



HR Inc Guide: Performance Management



Introduction

Effective performance management is an essential part of managing, improving and maintaining business performance. However, throughout the years, performance management has become a minefield for managers and a process that has lost its effectiveness.

We at HR Inc seek to avoid overcomplicated processes in managing people but use processes and tools that assist managers and ultimately the company performance. Businesses often hold financial and commercial performance in high regard yet consider the employee performance as a Human Resources issue missing the true value of it.

Managers may not have been trained in the skills required to manage performance effectively but that doesn't escape the necessity to manage employee performance. It is clear through HR Inc's experience that employee issues can be avoided through some simple performance management techniques. Therefore, this guide will provide you with some useful tips of how to manage employee performance the 'easy way'.

What is Performance Management?

Performance management is a process that brings together the needs of an employee's role with the skill and training needs of the employees. It is a holistic approach that has a significant benefit for motivating, improving and monitoring employee performance. Unfortunately, the process of performance management is regularly complicated by companies and HR departments and therefore misunderstood.

Effective performance management contributes to the effective management of employees, teams and organisational performance. It has a clear link into the success of an organisation but yet it often fails to be recognised as such. In the ideal format, performance management is a strategic tool combining all of the people policies and procedures with the aim to assist in the



success of the organisation. Unfortunately, performance management is normally restricted to appraisals.

In the simplest form the main focus of performance management is to set standards (objectives) of employee performance and behaviours. Typically these standards are referred to as performance objectives. This is where the problem with performance management occurs with a lot of managers and organisations. As these performance objectives relate to an individual's performance, not an organisation or process' performance, managers find the process very confrontational and therefore difficult to address or effectively manage. If an organisation is committed to realising the benefits of performance management they will need to motivate the managers and take active role in the process.

**How do I set
Performance
Objectives?**

Performance objectives can seem difficult to define and often cause managers a great deal of problems.

To write a performance objective a manager should first consider the main areas of responsibility of a role. The manager should then consider splitting down the areas of responsibility into SMART objectives. This is a technique that is simple yet effective but unfortunately a lot of managers ignore the SMART principles. A SMART objective is defined as follows:

- 👉 **Specific** - means the goal is clear and unambiguous
- 👉 **Measurable** - measurable goal will usually answer questions such as: How much? How many? How will I know when it is accomplished?
- 👉 **Attainable** - means that the objective is achievable and that it can be measured and achieved by the employee
- 👉 **Realistic** - the objective is relevant and that with the employee and the resources and time available, it can be achieved
- 👉 **Time bound** - the objective is grounded with a timeframe or target date



A lot of managers believe that it is difficult to set objectives. The example below is used to demonstrate that a role, no matter how junior, can be split into different areas of responsibility and SMART objectives can be set.


	Job Role	Main areas of responsibility
	Cleaner	Ensure that offices are cleaned daily. Clean the hall ways and reception area daily. Keep the cleaners room tidy at all times. To keep appropriate equipment and chemicals up to date. Etc.
	Performance Objective	This example is taken from the first area of responsibility: <ul style="list-style-type: none"> • Ensure all work surfaces in the main office are dusted every day. • Dust and use liquid cleaner on the office managers' desk every day ensuring that the desk, monitor and keyboard are clean. • Clean the main office carpet every day. • Empty all waste bins into the external waste bins every day. • Complete all cleaning activities within 3 hours per day.

It is not always possible to create one objective into a SMART objective. However, the following example demonstrates how a manager can correct (**in red**) an objective.

	<i>Agree fix times for 80% of IT faults within 1 working day and fix 95% within the 3 hours as per the SLA. Achieve by March 2012 and maintain throughout the year.</i>
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Even SMART objectives need to be regularly reviewed to ensure that they remain suitable or appropriate for the role. The following examples demonstrate this issue clearly:





Role	Objective	Issue
Aeronautical Engineer	Complete full maintenance, including dismantling and fixing minor issues, on jet engines (1 engine every 4 hours), in accordance with the standards and quality manuals.	This seems perfectly acceptable. However, if this is objective is not reviewed regularly it may take an engineer only 2 hours instead of 4. The objective then encourages a very low standard of performance.
Teacher (Further Education)	Ensure a 95% rate of pass at C grade for all students completing the Business Studies A Level.	This seems valid although it doesn't address the entry level of the students or the improvement in skills obtained on the course.

The Aeronautical Engineers' objective is relevant and clearly sets the expected level of output in maintaining an engine. However, if an engineer is able to complete the objective within the 4 hours do you think that the engineer is working effectively? If the objective is not continually reviewed the engine may only take 2 hours, with improvements in process/technology and skills, to maintain. Is the engineer working effectively now?

Managers should set objectives that are performance, behavioural and developmentally based to realise the potential of employees. The SMART principles can be used for behaviour and developmental needs also.

How do I monitor the performance of my employees?

A key part of the process is to record progress against the employees' objectives and provide objective feedback on a regular basis. Frequently problems occur due to the fact that managers haven't regularly provided feedback on the employees' performance and encouraged a two way conversation.





If the objectives have been set correctly the tracking and recording of performance should be relatively easy. The design of an appraisal and review process typically includes the following elements.

- objective setting.
- discussion and feedback
- ongoing review.
- final review.

Before a manager provides feedback it is very important to establish the facts of the employees' performance against the performance objectives. Once this is clear the manager should prepare carefully for the feedback or review session. The following should be prepared:

- collate the evidence of performance against objectives
- prepare objectives that need to be added or removed in light of business needs.
- be clear on any performance issues that need to be addressed
- plan the review session (agenda, invite etc) and write ups
- write down the review, bullets of what needs to be covered and tick them off during the session if necessary

Regular effective and objective feedback is key to a successful performance management process.

How do I hold a review session?

It is very important for a manager to prepare for the review session and deliver the review as per the plan. Managers need to make sure that everything that they want to discuss is covered in the review session.

It is essential that a review session is a two-way conversation and that the manager actively listens to the employee. The following simple principles allow for a two way conversation.



A skilful appraiser will deploy various types of questions during an appraisal.

- 👉 **Open:** An open-ended question invites the respondent to reply in the way they see fit. e.g. "Tell me about how you reboot the server?"
- 👉 **Closed:** A closed question requires a yes or no answer i.e. "Did you reboot the server on time?"
- 👉 **Probing:** These clarify or seek further information, eg "What problems did you encounter in particular?"

A simple method of ensuring active listening would be to repeat what the person said and ask questions from it e.g. "So if the server wasn't rebooted on time what happened next?"

How do I record the review session?

It is important to ensure that the discussions are objective and accurately recorded either through an appraisal form or email/minutes of the session. A lot of managers find this a difficult issue to deal with. To make it easier for managers, they should comment on the objectives set and make the comments specific avoiding personal comments. The following example demonstrates a performance review write up that lacks focus.



Brenda has had a reasonably successful year in her new post. Taking on responsibility of the new role was not easy in view of the circumstances. Brenda understands these issues and has committed to improving her performance next year.

Brenda's strength lies in her organisational and administration capability. She doesn't do very well when faced with difficult problems but manages to cope where less capable people would falter. And she has risen to the occasion more than once over the past year. She is an ambitious lady but needs to work within her limitations.





The manager could comment on specific challenging objectives and how she has responded to them. Comments such as ‘She doesn’t do very well when faced with difficult problems’ are inappropriate and lack clear examples and measures.



Conclusion

HR Inc Ltd are committed to taking the pain out of HR and therefore the following tips will help managing employees performance the easy way.

- 🌀 be objective – set SMART objectives
- 🌀 feedback, feedback, feedback – just do it
- 🌀 be understanding but be objective
- 🌀 provide positive – negative – positive feedback during a performance review
- 🌀 avoid personal comments
- 🌀 be clear on your assessment and expectations from employees.



Performance management is an imperative part of managing people in any organisation. Many managers find themselves in difficult situations that could have been avoided with effective performance management.

Get in touch with HR Inc and we can help you achieve real improvement in your employees’ performance.



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