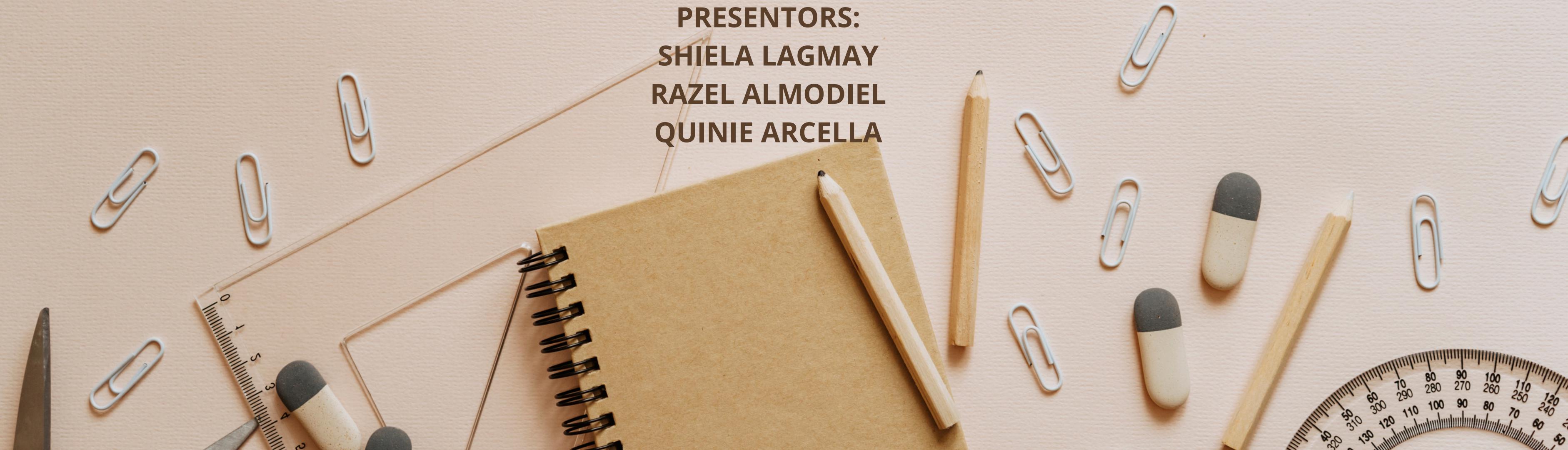




LET'S LEARN!

PERFORMANCE MANAGEMENT

PRESENTORS:
SHIELA LAGMAY
RAZEL ALMODIEL
QUINIE ARCELLA



TOPIC 8

PERFORMANCE MANAGEMENT



PERFORMANCE MANAGEMENT

Performance management is about setting clear and measurable objectives for work, and is an important managerial and human resource tool. A well-run performance management system will provide staff with clear objectives for their job, and plenty of opportunities for feedback and discussion with their supervisor.

JOB PERFORMANCE

Performance is defined as the record of outcomes produced on specified job function during specified time period (Bernadin and Beatty 2001).

Proponent	Dimensions of Job Performance
Toops (1944)	Unit of production <u>Quality of work</u> <u>Tenure</u> <u>Supervisory and leadership abilities</u>
Wherry (1957)	<u>Output Quality</u> <u>Lost time</u> <u>Turnover</u> <u>Time or promotability</u> <u>Satisfaction</u>

Table 1. Job Performance Dimension

Kane (1986)

Quality
Quantity
Timeliness
Cost-effectiveness
Need for supervision
Interpersonal impact

Campbell (1990)

Job-specific task proficiency
Non-job specific task proficiency
Written and oral communication
Demonstrating effort
Maintaining personal discipline
Facilitating peer and team performance
Supervision
Management or administration

Table 1. Job Performance Dimension

OBJECTIVES OF PERFORMANCE MANAGEMENT

It can be a way to clarify expectations, motivate employees by linking their performance to their career advancement, promotions and pay increases.

The purpose of performance management is to give both managers and employees a clear and consistent system within which to work that, in turn, will lead to increased productivity

Table 2. Possible Performance Management Objectives

For the Employees	For the Supervisor	For the Organization
<p>Clarify expectations</p> <p>Means for reinforcement (praise, pay raises)</p> <p>Career advancement (promotions, increased responsibility)</p> <p>Source of feedback to improve performance</p>	<ul style="list-style-type: none">• Clarify expectations• Basis for personnel decisions (promotions, etc.)• Assessment of employee's goal attainment• Opportunity to give constructive feedback to the subordinate	<ul style="list-style-type: none">• Basis for alignment of organizational with individual goals• Basis for shared performance expectations• Assessment of productivity of individuals and work units• Validation of employee selection and placement methods

PERFORMANCE MANAGEMENT CYCLE

PERFORMANCE PLANNING

REVIEW AND FEEDBACKS

TRAINING AND DEVELOPMENT

PERFORMANCE REWARDS

PERFORMANCE MANAGEMENT CYCLE

01

Performance Planning - Effective performance management begins with clear expectations. Crucial elements of expectations setting include clarifying performance goals or expected outcomes, delineating the scope of work and decision/escalation points, the impact of the role to the business, stakeholders' expectations, the required competencies, the available support, key norms in performing the task list, the rewards and consequences of performance, and the documented commitment of the employees.

02

Performance Review and Feedback – Performance monitoring and assessment require providing a clear scoreboard as well as a mechanism to track performance. Monitoring may be done both quantitatively, in the form of performance indicators, or qualitatively, in the form of critical incidents.

PERFORMANCE MANAGEMENT CYCLE

03

Training and Development – Beyond giving feedback to employees about their performance, organizations need to provide mechanisms to ensure training and development.

04

Performance Rewards - Performance rewards are important in motivating and sustaining performance. However, in order for rewards to be motivating, they must be valued. Thus, it is important to understand what rewards matter to employees in order to retain and engage them.

MEASURING JOB PERFORMANCE

OBJECTIVE PERFORMANCE CRITERIA

S – *Specific/stretching* – clear, unambiguous, straightforward, understandable, and challenging

M – *Measurable* – quantity, quality, time, money

A – *Achievable* – challenging but within the reach of a competent and committed persons

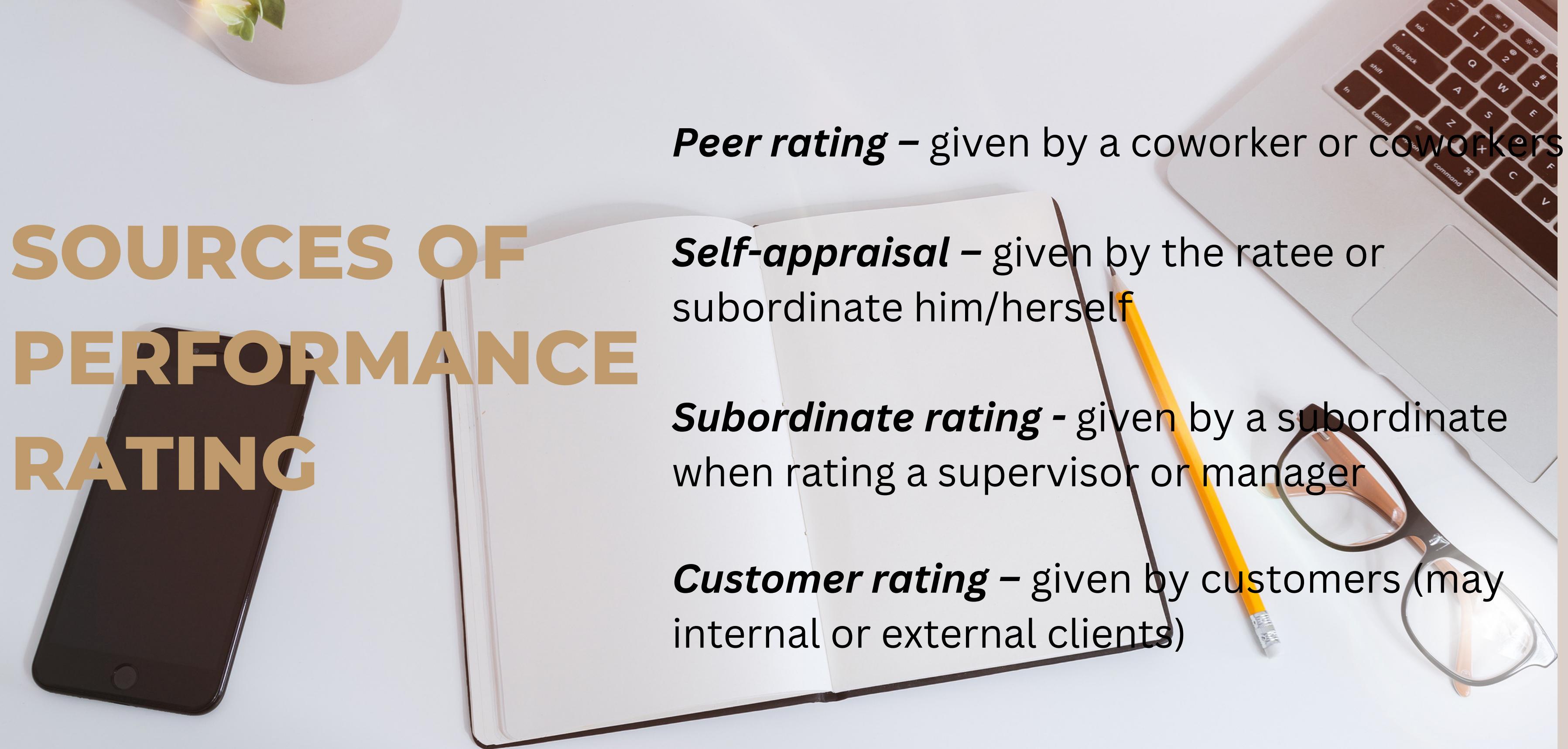
R – *Relevant* – relevant to the objectives of the organization so that the goal of the individual is aligned to corporate goals

T – *Time framed* – to be completed within an agreed timescale

SUBJECTIVE PERFORMANCE CRITERIA

- are those aspects of the job that cannot be really seen and are often behavioral in nature (Riggio 2003).
- Competencies can be considered as subjective performance criteria as these represent knowledge, skills, and behaviors (Armstrong 2006).

SOURCES OF PERFORMANCE RATING



Peer rating – given by a coworker or coworkers

Self-appraisal – given by the ratee or subordinate him/herself

Subordinate rating - given by a subordinate when rating a supervisor or manager

Customer rating – given by customers (may internal or external clients)

METHODS OF RATING PERFORMANCE

Organizations have utilized various methods to assess performance. In general, these methods can be grouped into comparative and individual methods. Comparative methods seek to compare and differentiate various individual's performance (Shields 2007), while individual methods are used in evaluating individual performance (Riggio 2003).

COMPARATIVE PERFORMANCE METHODS

- **Ranking-** ranking of individuals from best to worst performance. May not effective if performance is not evaluated objectively.
- **Paired comparisons-** an individual's performance is compared with another individual's performance. May be unwieldy when the number of individual becomes larger.
- **Forced distribution-** assignment of workers to predetermined categories, for example from poor to outstanding performers, and organizing them along the normal curve.

INDIVIDUAL PERFORMANCE METHODS

- Graphic rating scales- use of a predetermined rating scale to rate performance on certain aspects of the job.
- Behaviorally anchored rating scales (BARS)- in control to graphic rating scales, behaviorally anchored rating scales identifies specific behaviors that reflect levels of performance for a specific job.
- Checklists- rater uses a list of statements to assess an individual, with each statement corresponding to numerical value. The rater would then choose statements that would describe the individual.

INDIVIDUAL PERFORMANCE METHODS

- Narratives- written accounts of an individual's performance or listing of the individual's strength and weaknesses. Using narratives gives the individual the freedom to describe their own performance.

PROBLEMS AND PITFALLS IN PERFORMANCE APPRAISALS

- Leniency/severity errors- occurs in when the rater has the tendency to either give high or low appraisals regardless of actual performance.
- Central tendency bias- occurs when the rater has the tendency to give ratings that are in the middle of the scale.
- Halo effects- occurs when a rater gives a positive appraisals based on only one positive characteristics or action and ignoring areas where the individual did not do too well.
- Recency effects- occurs when the rating is mostly influenced by the most recent performance of the individual, and not considering earlier performance.
- Personal biases- occurs when other factors, such as age, gender, race, and physical attributes, influence the rating.

ROLES IN PERFORMANCE MANAGEMENT

(ARMSTRONG 2006)

Top executives cultivate a high performance culture by

- Communicating the key role of performance management in the organization
- Linking organizational goals with department /unit goals clearly
- Setting clear performance expectations for the organization
- Communicating progress in the achievement of organizational goals
- Role modelling of key values and competence

ROLES IN PERFORMANCE MANAGEMENT

(ARMSTRONG 2006)

Line managers play vital role in performance management because they ensure that the system is implemented. They are in-charge of

- Setting performance goals and expectations with individual employees
- Monitoring performance
- Giving feedback
- Looking out for employee development
- Linking performance with rewards

ROLES IN PERFORMANCE MANAGEMENT (ARMSTRONG 2006)

Employees in partnership with their supervisors are in charge of

- Reviewing performance meeting
- Participating in setting performance goals
- Evaluating peers if the performance management system warrants it.

Human Resources support the other groups in developing and implementing the performance management system. HR specialists typically are tasked with

- Facilitating the competency building of line managers and employees in performance management
- Evaluating the effectiveness of the performance management system.

SUCCESS FACTORS IN IMPLEMENTING A PERFORMANCE MANAGEMENT SYSTEM

- Gaining commitment of the line managers and employees by clearly communicating the goals and benefits of the system.
- Equipping line managers with the competencies in goal-setting, giving feedback, and coaching so that they can implement the system.
- Ensuring that the system is simple enough to implement by using technology and making the forms easy to understand and use.
- Institutionalizing a culture wherein performance management is not just considered an annual activity, but a cycle that should be performed all throughout the performance period.

THANK YOU



