

HUMAN RESOURCE MANAGEMENT

MODULE 2: Lecture 5

Performance Management

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Date: 3rd December 2022



Undergraduate Diploma in
Business Administration

Learning Outcomes

- The need and benefits of performance management
- Different systems (models) in performance management
- Setting SMART objectives
- Assessing and rating performance at work
- Conducting performance appraisals



The need and benefits of performance management.

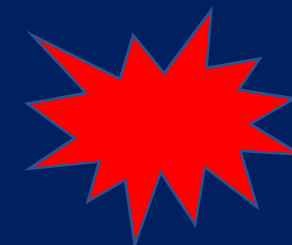




Performance management – defined

It is the continuous process of improving performance by:

- (1) setting individual and team goals that are aligned to the strategic goals of the organisation
- (2) planning performance to achieve the goals
- (3) reviewing and assessing progress and
- (4) developing the knowledge, skills and abilities of people.



Video – Performance Management

Bill Shannon (Auburn University)

<https://www.youtube.com/watch?v=sYyTxu3Mzhw&t=42s>



5 benefits of performance management

It helps to:

1. Work towards common organisational and departmental goals
2. Builds accountability
3. Provide clear understanding of expectations
4. Provide feedback to employees
5. Prepare for and develop career goals



Four major influences affecting performance

Harrison (1997)

The learner

Needs right level
of competence,
motivation,
support and
incentive

The learner's work group

Influencing
positively or
negatively

The learner's manager

Needs to provide
continuing
support

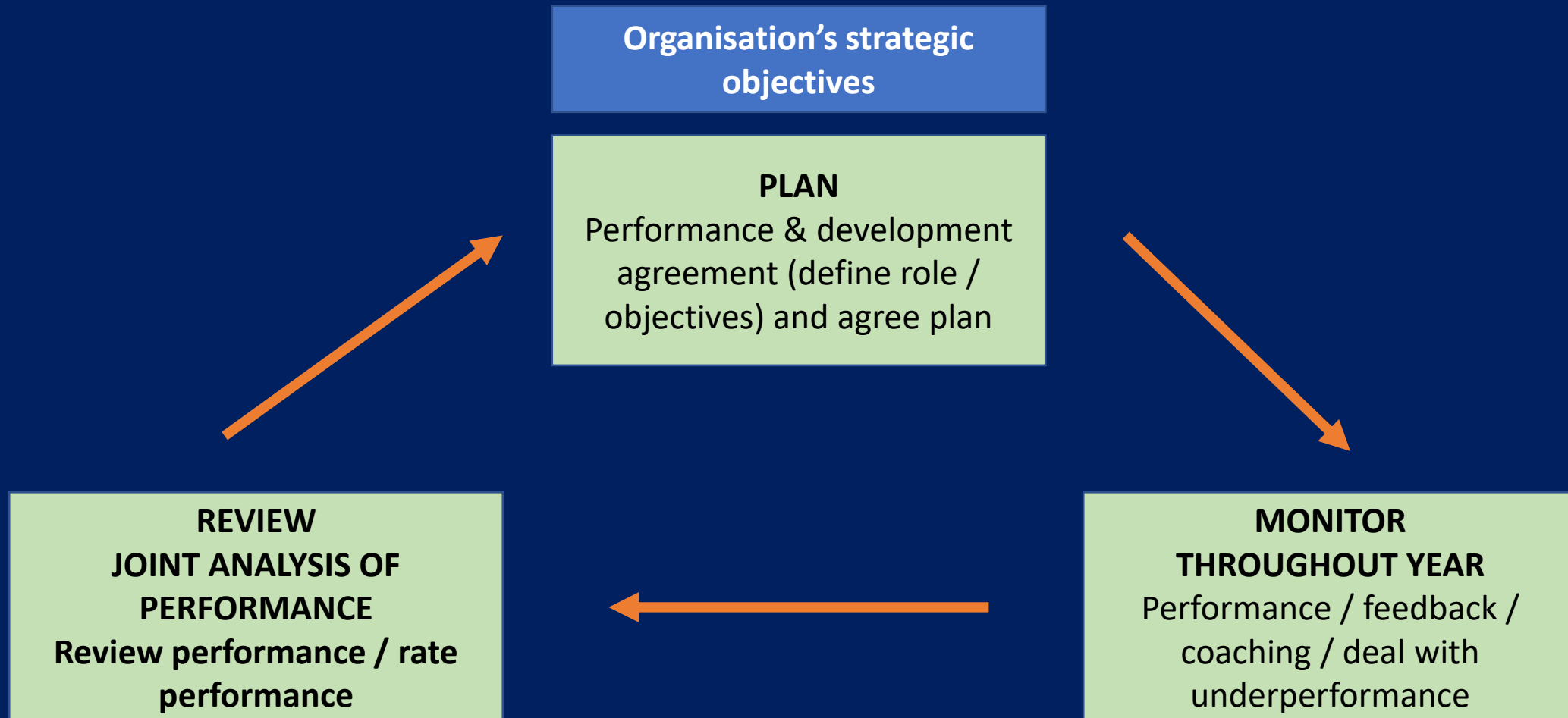
The organisation

Fosters
performance
(positively or
negatively)

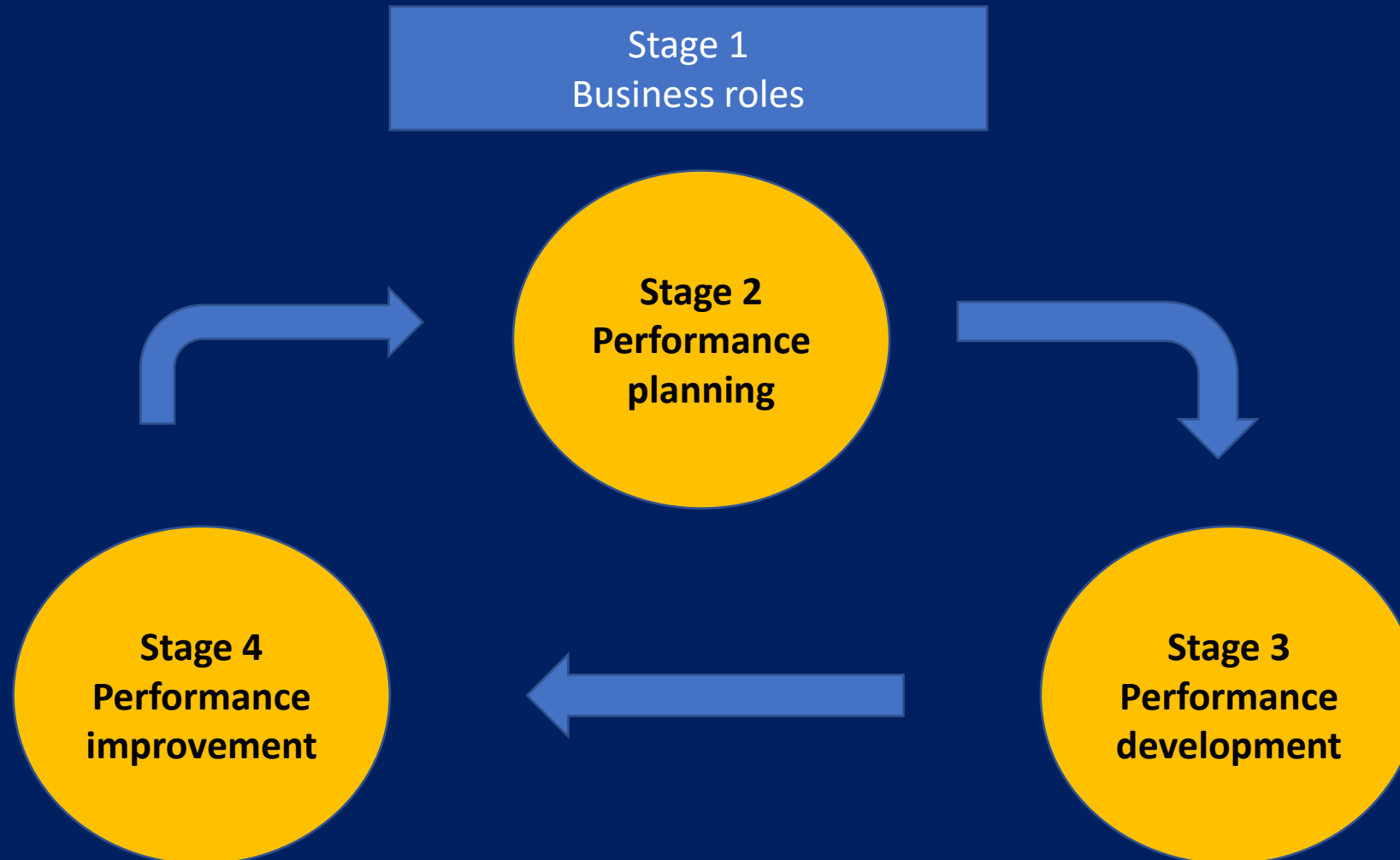
Different systems (models) in performance management



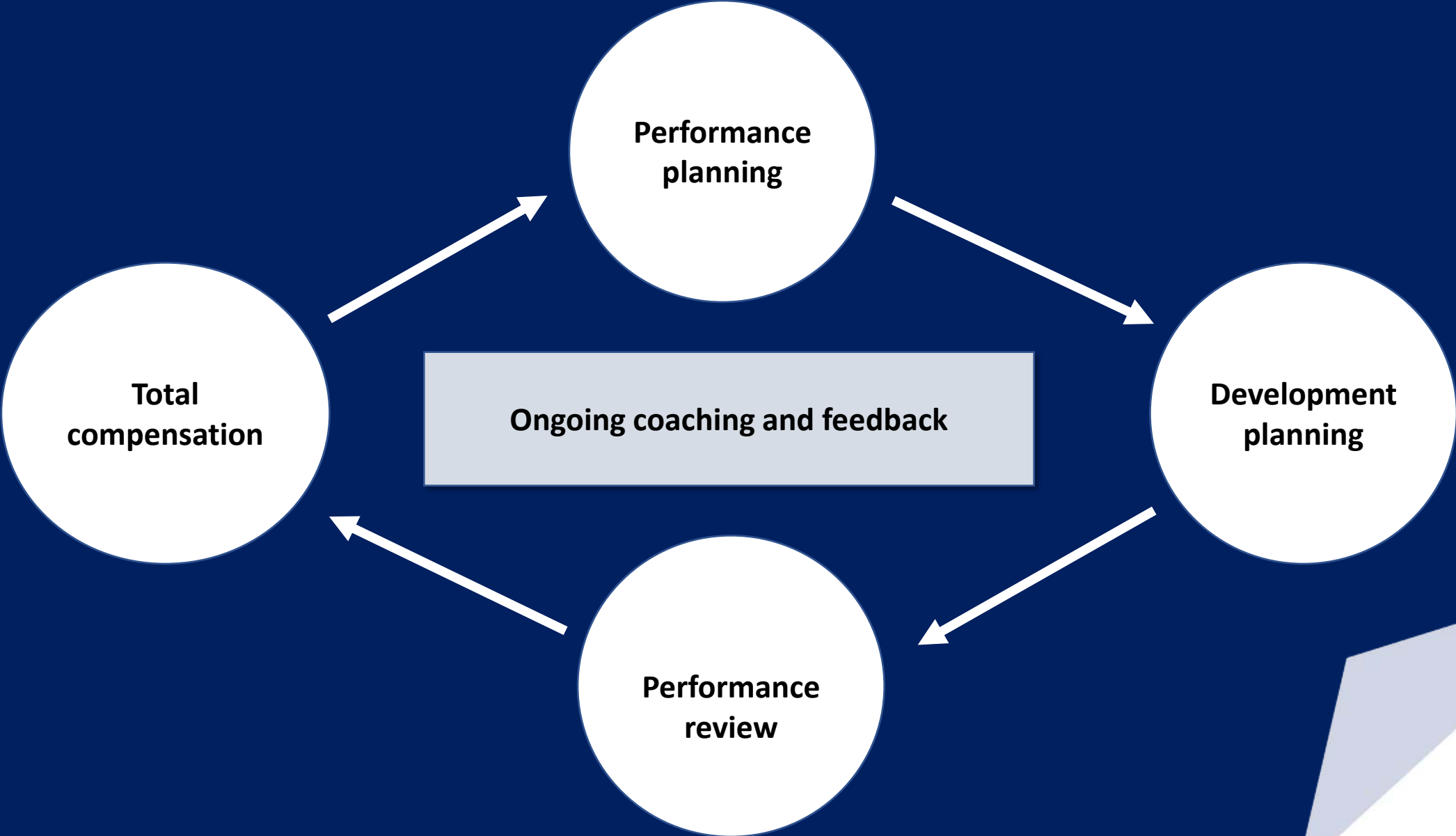
Traditional Method



Method at Astra-Zeneca



Method at Pfizer Inc



Setting SMART objectives



SMART OBJECTIVES

S	SPECIFIC <ul style="list-style-type: none">• Who is involved?• What do I want to achieve?• When do I need to achieve this?• Why is the goal important?
M	MEASURABLE <ul style="list-style-type: none">• How will I measure my progress?• How will I know if my goal is achieved?
A	AGREED / ACHIEVEABLE <ul style="list-style-type: none">• Will it be clear when the goal is complete?• Is it reasonable to complete the goal in the time allotted?
R	REALISTIC / RELEVANT <ul style="list-style-type: none">• Is this goal related to my overall success (or the success of my business/organization)
T	TIME BOUND <ul style="list-style-type: none">• How long should it take to accomplish this goal?• When will I check in on whether or not the goal has been completed?• Am I ready to start work on the goal?



Exercise on SMART – 20 mins

Set **SMART** objectives for the following positions (or others you may be better familiar with):

1. An entry-level chef at a 5 star restaurant
2. A new manager in a fast food restaurant
3. A car mechanic on hybrid / electric cars
4. A receptionist in a hotel
5. A machine operator in a manufacturing company producing flavoured drink



Assessing and rating performance at work



Assessment (appraisal) 3 approaches

OVERALL ASSESSMENT

- General analysis (based on performance agreement)
- Based on future action (rather than judgement)
- Understanding of what is going well and what is not
- Distinguish between high / average and non performers
- Written record

Cons:

- **Assessment can be generic**
- **“halo” / “horn” effect.**

RATING

- Assessment is based on a score on performance (numerical or descriptive based on definitions) – usually 5 levels i.e. Beyond Expectations / Meets expectations most of the times / meets expectations sometimes / Below expectations / Requires drastic improvement

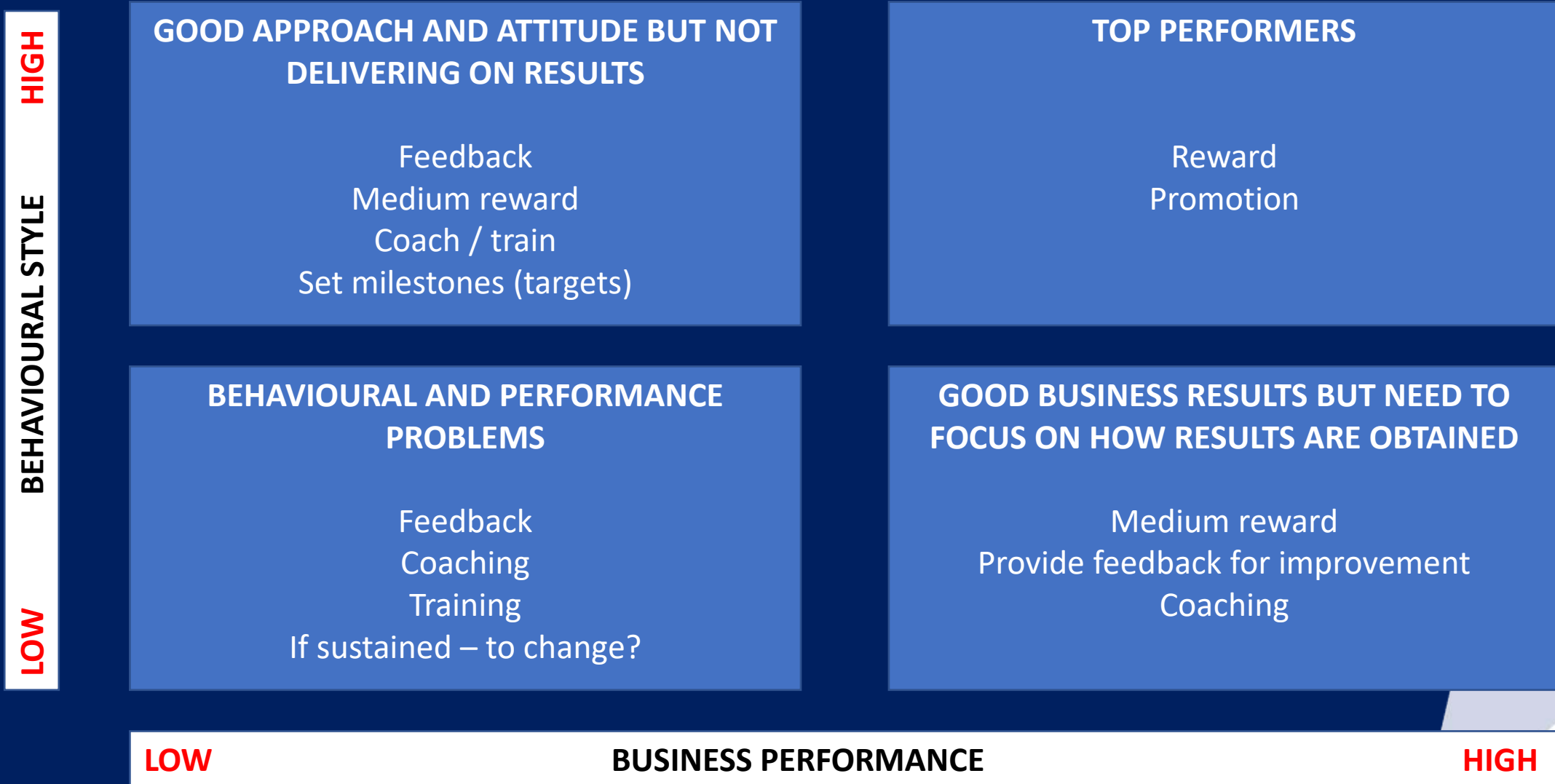
Cons:

- **Managers rate differently**
- **may lead to confrontation**

VISUAL ASSESSMENT

**Performance Grid
(see next slide)**

Visual assessment



Conducting performance appraisals



Steps when conducting appraisal

- **Step 1:** Which model will you use – Traditional? Cyclical? Linked to pay?
- **Step 2:** Plan for the appraisal meeting
 - ✓ Advise employee about date and explain what will be done (it is no a test but a discussion)
 - ✓ Review all aspects of performance during a period (not the last week!) and be objective
- **Step 3:** Conduct appraisal meeting. During appraisal meeting....
 - ✓ Talk in terms of objectives not (not feelings) and data (or observations)
 - ✓ Be positive throughout
 - ✓ Don't get personal or criticise destructively
 - ✓ Encourage 2 way communication / listen
 - ✓ Get agreement about way forward



Checklist – Appraisal Interview

- Review job description, previous appraisals, goals and current job standards
- Provide adequate time and a private, quiet environment
- Focus discussion and comments on evident information
- Allow appraisee to give his / her point of view without judgement
- Avoid attacking appraisee's comments
- Criticise with respect and dignity
- Discuss each of the appraisee's duties and goals
- Reach agreement on training /development required
- Discuss steps to take if performance does not improve
- Discuss performance in light of career aspirations



Group activity



What factors would you take into consideration to appraise the following positions (or others you may wish to choose)

1. An entry-level chef at a 5 star restaurant
2. A new manager in a fast food restaurant
3. A car mechanic on hybrid / electric cars
4. A receptionist in a hotel
5. A machine operator in a manufacturing company producing flavoured drinks

Aim for ongoing reviews

Ongoing reviews throughout the year are preferable and more effective





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