development of SainCo in today's competitive business environment. By addressing the concerns of the organization and employees, increasing engagement and involvement, and making both short- and long-term recommendations, we can transform SainCo into an agile, engaged and high performing organization. Modernizing SainCo performance management is the first step towards competitiveness, engagement, and growth. Addressing the concerns of the organisation and employees, increasing involvement and engagement, making both short- and longer-term recommendations, transforming SainCo into a dynamic and engaged organization. In conclusion, revitalizing the performance management system of SainCo will help us to be more competitive and engage our employees. By adopting a collaborative and

growth-focused approach, we can embrace modernity while preserving our traditional values.

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