



## **Expanded Article - Performance Management**

### **Performance Management**

Article contributed by Andy Mackie

Performance Management has traditionally been viewed as an HR process forced on line managers and employees as something extra on top of their proper jobs, is typically taken to mean the pay review, is often left to the last minute and rushed, and quite frankly is something that both parties would rather not have to do.

However, Performance Management is a critical priority for any company. The way we manage performance directly affects our right to continue to operate and to employ people.

A good Performance Management process should provide a means of recognising and valuing the individual contribution of every employee in a company, ensuring that they are rewarded for good performance and supporting their continued career development within the organisation. By advancing a sense of equity, achievement and satisfaction and by encouraging the acquisition of relevant skills, PM will support the improvement of individual and company performance, and help to ensure their mutual success in the future. It will also ensure that every employee is fully aware of what is expected of them, and where their contribution fits within the overall objectives of their department and the organisation as a whole

PM should therefore be an ongoing activity throughout the year, and form a significant part of every manager's day-to-day activities. It is part of the day job, and whilst HR may facilitate the guidelines and timetable, ownership must lie firmly and jointly with the manager and employee. Through this joint ownership, the setting of objectives and targets, agreeing actions for improvement and the formulation of training and development plans become collaborative exercises between manager and employee, ensuring mutual agreement and clear understanding throughout these processes.

By providing a vehicle to promote regular two-way feedback between employees and their managers at all levels in the company, PM ensures that targets and objectives remain current and valid as the organisation and its business priorities change. It enables the employee to know how he or she is performing against targets and objectives at any time of the year, allowing the formal year-end review to become simply a reflection of that day-to-day feedback. This is particularly important, as Annual Performance reviews tend to be emotive, and ripe for disagreement.

Agreeing and setting of objectives provides something to measure against at the end of the performance cycle. Managers therefore need to discuss their own objectives with their staff,

ensuring that employees' objectives remain relevant to the targets of their part of the organisation and providing line of sight to the company's overall business goals. Through regular discussion and feedback, these objectives can be modified, signed off, or new ones developed at any time during the year.

Good practice would indicate that managers and employees should aim to have a specific one-on-one discussion about achievement and performance on a monthly basis. At least once during the year an interim achievement and performance review should be formally recorded. This need not become an administrative burden, and hand-written notes or bullet-points would normally be sufficient to record the content of the discussion.

In addition to the ongoing review and feedback between supervisor and employee throughout the year, a formal process is required to summarise and record achievement and performance at year-end. The employee and supervisor should plan ahead for this review, ensure that a fixed date becomes a priority item in their diaries, and schedule sufficient time to allow for a full discussion of the year. Training and development activities and plans should be reviewed at the same time; a suitable amount of time should also be planned for that purpose.

The review provides an opportunity for an honest and open discussion of achievement and performance during the whole of the previous twelve months. In looking at individual objectives, the focus should be on what has been achieved, when it was achieved, how it has been achieved, what went well, and what could have gone better. The review is a two-way conversation - the manager and employee should use specific and real examples to illustrate their points, and these examples should also be part of their review planning. In addition, the annual review forms the start of the planning & objective setting process for the next annual cycle.

Finally, fairness openness and equality in the process are key. Managers, regardless of how long they have been managers, need training to ensure a consistent approach across the organisation - through this equality and consistency both managers and employees can build up trust in what is commonly seen as a biased, subjective and distasteful part of their work.

Copyright Andy Mackie and Link Management Group 2006

This file has been downloaded from [www.linkmanagementgroup.com](http://www.linkmanagementgroup.com)

Contact us at [info@linkmanagementgroup.com](mailto:info@linkmanagementgroup.com)

© Link Management Group and the author