

13. PERFORMANCE MANAGEMENT

Performance management processes provide a framework for monitoring, reviewing and developing employees' performance as it relates to the overall performance of the organisation. Effective performance management is equally important when employees are performing well as when there are problems.

Performance management processes serve the following purposes:

- They meet staff needs to receive ongoing feedback on how they are doing, to examine ways of improving performance, and to plan goals for their future career development
- They clarify expectations and develop strong ongoing work relationships
- They provide the organisation and staff with written records to guide them
- They enable organisations to meet their accountability requirements for service standards.

A good performance management process enables open communication between managers and staff, both with regard to the individual's contribution to the organisation's performance and with respect to their personal and professional development opportunities. It also enables managers to identify and address issues of poor performance within a constructive framework.

Any performance management system is only as good as the job description upon which it is based - therefore it is vital that both the job description and performance expectations are clearly understood from the start.

ESTABLISHING A PERFORMANCE MANAGEMENT SYSTEM

1. Establish agreed expectations

Drawing up an initial performance agreement creates a sound basis for ongoing performance evaluation. Apart from documenting routine duties, employers may want to agree from the beginning about key milestones in the employee's work calendar and any training or skill development the employee is to undertake.

A performance agreement should be negotiated based on the key tasks and outcomes described in the employee's job description, with specific performance indicators listed for specific tasks within a given period.

As with subsequent performance appraisals, employees should be advised well in advance when they are going to meet with their manager to

develop the initial performance agreement. The employee should be put at their ease and they should have the opportunity to provide meaningful input into the drafting of the agreement. Dates for regular appraisals should be agreed. The performance agreement should then be printed out, signed by both parties, and a copy provided to the employee.

2. Evaluate performance on a regular, routine basis

Performance appraisals provide an important opportunity for employers and employees to formally discuss both the employee's performance as well as their development needs. They are usually conducted by the person's immediate line manager. If the position is a sole charge one, a representative of the governing board or the board's employment subcommittee may be tasked with carrying out the review.

Appraisals should occur at least 6 months after commencing employment and at least yearly after that on the anniversary of the commencement date and need to be prepared for by both parties. The credibility of the process can be undermined if performance reviews are only held when the employer gets around to it, or when there is a problem, so it is important to structure them into the employee's work plan.

If performance appraisals are treated as a routine part of the employment process, over time, dealing with problems and issues will become part of the fabric of the employment relationship.

Performance Appraisals and Salary Reviews

Performance appraisals that are tied to salary reviews tend to be less than satisfactory as they may undermine the openness of the discussion and put staff under pressure. For this reason it is preferable to do salary reviews at a different time. However some staff prefer this option so it may be advisable to discuss this with staff before coming to a decision.

3. Feedback sessions

In between appraisals, monthly or bi-monthly feedback sessions can be held between the employee and the line manager to ensure performance can be acknowledged, objectives for the coming period can be reviewed and revised, and any specific performance difficulties can be raised and dealt with proactively. Ideally this will mean that there will be no surprises for either party at the performance appraisal. Appraisals which provide surprises for employees suggest that normal supervision and support processes have broken down.

If a major concern about performance arises, deal with it immediately, rather than waiting for a scheduled feedback session or appraisal. Make notes at the meeting that summarise the discussion and any agreements made.

(See Guide 14: Managing Employment Relationship Problems for more information.)

4. Choosing a Format

There are a wide range of formats for evaluating performance. The format chosen will depend on the needs and nature of the organisation.

5. Keeping Records

Following the performance appraisal, the original documents should be placed in the employee's file and a copy given to the employee.

6. Appreciative Inquiry

Instead of looking for 'problems' and 'needs', Appreciative Inquiry is an approach that builds on the existing strengths and resources of an individual. An example of the use of this positive approach to performance appraisal is included in Resource 5.

Information

- www.community.net.nz - CommunityNet Aotearoa - section in the Community Resource Kit on Performance Management
- www.nscss.org.nz - North Shore Community and Social Services - "Performance Appraisals"

Resources

- Guide 14 - Managing Employment Relationship Problems
- Resource 5 - Sample Performance Evaluation Formats

Tips for conducting effective performance management meetings

Prior to the meeting make sure you are familiar with your employees' performance over the past 12 months and know what you want them to achieve over the next 12 months.

- Encourage people to open up by providing an informal, unhurried atmosphere
- Demonstrate respect for the employee
- Support your comments with specific examples of performance you've witnessed through the performance cycle
- Provide feedback against measurable targets as set at the beginning of the performance review cycle
- Focus on the facts - provide feedback in relation to the performance development plan. This is not a chance for you to raise issues that have bothered you throughout the year - you should have dealt with these when they arose
- Keep an open mind - they may well have a reasonable explanation for any performance issues you may raise
- Listen to feedback from the employee - you too may receive feedback you don't necessarily want to hear, but keep an open mind
- Avoid hearsay, accusations and exaggerations
- Connect behaviours to results - e.g. "when you don't meet deadlines, it results in me getting behind in my own work"
- Include positive and constructive feedback - where possible, approach negative feedback from a developmental perspective (i.e. "these are your areas for development, how shall we work together to address them")
- Discuss performance, not personality
- Be positive - the meeting is a discussion, not a debate.

Source: SPARC, *People Management*.
www.sparc.org.nz