PERFORMANCE MANAGEMENT: AN OVERVIEW
Continuous process of improving performance by setting individual and team goals which are aligned to the strategic goals of the organisation.

It involves:

- Performance planning to achieve goals
- Reviewing and assessing progress
- Developing knowledge, skills and abilities
DEFINITION OF PERFORMANCE MANAGEMENT

CONTINUOUS PROCESS

IDENTIFYING

MEASURING

DEVELOPING

Performance of individuals & teams

ALIGNING PERFORMANCE WITH THE STRATEGIC GOALS OF THE ORGANISATION
Consider two main components of the definition:

- **Continuous process:**
  - It is ongoing, future-oriented, and participative system
  - Never ending process of setting goals and objectives
  - Observing performance constantly/regularly
  - Giving and receive ongoing coaching & feedback
  - Aimed at improving employee performance

- **Alignment with strategic goals:**
  - Ensure that employee activities & outputs are congruent with organizational goals/objectives
  - To help organizational gain competitive advantage
  - Create direct link between employee performance and organisational goals
  - and makes employee contribution to organisation explicit.
A means of **getting better results** from the organisation, teams and individuals by understanding and managing performance within an agreed framework of planned goals, standards and attribute/competence requirements.

It is a process for establishing **shared/common understanding** about what is to be achieved.

An approach to **managing and developing** people in a way which increases the probability that it will be achieved in the short and longer term.
YOU HAVE TO ASK YOURSELF NOW ...

Am I really committed to better service delivery at work?

What is my contribution towards the achievement of strategic objectives?
SIMPLE PROPOSITION

‘When people know and understand what is expected of them, and have been able to take part in forming those expectations, they can and will perform to meet them’.

It seeks to change the attitudes, values, and approaches of management and employees according to new strategies, processes and plans to improve productivity and performance.
Vision
Mission
Strategic Objectives
Departmental Objectives
Alignment of Job Descriptions
- Functional analysis / job design
- Standardisation of JD’s
- Job Evaluation & Grading
Performance Agreements
Individual Development Plans
Performance Review
Performance Appraisal
Performance Recognition

Human Resources Process

Finance systems

e-OPMS

IPMS (manual)

HR systems

HR systems

Basic understanding

Financial Parameters

Human Resources Process

HR systems

Finance systems

IPMS (manual)
OVERALL PRINCIPLES OF PM (Strebler et al 2001)

- Have clear aims and measurable success criteria
- Be designed and implemented with employee involvement
- Be simple to understand and operate
- Must be fundamental in achieving all management goals
- Allow employees to have clear understanding of their performance (contributions) and organisational goals
- Focus on role clarity and performance improvement
- Be closely linked to well resourced training and development infrastructure
- Directly linked to reward and build in equity and transparency safeguards
- Be regularly reviewed against its success criteria
VIEWS OF PRACTITIONERS ON PRINCIPLES OF PM
(Armstrong & Baron (2004))

• PM is what managers do: a natural process to manage
• A Management tool which helps managers to manage
• Its about how we manage people
• Driven by corporate purpose and values
• To obtain solutions that work
• Only interested in things you can do something about and get a visible improvement
• Focus on changing behaviour rather than paperwork
• Based on acceptable principles but operates flexibly
• Focus on development not pay
• Success depends on what the organisation is and needs to be in its performance culture
ETHICAL PRINCIPLES
(Winstanley & Stuart-Smith, 1996).

• Respect for the individual – treat people as “ends in themselves” and not merely as “means to other ends”

• Mutual respect – parties involved respect each other

• Procedural fairness – procedures operated fairly in accordance with principles

• Transparency - people affected given opportunity to scrutinize the basis upon which decisions were made
THE PERFORMANCE MANAGEMENT CYCLE

STRATEGIC GOALS OF THE ORGANISATION

PLAN
Performance Agreement
- Role profile-key results
- KPI’s / learning goals and plans
- Performance goals
- Performance Development Plans

REVIEW
Joint analysis of performance
- Dialogue & feedback
- P Assessment
- Agree strengths & weaknesses and build on it
- Agree areas for improvement

ACT
Performance Activities
- Carry out role/tasks
- Implement P improvement plan
- Implement PDP

MONITOR
Ongoing performance management
- Monitor performance
- Continuous feedback
- Coaching
- Deal with under-performance
<table>
<thead>
<tr>
<th>Start of year</th>
<th>PERFORMANCE AGREEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Continuous dialogue</td>
</tr>
<tr>
<td></td>
<td>ONGOING PERFORMANCE MANAGEMENT</td>
</tr>
<tr>
<td></td>
<td>PERFORMANCE REVIEW</td>
</tr>
<tr>
<td>End of year</td>
<td></td>
</tr>
</tbody>
</table>
PERFORMANCE AGREEMENTS

• Outcome of decisions made jointly by the manager and individual during the planning part of performance management sequence

• Provides foundation for managing performance and guide improvement and development activities

• Used as a reference point when planning and reviewing performance and is a key of PMS

• Contains agreements on expectations in the form of results, competencies and actions required
ROLE PROFILES

• Role profile is the basis of agreement, and it defines the following:

• Overall purpose: what the role exist to achieve

• Key result areas – elements of role for which clear outputs and standards exist (KPA’s)

• Knowledge and skills requirements: what role holder should know and be able to do

• Behavioural competencies requirements: types of behaviour required for successful performance
AIMS OF PERFORMANCE MANAGEMENT

To attract & retain skilled staff
To integrate Corporate & individual Objectives
To provide a Framework for Employment equity
To create a performance culture
To provide Framework for Managing unacceptable performance
To improve Individual & team performance
To clarify Accountabilities And empower people
To develop skills, Competencies & Individual potential
To provide a Framework for Strategic management
To provide Channels for communication
To develop the Climate for motivation
To provide a basis For performance Related pay

PERFORMANCE MANAGEMENT
THE OVERALL AIM OF PERFORMANCE MANAGEMENT:

• Is to establish a culture in which individuals and groups take responsibility for the continuous improvement of business processes and of their own skill and contributions

Thus:

• PMS will aim to instil a customer-service, performance-oriented, transparency and accountability culture within an organisation and align service processes, rules, regulations, and practices with the new culture.
KEY BENEFITS OF PMS

• PM focuses on results, rather than behaviours and activities

• Aligns organizational activities and processes to the goals of the organization

• Cultivates a system-wide, long-term view of the organization.

• Produce meaningful measurements
WHAT CAN THE PMS DO FOR THE ORGANISATION?

• Create **high performance culture** – high performance organisation

• Improve organisational **efficiency and effectiveness**

• Ensure **quality services** for greater customer satisfaction

• Create **costumer service oriented culture**

• PMS **aligned with vision and mission** will provide a clear direction for organisation

• **Link individual activities** to organisational objectives

• Organisation will become a **learning organisation**

• Organisation will achieve its strategic objectives
WHAT CAN THE PMS DO FOR EMPLOYEES?

- Increase motivation and commitment of employees
- Enable individuals to develop their abilities
- Ensure sustained growth and individual development
- Positively influence behaviour to achieve organisational objectives
- Improve individual and team performance
- Deliver increasingly efficient and effective services
- Responsive to the customers’ needs and ensure customer satisfaction
- Motivate employees to achieve their full potential in line with organisational strategic objectives
- It supports knowledge, skills and competency levels
- Employees will understand their contribution to the vision and mission of org
- Employees will commit themselves in their jobs
- Employees will adapt to new challenges within the organisation
- Provide basis for rewarding people
- Assists in empowering people and to retain high quality people
- Can lead to performance related salaries
MANAGING THE PMS PROCESS

• **Leadership, support and commitment** to the implementation, enforcement, monitoring and evaluation of the PMS will ultimately provide the impetus for its implementation.

• In the absence thereof the PMS is not likely to succeed

• PMS is a process **owned and driven by line managers** and should be regarded as an integral part of the continuing process of management

• The implementation of the PMS should be seen as **a process** and not as an event.

• Therefore, it is a **total company effort** and cannot be left to one person, one division or one Department.

• **Leadership** plays a pivotal role to **steer, guide and direct** the implementation of the PMS in the organisation.

• Thus, performance management will become the **core function** of all the supervisors, managers, executives etc.