

Performance management essay sample

[Psychology](#), [Motivation](#)



1. 1 Explain at least two purposes of performance management and its relationship to business objectives

Performance management is a tool that managers use to ensure that their companies remain at the top of their competitive edge. The Chartered Institute for Personnel Development (CIPD, 2008), defines performance management as a method by which individuals and teams are managed in a way that achieves high performance at an organisational level. The individuals within the organisation share an understanding of the achievement goals of the organisation. In order to achieve this, a general strategy is created, with each individual within the organisation understanding his or her role and requirements within such a strategy

Performance management tool supports to meet these expectations by giving employees regular feedback on their performance and in return both employees and managers have the opportunity to discuss and contribute towards targets set individually or as part of a team, this also ensures a culture where employees feel motivated. Performance management based on a mutual relationship of trust and open communication will mean that the whole company benefits and that both employers and employees experience the satisfaction of best possible performance and ultimately contribute towards sustainability of the organisation.

1. 2 Identify three components of performance management systems

Performance Management is a process that brings together many people management practices including learning and development. It is a process which contributes to the effective management of individuals and teams in

order to achieve improved levels of individual and organisational performance and development. Performance management is about establishing a culture where individuals and teams take responsibility for continuous improvement of service delivery and of their own skills, behaviour and contributions. It is therefore a strategic process, long term in nature, and may require a fair amount of work initially, however, once the fundamentals are in place it will run smoothly. Performance management used appropriately can promote business's effectiveness. Effective performance management should fulfil the following criteria: 1. Recruitment and promotion

Have clear, easily defined job descriptions for each and every specific position in the organisation. Set Clear targets and understanding of performance expected. Continuous audit of employee skills enables the organisation to plan its staff succession. Ensure that employee's goals are aligned with those of the organisation. 2. Implement collaboration between managers and employees, a two-way communication is essential to successful practice. An organisation that has a successful performance management system in place will foster an open environment that allows for freedom of discussion this will develop an open and constructive (transparency) working relationship between all staff i. e. managers and staff members. This can be achieved by: Obtaining input from employees and provide a framework for managers to respond to this. Allow frequent, continuous feedback, including informal feedback which is both positive and constructive. This could include 360° feedback that includes comments from peers, customers and supervisors. 3. Creating a supportive work

environment, by being user friendly it will create a sense of equality . This would portray a clear message that anyone in the organisation can achieve performance rewards by attaining expectations. Managers should:

Recognise employee accomplishments, even those that may be difficult to quantify. Provide employees with adequate resources and professional development opportunities such as: courses, seminars, opportunities to attend conferences, mentoring, etc. Should have necessary information for decisions on promotion, salary increases and terminations. Provide on the job training and rewards for good continuous performance. Offer opportunities for staff to identify their own goals and develop skills and competencies.

1. 3 Explain the purpose of reward within a performance management system The relationship between motivation and performance management is important as they work simultaneously with each other. Motivation is the key to an individual's degree of willingness to exert and maintain their efforts towards the organisational goals. Motivation levels are likely to have an effect on performance. If an individual has high motivation, it is likely to increase their performance. However this may not always be the case. Motivation is about the factors, which links into how organisation uses performance management to get better results from their staff by strategically encouraging the performance within its business. If employees are highly motivated they will perform better, and will co-operate collectively to improve the standards which would lead to a sense of achievement creating greater motivation. The conclusion Herzberg drew is that job

satisfaction and job dissatisfaction are not opposites. The opposite of Satisfaction is No Satisfaction.

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Removing the causes of dissatisfaction will not create satisfaction nor will adding the factors of job satisfaction eliminate job dissatisfaction. If you have an unfriendly work environment, giving someone a promotion will not make him or her satisfied. If you create a healthy work environment but do not provide members of your team with any of the satisfaction factors the work they're doing will still not be satisfying. According to Herzberg, the factors leading to job satisfaction are “ separate and distinct from those that lead to job dissatisfaction”. Therefore, if you set about eliminating dissatisfying job factors you may create peace, but not necessarily enhance performance. This placate your workforce Herzberg's findings reveal that certain characteristics of a job are consistently related to job satisfaction, while different factors are associated with job dissatisfaction. These are:

Factors for Satisfaction

Factors for Dissatisfaction

Achievement

Recognition

The work itself

Responsibility

Advancement

Growth

Company policies

Supervision

Relationship with supervisor and peers

Work conditions

Salary

Status

Security

The characteristics associated with job dissatisfaction are called hygiene factors. When these have been adequately addressed, people will not be dissatisfied nor will they be satisfied. If you want to motivate your team, you then have to focus on satisfaction factors like achievement, recognition, and responsibility. An organisation can influence satisfiers through performance management using range of tools such as: Job descriptions

Supervision

Performance appraisals

Continuous development/training

Rewards and career development.

Maslow's theory of motivation is called the "hierarchy of needs". Maslow believes that people have five main needs in the following order of importance; 1. Physiological – The needs to eat, drink, sleep, and reproduce. An organisation would meet the physiological needs of employee by providing the basic salary, 2. Safety – the need for shelter and to feel secure. An organisation should provide stable physical and emotional environment, safe work conditions, and fair work practices. This could also include benefits such pension's schemes. Accurate job descriptions can also allow employees

to feel safe as it's a clear description of their job. 3. Love/Belonging – the need to feel part of a group and to be accepted. Organisations and managers should encourage social interaction and creating team spirit, allow participation and support outside of work activities.

4. Esteem – the need to feel good about themselves and the need to be recognised for achievements, status and reputation – by delegating more responsibilities as managers they will allow individuals to feel good about themselves and employees will achieve more and regularly praising and rewarding employees will benefit the organisation. 5. Self-actualisation – the need for personal fulfilment and the need to grow and develop.

Managers should provide training on a regular basis and provide challenges and encourage creativity. Maslow's hierarchic theory is represented as a pyramid, with the lower levels representing the more fundamental needs, and the upper levels representing the growth/being needs, and ultimately the need for self-actualisation. According to the theory, the higher needs in the hierarchy become evident only after all the needs that are lower down in the pyramid are met.

2. 1. Identify two purposes of reward within a performance management system: Many organisations use rewards within their performance management system to motivate individuals. Two main purposes are:

1. To attract individuals – Providing competitive pay and better rewards, the organisation will attract more people to apply for jobs at the organisation. Attracting the right talent the organisation will develop a culture and behaviours in line with its values and support the achievement of business

goals. This also gives the organisation an advantage and remains on top of competition. 2. Retain talent/individuals – Rewards for good performance is motivation for staff to stay with the organisation it helps make them feel valued in return individuals perform better and reduces staff turnover and contribute towards business aims and objectives.

2. 2. Describe at least three components of a total reward system, one of which should be non-financial.

1. Compensation is a financial reward in regards to the following: Fixed pay – a salary/wage amount paid for the job.

Short-term incentive pay – could be described as performance related bonus pay, given to the employees who depending on the continuous improve work performance i. e. achieving appraisal targets set. Long-term incentive pay – reward could be listed as stock percentage options of the business; performance shares/units to reward excellent performance over a longer period i. e. 3-5 year financial plan. 2. Benefits are also a financial reward that an employer uses to supplement the cash compensation given to an employee, which provides them with a level of security and financial protection in the form of the following: Sick Pay

Annual leave

Sickness pay

Bereavement pay

Retirement pay

Pension contribution

3. 'Total Reward' which an employer can used to attract, motivates and

retain talent within the organisation could be non financial rewards such as:

Verbal recognition of achievement

Trophies

Certificates

Theatre tickets/dinner

Support in external training and development

3. 1 Explain the factors that should be considered when managing good and poor performance

The key aims of performance management are to continuously improve the performance of individuals and that of the organisation. It involves making sure that the performance of employees contributes to the goals of their teams and the business as a whole. Part of the management is to review the individuals performance whether it be good or poor performance. The aims of the meetings for performance management are to encourage and motivate not to undermine. The culture of the organisation should be that its encourages on-going feedback and discussion in an open and supportive environment, and when staff are performing well ensuring that there is a clear procedure in promoting and retaining valuable staff. This also promotes that managers and employee both have the skills to use and understand the process effectively for mutual benefit. Key factor to be considered whilst managing good and poor performance is planning and preparing however factors taken into consideration would be as shown in the table below: Factors for good performance

Factors for poor performance

Link reward to individuals' performance

Two way communication

Be fair and adhere to policies and procedures

Set clear objectives – using person specification, job description, mission statements

A consistent approach to performance management of all staff, which will provide opportunities to address promotion opportunities and further development individual who have achieved all targets set.

Identify any problems which may be preventing the individual from achieving their work objectives Highlight opportunities for improving work processes

Build confidence and self-esteem within the individual

Plan future work, set tasks and agree objectives

Agree ways to support the individual in the future

Discuss the individuals feedback and how they feel about their job

Continuous Monitoring and provide constructive feedback

Disciplinary meetings

Be fair legal implications

Provide training for all managers/team leaders who line-manage – assisting them to deal effectively with performance issues, as managers need clear procedures and the courage and willingness to address issues/concerns.

Mentoring

Recruitment

3. 2. Describe at least two items of data, including one external to the organisation

Personnel file – Contains all the information of the employee from the commencement of employment, all recruitment letters, references, supervision notes, appraisal information, and any other personal information which is legally required. It will contain all confidential health/sickness details, absences and training records. In case of any claims, the personnel file will be required as an audit trail of the employee's life with the organisation. Employee files should always be correctly updated with any changes in date order and secured safely. This helps management to plan and devise training plans and address any issues arising that may affect an employee's performance due to absence or other health problems.

Surveys, external data to the organisation – Surveys could be defined as a valuable piece of information providing feedback to the organisation about services or products they provide. Organisations would use surveys to assess customer or employee satisfaction. Surveys help to identify issues which may need addressing. This allows organisations to identify weaknesses within the organisation and help plan to resolve by providing training for their employees to meet customer expectations. Common types of surveys are:

Written questionnaires

Face-to-face or telephone interviews

Email /website surveys

Focus groups

4. 1 Explain the frequency, purpose and process of performance review

Performance Review & Development Plan is an evaluative tool used for all staff and managers. It allows on an annual basis for each supervisor and employee to clarify and define areas of responsibility. Jointly set performance objectives for the next review period, set measurable standards for performance, review objectives and performance. Identify and address developmental needs and to give employees recognition when work is done well. Overall purpose of performance management is continuous improvement of performance and the success of the business. Frequency and Timing

Performance reviews are conducted on an annual basis and should be completed by the immediate supervisor and submitted to Human Resources. At Xchanging the performance reviews were conducted on three occasions throughout the annual year. Managers and employees were required to submit performance reviews no later than December 31st of each year. All new employees undergo a performance review by the end of their probationary term.

Activity 2

4. 3 Reflect on the outcomes of the review, producing a short statement (approximately 200 words) explaining your effectiveness in achieving this

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outcome, and how this could be improved on a future occasion. In my day to day job I'm not dealing with conducting performance management reviews, I was responsible for ensuring that performance reviews are completed but never conducted a performance review. I found it challenging but interesting at the same time. 'The performance review meeting' helped me to put in practice what I've learned in the previous modules, especially the coaching and mentoring modules. A good performed performance review can do miracles for the person that is upraised and for the organisation but only if the person that conducts it, is well prepared. In order for me to conduct the performance review I had to prepare myself in advance and do some research regarding this I had to plan questions which would help me identify root problem and also help the appraisee identify their weaknesses.

I've learned that when you start a performance review it is vital and very important to know the process and what it involves as you would need to explain it to the appraisee. In my role play I learnt you have to pay attention at all times, be supportive, open and honest, keeping the business objectives in mind and in clear sight. This allows me as a manager to empathise with any situation but also keeps me going in the right direction for the success of the organisation. If the person didn't perform well and didn't accomplish his/her objectives they should always be offered, as much as possible positive feedback. After the role play the feedback helped me understand my weakness which was I did a lot of the talking and although I summarised the situation well I could maybe give the appraisee more opportunity to talk. This constructive feedback is very helpful for future in my professional

career. I've also learned the performance management review is not only for the past, it's for the future as well.

Appendix 1

Xchanging Performance management Process

Initial Review – January – April

At the beginning of the cycle, the supervisor and employee meet to review the employee's position identify and agree key responsibilities also establish performance objectives and development goals for the review period. Set between 3 and 5 objectives for a given year. Specific, measurable, and attainable within the time frame identified (multi-year objectives should be broken down into smaller components). Goals should be reflective of the employee's role level.

Set new development goals

Identify areas of performance requiring improvement, particularly those with ratings of needs improvement. Conclude any training needs arising from the performance objectives set for the following review period, including situations where anticipated changes to responsibilities or technologies and ensuring employees are assisted to gain the necessary skills and/or knowledge. Include areas of personal interest for professional development and growth, as they relate to future potential opportunities at the organisation. Both managers and employee agree and sign off reviews

Throughout the year, employees should be provided with the necessary supervisory guidance, direction and feedback. Performance objectives should

be periodically reviewed to ensure they remain valid and realistic and, if required, modified or removed.

Mid Year Review – May or early June

Supervisor should prepare for the Performance Interview by: Schedule a review meeting with the employee with a minimum of two weeks' notice
Providing a copy of the Performance Review & Development Plan Guide and Form to the employee
Plan questions for the interview focussing mainly around performance. Monitor and discuss if objectives have been achieved and if changes have occurred then set new objectives. Both managers and employee agree and sign off

End of year Review – November – December

Supervisor should:

Plan a review meeting arrange a suitable time and place to conduct review
Gather and collate all data around performance and employee role
Discuss performance

Identify if achievements have been met and or are ongoing

Recognise and reward achievements

Sign off Review and add any comments

Complete and file review securely.