

# PERFORMANCE MANAGEMENT IN MANAGING PEOPLE

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# What Is Human Resource Management?

- The Management Process
  - Planning
  - Organizing
  - Staffing
  - Leading
  - Controlling



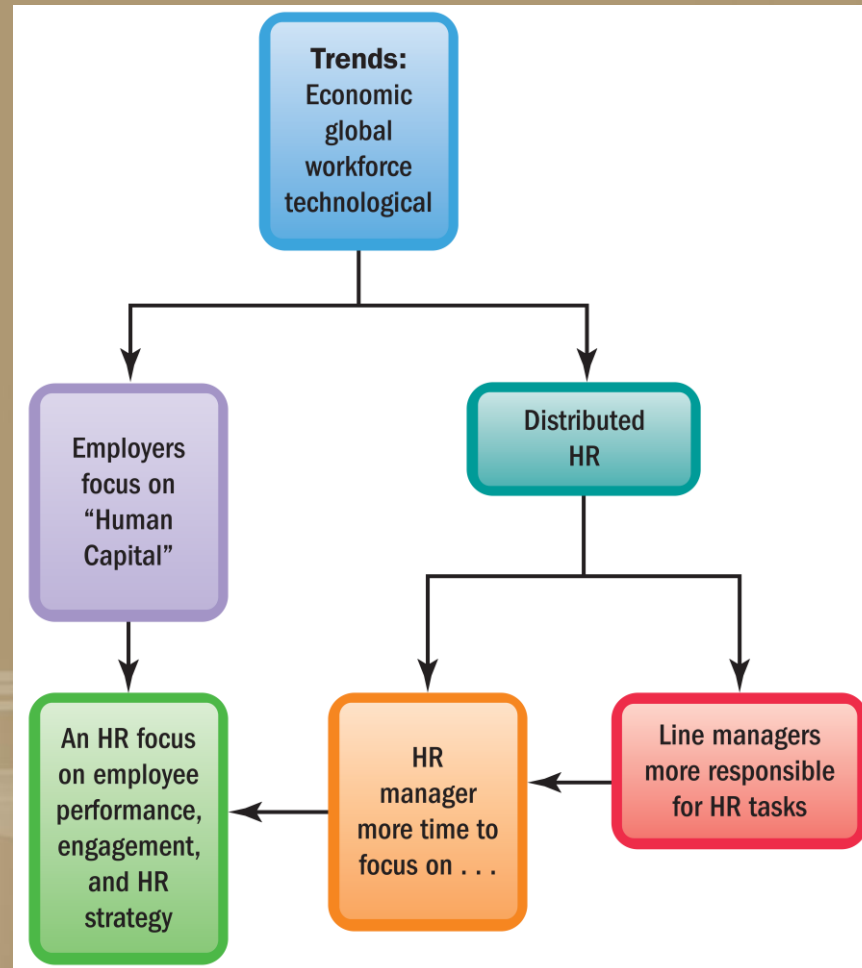
# Why Is Human Resource Management Important to All Managers?

- To avoid personnel mistakes
- To improve profits and performance
- You may spend some time as an HR manager
- You may end up as your own human resource manager



# A Quick Summary

**Figure 1-4** What Trends Mean for Human Resource Management



# PERFORMANCE MANAGEMENT

***Performance Management*** – is the continuous process of identifying, measuring, and developing the performance of individuals and teams and aligning their performance with the organization's goals

<b>Setting Expectations</b>	<b>Goals and Objectives</b>	<b>Goal Alignment</b>
The process of discussing what is expected from an employee in terms of job roles and responsibilities	Desired results each employee aims to achieve, determined based on conversations between managers and employees	Process of ensuring individual goals support the achievement of department goals and department goals support the achievement of company goals
<b>Assessment</b>	<b>Performance Calibration</b>	<b>Feedback and Development</b>
Review of goals, objectives, and other factors, and the determination of the level of successful achievement	Process in which supervisors and managers at the same level in an organization discuss staff performance ratings and outcomes to ensure ratings and development messages are applied.	Focus of the conversations between managers and employees in determining strengths, opportunities for improvement, and how to grow and develop



# PERFORMANCE MANAGEMENT IMPORTANT

- Performance management supplements the annual performance review.
- To employees, continuous performance management indicates that managers value them.



# THE PERFORMANCE MANAGEMENT CYCLE

The performance management process or cycle is a series of five key steps. These steps are imperative, regardless of how often you review employee performance.

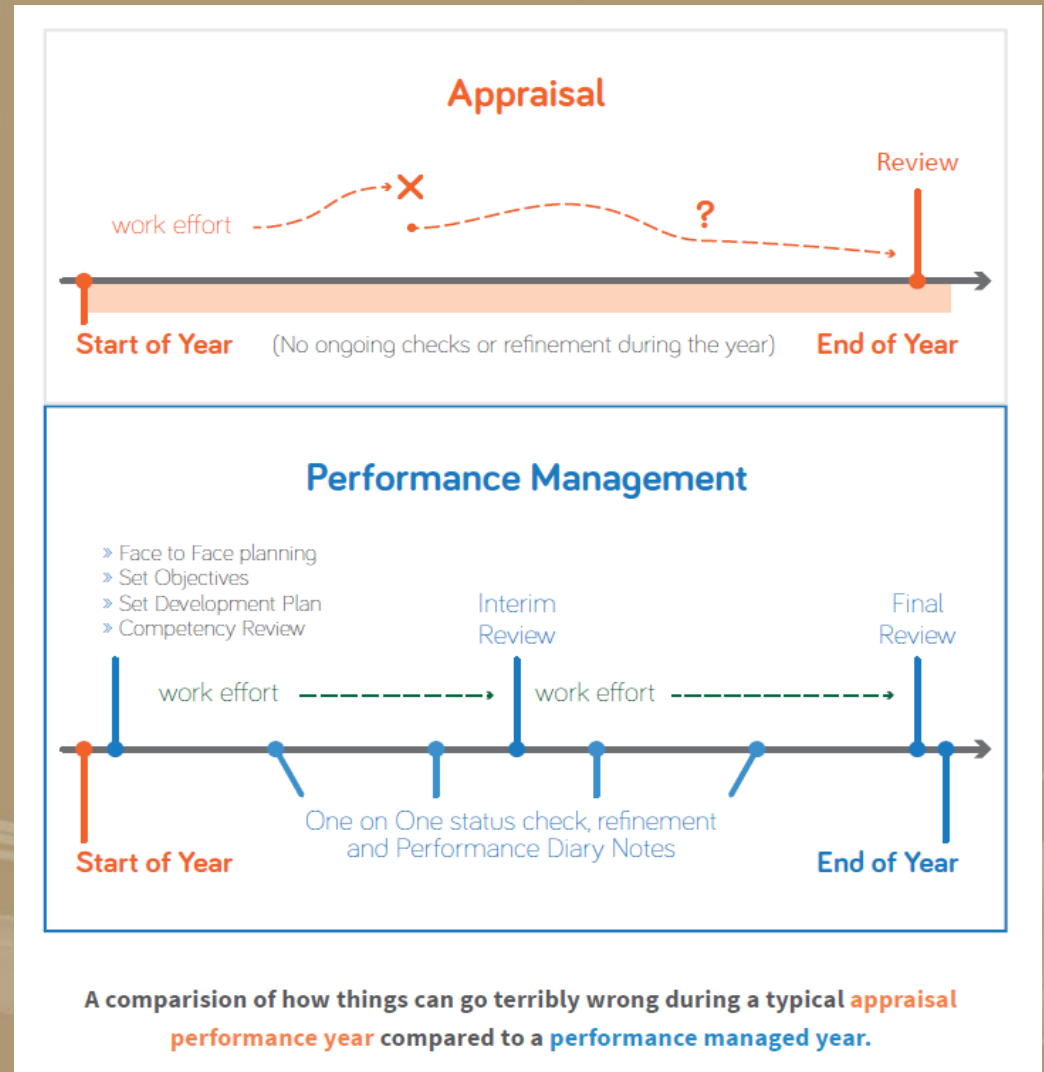
- 1. Planning
- 2. Monitoring
- 3. Developing
- 4. Rating
- 5. Rewarding





# COMPARING PERFORMANCE APPRAISAL AND PERFORMANCE MANAGEMENT

- Performance Appraisal
  - Evaluating an employee's current and/or past performance relative to his or her performance standards
- Performance Management
  - The process employers use to make sure employees are working toward organizational goals.





# EFFECTIVE PERFORMANCE MANAGEMENT

- A well-designed performance management strategy
- A culture of open and effective communication
- Continuous monitoring



# PRINCIPLES FOR EFFECTIVE PERFORMANCE MANAGEMENT

1

Should be an ongoing process of setting expectations, executing plans and evaluating results.

2

Expectations should be explicit and mutually understood.

3

Engagement is increased when people are involved in planning the work.

4

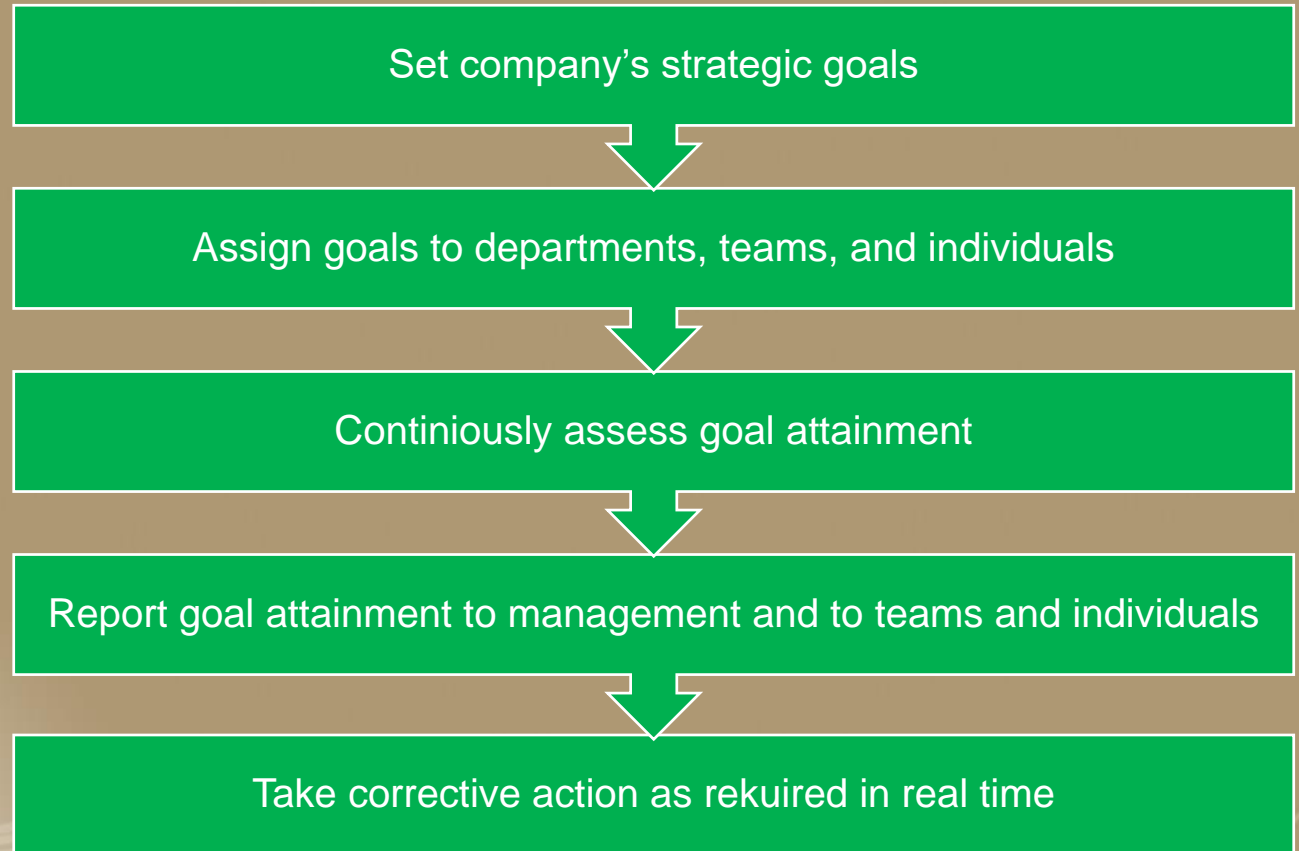
**How** work gets accomplished is as important as **what** gets accomplished.

5

Regular, honest feedback increases understanding and positive performance.



# PERFORMANCE MANAGEMENT PROCESS



# Some Problems



Conflicting purposes :  
Judge/coach dilemma



Role of the Appraiser :  
Competence, motivation,  
value, promotion and  
development



Appraiser Relationship :  
Quality is key



# CHARACTERISTICS OF GOOD OBJECTIVES

**S** = *specific/testing* – clear, unambiguous, understandable and challenging

**M** = *measurable* – in terms of quantity, quality, time or money

**A** = *achievable* – challenging but within the reach of a competent and committed person

**R** = *relevant* – to organizational objectives so that they and the individual's goals are aligned

**T** = *time-framed* – to be completed within an agreed timescale



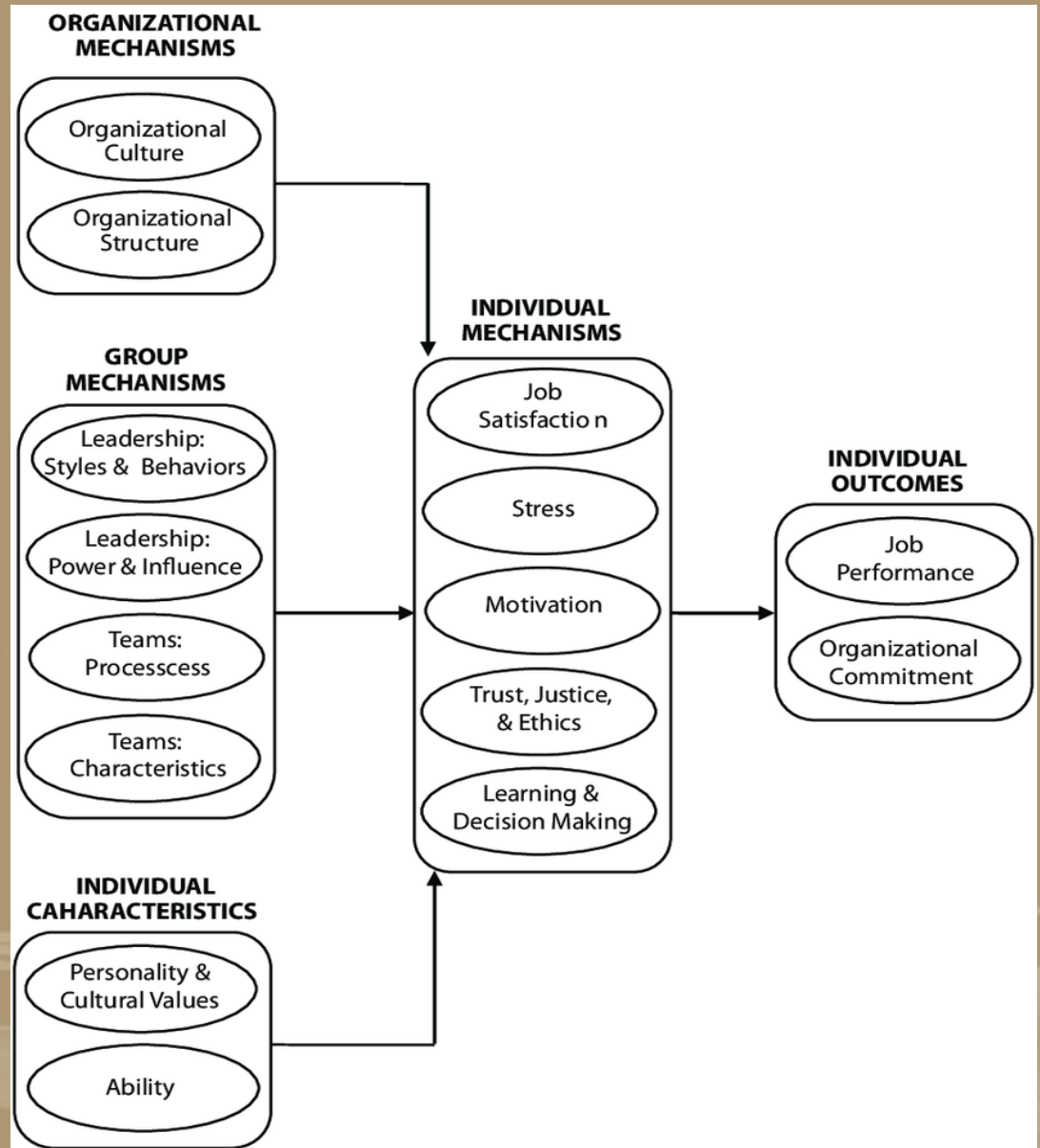
# PERFORMANCE REVIEWS: KEY FEATURES

- Forward looking – not a post mortem
- Exchange of views (dialogue)
- Measurement
- Feedback
- Positive reinforcement
- Constructive
- Leads to an agreement
- Assessment





Integrative model of organizational behavior Source: Colquitt et al., 2015.



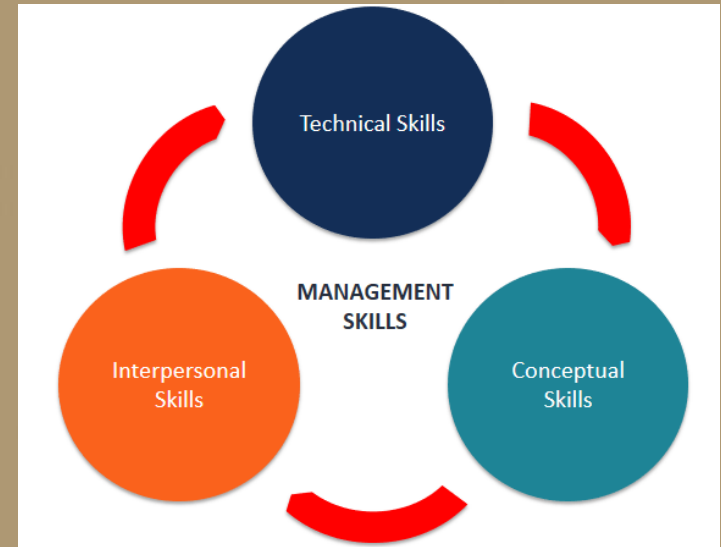


# Performance management skills



# DEVELOPING PERFORMANCE MANAGEMENT SKILLS

- Communication
- Briefing
- Self-development
- Training
- Coaching
- Mentoring



# COACHING AS A PROCESS OF MANAGEMENT

Coaching as part of the normal process of management consists of:

- Making people aware of how well they are performing by, for example, asking them questions to establish the extent to which they have thought through what they are doing.
- Controlled delegation – ensuring that individuals not only know what is expected of them but also understand what they need to know and be able to do to complete the task satisfactorily. This gives managers an opportunity to provide guidance at the outset; guidance at a later stage may be seen as interference.
- Using whatever situations may arise as opportunities to promote learning.
- Encouraging people to look at higher-level problems and how they would tackle them.



# THE 'GROW' MODEL OF COACHING

- **'G'** is for the goal of coaching, which needs to be expressed in specific, measurable terms that represent a meaningful step towards future development.
- **'R'** is for the reality check – the process of gaining as full a description of what the person being coached needs to learn as possible.
- **'O'** is for option generation – the identification of as many solutions and actions as possible.
- **'W'** is for wrapping up – when the coach ensures that the individual being coached is committed to action.



**Goal**  
What do  
you want?

**Reality**  
Where are  
you now?

**Options**  
What could  
you do?

**Will**  
What will  
you do?

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# Managing performance



# IMPROVING INDIVIDUAL PERFORMANCE: SEVEN STEPS

- 1 *Select the goal* – establish priority areas for action
- 2 *Define expectations* – targets and standards
- 3 *Define performance measures* – the basis upon which progress to achieving the goal can be monitored
- 4 *Plan* – the improvement programme
- 5 *Act* – implement the improvement programme
- 6 *Monitor* – review progress and analyse feedback to ensure the target or standard is achieved
- 7 *Extend the process* – continue the development programme as required





# DEALING WITH UNDER-PERFORMERS

1. Identify and agree the problem.
2. Establish the reason(s) for the shortfall, eg where the individual:
  - did not receive adequate support or guidance from his/her manager;
  - did not fully understand what he/she was expected to do;
  - could not do it – ability;
  - did not know how to do it – skill;
  - would not do it – attitude.
3. Decide and agree on the action required.
4. Resource the action.
5. Monitor and provide feedback.





# Performance management – key considerations

- Performance management is about running the business; it is what managers do – a natural process of management.
- Success depends on what the organization is and needs to be in its performance culture.
- It is the process that is important not the system.
- Focus on development, not pay.
- Base on accepted principles but operate flexibly.
- Effective communication, involvement and training are essential.



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# THANK YOU

