DESIGNING PERFORMANCE MANAGEMENT SYSTEM

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PRELIMINARY WORK TO BE DONE
(Pre-requisites steps for effective design of PMS)

- Analysis and diagnosis of current situation
- Prepare a business case for performance management system
- Consider system options
- Gain top management full support
- Consider how to obtain line management buy-in
- Prepare a project plan
- Prepare a plan for people involvement and communication.
ANALYSIS AND DIAGNOSIS

- Systematic analysis and diagnosis of the current situation (WASCOM PA vs PMS)
- How are the current working arrangements functioning
- Identify strengths and shortcomings of current system
- Sample of managers/employees can be interviewed or special surveys conducted or focus groups
- Possible solutions that would be addressed in a new PMS
- Analyse the environment in which the organisation operates
- Outcome of diagnosis would be the basis for designing or modifying PMS
PREPARE A BUSINESS CASE

- The business case must be convincing
- Justify the need for the development/review of the PMS
- Strong support of the PMS is needed as it will require resources/time
- Clarity on how the outcome will benefit the organisation & resources required and suggested changes
- Suggest already possible system options to be aligned with anticipated changes
- Conclusions to be made through a consultative process with other role players.
CONSIDER SYSTEM OPTIONS

- What kind of PM system is needed
- Design a scheme that would include features of goal setting, providing feedback and review and assessment
- How simple and user friendly is the system?
- Should the system be web-based or paper based?
- Who should the system cover (same for all staff or different)?
- Example of e-PMS and IPMS
GAIN TOP MANAGEMENT SUPPORT

- Success of implementation depends very much on the level of top management support.
- Committed CEOs who get their executive team to adopt and support the system implementation, will have a higher level of success.
- Continues dialogues around how the system is intended to work.
- Top management roles and the level of their involvement be clarified.
- Think about specific actions needed to develop such commitment and support.
- Inculcate a performance culture within top management & entire org.
CONSIDER BUY-IN FROM LINE MANAGEMENT

- Provide leadership from the top: PM implementation to be led from top
- Communication: Emphasize the managing of performance as their reason for existence
- Involve: Involve them at every stage from design to implementation as project team members, as evaluators of the system, or for coaching others
- Encourage: allow them to lead discussions or forums where performance management is discussed
- Keep the system simple: The simpler you make the system the more it gains line managers’ support.
- Reduce pressure: Make performance management an ongoing process.
- Develop a calendar: that will remind line managers of when to undertake the key milestones of the process.
PREPARE A PROJECT PLAN

- It will define who will manage the project and who will be involved in project.
- Set out the programme for development & implementation.
- Express any need for assistance from outside management consultants.
- Any additional experience and expertise.
- Set up a project team and appoint a project manager to be responsible for detailed planning and implementation activities.
- Deploy experienced line managers for necessary assistance.
PLAN FOR INVOLVEMENT

- Involvement of line managers & other employees is important for 3 reasons:
  - People support what they help to create
  - Good ideas about the system and it can best work will be generated
  - People have a right to be consulted on matters that affect them
PLAN COMMUNICATIONS

- Develop communication strategy
- Communicate to all concerned (staff, trade unions, stakeholders etc.)
- The aims/purpose of the system be explained
- How it will work and how people will be affected by it
- Each feature/step of how the system would be developed must be explained
- Use methods/means such as brochures, fliers, briefing sessions, road shows)
PM DEVELOPMENT STAGES

- Agree objectives
- Draw up guiding principles
- Define processes
- Pilot test
- Plan and implement training
- Implement
- Evaluate

involve → communicate
To improve organisational, team and individual performance
For alignment of organisational and individual goals
Clarify expectations
Support realization of core values
Develop skills and abilities of employees
Foster closer relationship between individuals and their supervisors
Provide fair methods for performance assessment
Empower individuals to manage own performance and learning
Enhance employee engagement
Support talent management
Provide means for rewarding performance
DRAW UP GUIDING PRINCIPLES

- Clearly stated objectives of the system/regular review
- Clearly stated standards of performance
- Identification of development needs
- Feedback on job behaviour
- Agreed training plan/training needs
- Performance agreement process, review and assessment
- Managing non- or under performance
- Performance verification
- Commitment of staff members
- Appeal procedure
DEFINE PM PROCESS

- Define each stage of the PM cycle: planning, monitoring, reviewing & assessment
- Measures used must be understood by both managers and employees.
- Development activities such as IDP’s must be explained in terms of what they are, and it would be implemented.
- Continuous formal/informal discussions and engagements between managers and their subordinates needs to be understood by the role players.
- Tools for use must be developed and defined to reduce the risk of misinterpretation
- Employees must be informed in advance on PM activity timelines
- Employees must be informed in advance on what & how they will be engaged
- Measures used for assessment must be well understood by BOTH managers & employees.
- Administrative aspect - forms to be used, reports to be submitted if any be defined
- Managers and employees need to know what forms are available for what activity
- Review forms, rating or appeal forms need to be explained in advance.
PILOT TESTING

- Early detection of flaws
- Provides for feedback regarding acceptability of the system by users
- Collection of views of how to improve the system
- Achieve early acceptance from a group of participants
- Builds confidence to the rest of the organisation that the system has been tried

Criteria for selecting the pilot test group
- Willingness to invest time in trying out the system
- Fair representation of managers & employees
- Participants need to be briefed of their roles

How long should the pilot testing period run?
- Ideally a pilot test should run for a period of 12 months

- Recording details of outcomes; successes & hiccups experienced at every stage
- Planning and feedback meetings must be held regularly during piloting
- End of pilot period, org should determine its readiness for full implementation
PLAN AND CONDUCT TRAINING

- Before full implementation is undertaken, it’s important to plan for training.
- Skills development is part and parcel of successful implementation of PMS.
- Identifying the skills required and develop formal and informal programmes.
- Plan for training and developing both managers and employees for them to support and successfully implement performance management.
IMPLEMENTATION AND EVALUATION OF THE EFFECTIVENESS OF PMS

- Continuous review or evaluation of the PMS
- Monitor how well the system is doing
- Assessing whether intended objectives of PMS are being realised.