**UNIT ONE**

**ESSENCE OF PERFORMANCE MANAGEMENT**

In essence, performance management is a shared process between managers and the individuals and teams they manage. It is based on the principle of management by contract rather than command, although this does not exclude the need to incorporate high performance expectations in such contracts. Performance management is based on the agreement of objectives, knowledge, skill and capability (competence) requirements, performance improvement, and personal development plans. It involves the joint and continuing review of performance against these objectives, requirements and plans and the agreement and implementation of improvement and further development plans.

* 1. **Concepts and Definitions of Performance Management**

The concept of performance management has been one of the most important and positive developments in the sphere of human resource management in recent years. It adopts a future-oriented strategic focus and is applied to all employees in a workforce in order to maximize their current performance and future potential.

**Definition of Performance Management**

The reason why performance management is so difficult to define is to be found in the multidimensionality of the performance concept. Thus, it is important to clarify what it means, because if performance cannot be defined, it cannot be managed.

We can conceptualize work and work performance as a system comprising three main elements arranged in a linear sequence:

1 ***‘inputs’,*** including employee knowledge, skills and competencies,

2. human resource ***‘throughputs’*** (i.e. activities that transform inputs into outcomes; and

***3. ‘outputs’,*** including outcomes from work behavior; i.e. results.

So, an employee provides work inputs in the form of knowledge, skills, abilities and attitudes, applies these through effort and related forms of work behavior, and produces a certain quantity of products or services of a certain quality within a certain period of time. Strictly speaking, inputs in the form of knowledge, skills and competencies are not tantamount to performance; they have to do with the employee’s potential to perform. Performance, however, is not just an individual phenomenon; it also has group and organization-wide dimensions, each with inputs, processes and results that parallel those operating at the individual level. In this sense, performance can be thought of as **having three horizontal (or sequential) dimensions and three vertical (or scalar) dimensions.**  So, for instance, a team or other work group might contribute a level of collective know-how (input), engage in cooperative team working (behavioral process) and achieve a certain level of group productivity (result).

There is not necessarily a standard, agreed definition of ‘performance management’, but some worth thinking about include:***(cited in Herman Aguinis, 2007)***.

* Performance management is a process that links teachers, support staff and their respective roles to the success of students and the school.
* It is a process for establishing a shared understanding of what has to be achieved and how; then the school leadership works with staff, and staff works with each other, in ways that will enable it to be achieved.
* A process for ensuring that staff have mechanisms for giving and receiving feedback on their work, that assists them to improve what they do, and provides them with the best possible support so as to be more effective and work to the best of their ability.
* Performance management is a continuous process of identifying, measuring, and developing the performance of individuals and teams and aligning performance with the strategic goals of the organization.

Generally, performance management is the process through which managers ensure that employees’ activities and outputs contribute to the organization’s goals. This process requires knowing what activities and outputs are desired, observing whether they occur, and providing feedback to help employees meet expectations.

**1.2 Evolution of Performance Management**

Performance management gained its importance when the organizations felt the need of introducing a comprehensive performance management process into their system for improving the overall productivity and performance effectiveness. Performance management evolved in several phases.

1. **First Phase:** The origin of performance management can be traced in the early 1960’s when the performance appraisal systems were in practice. During this period, **Annual Confidential Reports (ACR’s)** which was also known as **Employee service Records** were maintained for controlling the behaviors of the employees and these reports provided substantial information on the performance of the employees.

Any negative comment or a remark in the ESR or ACR used to adversely affect the prospects of career growth of an employee. The assessments were usually done for ten traits on a five or a ten point rating scale basis. These traits were job knowledge, sincerity, dynamism, punctuality, leadership, loyalty, etc. The remarks of these reports were never communicated to the employees and strict confidentiality was maintained in the entire process. The employees used to remain in absolute darkness due to the absence of a transparent mechanism of feedback and communication. This system had suffered from many drawbacks.

1. **Second Phase:** This phase continued from late 1960’s till early 1970’s, and the key hallmark of this phase was that whatever adverse remarks were incorporated, performance reports were communicated to the employees so that they could take corrective actions for overcoming such deficiencies. In this process of appraising the performance, the reviewing officer used to enjoy a discretionary power of overruling the ratings given by the reporting officer. The employees usually used to get a formal written communication on their identified areas of improvements if the rating for any specific trait used to be below 33%.
2. **Third Phase:** In this phase the term ACR was replaced by performance appraisal. One of the key changes that were introduced in this stage was that the employees were permitted to describe their accomplishments in the confidential performance reports. The employees were allowed to describe their accomplishments in the self-appraisal forms in the end of a year. Besides inclusion of the traits in the rating scale, several new components were considered by many organizations which could measure the productivity and performance of an employee in quantifiable terms such as targets achieved, etc. Certain organizations also introduced a new section on training needs in the appraisal form. However, the confidentiality element was still being maintained and the entire process continued to be control oriented instead of being development oriented.
3. **Fourth Phase:** This phase started in mid 1970’s and its origin was in India as great business tycoons like Larsen & Toubro, followed by State Bank of India and many others introduced appreciable reforms in this field. In this phase, the appraisal process was more development driven, target based (performance based), participative and open instead of being treated as a confidential process. The system focused on performance planning, review and development of an employee by following a methodical approach.

In the entire process, the appraisee (employee) and the reporting officer mutually decided upon the key result areas in the beginning of a year and reviewed it after every six months. In the review period various issues such as factors affecting the performance, training needs of an employee, newer targets and also the ratings were discussed with the appraisee in a collaborative environment. This phase was a welcoming change in the area of performance management and many organizations introduced a new HR department for taking care of the developmental issues of the organization.

1. **Fifth Phase:** This phase was characterized by maturity in approach of handling people’s issues. It was more performance driven and emphasis was on development, planning and improvement. Utmost importance was given to culture building, team appraisals and quality circles were established for assessing the improvement in the overall employee productivity.

**1.3 Purposes of Performance Management**

In general, however, performance management systems can serve the following six purposes: strategic, administrative, informational, developmental, organizational maintenance, and documentational purposes.

*1.3.1.Strategic*: It links the organization’s goals with individual goals, thereby reinforcing behaviors consistent with the attainment of organizational goals.

*1.3.2. Administrative*: It is a source of valid and useful information for making decisions about employees, including salary adjustments, promotions, employee retention or termination, recognition of superior performance, identiﬁcation of poor performers, layoffs, and merit increases.

*1.3.3. Communication*: It allows employees to be informed about how well they are doing, to receive information on speciﬁc areas that may need improvement, and to learn about the organization’s and the supervisor’s expectations and what aspects of work the supervisor believes are most important.

*1.3.4. Developmental*: It includes feedback, which allows managers to coach employees and help them improve performance on an ongoing basis.

*1.3.5. Organizational maintenance*: It yields information about skills, abilities, promotional potential, and assignment histories of current employees to be used in workforce planning as well as assessing future training needs, evaluating performance achievements at the organizational level, and evaluating the effectiveness of human resource interventions (for example, whether employees perform at higher levels after participating in a training program).

*1.3.6. Documentation*: It yields data that can be used to assess the predictive accuracy of newly proposed selection instruments as well as important administrative decisions. This information can be especially useful in the case of litigation.

**1.4 Concerns of a performance management**

Performance management is a planned process of which the primary elements are agreement, measurement, feedback, positive reinforcement and dialogue. It is concerned with measuring outputs in the shape of delivered performance compared with expectations expressed as objectives. In this respect, it focuses on targets, standards and performance measures or indicators.

The following are the main concerns of performance management:

* *Concern with outputs, outcomes, process and inputs*

Performance management is concerned with outputs (the achievement of results) and outcomes (the impact made on performance). But it is also concerned with the processes required to achieve these results (competencies) and the inputs in terms of capabilities (knowledge, skill and competence) expected from the teams and individuals involved.

* *Concern with planning*

Performance management is concerned with planning ahead to achieve future success. This means defining expectations expressed as objectives and in business plans.

* *Concern with measurement and review*

If you can’t measure it you can’t manage it.’ Performance management is concerned with the measurement of results and with reviewing progress towards achieving objectives as a basis for action.

* *Concern with continuous improvement*

Concern with continuous improvement is based on the belief that continually striving to reach higher and higher standards in every part of the organization will provide a series of incremental gains that will build superior performance. This means clarifying what organizational, team and individual effectiveness look like and taking steps to ensure that those defined levels of effectiveness are achieved. Concern with continuous improvement involves: ‘Establishing a culture in which managers, individuals and groups take responsibility for the continuous improvement of business processes and of their own skills, competencies and contribution.’

* *Concern with continuous development*

Performance management is concerned with creating a culture in which organizational and individual learning and development is a continuous process. It provides means for the integration of learning and work so that everyone learns from the successes and challenges inherent in their day-to-day activities

* *Concern for communication*

Performance management is concerned with communication. This is done by creating a climate in which a continuing dialogue between managers and the members of their teams takes place to define expectations and share information on the organization’s mission, values and objectives. This establishes mutual understanding of what is to be achieved and a framework for managing and developing people to ensure that it will be achieved.

* *Concern for stakeholders*.

Performance management is concerned with satisfying the needs and expectations of all the organization’s stakeholders – owners, management, employees, customers, suppliers and the general public. In particular, employees are treated as partners in the enterprise whose interests are respected, whose opinions are sought and listened to, and who are encouraged to contribute to the formulation of objectives and plans for their team and for themselves. Performance management should respect the needs of individuals and teams as well as those of the organization, recognizing that they will not necessarily coincide.

* *Concern for fairness and transparency*.

Ethical issues that should govern the operation of the performance management process have been considered. These are:

* **Respect for the individual**: People should be treated as ends in themselves and not merely as means to other ends.
* **Mutual respect**: The parties involved in performance management processes should respect each other's needs, i.e., the needs of individuals as well as those of the organization must be recognized and respected.
* **Procedural fairness**: The procedures incorporated in performance management should be operated fairly to limit the adverse effect on individuals.
* **Transparency**: People affected by decisions emerging from the performance management process should have the opportunity to scrutinise the basis upon which decisions were made.
* **Commitment**: Commitment is thought to result in better quality, lower turnover, a greater capacity for innovation. Employee's commitment is affected by personal characteristics, experiences in the job role, personal policies, structural factors etc.

**UNIT TWO**

**PRINCIPLES OF PERFORMANCE MANAGEMENT**

Performance management is primarily concerned with performance improvement in order to achieve organizational, team and individual effectiveness. Thus, it is more than just monitoring employees -- it's about a culture of "continuous improvement." The following principles should be considered to have such culture in an organization.

* it translates corporate goals into individual, team, department and divisional goals;
* it helps to clarify corporate goals;
* it is a continuous and evolutionary process, in which performance improves over time;
* it relies on consensus and co-operation rather than control or coercion;
* it creates a shared understanding of what is required to improve performance and how this will be achieved;
* it encourages self-management of individual performance;
* it requires a management style that is open and honest and encourages two-way communication between superiors and subordinates;
* it requires continuous feedback;
* feedback loops enable the experiences and knowledge gained on the job by individuals to modify corporate objectives;
* it measures and assesses all performance against jointly agreed goals;
* it should apply to all staff; and it is not primarily concerned with linking performance to financial reward.

**2.1 Performance Management as a Process**

Performance management is an ongoing process. It does not take place just once a year. Performance management is a continuous process including several components. These components are closely related to each other, and the poor implementation of any of them has a negative impact on the performance management system as a whole. The components, dealt in depth in the following chapters, in the performance management process are shown in figure 1 below. The performance management process is the process by which the company manages its performance in line with its corporate and functional strategies and objectives. Thus, when a system is ﬁrst implemented, the process follows the following stages: (1). pre-requisites, (2) performance planning, (3) performance execution, (4) performance assessment, (5) performance review, (6) performance renewal and recontracting. Each of these stages is described next.

**Figure 2.1 Performance Management Process**

**Stage 1: Prerequisites**

There are two important prerequisites that are needed before a performance management system is implemented:

*(A). knowledge of the organization’s mission and strategic goals*

If there is a lack of clarity regarding where the organization wants to go, or the relationship between the organization’s mission and strategies and each of its unit’s mission and strategies is not clear, there will be a lack of clarity regarding what each employee needs to do and achieve to help the organization get there. An organization’s mission and strategic goals are a result of strategic planning, which allows an organization to clearly deﬁne its purpose or reason for existing, where it wants to be in the future, the goals it wants to achieve, and the strategies it will use to attain these goals. Once the goals for the entire organization have been established, similar goals cascade downward, with departments setting objectives to support the organization ’ s overall mission and objectives. The cascading continues downward until each employee has a set of goals compatible with those of his or her unit and the organization. The mission statement, goals, and strategies at the organizational level served as the foundation for developing the strategies for individual departments and units. To develop these, senior managers met with each department manager to discuss the organization’s goals and strategies and to explain the importance of having similar items in place in each department. Subsequently, each of the departmental managers met with his or her employees to develop a department mission statement and goals. One important premise in this exercise was that each department’s mission statement and objectives had to be aligned with the corporate mission statement, goals, and strategies. After organizational and departmental goals and strategies were aligned, managers and employees reviewed individual job descriptions. Each job description was tailored so that individual job responsibilities were clear and contributed to meeting the department’s and the organization’s objectives. Involving employees in this process helped them to gain a clear understanding of how their performance affected the department and, in turn, the organization.

*(B) knowledge of the job in question*

The second important prerequisite before a performance management system is implemented is to understand the job in question. This is done through job analysis. Job analysis is a process of determining the key components of a particular job, including activities, tasks, products, services, and processes. Without a job analysis, it is difﬁcult to understand what constitutes the required duties for a particular job. If we don’t know what an employee is supposed to do on the job, we will not know what needs to be evaluated and how to do so.

**Stage 2: Performance Planning**

The performance planning stage has the goal for employees to have a thorough knowledge of the performance management system. In fact, at the beginning of each performance cycle, the supervisor and the employee meet to discuss, and agree on, what needs to be done and how it should be done. This performance planning discussion includes a consideration of (1) results, (2), behaviors, and (3) development plan.

**Stage 3: Performance Execution**

Once the review cycle begins, the employee strives to produce the results and display the behaviors agreed on earlier as well as to work on development needs. The employee has primary responsibility and ownership of this process. Employee participation does not begin at the performance execution stage, however. As noted earlier, employees need to have active input in the development of the job descriptions, performance standards, and the creation of the rating form. In addition, at later stages, employees are active participants in the evaluation process in that they provide a self - assessment and the performance review interview is a two - way communication process.

Although the employee has primary responsibilities for performance execution, the supervisor also needs to do his or her share of the work. Supervisors have primary responsibility over the following issues:

*Observation and documentation.* Supervisors must observe and document performance on a daily basis. It is important to keep track of examples of both good and poor performance.

*Updates*. As the organization’s goals may change, it is important to update and revise initial objectives, standards, and key accountabilities (in the case of results) and competency areas (in the case of behaviors).

*Feedback*. Feedback on progression toward goals and coaching to improve performance should be provided on a regular basis, and certainly before the review cycle is over.

*Resources*. Supervisors should provide employees with resources and opportunities to participate in development activities. Thus, they should encourage (and sponsor) participation in training, classes, and special assignments. Overall, supervisors have a responsibility to ensure that the employee has the necessary supplies and funding to perform the job properly.

*Reinforcement*. Supervisors must let employees know that their outstanding performance is noticed by reinforcing effective behaviors and progress toward goals. Also, supervisors should provide feedback regarding negative performance and how to remedy the observed problem. Observation and communication are not sufﬁcient. Performance problems must be diagnosed early, and appropriate steps must be taken as soon as the problem is discovered.

**Stage 4: Performance Assessment/Monitoring**

In the assessment phase, both the employee and the manager are responsible for evaluating the extent to which the desired behaviors have been displayed, and whether the desired results have been achieved. Although many sources can be used to collect performance information (for example, peers or subordinates), in most cases the direct supervisor provides the information. This also includes an evaluation of the extent to which the goals stated in the development plan have been achieved. This is the stage of the performance management process that has received the greatest attention.

**Stage 5: Performance Review**

The performance review stage involves the meeting between the employee and the manager to review their assessments. This meeting is usually called the appraisal meeting or discussion. The appraisal meeting is important because it provides a formal setting in which the employee receives feedback on his or her performance. This stage will be dealt in depth in chapter five.

**Stage 6: Performance Renewal and Re-contracting**

The ﬁnal stage in the performance process is renewal and re-contracting. Essentially, this is identical to the performance planning component. The main difference is that the renewal and reconstructing stage uses the insights and information gained from the other phases. For example, some of the goals may have been set unrealistically high given an unexpected economic downturn. This would lead to setting less ambitious goals for the upcoming review period.

Generally, the performance management process includes a cycle that starts with prerequisites and ends with performance renewal and re-contracting. The cycle is not over after the renewal and re-contracting stage.

**2.2. Performance management system**

Performance management can be also viewed as a system because it requires the application of a number of interrelated activities that are dealt with as a whole, which is what a system does. Systems are ‘basically concerned with problems of relationship, of structure and of interdependence. A performance management system is a set of interrelated activities and processes that are treated holistically as an integrated and key component of an organization’s approach to managing performance through people and developing the skills and capabilities of its human capital, thus enhancing organizational capability and the achievement of sustained competitive advantage.

In general, however, performance management systems can serve the following ***six purposes: strategic, administrative, informational, developmental, organizational maintenance, and documentational purposes.***

***Strategic purposes***: It links the organization’s goals with individual goals, thereby reinforcing behaviors consistent with the attainment of organizational goals.

***Administrative* *purposes:*** It is a source of valid and useful information for making decisions about employees, including salary adjustments, promotions, employee retention or termination, recognition of superior performance, identiﬁcation of poor performers, layoffs, and merit increases.

***Communication purposes:*** It allows employees to be informed about how well they are doing, to receive information on speciﬁc areas that may need improvement, and to learn about the organization’s and the supervisor’s expectations and what aspects of work the supervisor believes are most important.

***Developmental purposes***: Developmental purpose. Feedback is an important component of a well implemented performance management system. Managers can use feedback to coach employees and improve performance on an ongoing basis. This feedback allows for the identiﬁcation of strengths and weaknesses as well as the causes for performance deﬁciencies (which could be due to individual, group, or contextual factors). Of course, feedback is useful only to the extent that remedial action is taken and concrete steps are implemented to remedy any deﬁciencies (Aguinis & Kraiger, 2009). Another aspect of the developmental purpose is that employees receive information about themselves that can help them individualize their career paths. Thus, the developmental purpose refers to both short - term and long - term aspects of development.

***Organizational maintenance purposes***: It yields information about skills, abilities, promotional potential, and assignment histories of current employees to be used in workforce planning as well as assessing future training needs, evaluating performance achievements at the organizational level, and evaluating the effectiveness of human resource interventions (for example, whether employees perform at higher levels after participating in a training program).

***Documentation purposes***: It yields data that can be used to assess the accuracy of newly proposed selection instruments as well as important administrative decisions. This information can be especially useful in the case of litigation.

**2.3. Personnel development Planning (PDP)**

Personal developmental plans specify courses of action to be taken to improve performance. Achieving the goals stated in the developmental plan allows employees to keep abreast of changes in their fields or professions. Such plans highlight an employee’s strengths and the areas in need of development, and they provide an action plan to improve in areas of weaknesses and further develop areas of strength. In a nutshell, personal developmental plans allow employees to answer the following questions:

* + How can I continually learn and grow in the next year?
  + How can I do better in the future?
  + How can I avoid performance problems faced in the past?

Developmental plans can be created for every job, ranging from entry level to the executive suite. No matter how high up the position within the organization and how simple or complex the nature of the job in question, there is always room for improvement. Information to be used in designing developmental plans comes from the appraisal form. Specifically, a developmental plan can be designed based on each of the performance dimensions evaluated. For example, if the performance dimension “communication” is rated as substandard, this area would be targeted by the developmental plan. In addition, however, developmental plans focus on the knowledge and skills needed for more long-term career aspirations.

*2.3.1. Developmental Plan Objectives*: The overall objective of a developmental plan is to encourage continuous learning, performance improvement, and personal growth. In addition, developmental plans have other more specific objectives which include: **improve performance in current job, sustain performance in current job, prepare employees for advancement, and enrich the employee’s work experience.**

*2.3.2. Content of Developmental Plan*: What does a developmental plan look like? Plans should include a description of specific steps to be taken and specific objectives to reach. In other words, what is the new skill or knowledge that will be acquired and how will this occur? This includes information on the resources and strategies that will be used to achieve the objectives. The plan’s objectives should include not only the end product, such as the new skill to be learned, but also the completion date and how the supervisor will know whether the new skill has indeed been acquired. An additional important feature of developmental plans is that they should keep the needs of both the organization and the employee in mind. The supervisor and the employee need to agree on what development or new skills will help enrich the employee’s work experience as well as help accomplish organizational goals now or in the near future.

*2.3.3. Developmental Activities*: There are several ways through which employees can reach the objectives stated in their developmental plans, including:

* On-the-job training. Each employee is paired with a coworker or supervisor who designs a formal on-the-job training course. The design of these mini-training programs includes how many hours a day or week training will take place and specific learning objectives.
* Self-guided reading
* Mentoring. Many organizations have mentoring programs. In general terms, mentoring is a developmental process that consists of a one-on-one relationship between a senior (mentor) and junior (protégé/mentee) employee. For such programs to be successful, it is best to allow the mentor and protégé to choose each other rather than arbitrarily assigning who will be mentoring whom. In general, mentors serve as role models and teach protégés what it takes to succeed in the organization.
* Attending a conference
* Getting a degree
* Job rotation

**2.4. Job Evaluation**

Job evaluation is an orderly process of determining the worth and wage for the job in relation to other jobs. It is the process of rewarding one job after it has been analyzed. “It is using the information in job analysis to systematically determine the value of each job in relation to all jobs in the organization. It seeks to rank all the jobs and place them in a hierarchy that will reflect the relative worth of each.” It uses the information in job analysis to evaluate a job, valuing its components and ascertaining relative job worth; i.e., the base of job evaluation is job analysis. Job analysis is a systematic exploration, study and recording responsibilities, duties, skills, accountabilities, work environment and ability requirement of a specific job. Job analysis is a process of determining which characteristics are necessary for satisfactory job performance and analyzing the environmental conditions in which the job is performed.

* **Features of Job Evaluation**
* It assesses jobs, not people
* Its standards are relative, not absolute
* It carried on by groups, not by individuals
* There is always degree of subjectivity in job evaluation

While many jobs with varying duties are needed to run a business, not all jobs are created equal. Some positions simply are more critical to a company than others. Businesses use job evaluations to determine a position’s worth to the company. Evaluating jobs can help businesses define factors such as the appropriate salary and responsibility for positions. The following are advantages of job evaluation.

* Reduction in inequalities in salary/wage structure

It is found that people and their motivation are dependent upon how well they are being

paid. Therefore, the main objective of job evaluation is to have external and internal

consistency in salary/wage structure so that inequalities are reduced.

* Because of division of labor and thereby specialization, large number of enterprises have got hundred jobs and many employees to perform them. Therefore, an attempt should be made to define a job and thereby fix their salary/wage for it. This is possible through only job evaluation.
* Helps to select employees: The job evaluation information can be helpful at the time of selection of candidates. The factors those determined for job evaluation can be taken into account while selecting the employees.
* It introduces standardization in wage differentials: The process of determining the salary differentials for different jobs becomes standardized through job evaluation.

**Limitations of job evaluation**

* Not a Scientific Technique: Job evaluation is a systematic technique and not the scientific technique of rewarding the job i.e., it lacks scientific precision because all factors cannot be measured accurately.
* Problem of Adjustment: Thought many ways of applying the job evaluation techniques are available rapid changes in technology and in the supply and demand of particular spills have given rise to problems of adjustment.
* Organizational Limitations: A job evaluation scheme takes a long time to install. It requires a specialized personnel and it is costly.
* Subjective: Too many factors are used in job evaluation and moreover there is no standard list of factors to be considered i.e., definition of factors vary from organization to organization.

**Methods of Job Evaluation**

There are four basic methods of job evaluation currently in use which are grouped into two categories: 1) Non-Quantitative method which includes *Ranking* and *Job classification*, and

2) Quantitative Method that includes *Point Rating* and Factor *Comparison.* The basic difference between these categories lies in the sense that under non quantitative methods, a job is compared as a whole with other jobs in an organization; whereas in case of quantitative methods the key factors of the job are selected, and then measured. The four methods of job evaluation are discussed below.

**i) Ranking or Job Comparison:** In this method jobs are compared to each other based on the overall worth of the job to the organization. The importance of order of job is judged in terms of duties, responsibilities, and demands of the job holder i.e., the 'worth' of a job is usually based on judgments of skill, effort (physical and mental), responsibility (supervisory and fiscal), and working conditions. The ranking method is especially useful to small businesses because they often have fewer employees than major corporations. The ranking method is simple and inexpensive, though it is subjective in that it relies on one person or a small group to evaluate the worth of a position. What are the ranking of jobs in the university?

**ii) Grading or** **Classification:** Classification uses categories, or classes of similar job content and value. Each level in the grade/category structure has a description and associated job titles. Each job is assigned to the grade/category providing the closest match to the job. The classification of a position is decided by comparing the whole job with the appropriate job grading standard. To ensure equity in job grading and wage rates, a common set of job grading standards and instructions are used. Examples of categories include executive, managerial, skilled and semi-skilled. The number of categories and their relative content, value and associated pay grades are determined by your organization. This method works well for large organizations, such as government agencies and worldwide corporations with numerous locations. Jobs within the same class have comparable compensation packages.

**iii) Point Rating:** This is the most widely used method of job evaluation. Jobs are broken down based on various identifiable factors such as skill, knowledge, effort, training, hazards, responsibility etc. Thereafter, points are allocated to each of these factors. Weights are given to factors depending on their importance to perform the job. Points so allocated to various factors of the job are then summed. Then, the jobs with similar total of points are placed in similar pay grades. The sum of points gives an index of the relative significance of the jobs that are related.

**iv) Factor Comparison:** A set of compensable factors are identified as determining the worth of jobs. It begins with the selection of factors such as mental requirements, skills, physical exertion, responsibility and Working Conditions. These factors are assumed to be constant for all the jobs. Each factor is ranked individually with other jobs. Total point values are then assigned to each factor. The relative worth of the job is then obtained by adding together all the point values. This method facilitates that jobs of different nature, for example, manual, clerical and supervisory- may be assessed with same factor.

**2.5. Performance Coaching**

Coaching is a collaborative, ongoing process in which the manager interacts with his or her employees and takes an active role and interest in their performance. In general, coaching involves directing, motivating, and rewarding employee behavior. Coaching is a day-to-day function that involves observing performance, complimenting good work, and helping to correct and improve any performance that does not meet expectations and standards. Coaching is also concerned with long-term performance and involves ensuring that the developmental plan is being achieved. Being a coach thus is similar to serving as a consultant and, for coaching to be successful, a coach must establish a helping relationship.

* ***Coaching Styles***

A manager’s personality and behavioral preferences are more likely to influence his or her coaching style. There are four main coaching styles: ***driver, persuader, amiable, and analyzer***. First, coaches can adopt a *driving* style in which they tell the employee being coached what to do. Assume that the coach wants to provide guidance regarding how to deal with a customer. In this situation, the preference for a driver is to say to the employee, “You must talk to the customer in this way.” Such coaches are assertive, speak quickly and often firmly, usually talk about tasks and facts, are not very expressive, and expose a narrow range of personal feelings to others.

Second, coaches can use a *persuading* style in which they try to sell what they want the employee to do. Someone who is a persuader would try to explain to the employee why it is beneficial for the organization as well as for the employee himself to talk to a customer in a specific way. Like drivers, persuaders are assertive, but they tend to use expansive body gestures, talk more about people and relationships, and expose others to a broad range of personal feelings.

Third, other coaches may adopt an *amiable* style and want everyone to be happy. Such coaches are likely to be more subjective than objective and direct employees to talk to customers in a certain way because it “feels” like the right thing to do or because the employee feels it is the right way to do it. Such coaches tend not to be very assertive and to speak deliberately and pause often, seldom interrupt others, and make many conditional statements.

Finally, coaches may have a preference for *analyzing* performance in a logical and systematic way and then follow rules and procedures when providing a recommendation. To use the same example, such analyzer coaches may tell employees to talk to a customer in a specific way “because this is what the manual says.” Analyzers, then, are not very assertive but, like drivers, are likely to talk about tasks and facts rather than personal feelings.

**2.6. Organizational Control**

In the planning stage, managers decide how the resources would be utilized to achieve organizational objectives; at the controlling stage, managers try to visualize whether resources are utilized in the same way as planned. Control is the process of monitoring activities to ensure that results are in line with plan, and acting to correct significant deviations.

All managers exercise control as they try to add value by transforming resources into outputs of greater value. However thoroughly they plan their objectives and how to meet them, internal and external events intervene. So they need to supplement the activity of planning with that of controlling – checking that work is going to plan, and if necessary taking corrective action. In this sense, control has many positive meanings – standing for order, predictability or reliability. If things are under control, suppliers know what to deliver and when, people know what they are expected to do, customers know when to expect a delivery, staff know they will be paid. In this sense, control is an essential part of organizational life: it helps to ensure that cooperative work by many people and units collectively adds value to resources. An absence of such control implies uncertainty, chaos, inefficiency and waste – an organization that is destroying, rather than enhancing, value.

* **The control process**

The control process is intended to support the achievement of objectives at any level, from the individual to the enterprise, so it needs to reflect those objectives and set of beliefs about the behaviour required to meet them. Managers design specific control systems for different organizational activities. Although their degree of formality and explicitness varies, the control process incorporates the activities shown in the following figure-- *setting objectives or standards, measuring actual performance, comparing this against the standard, and taking action to correct any significant gap between the two.*

*Figure 2.2. The Control Process*

Measuring performance

Setting objectives

and standards

Comparing

with standard

Acting to correct deviation

or change objectives

Managers can use control systems before, during and after an activity.

* *Feedforward control*

This is a form of control that anticipates problems before an activity. It focuses on preventing problems as it takes place before the work activity.

Feedback control

Concurrent control

Feedforward control

*Figure 2.3.*  *Types of control*

* Concurrent control

If a manager uses concurrent control, this means he or she is exercising control during an activity, detecting and correcting problems with the least possible delay. The best known example would be a manager directly supervising an operation – by walking around the work area, seeing staff, perhaps meeting customers. Thus, Concurrent control takes place while an activity is in progress.

* Feedback control

Under a system of feedback control information about performance is gathered after the activity is completed. This has the disadvantage that any problems of quality or cost have now occurred, and action can only be aimed at preventing a recurrence.

**UNIT THREE**

**OPERATIONAL PERFORMANCE MANAGEMENT**

The term operations management refers to the design, operation, and control of the transformation process that converts such resources as labor and raw materials into goods and services that are sold to customers. Performance can be approached from an operations perspective. In the organization inputs such as people, technology, capital, equipment, materials, and information are transformed through various processes, procedures, and work activities into finished goods and satisfied customers. These processes, procedures, and work activities are found throughout the organization. The key focus here is the process of transformation.

The process of managing performance begins by defining expectations in terms of targets, standards and capability requirements. But improvements to performance and personal development have to start from an understanding of what the level of current performance is in terms of both results and capabilities or incapabilities. This is the basis for identifying improvement and development needs if there is a shortfall. More positively, it provides the information required for career planning and continuous development by identifying strengths to be enhanced as well as weaknesses to be overcome. But this can only be achieved if there are agreed and reliable performance measures.

**3.1. What Are Performance Measures?**

Measurement plays an essential role in our society, and as human beings, we have an intrinsic need to measure what is going on around us. We measure all day long. For example, we use our senses to measure: We use our eyes to see, ears to hear and ﬁngers to feel. This allows us to assess whether the things around us are big or small, far away or close by, loud or quiet, hot or cold, etc. We then take all this ‘measurement information’ in and interpret it to make sense of the world around us. Measurement information therefore allows us to understand the world we operate in, without which we would be completely lost and stumble around in the dark.

Measurements are vital ingredients of everyday life, sense making and human understanding. Examples of these ingredients include clocks, calendars, rulers, clothes sizes, heights, weights, interest rates, thermometers, rainfall gauges, medical examinations, body mass indexes and questionnaires, to name just a few.

Performance measures are the critical and vital signs of the organization which quantify or evaluate how well the activities within a process carry out or how a process output achieves the specified goal (Kagioglou et al., 2001). A performance measure is a comparison that provides objective evidence of the degree to which a performance result is occurring over time.

**3.2. Approaches to Measuring Performance**

Before we discuss how to measure performance, we must remember that employees do not perform in a vacuum. Employees work in an organizational context, engaging in certain behaviors that produce certain results. The same employee may behave differently (and produce different results) if placed in a different situation (e.g., working with a different supervisor or using better or worse equipment). There are three approaches that can be used to measure performance: *the behavior, results, and trait approaches*

* Behavior Approach

The behavior approach emphasizes what employees do on the job and does not consider employees’ traits or the outcomes resulting from their behaviors. This is basically a process-oriented approach that emphasizes how an employee does the job.

* Results Approach

The results approach emphasizes the outcomes and results produced by the employees. It does not consider the traits that employees may possess or how employees do the job. This is basically a bottom-line approach that is not concerned about employee behaviors and processes but, instead, focuses on what is produced (e.g., sales, number of accounts acquired, time spent with clients on the telephone, number of errors). Defining and measuring results usually takes less time than defining and measuring behaviors needed to achieve these results. Also, the results approach is usually seen as more cost-effective because results can be less expensive to track than behaviors. Overall, data resulting from a results approach seem to be objective and are intuitively very appealing.

* Trait Approach

The trait approach emphasizes the individual performer and ignores the specific situation, behaviors, and results. If one adopts the trait approach, raters evaluate relatively stable traits. These can include abilities, such as cognitive abilities (which are not easily trainable) or personality (which is not likely to change over time). For example, performance measurement may consist of assessing an employee’s intelligence and conscientiousness at the end of each review period. This approach is justified based on the positive relationship found between abilities (such as intelligence) and personality traits (such as conscientiousness) and desirable work-related behaviors.

**3.2.1. Measuring Results and Behaviours**

**3.2.1.1.** *Measuring Results*

If one adopts a results approach, one needs to ask the following key questions:

* What are the different areas in which this individual is expected to focus efforts (key accountabilities)?
* Within each area, what are the expected objectives?
* How do we know how well the results have been achieved (performance standards)?

The first step in measuring performance by adopting a results approach is to identify accountabilities. Accountabilities are the various areas in which an individual is expected to focus.

The second step is to set objectives for each. Objectives should be (1) specific and clear, (2) challenging, (3) agreed upon, (4) significant, (5) prioritized, (6) bound by time, (7) achievable, (8) fully communicated, (9) flexible, and (10) limited in number.

Finally, the third step involves determining performance standards. These yardsticks are designed to help people understand to what extent the objective has been achieved. In creating standards, we must consider the dimensions of quality, quantity, and time. Good standards are (1) related to the position; (2) concrete, specific, and measurable; (3) practical to measure; (4) meaningful; (5) realistic and achievable; and (6) reviewed regularly.

**3.2.1.2.** *Measuring Behaviours*

A behavior approach to measuring performance includes the assessment of competencies. Competencies are measurable clusters of knowledge, skills, and abilities (KSAs) that are critical in determining how results will be achieved. Examples of competencies are customer service, written or oral communication, creative thinking, and dependability.

We can consider two types of competencies: first, *differentiating competencies*, which are those that allow us to distinguish between average and superior performers; and, second, *threshold competencies*, which are those that everyone needs to display to do the job to a minimally adequate standard.

Competencies should be defined in behavioral terms. Take the case of an instructor teaching an online course. An important competency could be “communication.” This competency is defined as the set of behaviors that enables an instructor to convey information so that students are able to receive it and understand it. For example, one such behavior might be whether the instructor is conveying information during pre-assigned times and dates. That is, if the instructor is not present at the chat room at the pre-specified dates and times, no communication is possible.

To understand the extent to which an employee possesses a competency, we measure indicators. Each indicator is an observable behavior that gives us information regarding the competency in question. In other words, we don’t measure the competency directly, but we measure indicators that tell us whether the competency is present or not.

An indicator is a behavior that, if displayed, suggests that the competency is present. In the example of the competency communication for a professor teaching an online course, one indicator is whether the professor shows up at the chat room at the pre-established dates and times. Another behavioral indicator of the competency communication could be whether the responses provided by the professor address the questions asked by the students or whether the answers are only tangential to the questions asked. As another example, consider the two competencies that define good leadership: consideration and initiation structure. Consideration is the degree to which the leader looks after the well-being of his or her followers. Initiating structure is the degree to which the leader lays out task responsibilities. Five indicators whose presence would indicate the existence of the consideration competency are the following:

* Supports subordinates’ projects
* Asks about the well-being of employees’ lives outside of work
* Encourages subordinates to reach their established goals
* Gets to know employees personally
* Shows respect for employees’ work and home live

In describing a competency, the following components must be present:

1. Definition of competency

2. Description of specific behavioral indicators that can be observed when someone demonstrates a competency effectively

3. Description of specific behaviors that are likely to occur when someone doesn’t demonstrate a competency effectively (what a competency is not)

4. List of suggestions for developing the competency in question

Using the competency consideration, let’s discuss the four essential elements in describing a competency. We defined consideration: it is the degree to which a leader shows concern and respect for followers, looks out for their welfare, and expresses appreciation and support. Next, we listed five indicators or behaviors that can be observed when a leader is exhibiting consideration leadership. Leaders who do not show consideration may speak with subordinates only regarding task assignments, repeatedly keep employees late with no consideration of home lives, take no interest in an employee’s career goals, and assign tasks based only on current expertise. Finally, how do leaders develop the consideration competency? One suggestion would be to ask employees, on a regular basis, how their lives outside of work are going. This may lead to knowledge about an employee’s family and interests outside of work.

In contrast to the measurement of results, the measurement of competencies is intrinsically judgmental. Competencies are measured using data provided by individuals who make a judgment regarding the presence of the competency. In other words, the behaviors displayed by the employees are observed and judged by raters (typically, the direct supervisor, but raters might also include peers, customers, subordinates, and the employee himself).

Two types of systems are used to evaluate competencies: comparative systems and absolute systems. Comparative systems base the measurement on comparing employees with one other. Absolute systems base the measurement on comparing employees with a prespecified performance standard.

*Table 3.1. Comparative and Absolute Behavioral Measurement Systems*

|  |  |
| --- | --- |
| Comparative | Absolute |
| Simple rank order | Essays |
| Alternation rank order | Behavior checklists |
| Paired comparisons | Critical incidents |
| Relative percentile | Graphic rating scales |
| Forced distribution |  |

**3.3. Purposes of measuring performance**

There are many different reasons why we measure performance in organizations. These are often reduced to simple homilies, such as ‘you can’t manage anything unless you measure it’ or ‘what gets measured gets done’. Thus, the different reasons for measuring performance can be categorized under one of the following three headings:

1. *Controlling behavior*: Measures are used in a top-down command-and control fashion to guide and control people’s behaviors and actions. Measures are used to set goals or rules, to objectively access the achievement of these goals and to provide feedback on any unwanted variance between achievements and goals. Here, the aim of measurement is to eliminate variance and improve conformity. In this context, measures are often tightly linked to reward and recognition structures.

2. *External reporting and compliance*: Measures are used to inform external stakeholders and to comply with external reporting regulations and information requests. When measuring for external reporting and compliance purposes, any reports and associated indicators can either be produced on a compulsory basis, such as annual ﬁnancial statements and accounts, or be on a voluntary basis, such as environmental impact reports, for example.

3. *Learning and empowerment*: Measures are used to empower employees and to equip them with the information they need to learn and make decisions that lead to improvements. In this context, measures are used as the evidence base to inform management decisions, to challenge strategic assumptions and for continuous learning and improvement.

**Unit Four**

**4.** **Frame work of performance management**

* 1. **Issues of think-tank groups**

A collection of people who come together to address social, political, and legal issues that affect local, regional, or global concerns is known as a think tank. Think tanks are meant to be neutral ground, where scientists, educators, scholars, and other knowledgeable people can feel free to research, brainstorm, and offer solutions to problems. Though many think tanks today are nonpartisan, others have specific agendas when formulating policies.

A think tank is an organization, sometimes called a policy institute or public policy organization, made up of highly intelligent, experienced, and educated people who focus on a particular issue and attempt to define, discuss, and remedy it. The term “think tank” originally meant the human brain and was applied to a collection of bright individuals seeking answers to pressing issues sometime in the mid-20th century. Think tanks appear all over the world, taking up issues such as poverty, world hunger, war, global warming and other environmental problems, and pandemics. Though the majority of think tanks are formed to research issues and come up with viable solutions without the pressure and constraints of a particular ideology, say conservative, corporate, or liberal agendas, some are created specifically to address a particular issue in a particular way. Think tanks were once a primary source of information for media news outlets eager for a sound bite, but they have been regarded more skeptically recently due to the biased nature of some think tanks.

**4.2 Monitoring and evaluation**

Monitoring and evaluations are interactive and mutually supportive processes. Monitoring and evaluation of development activities therefore provides government officials, development managers, and civil society with better means for learning from past experience, improving service delivery, planning and allocating resources, and demonstrating results as part of accountability to key stakeholders.

**4.2.1 Monitoring**

Monitoring is a periodic assessment of the progress of a project towards achievement of its planned activities and results. It starts with the implementation of the first activity, and continues as long as all activities are accomplished. Monitoring is useful for the management to know the status of the project. This is why it is considered as a basic and universal management tool. Project management always remains interested to know if the activities are carried out as per plans and the activities produced the expected effect on the target beneficiaries of the project. Monitoring is defined as an ongoing collection, analysis and use of information about the performance progress and results of employees being achieved. It enables the timely identification and correction of deviations in performance implementation, thus providing the opportunity to remedy undesired situations before damages occur or get worse.

* **Purposes of monitoring**:

Monitoring in performance management has many purposes. The following are some of them:

* Assess the performance out puts
* Ensure the timely availability of inputs
* To know activities are executed according to specified plans
* Assess if the most needy are being reached
* Enhance transparency and accountability
* Assess the level of involvement of stakeholders
* Identify alternative courses of actions in changing situations
* Steps in developing and conducting monitoring

There are planned steps to develop and conduct monitoring. The following are some of them.

* Define the goal and objectives of monitoring
* Determine who should involve
* Define the role of those involved
* Decide on what should be monitored
* decide how monitoring should be done
* Determine how data should be collected, processed, analysed and documented.
* Allocate time and resources for monitoring
* Know who requires the information
* Establish an information dissemination mechanism

**4.2.2. Evaluation:** Itis the assessment at one point in time of the impact of a program /project or of a work and the extent to which stated objectives have been achieved. Evaluation is defined as the retrospective analysis of experience to assess the stated objective of a project/ program was achieved and to determine how and why the objectives were and were not achieved. Evaluation is usually more formal and systematic, since it concentrates specifically on whether the objectives of the program, project or a piece of work have been achieved, and what impact has made. *Evaluation differs from monitoring in three respects: Timing, Focus and Level of detail.*

|  |  |
| --- | --- |
| **Monitoring** | **Evaluation** |
| conducted during the period of project implementation | done at the end or middle of the project |
| compares with standard | compares with objective |
| identifies problems, deviations. | provides suggestions based on the identified problems and causes. |
| takes comparatively less time | takes comparatively more time |
| Tracks what we are doing (primarily inputs & outputs) to assess whether programs are performing according to plan. Are we doing things right? | Assesses if we have achieved the desired results (outcomes & impact), Are we doing the right things? |
| result shared with grassroots level managers and as well as senior managers | Mostly with senior managers |

**4.3. Empowering Institutions**

The term empowerment has different meanings in different socio-cultural and political contexts, and does not translate easily into all languages. It is of intrinsic value; it also has instrumental value. Empowerment is relevant at the individual and collective level, and can be economic, social, or political. The term can be used to characterize relations within households or between poor people and other actors at the global level. There are important gender differences in the causes, forms, and consequences of empowerment or disempowerment. Hence, there are obviously many possible definitions of empowerment, including rights-based definitions.

In its broadest sense, empowerment is the expansion of freedom of choice and action. It means increasing one’s authority and control over the resources and decisions that affect one’s life. As people exercise real choice, they gain increased control over their lives. Poor people’s choices are extremely limited, both by their lack of assets and by their powerlessness to negotiate better terms for themselves with a range of institutions, both formal and informal. Since powerlessness is embedded in the nature of institutional relations, in the context of poverty reduction an institutional definition of empowerment is appropriate.

In an institutional context, empowerment is about changing unequal institutional relationships. Institutions have rules, norms, and patterned behavior that may or may not take organizational form. The institutions that affect poor people’s lives are formal and informal. Formal institutions include the laws and rules embedded in state, private sector, and civil society organizations at the local, national, and global levels, as well as international organizations. Informal institutions include, for example, norms of inferior or superior status, expectations of bribes, networks of kin, friends, and neighbors, informal restrictions placed on women inheriting property, or the cluster of practices surrounding treatment of widows.

State policies and the culture of state institutions shape the actions of all other actors: poor men and women, other excluded groups, the private sector, civil society including unions and faith-based organizations, and international agencies. When states are captured by the wealthy and powerful and become mired in a culture of corruption, exclusion, and discrimination, even well-meaning policies and programs fail to promote investment or reduce poverty. Hence it is important to address the culture, values, and ethics of institutions, since these can defeat formal rules.

Although empowerment is similar to the tradition delegated authority, there are two characteristics that make it unique. One is that employees are encouraged to use their own initiative, and the second is that empowered employees are given not only the authority but also the resources, so they are able to make decisions and have the power to get them implemented. As a result of these, the following are concerns of empowerment of institutions.

* ***Innovation***: Empowerment encourages innovation because employees have the authority to try out new ideas and make decisions that result in new ways of doing things.
* ***Access to information***: When employees are given access to information as a vital part of their empowerment, their willingness to cooperate is enhanced. In addition, if employees desire additional training, even if the training is peripheral to their main jobs, it is provided. As a result of this accessibility of information, work teams are able to manage and control operations more effectively than under the old hierarchical bureaucratic and secretive, only a need-to-know bases, information.

Information is power. Informed citizens are better equipped to take advantage of opportunities, access services, exercise their rights, negotiate effectively, and hold state and non-state actors accountable. Without information that is relevant, timely, and presented in forms that can be understood, it is impossible for poor people to take effective action. Information dissemination does not stop with the written word, but also includes group discussions, poetry, storytelling, debates, street theater, and etc.—among other culturally appropriate forms—and uses a variety of media including radio, television, and the Internet. Laws about rights to information and freedom of the press, particularly local press in local languages, provide the enabling environment for the emergence of informed citizen action. Timely access to information in local languages from independent sources at the local level is particularly important, as more and more countries devolve authority to local government. Most investment projects and institutional reform projects, whether at the community level or at the national or global level, underestimate the need for information and under-invest in information disclosure and dissemination. Critical areas include information about rules and rights to basic government services, about state and private sector performance, and about financial services, markets, and prices. Information and communications technologies (ICT) can play important roles in connecting poor people to these kinds of information, as well as to each other and to the larger society.

* ***Accountability and responsibility***: Although employees are empowered to make decisions they believe will benefit the organization, they must also be held accountable and responsible for results. This accountability is not intended to punish mistakes or to generate immediate, short-term results. Instead, the intent is to ensure that the associates are giving their best efforts, working toward agreed-upon goals, and behaving responsibly toward each other. Empowering employees should raise the level of trust in the organization.

**4.4** **Continuous Training and Coaching:** These two are also important activities to be taken in the organization in order to improve employees’ performance. Training focuses on teaching organizational members how to perform their current jobs and helping them acquire the knowledge and skills they need to be effective performers. Coaching focuses on meeting very specific objectives within a set period of time and mainly concerned with performance and the development of certain skills. These were discussed in the previous chapter.

Coaching and training are often used interchangeably, and that leads to confusion, but the distinction between them are described in the next table.

|  |  |
| --- | --- |
| Coaching | Training |
| Transferring knowledge | Enhancing knowledge or skills |
| Often used in group setting | Usually one-on-one |
| Usually structured | Usually unstructured |
| Learning focused | Development focused |

**UNIT FIVE**

**5. Factors for Successful Implementation of Performance Management System**

**5.1 Team Performance Management**

**5.1.1. Definition and Importance of Teams**

When we think of the word “teams,” a variety of popular sporting teams usually comes to mind. Work groups can also be considered as teams to the extent that they meet the demands of this definition. A team is a small group of people with complementary skills, who work actively together to achieve a common purpose for which they hold themselves collectively accountable.

A team is in place when two or more people interact dynamically and interdependently and share a common and valued goal, objective, or mission.

Teams do not have to be permanent, and team members do not have to be in the same geographical location. In fact, team members do not need to have ever met in person to be members of the same team. As long as they work together, need each other, and share common goals, they are considered to be members of the same team. Numerous organizations are structured around teams, including teams called autonomous work groups, process teams, or self-managing work teams. When autonomous work groups are in place, members have the authority to manage their own tasks and interpersonal processes as they carry out their work alone.

Although many organizations choose to structure themselves around autonomous work teams and teams in general, team-based organizations do not necessarily outperform organizations that are not structured around teams.4In other words, team performance does not always fulfill its promise; therefore, it makes sense for performance management systems to go beyond focusing on individual performance. Specifically, the system should target not only (1) individual performance but also (2) an individual’s contribution to the performance of his or her team(s) and (3) the performance of teams as a whole. An organization that includes any type of teams would therefore benefit from managing the performance of both individuals and teams.

Including team performance as part of a performance management system is a natural extension of a system that has focused on individual performance only. It is important to note that some conditions are necessary for team performance management to lead to improved team performance; for example:

* The processes involved in the performance of the team are relatively unconstrained by other requirements of the task or the organization. For example, the organization should not constrain the amount of effort and skill that the team members can invest in a particular team-based project. An example of a constraint may be individual and team goals that compete against each other.
* The team is designed well, and the organizational context supports team performance. In other words, there are elements in the organization that support team performance (e.g., reward systems, training systems).
* Performance feedback focuses on team processes that are under the control of team members. There is no point in providing feedback on aspects of performance that are beyond the control of the team.

**5.1.2. Types of Teams and Implications for Performance Management**

Teams can be classified based on the *complexity of the task* (from routine to non-routine tasks) and *membership configuration* (from static to dynamic). Routine tasks are well defined; there are few deviations in how the work is done; and outcomes are easily assessed after the task has been completed. By contrast, non-routine tasks are not defined well; there are no clear specifications about how to do the work; and outcomes are usually very long term and difficult to assess. Membership configuration includes how long the team is expected to work together and the stability of its membership. For example, there can be product development teams, task forces, and committees.

The three main types of teams based on task complexity and membership configuration dimensions include:

* Work or service teams. These intact teams are engaged in routine tasks, including manufacturing or service tasks. The work or service team includes people who have worked together for some time and know each other well. Most members share a similar set of skills.
* Project teams. These teams are assembled for a specific purpose and are expected to disband as soon as their specific tasks have been completed. The tasks are outside the core production or service of the organization and are therefore not as routine as those of work or service teams. Project teams include members from different functional areas who may not know each other’s’ specialties and, therefore, are highly dependent on one another’s high level of specific knowledge and usually sophisticated skill sets.
* Network teams. These teams include members who are not constrained by time or space and members who are not limited by organizational boundaries. Usually, team members are geographically dispersed and stay in touch via telecommunications technology such as e-mail, videoconferencing, and, of course, telephone. Their work is extremely non-routine. Network teams usually include a combination of temporary and full-time workers, customers, vendors, and even consultants.

Team performance management must consider the type of team in question before performance measures are put in place. Different performance measurement methods are particularly appropriate depending on the type of team being evaluated. *Work and service teams* can clearly benefit from peer ratings because members observe one another’s performance on a daily basis. In addition, because team members have similar responsibilities, everyone is familiar with the competencies needed to do the job. *Project teams* do not stay together for long periods of time, and, therefore, the measure of results at the end of a project may not benefit the team’s development since the team is likely to disband as soon as the project is finished. Instead, measurements should be taken periodically as the team works on the project so that corrective action can be taken as necessary before the project has been completed. This is precisely the type of measurement system Hewlett-Packard uses with its project teams in charge of product development. *Network teams* are transitory and engage in unique tasks on an as-needed basis. It is difficult to measure specific outcomes. Instead, performance management of network teams emphasizes the future instead of the past and focuses on developing individual competencies, such as the team members’ capacity to innovate, adapt, be flexible, and solve problems.

**5.1.3. Purposes and Challenges of Team Performance Management**

Regardless of the extent to which a performance management system is concerned with individual performance, team performance, or both, the goals of the system are the same as those discussed in Chapter 2 as : strategic, administrative, informational, developmental, organizational maintenance, and documentational. In the specific case of a system concerned with team performance, one additional goal is *to make all team members accountable* so that they are motivated to have a stake in team performance.

Many organizations have become more team based, but they have not changed their performance management systems to accommodate this new organizational reality, which presents a unique challenge. If the organization is based on teams but performance is still measured and rewarded at the individual level, team performance will suffer. In fact, some of the individual rewards may motivate people not to contribute to team performance and, instead, to focus on individual performance. In general, organizations that choose to include a team component in their performance management system must ask the following questions:

* *How do we assess relative individual contribution?* How do we know the extent to which particular individuals have contributed to team results? How much has one member contributed in relation to the other members? Are there any slackers or free riders on the team? Is everyone contributing to the same extent, or are some members covering up for the lack of contribution of others?
* *How do we balance individual and team performance?* How can we motivate team members so that they support a collective mission and collective goals? In addition, how do we motivate team members to be accountable and responsible individually? In other words, how do we achieve a good balance between measuring and rewarding individual performance in relation to team performance?
* *How do we identify individual and team measures of performance?* How can we identify measures of performance that indicate individual performance versus measures of performance that indicate team performance? Where does individual performance end and team performance begin? Finally, based on these measures, how do we allocate rewards to individuals versus teams?

**5.1.4. Including Team Performance in the Performance Management System**

Although the questions asked may seem difficult to address, designing a performance management system that includes team performance may not be difficult if we follow the following six basic principles:

1. Make sure your team is really a team. As noted above, there are different types of teams. Before a team component is introduced in the performance management system, we need to make sure the organization has actual teams.
2. Make the investment to measure. Measuring team performance, as is the case with measuring individual performance, takes time and effort. The organization must be ready to make this investment for the measures to yield useful data.
3. Define measurement goals clearly. Defining how the data will be used (e.g., administrative vs. developmental purposes, or both) is a decision that must be made before measures of team performance are designed.
4. 4. Use a multi-method approach to measurement. The measurement of team performance is complex. Thus, multiple methods and sources of data are often necessary.
5. Focus on process as well as outcomes. Behavioral/process-oriented measures as well as results are as useful for team performance management systems as for individuals. Thus, serious consideration must be given to how both types of measures will be used within the context of managing team performance.
6. Measure long-term changes. Although short-term processes and results are easier to measure, it is important to also consider long-term measures of performance. Team performance must be sampled over a variety of contexts and over time.

**5.1.1. Definition and Importance of Teams**

When we think of the word “teams,” a variety of popular sporting teams usually comes to mind. Work groups can also be considered as teams to the extent that they meet the demands of this definition. A team is a small group of people with complementary skills, who work actively together to achieve a common purpose for which they hold themselves collectively accountable.

A team is in place when two or more people interact dynamically and interdependently and share a common and valued goal, objective, or mission.

Teams do not have to be permanent, and team members do not have to be in the same geographical location. In fact, team members do not need to have ever met in person to be members of the same team. As long as they work together, need each other, and share common goals, they are considered to be members of the same team. Numerous organizations are structured around teams, including teams called autonomous work groups, process teams, or self-managing work teams. When autonomous work groups are in place, members have the authority to manage their own tasks and interpersonal processes as they carry out their work alone.

Although many organizations choose to structure themselves around autonomous work teams and teams in general, team-based organizations do not necessarily outperform organizations that are not structured around teams.4In other words, team performance does not always fulfill its promise; therefore, it makes sense for performance management systems to go beyond focusing on individual performance. Specifically, the system should target not only (1) individual performance but also (2) an individual’s contribution to the performance of his or her team(s) and (3) the performance of teams as a whole. An organization that includes any type of teams would therefore benefit from managing the performance of both individuals and teams.

Including team performance as part of a performance management system is a natural extension of a system that has focused on individual performance only. It is important to note that some conditions are necessary for team performance management to lead to improved team performance; for example:

* The processes involved in the performance of the team are relatively unconstrained by other requirements of the task or the organization. For example, the organization should not constrain the amount of effort and skill that the team members can invest in a particular team-based project. An example of a constraint may be individual and team goals that compete against each other.
* The team is designed well, and the organizational context supports team performance. In other words, there are elements in the organization that support team performance (e.g., reward systems, training systems).
* Performance feedback focuses on team processes that are under the control of team members. There is no point in providing feedback on aspects of performance that are beyond the control of the team.

**5.1.2. Types of Teams and Implications for Performance Management**

Teams can be classified based on the *complexity of the task* (from routine to non-routine tasks) and *membership configuration* (from static to dynamic). Routine tasks are well defined; there are few deviations in how the work is done; and outcomes are easily assessed after the task has been completed. By contrast, non-routine tasks are not defined well; there are no clear specifications about how to do the work; and outcomes are usually very long term and difficult to assess. Membership configuration includes how long the team is expected to work together and the stability of its membership. For example, there can be product development teams, task forces, and committees.

The three main types of teams based on task complexity and membership configuration dimensions include:

* Work or service teams. These intact teams are engaged in routine tasks, including manufacturing or service tasks. The work or service team includes people who have worked together for some time and know each other well. Most members share a similar set of skills.
* Project teams. These teams are assembled for a specific purpose and are expected to disband as soon as their specific tasks have been completed. The tasks are outside the core production or service of the organization and are therefore not as routine as those of work or service teams. Project teams include members from different functional areas who may not know each other’s’ specialties and, therefore, are highly dependent on one another’s high level of specific knowledge and usually sophisticated skill sets.
* Network teams. These teams include members who are not constrained by time or space and members who are not limited by organizational boundaries. Usually, team members are geographically dispersed and stay in touch via telecommunications technology such as e-mail, videoconferencing, and, of course, telephone. Their work is extremely non-routine. Network teams usually include a combination of temporary and full-time workers, customers, vendors, and even consultants.

Team performance management must consider the type of team in question before performance measures are put in place. Different performance measurement methods are particularly appropriate depending on the type of team being evaluated.

*Work and service teams* can clearly benefit from peer ratings because members observe one another’s performance on a daily basis. In addition, because team members have similar responsibilities, everyone is familiar with the competencies needed to do the job. *Project teams* do not stay together for long periods of time, and, therefore, the measure of results at the end of a project may not benefit the team’s development since the team is likely to disband as soon as the project is finished. Instead, measurements should be taken periodically as the team works on the project so that corrective action can be taken as necessary before the project has been completed. This is precisely the type of measurement system Hewlett-Packard uses with its project teams in charge of product development. *Network teams* are transitory and engage in unique tasks on an as-needed basis. It is difficult to measure specific outcomes. Instead, performance management of network teams emphasizes the future instead of the past and focuses on developing individual competencies, such as the team members’ capacity to innovate, adapt, be flexible, and solve problems.

**5.1.3. Purposes and Challenges of Team Performance Management**

Regardless of the extent to which a performance management system is concerned with individual performance, team performance, or both, the goals of the system are the same as those discussed in Chapter 2 as : strategic, administrative, informational, developmental, organizational maintenance, and documentational. In the specific case of a system concerned with team performance, one additional goal is *to make all team members accountable* so that they are motivated to have a stake in team performance.

Many organizations have become more team based, but they have not changed their performance management systems to accommodate this new organizational reality, which presents a unique challenge. If the organization is based on teams but performance is still measured and rewarded at the individual level, team performance will suffer. In fact, some of the individual rewards may motivate people not to contribute to team performance and, instead, to focus on individual performance. In general, organizations that choose to include a team component in their performance management system must ask the following questions:

* *How do we assess relative individual contribution?* How do we know the extent to which particular individuals have contributed to team results? How much has one member contributed in relation to the other members? Are there any slackers or free riders on the team? Is everyone contributing to the same extent, or are some members covering up for the lack of contribution of others?
* *How do we balance individual and team performance?* How can we motivate team members so that they support a collective mission and collective goals? In addition, how do we motivate team members to be accountable and responsible individually? In other words, how do we achieve a good balance between measuring and rewarding individual performance in relation to team performance?
* *How do we identify individual and team measures of performance?* How can we identify measures of performance that indicate individual performance versus measures of performance that indicate team performance? Where does individual performance end and team performance begin? Finally, based on these measures, how do we allocate rewards to individuals versus teams?

**5.1.4. Including Team Performance in the Performance Management System**

Although the questions asked may seem difficult to address, designing a performance management system that includes team performance may not be difficult if we follow the following six basic principles:

1. Make sure your team is really a team. As noted above, there are different types of teams. Before a team component is introduced in the performance management system, we need to make sure the organization has actual teams.
2. Make the investment to measure. Measuring team performance, as is the case with measuring individual performance, takes time and effort. The organization must be ready to make this investment for the measures to yield useful data.
3. Define measurement goals clearly. Defining how the data will be used (e.g., administrative vs. developmental purposes, or both) is a decision that must be made before measures of team performance are designed.
4. 4. Use a multi-method approach to measurement. The measurement of team performance is complex. Thus, multiple methods and sources of data are often necessary.
5. Focus on process as well as outcomes. Behavioral/process-oriented measures as well as results are as useful for team performance management systems as for individuals. Thus, serious consideration must be given to how both types of measures will be used within the context of managing team performance.
6. Measure long-term changes. Although short-term processes and results are easier to measure, it is important to also consider long-term measures of performance. Team performance must be sampled over a variety of contexts and over time.

**5.2 Feed backings**

When performance evaluation indicates that an employee’s performance is below standard, the feedback process should launch an effort to correct the problem. Even when the employee is meeting current standards, the feedback session may identify areas in which the employee can improve in order to contribute more to the organization in a current or future job. Only after the employee has received feedback can he or she begin to plan how to correct any shortcomings. Although the feedback stage of performance management is essential, it is uncomfortable to managers and employees. Delivering feedback feels to the manager as if he or she is standing in judgment of others—a role few people enjoy. Receiving criticism feels even worse. Fortunately, managers can do much to smooth the feedback process and make it effective.

**5.2.1.** *Scheduling Performance Feedback*

Performance feedback should be a regular, expected management activity. The custom or policy at many organizations is to give formal performance feedback once a year. But annual feedback is not enough. One reason is that managers are responsible for correcting performance deficiencies as soon as they occur. If the manager notices a problem with an employee’s behavior in June, but the annual appraisal is scheduled for November, the employee will miss months of opportunities for improvement.

Another reason for frequent performance feedback is that feedback is most effective when the information does not surprise the employee. If an employee has to wait for up to a year to learn what the manager thinks of his work, the employee will wonder whether he is meeting expectations. Employees should instead receive feedback so often that they know what the manager will say during their annual performance review.

Finally, employees have indicated that they are motivated and directed by regular feedback; they want to know if they are on the right track. Managers have found that young employees in particular are looking for frequent and candid performance feedback from their managers.

**5.2.2.** *Preparing for a Feedback Session*

Managers should be well prepared for each formal feedback session. The manager should create the right context for the meeting. The location should be neutral. If the manager’s office is the site of unpleasant conversations, a conference room may be more appropriate. In announcing the meeting to an employee, the manager should describe it as a chance to discuss the role of the employee, the role of the manager, and the relationship between them. Managers should also say (and believe) that they would like the meeting to be an open dialogue. The content of the feedback session and the type of language used can determine the success of this meeting.

Managers should also enable the employee to be well prepared. The manager should ask the employee to complete a self-assessment ahead of time. The self-assessment requires employees to think about their performance over the past rating period and to be aware of their strengths and weaknesses, so they can participate more fully in the discussion. Even though employees may tend to overstate their accomplishments, the self-assessment can help the manager and employee identify areas for discussion. When the purpose of the assessment is to define areas for development, employees may actually understate their performance. Also, differences between the manager’s and the employee’s rating may be fruitful areas for discussion.

**5.2.3.** *Conducting the Feedback Session*

During the feedback session, managers can take any of three approaches. In the “tell-and-sell” approach, managers tell the employees their ratings and then justify those ratings. In the “tell-and-listen” approach, managers tell employees their ratings and then let the employees explain their side of the story. Managers can improve employee satisfaction with the feedback process by letting employees voice their opinions and discuss performance goals. The content of the feedback should emphasize behavior, not personalities. For example, “You did not meet the deadline” can open a conversation about what needs to change, but “You’re not motivated” may make the employee feel defensive and angry. The feedback session should end with goal setting and a decision about when to follow up.

**5.3. Reward Management Systems**

Reward management is concerned with the strategies, policies and practices required to ensure that the value of people and the contribution they make to achieving organizational, departmental and team goals is recognized and rewarded. It is about the design, implementation and maintenance of reward systems that aim to satisfy the needs of both the organization and its stakeholders and to operate fairly, equitably and consistently.Reward management is about how people are rewarded in accordance with their value to an organization. It is concerned with both financial and non-financial rewards and embraces the philosophies, strategies, policies, plans and processes used by organizations to develop and maintain reward systems.

**5.3.1.** *Reward philosophy*

The reward philosophy of the organization represents its beliefs about how people should be rewarded. Reward philosophies can be expressed as guiding principles that define the approach an organization takes to dealing with reward. They are the basis for reward policies and provide guidelines for the actions contained in the reward strategy. The reward philosophy can be communicated to employees so that they understand the background to the reward policies and practices that affect them.

Reward guiding principles are concerned with matters such as:

* operating the reward system justly, fairly, equitably and transparently in the interests of all stakeholders;
* developing reward policies and practices that support the achievement of business goals;
* rewarding people according to their contribution;
* recognizing the value of everyone who is making an effective contribution, not just the exceptional performers;
* creating an attractive employee value proposition;
* providing rewards that attract and retain people and enlist their engagement;
* helping to develop a high-performance culture;
* maintaining competitive rates of pay;
* maintaining equitable rates of pay;
* allowing a reasonable degree of flexibility in the operation of reward processes and in the choice of benefits by employees;
* devolving more responsibility for reward decisions to line managers.

**5.3.2.** *Reward strategy*

Reward strategy provides the impetus for reward system design and operation in order to achieve three major objectives: *performance, competitiveness and fairness.* It aims to provide answers to two basic questions: 1) what do we need to do about our reward practices to ensure that they are fit for purpose? and 2) how do we intend to do it? It is a declaration of intent that defines what the organization wants to do in the future to develop and implement reward policies, practices and processes that will further the achievement of its business goals and meet the needs of its stakeholders. The aim is to provide a sense of purpose and direction and a basis for developing reward policies, practices and processes. The strategy is based on an understanding of the needs of the organization and its employees and how they can best be satisfied.

**5.3.3.** *The reward system*

Strategic reward leads to the design of a reward system. A reward system consists of the interrelated processes and practices of financial and non-financial rewards that combine into a total rewards approach to ensure that reward management is carried out to the benefit of the organization and the people who work there. Financial rewards consist of job-based pay, which provides pay related to the value of the job, and person-based pay, which provides rewards that recognize the individual’s contribution. They also include employee benefits and pensions and financial recognition schemes. Non-financial rewards focus on the needs people have to varying degrees for recognition, achievement, personal growth and acceptable working conditions. Total rewards are the combination of the financial and non-financial rewards made available to employees.

Generally, the role of performance management in a reward system is to contribute to improving performance by providing a means of recognition, influencing job design when reviewing role responsibilities, setting up personal development plans and, when appropriate, informing contingent pay decisions.

**5.4. Performance problem solving/Dealing with performance problems**

The five basic steps required to handle performance problems are:

* + 1. *Identify and agree the problem*

Analyze the feedback and, as far as possible, obtain agreement from the individual on what the shortfall has been. Feedback may be provided by managers but it should be built into the job. This takes place when individuals are aware of their targets and standards, know what performance measures will be used and either receive feedback/control information automatically or have easy access to it. They will then be in a position to measure and assess their own performance and take action. In other words, a self-regulating feedback mechanism exists. This is a situation that managers should endeavour to create on the grounds that prevention is better than cure.

* + 1. *Establish the reason(s) for the shortfall*

When seeking the reasons for any shortfalls the manager should not crudely be trying to attach blame. The aim should be for the manager and the individual jointly to identify the facts that have contributed to the problem. It is on the basis of this factual analysis that decisions can be made on what to do about it by the individual, the manager or the two of them working together. It is necessary first to identify any causes that are external to the job and outside the control of either the manager or the individual. Any factors that are within the control of the individual and/or the manager can then be considered. What should be determined is the extent to which the reason for the problem is because 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
  + 1. *Decide and agree on the action required*

Action may be taken by the individual, the manager or both parties. This could include:

* *Changing behaviour* - this is up to individuals as long as they accept that their behaviour needs to be changed; the challenge for managers is that people will not change their behaviour simply because they are told to do so.
* *Changing attitudes* - this may be more difficult to change than behaviour because attitudes are likely to be deep-rooted; it is often best to change behaviour first and encourage attitude changes thereafter.
* *Clarifying expectations* - job requirements, objectives and standards.
* *Jointly developing abilities and skills* -joint in the sense that individuals may be expected to take steps to develop themselves but managers may provide help in the form of coaching, additional experience or training. Whatever action is agreed, both parties must understand how they will know that it has succeeded. Performance measures and feedback arrangements should be agreed.
  + 1. *Resource the action*

Provide the coaching, training, guidance, experience or facili- ties required to enable agreed actions to happen.

* + 1. *Monitor and provide feedback*

Take steps to monitor performance, ensure that feed- back is provided or obtained and analyzed, and agree on any further actions that may be necessary. Individuals should be encouraged to monitor their own performance and take further action as required. This can be described as a 'self- managed learning process'.

**5.5. Conducting performance and development reviews**

Performance review discussions enable a perspective to be obtained on past performance as a basis for making plans for the future. An overall view is taken of the progress made. Examples are used to illustrate that overview, and the analysis of performance concentrates not only on what has happened but also on why it has happened so that data are obtained for planning purposes. Obtaining a historical perspective through analysis is a necessary part of a performance review, but reaching agreement about what should be done in the future is what the discussion should be about.

Performance and development reviews provide those involved with the opportunity to reflect on past performance as a basis for making development and improvement plans. The purpose of performance and development reviews is to enable those concerned to get together so that they can engage in a dialogue about the individual's performance and development and the support provided by the manager - and such support is an essential part of performance management. They are not occasions for top-down appraisals, although some feedback will be provided. Neither are they interviews in which one person asks the questions and the other provides the answers. They should be more like free-flowing, open meetings where views are exchanged so that agreed conclusions can be reached. A performance and development review should be regarded as a conversation with a purpose, which is to reach firm and agreed conclusions about the individual's development, and, if applicable, any areas for improvement and how such improvements will be achieved.

**5.5.1**. *The basis of performance review*

The performance review discussion provides the means through which the five key elements of performance management can be achieved. These are:

1. Measurement - assessing results against agreed targets and standards
2. Feedback - giving people information on how they are doing
3. Positive reinforcement - emphasizing what has been done well so that it will be done even better in the future; only making constructive criticisms, i.e, those that point the way to improvement
4. Exchange of views - ensuring that the discussion involves a full, free and frank exchange of views about what has been achieved, what needs to be done to achieve more and what individuals think about their work, the way they are guided and managed and their aspirations. Thus, the performance review should take the form of a dialogue, not a top-down interview or 'appraisal'
5. Agreement on action plans to be implemented by individuals alone or by individuals with the support of their managers
   * 1. *Guidelines for conducting a performance and development meeting*

* Preparation

Both parties should prepare for the meeting so that consideration should be given to the points for discussion. The manager (the reviewer) should consider how well the individual (the reviewee) has done in achieving objectives and meeting performance standards since the last review meeting and the extent to which personal development plans have been implemented. An analysis should be made of the factors that have affected performance (some could be beyond the individual's control) and the reasons for success or failure. Consideration should also be given to the feedback to be provided at the meeting, the evidence that will be used to support the feedback, any actions that might be taken to improve performance and possible objectives for the next review period.

The individual (the reviewee) should consider achievements and progress in meeting objectives and implementing personal development plans and be prepared to explain the reason for any shortfalls. More positively, thought should be given to development and training needs, any requirements for better support or guidance, aspirations for the future and possible objectives for the next review period.

* Self-assessment

Preparation by the reviewee as described above is, in effect, self-assessment or self-appraisal. This is getting people to analyse and assess their own performance as the basis for discussion and action. The advantages of self-assessment are that:

* it helps to generate less inhibited and more positive discussion;
* it involves reviewees actively in the review process;
* it is likely to reduce defensive behaviour;
* it provides scope to run the review meeting as a constructive and open dialogue by reducing the top-down element of traditional performance appraisals and minimizing their unilateral nature

But self-assessment raises a number of issues. First, individuals must have clear targets and standards against which they can assess their performance. Second, there has to be a climate of mutual trust between the reviewee and the reviewer. Reviewees must believe that reviewers will not take advantage of an honest self-assessment. Third, there is the risk that individuals, especially where there is money at stake, will overestimate their performance, leaving their reviewers in the awkward position of having to correct them. In practice, if there are no ratings for performance- related pay purposes, many people underestimate themselves. This makes life easier for reviewers who can take the opportunity to boost the confidence of the reviewee. Reviewing performance is not something that managers do to their subordinates. It is something that they carry out together.

The meeting is essentially about:

* what individuals have learned or need to learn;
* what they believe they know and can do;
* where they have got to;
* where they are going;
* how they are going to get there;
* what help or guidance can be provided for them by the organization or their manager
* ***Agenda setting***

Whoever sets the agenda directs the meeting. But the whole point of the review is that it should be a joint affair. Neither party should dominate. The agenda is therefore by both the reviewer and the reviewee, ideally through their pre-meeting analyses. It can consist of the following items:

1. A review of each key element in the job (key result areas or main activities); discussing what has gone well and what has gone less well, and why.
2. A point-by-pointe examination of the results of the objectives, actions and personal development plans agreed at the last meeting.
3. A discussion and agreement on the performance objectives for the next period the shape of targets and standards of performance.
4. A discussion and agreement on the reviewee's developmental objectives.
5. A discussion and agreement on the actions to be taken to ensure that the performance and developmental objectives are achieved, this will include the formulation of a personal development plan.
6. A general discussion of any other matters or concern, including the reviewee's aspirations/
7. A check that there is mutual understanding of the objectives and action plans/
8. An agreement on action plans to conclude meeting.

An alternative approach would be to structure the discussion around forms to be completed in advance by the reviewer and the reviewee, covering the preparation points listed earlier.

* + 1. *Conducting a Constructive Review Meeting*

A constructive review meeting is most likely to take place if reviewers:

* encourage reviewees to do most of the talking;
* listen actively to what they say;
* allow scope for reflection and analysis;
* analyse performance, not personality - concentrate on what reviewees have done, not the sort of people they are;
* keep the whole period under review, not concentrating on isolated or recent events;
* adopt a 'no surprises' approach - performance problems should have been identified and dealt with at the time they occurred;
* recognize achievements and reinforce strengths;
* end the meeting positively with agreed action plans and an understanding of how progress in implementing them will be reviewed