

Factors for setting targets



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Performance Management is about setting targets to achieve and then tracking the progress towards achieving them To understand and to set up performance targets we can ask a simple question from our self is what performance targets can achieve?

To monitor and assess how the employees of any organization are performing, it's useful to set out clear objectives, ideally with quantifiable performance targets. This will help ensure the employees understand what they are expected to do for the organization.

Benefits of defining performance targets

Defining performance targets for employees could help us to:

- ensure that every employee's contribution fits into the overall aims of the business
- help individual employees better understand their aims and role within the business
- help employees feel valued
- create standards to measure the quantity and quality of employees' work
- monitor the success of the business
- identify ways to make the business run more efficiently
- identify ways to expand the business

As I am working for a reputable prestigious Estate Agents located in High Street Kensington as a Business Developer my job widely circle around the customer's demand and satisfaction at the same time I have to look for the business growth opportunities. We have our weekly Team meetings every

Friday, where we discuss the staff problems and any change required also each and every staff member get his target for the next week. I myself make sure that the targets set by management should be SMART - Specific, Measurable, Achievable, Realistic and Time-bound.

There are many tools, techniques and framework that can be used and every tool or technique points towards achievement of improved performances whether in terms of cost, quality, timeliness, resources, customer satisfaction or even self assessment or all of them as they are quite intertwined, common examples can be The Big Picture, EFQM (European Foundation for Quality Management), Business Process Reengineering (BPR), Excellence Model, Six Sigma, Kaizen Blitz, ISO Standards for quality management and many other standards and benchmarks. After comparing all the above tools my organization picked up ISO Standards for quality management because it is very easy to implement and also the results were great. The Plan - Do - Check - Act (PDCA) cycle is the operating principle of ISO's management system standards. Which made my company strategy upright and everyone is feeling comfortable and now the mistakes and problems are getting less day by day.

Key performance indicators (KPIs), targets and business strategy

Performance targets are a powerful management tool that can help us deliver the kind of strategic changes that many growing businesses need to make. The top-level objectives of our strategic plan can be implemented through departmental goals, and setting targets based on KPIs is an ideal way of doing this.

Why my organization use Key Performance indicators (KPI)?

Using KPIs ensures our organizational targets meet the first two criteria, as all KPIs should, by definition, be specific and measurable.

Achievable - we have set ambitious targets which motivate and inspire our employees. For example Extra Bonus, Employee of the Month Title, Increase in Percentage of our Employees. Etc.

Realistic - setting realistic targets means being fair on the people who will have to reach them. We make sure we only ask for performance improvements in areas that our staff can actually influence.

Time-bound - people's progress towards a goal will be more rapid if they have a clear sense of the deadlines against which their progress will be assessed.

Learning Outcome 2:

Be Able to agree team performance targets to contribute to meeting strategic objectives

Overview

Teams are increasingly used by a wide range of organizations. From the factory floor to the corporate board room, teams are viewed as a means to motivate participants, increase productivity, and flatten the organizational hierarchy. Teams are not new and have been around since the beginning of human history. What is new is the concerted analysis of what makes work teams and the successful application of the resulting principles to build effective teams.

What is a Team?

A team has been defined as “ a small number of people with complementary skills who are equally committed to a common purpose, goal, and working approach for which they hold themselves mutually accountable.” *

Gathering a group of people together does not make a “ team.” As opposed to a group, a team has clearly defined goals and performance objectives for which members are individually and collectively accountable. A team:

- Is trained and mentored in group dynamics and communication.
- Is strongly interdependent not only for expertise and information, but also for mutual support and assistance.
- Develops individual and group behavior norms and enforces them.
- Has strong commitment both to team and individual member success.

This does not mean that “ groups” cannot also be effective within an organization. Sometimes working groups, committees, or other group forms are more appropriate for a task than a team. A team requires special training and time to develop before reaching peak performance.

Any Team can be successful if they follow a Renown Statement of Mr. Jinnah ‘ The Founder of Pakistan’ UNITY - FAITH - DISCIPLINE

Why Use Teams?

Some teams have had spectacular success in improving quality, increasing productivity, and adding to the profitability of their organizations. Examples are:

Private Sector Team Results

Shenandoah Life Insurance reduced case handling from 27 to 2 days.

Proctor & Gamble lowered manufacturing costs 30% – 40%.

General Electric increased productivity 250%.

Xerox experienced 30% higher productivity.

Rubbermaid developed a new product line that resulted in sales 50% greater than expected.

Honeywell increased quality from 82% to 99.5% and output by 280%.

American Transtech cut processing time and costs by 50%.

There are many other examples from both industry and government on the usefulness of teams. To make dramatic change, teams do not have to be large. A team that revolutionized the Burlington Northern Railroad consisted of 7 members; the team that turned around Knight-Ridder newspapers had fourteen.

Team members bring together skills and experience that exceed that of any one individual. Different perspectives, knowledge, and information can be brought to bear on the problem at hand. A team can provide more potential solutions than one individual alone. Team members can be supportive of each other in brainstorming and encouraging “thinking outside of the box” in problem solution.

Team Motivation

For a team to fulfill its goals and participation to be rewarding for members, motivation must be sustained for the team's duration. Motivation is defined as an internal state—a need or want—that initiates and directs behavior. A classic treatment of motivation is that of Abraham Maslow as expressed in his “Hierarchy of Needs.” According to this theory, there are five principle layers of needs, beginning with the most basic physiological needs. As each layer of need is satisfied, the layer above becomes the prime motivator.

Maslow hypothesized these layers of need as:

- Sustenance – basic physical needs such as food, water, shelter, air, sleep.
- Safety and Security – a safe environment, stability, job security, protection.
- Belonging and Love – friends, spouse, family, a sense of community.
- Esteem – respect from others, recognition, status, attention, reputation, as well as, self-respect, competency, confidence, achievement,
- Self-actualization – autonomy, acceptance of self and others.*

It is the management who needs to understand individual's requirement as some of the employees get motivated by financial Factors and some require respect and encouragement only. The team is formed of Individuals and it is important that every team member is committed and working towards the organizational goal which should be very clear. Some time extra coaching is also required for the tasks which one team member is not familiar with, and it will be unfair if anything goes wrong he/she would held responsible. So

again it will be the team leader duty to find out if every team member is comfortable with their task and provide coaching where necessary.

The finest gift you can give someone is encouragement. If everyone received the encouragement they need to grow, the genius in most everyone would blossom and the world would produce abundance beyond the wildest dreams.

(Signey Madwed, speaker and poet)

Team Performance Plan

A Team Performance Plan is a detailed plan used to:

- Identify the desired performance levels of the team
- Identify how these performance levels will be achieved
- Provide guidance and direction to the team
- Measure progress towards the desired performance levels

Although there are no strict rules as to the format of a Team Performance Plan they normally contain the following information:

- Specific goals for team development
- Performance measures
- Actions required to achieve goals
- An indication of how long goals will take to achieve

The Team Performance Plan should align with the organization's overall objectives. This can be achieved by:

1. Aligning the Team Performance Plan with the Team Purpose

2. Aligning the Team Purpose with the organization's objectives

Based on the above information, at my last week staff meeting I raised the staff training and development issue and the management was happy to provide funds and time to train the new staff, I then called the National Association of Estate Agents (NAEA) and booked the Training session for our staff and I am sure they will gain valuable skills and knowledge and will help in the growth of the Business.

Learning Outcome: 3

Be Able to monitor actions and activities defined to improve team performance

Monitoring, Measuring and Improving Performance

Performance measurement is a fundamental building block of TQM and a total quality organization. Historically, organizations have always measured performance in some way through the financial performance, be this success by profit or failure through liquidation.

However, traditional performance measures, based on cost accounting information, provide little to support. Organizations on their quality journey, because they do not map process performance and improvements seen by the customer. In a successful total quality organization, performance will be measured by the improvements seen by the customer as well as by the results delivered to other stakeholders, such as the shareholders.

Why measure performance?

' When you can measure what you are speaking about and express it in numbers, you know something about it'. Kelvin

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‘ You cannot manage what you cannot measure’. Anon

These are two often-quoted statements that demonstrate why measurement is important. Yet it is surprising that organizations find the area of measurement so difficult to manage.

In the cycle of never-ending improvement, performance measurement plays an important role in:

- Identifying and tracking progress against organizational goals
- Identifying opportunities for improvement
- Comparing performance against both internal and external standards

It is important to know where the strengths and weaknesses of the organization lie, and as part of the ‘ Plan -Do – Check – Act’ cycle, measurement plays a key role in quality and productivity improvement activities. The main reasons it is needed are:

- To ensure customer requirements have been met
- To be able to set sensible objectives and comply with them
- To provide standards for establishing comparisons
- To provide visibility and a “ scoreboard” for people to monitor their own performance level
- To highlight quality problems and determine areas for priority attention
- To provide feedback for driving the improvement effort

Team Performance Meetings:

Communication is a key part of effectively working together as a team and so spending time meeting to discuss ideas or report back progress are

necessary but we should treat meeting time as a scarce resource and make every minute count. I particularly liked Seth Godin's posting " Getting serious about your meeting problem" to allow participants to evaluate meetings. I recommend a " meeting audit":

- Give all team members a 1 page sheet that shows the Monday to Friday work week in 30 minute increments
- Ask all team members to document the standard meetings they attend on a regular basis
- Ask them to rate each meeting from their perspectives - is the meeting useful, is their attendance necessary
- Ask them to identify how they would change things to cut their meeting time down by 50%

Seth Godin has 3 key messages:

1. Make sure the meeting is necessary
2. Make the meeting as short as possible
3. Make sure there is tangible follow through on items discussed in the meeting

Performance Appraisal:

Performance appraisal, also known as employee appraisal, is a method by which the job performance of an employee is evaluated (generally in terms of quality, quantity, cost and time). Performance appraisal is a part of career development.

Performance appraisals are regular reviews of employee performance within organizations

Generally, the aims of a performance appraisal are to:

- Give feedback on performance to employees.
- Identify employee training needs.
- Document criteria used to allocate organizational rewards.
- Form a basis for personnel decisions: salary increases, promotions, disciplinary actions, etc.
- Provide the opportunity for organizational diagnosis and development.
- Facilitate communication between employee and administration
- Validate selection techniques and human resource policies to meet federal Equal Employment Opportunity requirements.

A common approach to assessing performance is to use a numerical or scalar rating system whereby managers are asked to score an individual against a number of objectives/attributes. In some companies, employees receive assessments from their manager, peers, subordinates and customers while also performing a self assessment. This is known as 360° appraisal.

The most popular methods that are being used as performance appraisal process are:

- Management by objectives
- 360 degree appraisal
- Behavioral Observation Scale
- Behaviorally Anchored Rating Scale

I totally agree that there is a Impact of the team performance in contributing to meeting strategic objectives without a professional team no organization can meet their strategic objectives. Therefore we know the importance of a

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team work and the involvement of each individual therefore my organization have adopted 360 degree appraisal procedure; the management gets feedback from subordinates, peers, and supervisors. It also includes a self-assessment and, in some cases, feedback from external sources such as customers also helps the management with their decision. Every organization needs to align people and processes with their strategic objectives in order to maximize performance, achieve goals, innovate and remain competitive. The figure below shows exactly how to meet our strategic objectives.

Learning Outcome 4:

Be able to apply influencing and persuading skills to the dynamic and politics of personal interactions

Before we get started, let's define Leadership. Leadership is a process by which a person influences others to accomplish an objective and directs the organization in a way that makes it more cohesive and coherent. Leaders carry out this process by applying their leadership attributes, such as beliefs, values, ethics, character, knowledge, and skills. Although your position as a manager, supervisor, lead, etc. gives you the authority to accomplish certain tasks and objectives in the organization, this power does not make you a leader, it simply makes you the boss. Leadership differs in that it makes the followers want to achieve high goals, rather than simply bossing people around.

Bass' (1989 [HYPERLINK " http://www.nwlink.com/~Donclark/leader/leadcon.html#one"](http://www.nwlink.com/~Donclark/leader/leadcon.html#one)&[HYPERLINK " http://www.nwlink.com/~Donclark/leader/leadcon.html#one"](http://www.nwlink.com/~Donclark/leader/leadcon.html#one) 1990) theory of leadership states that there are three basic ways

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to explain how people become leaders. The first two explain the leadership development for a small number of people. These theories are:

Some personality traits may lead people naturally into leadership roles. This is the Trait Theory.

A crisis or important event may cause a person to rise to the occasion, which brings out extraordinary leadership qualities in an ordinary person. This is the Great Events Theory.

People can choose to become leaders. People can learn leadership skills. This is the Transformational Leadership Theory. It is the most widely accepted theory today and one of the reason why I am studying Strategic Performance Management with the help of Chartered Management Institute (CMI).

I personally liked the mentioned leadership principles below and will try my best to follow these eleven principles of leadership at my work place:

- Know yourself and seek self-improvement
- Be technically proficient
- Seek responsibility and take responsibility for your actions
- Make sound and timely decisions
- Set the example
- Know your people and look out for their well-being
- Keep your workers informed
- Develop a sense of responsibility in your workers
- Ensure that tasks are understood, supervised, and accomplished
- Train as a team

- Use the full capabilities of your organization

There are number of approaches and methodologies of influencing and persuading individuals to increase commitment towards the strategic objectives. For example;

Herzberg's Motivation – Hygiene Theory

Frederick Herzberg studied and practiced clinical psychology in Pittsburgh, where he researched the work-related motivations of thousands of employees. His findings were published in “ The Motivation to Work” in 1959. He concluded that there were two types of motivation:

Hygiene Factors that can demotivate if they are not present – such as supervision, interpersonal relations, physical working conditions, and salary. Hygiene Factors affect the level of dissatisfaction, but are rarely quoted as creators of job satisfaction.

Motivation Factors that will motivate if they are present – such as achievement, advancement, recognition and responsibility. Dissatisfaction isn't normally blamed on Motivation Factors, but they are cited as the cause of job satisfaction.

So, once you've satisfied the Hygiene factors, providing more of them won't generate much more motivation, but lack of the Motivation Factors won't of themselves demotivate. There are clear relationships to Maslow here, but Herzberg's ideas really shaped modern thinking about reward and recognition in major companies.

Douglas McGregor's THEORY X / THEORY Y

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Douglas McGregor published “ The Human Side of Enterprise” in 1960, in which he suggested that traditional management methods (which he called Theory X) might not be the only way to get people motivated. Instead, you could take a different approach (based on Theory Y) and achieve the same if not more.

Theory X is the traditional view of direction and control, based on these assumptions:

- The average person inherently dislikes work and will avoid it if at all possible.
- As a result, most people have to be coerced, controlled and threatened if they are to put in enough effort to achieve the organization’s goals.
- In fact the average person prefers to be directed, avoids responsibility, isn’t ambitious and simply seeks security.

Theory Y, based on the integration of individual and organizational goals, assumes:

- The physical and mental effort of work is as natural as play or rest, so the average person doesn’t inherently dislike work.
- We are capable of self-direction and self-control, so those factors don’t necessarily have to come from elsewhere.
- Our commitment to an objective is a function of the rewards for its achievement.
- The average person learns not only to accept but to seek responsibility.
- Most people have a capacity for imagination, ingenuity and creativity.

- The intellectual potential of most people is under-used in modern industrial life.

Abraham Maslow's THE HIERARCHY OF NEEDS

Maslow argued that the factors that drive or motivate people to act lie on an ascending scale. Once a group or order of needs is satisfied, the individual will not be motivated by more of the same, but will seek to satisfy higher order needs. What's more, a higher order need will not be a motivator if lower order needs remain unmet. Maslow defined five orders of needs, listed in ascending importance:

- Physiological

The basic survival requirements of warmth, shelter and food

- Security

Protection from danger of threat

- Social

Relations with others, expressed as friendship comradeship or love

- Self-Respect

Sense of personal worth, respect and autonomy

- Self-Actualization

Sense of achieving your full potential

Thus, for example, we won't be concerned about working relationships or professional achievement if we are truly concerned for our own security. By the same token, a manager won't motivate someone by talking about

personal ambition and achievement if that person feels he's about to lose his job.

Of course, Maslow's ideas were applied to the complete range of human experience, whereas for most us, Physiological and Security needs are usually met to a large extent. But recent history has shown that when individuals are homeless, hungry and under threat, all social systems and self-respect break down.

Despite this, Maslow's hierarchy still applies to modern commercial life, and managers would do well to think in these terms when trying to motivate staff.

There are number of factors which are involved and have a great impact in securing the commitment of individuals to a course of action. And those are, Personal Interest, Individual dynamics, Organizational Politics, Management Attitude. Organizations need to understand the importance of these factors and make the working environment in such a way that it create interest and every individual staff feel that they are part of the system without them the organization cannot progress this can be done by Managerial Political skills. The management makes sure the organizational politics are aligned with the strategic objectives and the employee does not feel isolated. Sometimes the management adopts a negative politics to keep an eye on every employee by any mean which can bring a disaster in the organization. Therefore it is important that every organization take these factors very seriously as these factors have a deep impact on individuals and on organizations.

Based on the above mentioned methodologies I feel that my organization is using Douglas McGregor's Theory Y. As the management shows full confidence in every employee, Every staff is also committed and gives 100% and if someone face any problem they do not have any problem discussing with fellow worker or even the management is directly accessible all the time and our organization is on the track of achieving its strategic goal which is to become NO 1 Estate Agents.

REFLECTIVE STATEMENT:

During the studies and while making this external assignment I feel like I am resurrected to a new personality. A personality which understands the human relation very well now. I have come across to many life changing personality changing articles by which I am greatly influenced. The art of management looks very clear to me now and I feel very confident that I can become a manager who will get lot of respect from the co workers as I know now how to manage people and how to become an example for someone to follow. Suddenly the future looks so bright to me.