

Jkl industries



This report has been prepared for the General Manager of JKL Industries for his/her approval for the recommendations for introducing an advanced performance management system to improve on the current system.

This report covers each of the following performance management standards:

- The goals and objectives of the proposed JKL PMS in the context of JKL's broader organisational and human resource goals and objectives.
- Outline of the performance management cycle, and the role and responsibility of all JKL employees in the successful implementation of the PMS.
- Sample template for use in the conduct of performance appraisal interviews. This template allows for the linking of job elements and key performance indicators to the ongoing development of the individual.
- Policies and procedures to ensure that line managers are monitoring performance regularly and that intervention occurs to address poor performance and acknowledge excellent performance.
- Policies and procedures to address performance excellence.
- Policies and procedures that address unsatisfactory performance and, where necessary, termination of employment as a result of ongoing unsatisfactory performance. This process conforms to existing organisational and current legal requirements.
- Process to deal with any problems or grievances that arise from the performance feedback.

- Policies and procedures to ensure that the documented outcomes of performance management sessions are accessible and are stored in accordance with organisational policy.
- Definition of HR's role during the implementation and ongoing operation of the performance management system.
- How the performance management system will be evaluated.
- Timeline/schedule for implementation, which addresses all communication and staff training requirements.
- Types of reporting that will be generated by the PMS and how these reports will be utilised by the management of JKL.
- How the various components of the PMS will be quality assured and
- How HR will support the PMS by providing specialist advice on all aspects of the implementation of the PMS, including career development, to all participants in the process.

Proposed Vision Statement

JKL Industries vision is:

‘ To be recognised nationally and internationally as an employer of choice and a model of best practice human resource management. Provide best quality service and products in their field’.

JKL Industries is a large company and therefore individual employees in different states will be accomplishing different tasks but all working towards the same goal therefore they will need several different approaches to managing performance.

1. Performance goals and objectives

A performance management system ensures all staff are aware of and work towards organisational goals through providing clear goals and frequent reviewing of staff performance (Behn R 2006, p. 8).

1.1 Goals and Objectives

The new performance management system being implemented at JKL industries will support expansion of the business and play a more active role within the company through the development and implementation of a performance management system. The new performance management system will aid in the redevelopment of the organisational chart as there is a new HR officer that will now oversee the co-ordination of HR services across the organisation, as prior to this HR was divided up between each of the three business areas.

With these new changes the performance management system will help identify what positions are necessary and unnecessary, and ensure JKL is employing the right people through developed recruiting processes and position analysis. The performance management system will provide guidelines on employing the right people and how regularly performance evaluations will take place to identify to what extent staff goals are being achieved and what can be done to further improve staff performance. “ Performance management uses past performance as a platform to improve future performance through regular reviews, the setting of clear goals, staff recognition and feedback” (Jones 2010, p 95).

The new performance management system at JKL will also provide guidelines on how training and support will be delivered to staff and enable staff skills and performance to be evaluated against job descriptions and key elements of the job including KPI's. The performance management system will also identify opportunities for further development of skills in staff.

The performance management system will help in developing the following aspects:

- Improve organisational effectiveness
- Facilitate employee development, training and support
- Determine appropriate awards and compensation
- Facilitate legal compliance
- Facilitate planning process
- Increase motivation
- Address poor performance

JKL Industries plans to expand existing branches to include the sale of large and medium trucks by the beginning of July. The performance management system will allow for the monitoring of performance of current staff and identify training and developmental opportunities. This will save recruiting costs and further challenge and develop staff skills and knowledge by identifying skills gaps through the reviewing of job descriptions (QDET 2010, p8). Through monitoring of current staff using the performance management system it will ensure the right staff are used in the implementation of the expansion (QDET 2010, p8). The performance management system will also help JKL Industries identify staff who are deserving of a promotion and could

be used in the further expansions and new branch openings planned for 2013, 2014 and 2015 (QDET 2010, p8).

2. The Performance Management Cycle

A Performance management system is a tool used to motivate and inform staff and managers of performance outcomes in an organisation for a particular period of time (QDET 2010, p7). It involves the use of a performance cycle that involves planning, performing, reviewing and recognising staff performance (QDET 2010, p7). The use of this performance cycle will help JKL Industries monitor the success of their staff in reaching their own individual goals, and monitor the status of the planned strategic goals that includes expansions and new branch openings.

Before implementing a performance management system it is important that appropriate foundations are laid down to effectively evaluate staff performance objectively (Bedford D & Malmi T p. 12). This is done firstly through reviewing job duties and responsibilities (Bedford D & Malmi T p. 12). This will give an accurate job description to benchmark employee performance against and ensure employees are clear of their goals, what is to be achieved and the standard required (Bedford D & Malmi T p. 12). Job descriptions for similar positions may be researched online for comparisons (Bedford D & Malmi T p. 12).

The performance management system at JKL Industries should be aligned to the budget cycle to further measure to what degree staff are achieving their goals, and to be able to plan for reward or further development opportunities or in some cases recruitment needs (QDET 2010 p. 7). The length of the

performance management cycle should be 12 months for the formal process's including planning and reviewing with review conversations taking place every six months (QDET 2010 p. 8). These timelines can be shortened and conducted more regularly during periods of large change that JKL industries will experience in the coming years with the planned business expansions for 2013, 2014 and 2015 to update performance plans as strategic business goals change (QDET pg 8).

2. 1 Performance management stages

Planning- clarifying expectations, reaching an agreement, negotiating performance goals, setting expectations and planning to develop skills

Performing (ongoing support) – learning on the job, continuous improvement, providing feedback

Reviewing- discussing individual performance and contribution comparing achieved goals against goals agreed upon and whether goals were achieved in a way that further organisational goals

Recognition- continuously recognising team member's contribution, making staff efforts acknowledged and encouraging further achievements

This cycle will operate at different times for each employee. It is recommended that performance cycles start from the anniversary date of employment for each employee to avoid large amounts of appraisals distracting management and HR from their respective duties.

2. 2 Roles and Responsibilities

At JKL Industries all staff will play an important role within the performance management system. The Managing Director must be thoroughly committed to the performance management system and ensure the workforce is managed in accordance with the policies and procedures of the performance management system.

Human Resources are responsible for the development and design of policies and procedures in regards to the performance management system. The Head Human Resources Officer that has been employed to oversee the HR Assistants for each division will be responsible for training the HR Assistants in the new performance management system, ensuring all staff are competent and fully understand the reason why they are doing what they are doing and the outcome desired. The Head Human Resources Officer will be responsible for overseeing the implementation of the PMS and monitoring its success and any changes that will need to occur as well as collaborating relevant documentation.

Operations Manager is responsible for guiding and managing the performance of the Service Manager, Rentals Manager and Sales Manager. The Operations Manager with the support of the Head HR Officer develops performance objectives, provides feedback, appraise performance, guide development and ensures the Service Manager, Rentals Manager and Sales Manager are rewarded for good performance (Government of South Australia 2012).

Finance Administration Manager develops performance objectives with the guidance of head HR for the Accounts Manager. Accountants Manager with guidance from head HR develops performance objectives for Accountants.

HR in the Divisions with guidance of respective Manager (SALES, RENTALS, SERVICE) develop performance objectives for employees ie plan perform review recognise. And support Manager in conducting appraisal interviews and implementing system.

Employees are responsible for their performance and their participation in performance management both formal and informal (Government of South Australia 2012).

Supervisors are to manage the performance of the team and each individual team member (Bedford D & Malmi T p. 12)

3. Performance Appraisal Template

Performance appraisal interviews help identify any skills gaps and evaluate to what degree employee's understand their roles (Jones 2010, p. 131). The following performance appraisal template will assist in training and development plans for each individual and encourage two-way communication (Jones 2010, p. 131). The performance appraisal template provided allows for linking of job elements and uses aspects of the balanced score cards system. The balanced scored card system help overcome the limitations associated with managing staff performance through financial indicators alone (Kaplan R & Norton D 1992). The balanced score card approach looks at assessing staff from four business aspect, finance,

customer satisfaction, internal business processes and learning and growth (Kaplan R & Norton D 1992).

4. 1 Policy – Monitoring Staff Performance

Interventions to Address Poor Performance and Acknowledge Excellent Performance

4. 2 Purpose: The aim of this policy is to ensure management at JKL Industries are continuously monitoring staff performance effectively through reviewing individual goals set for employees against the level of outcome achieved (Personnel Management 2012).

4. 3 Scope: This policy is relevant to all HR and management positions conducting employee performance reviews and applies to all employees receiving feedback. This policy does not apply to cases of gross misconduct. This policy does not apply to cases of long periods of absence due to illness (Personnel Management 2012).

4. 4 Background: It is a requirement of management to conduct regular reviews to monitor progress of employee performance against previously set standards and goals. Ongoing monitoring will give management the view as to how well employees are progressing and make necessary changes to any issues that prevent employees from achieving their work goals. Unacceptable performance can be addressed at any time during the performance appraisal period and should be dealt with when situation arises, not left to the annual review meeting (Personnel Management 2012).

Policy: This policy aims to ensure management can effectively identify poor performance and take the necessary steps to intervene and correct employee performance through identifying skills gaps and providing training and support (University of Brighton 2003). For cases of extreme unsatisfactory performance where disciplinary action or termination is involved please refer to (Policy No. 6 Monitoring Staff Misconduct). This policy also includes steps to address excellent performance however is covered in more detail in policy Staff Excellence policy and procedure.

4. 5 Procedure: how to conduct appraisals and manage records

Management to conduct monthly meetings to determine whether there has been any change in the responsibility of employees that may hinder performance (QDET 29).

Formal performance appraisals to be conducted every 12months from anniversary date of employment

Management to notify employee in writing 3 working days before performance appraisal is conducted. (email accepted)

Employee to fill out employee satisfaction survey prior to commencing performance appraisal

Management conducting performance appraisal to confirm date with appraisee 3 working days before performance appraisal

Human Resources Assistant to distribute or make readily available all documentation required to conduct performance appraisal

After conducting performance appraisal employee and managers are to sign to say meeting has taken place

All outcomes of the appraisal are to be approved by Senior Management. This includes proposals for further training, further financial delegation, moving to a different position. These outcomes must be addressed and decided upon in full 14 working days after meeting has taken place.

All paper work from appraisal to be finalised 14 working days after meeting has taken place, all management and human resources assistants involved must sign and date relevant paper within this period and present paper work to administration assistant for filing. Administration Assistants are to make copies to distribute to ALL personnel involved in appraisal for secure storage.

All documentation handled during the performance management process to be handled in accordance with Documentation Policy and all hard copies scanned and uploaded into the system as stated in the Documentation Policy.

All Management to monitor staff performance daily by management by walking around and encouraging staff feedback and submitting reports on staff performance to relevant HR Department monthly

Staff excellence in performance to be rewarded accordingly immediately when recognised. For more information please refer to the staff excellence policy and procedure

Service Managers to identify any problems or difficulties staff may have encountered in achieving their goals and report these to HR Assistants who record details and document them for Head HR

Service Manager to check with staff daily and encourage feedback on any difficulties that are being experienced with regards to achieving their work goals

Informal feedback sessions to be conducted with all staff every three months

Management are to plan with staff annually from date of employment agreed upon goals that link with JKL's organisational objective and assure that these goals are specific, measureable, achievable, and relevant and have time frames (QDET 2010).

Management are to develop team plans annually. Team plans need to consider who is accountable for what and what management has agreed to delivering (QDET 2010). Team plans need to work towards organisational objectives. Team plans need to state what each individual is responsible for achieving and the behaviours expected of them. Individual performance planning takes place after team goals are decided.

Management are to conduct regular conversations within their respective divisions with team members these include :

Coaching conversations – give helpful feedback, listen and ask questions, helps to reinforce the actions and behaviours that are needed to achieve team members performance goals

Day-to-day conversations – showing genuine interest in employees and their work will help build effective working relationships and create a supportive environment, gives management and employees open two way communication and the opportunity to provide and receive immediate feedback

Management are responsible for recording information about staff performance and documenting conversations that take place during the performance cycle. Management must record staff performance against goals/standards previously decided upon to be able to provide feedback during the formal review

Human Resources and Management are responsible for conducting the performance review conversation. These conversations are to take place annually from date of commencement of employment. Prior to this previously planned goal have been developed. The performance review conversation needs to address the following;

Measure actual performance against agreed upon goals

General day-to-day behaviours and how effective these behaviours have been

Things that have helped/hindered team member achieve goals

Any change in responsibilities during cycle that would have affected team member performance

Recognition- Staff performance is to be recognised accordingly. Staff recognition needs to be directly linked to an achievement. Recognition should be timely and praised/identified at time of achievement. This can be done informally simply by telling staff when they have done a great job and sincerely thanking them. Staff performance can also be recognised in form of career development opportunities when set goals are achieved extremely well, this will be recognised formally in the staff performance appraisal conducted yearly and continuously monitored by relevant line managers.

5. Monitoring Staff Performance Excellence

JKL Industries Policy: Performance Excellence

Policy No.

P05/263

Function

Personnel

Contact Position

Human Resources

Authoring Organisational Unit

Human Resources

Date Approved

Revised 30/8/2012

Next Review Date

01/02/2014

5. 1 Purpose: JKL Industries is committed to providing a work environment that promotes, recognises and rewards performance excellence. The purpose of these principles is to provide an open and transparent system for rewarding and formally recognising performance excellence. The performance reward and recognition process is directly linked to the JKL Industries Performance Management System and all awards provided under these principles are determined from appraisal outcomes.

It is important to recognise and reward people because it:

- positively support excellence in behaviours and performance
- builds staff commitment and increases job satisfaction
- leads to higher retention rates of key staff
- reduces stress and builds an environment where people are encouraged to explore innovative approaches to their work
- sends a message to potential staff that staff are valued, and supports a culture of performance excellence

5. 2 Scope: These principles apply to all staff employed at JKL Industries continuously for more than 12 months.

5. 3 Background: The reward recognises performance that exceeds what would be expected of staff in the normal performance of duties

Performance excellence must meet one of the following criteria:

- an outstanding and exceptional achievement or success;
- outstanding service to internal or external stakeholders;
- an outstanding or novel initiative which has been successfully implemented;

- significant improvements to work procedure or operational systems; or
- outstanding contribution to enhancing the student experience

5. 4 Definitions – Nil

5. 5 Legislation – Fair Work Act 2009

5. 6 Policy: JKL Industries aim to make the Reward and Recognition process fair and equitable, transparent and appropriate. The following guidelines outline considerations when applying rewards.

Ensure that the level of the reward or recognition is appropriate with the achievement, level of performance or impact on the organisation

The reward process should ensure equity in the distribution of awards, be transparent and be based on merit. Where appropriate, there should be evidence based data to support reward or recognition decisions.

Ensure the type or form of rewards and recognition provided to staff are valued and meaningful to the particular staff member(s), recognising their preference for the things they find rewarding and how the recognition is given. For example, some individuals enjoy public recognition and others prefer private recognition in person or with a thank you note.

Ensure that the reason for the reward and the impact of the behaviour or actions has been clearly communicated, firstly to the individual or team, and then to a wider audience (where appropriate)

Rewards are not allocated to avoid promotion and reclassification processes; however rewards can be included as support in the promotions process.

5. 7 Procedure

The supervisor and HR manager will evaluate the evidence in the documentation from appraisal feedback, to determine which employee they would recommend receive rewards.

Costs associated with these rewards are to be met from the cost centre budget and should be funded from productivity gains, either by way of increased income generation or cost savings.

The employee must be provided opportunity to respond and provide feedback to any performance recognition reward recommendation including an opportunity to decline performance recognition or to request recognition of the greater team.

5. 8 Types of Rewards

Unofficial rewards: spontaneous, timely, sincere and personal appreciation of an individual, team or group. Unofficial rewards may include:

- Praise or “ thank you”, either privately or publicly.
- Writing a short note or “ thank you” card or email.
- Acknowledgement at staff meetings or other appropriate functions.
- A Certificate and/or letter of appreciation with a copy placed on the staff member’s file
- Providing small appreciation rewards (e. g. movie tickets, morning teas, area sponsored luncheons, vouchers, plaques).
- Setting up a notice board to display thank you memos, photos, progress towards goals, etc.
- Implementation of a staff idea or proposal.

- Arranging a personalised gift to celebrate a milestone or service anniversary.
- Providing flexible working arrangements (where appropriate).

Developmental Opportunities through Job Responsibilities

Developmental opportunities (e. g. given priority to attend “ higher level’ meetings attendance at external conferences).

Selected to represent area at a meeting or attend as an observer.

Provision of more autonomy in their job.

Additional responsibilities in a job or role.

Opportunities for the staff member to provide comment on specific issues, policies etc.

Providing greater access to information and increased opportunities for input and advice.

Mentoring and work shadowing opportunities.

Invitation to co-ordinate and chair meeting.

Provide increased flexibility in working arrangements e. g. working from home.

Opportunities to take on additional responsibilities that are more personally rewarding.

An opportunity to be involved in a major presentation.

Provide special project/assignment work.

Smaller Monetary Rewards

Where budgetary conditions allow:

- Small gifts (e. g. movie tickets, gift voucher, bottle of wine, flowers, certificates, plaques).
- Occasionally allow all staff to leave an hour early in recognition of their efforts.
- Pay professional membership.

Official Rewards

Employee's achievements consistently exceed the expectations of performance and reasonable expectation the level of the performance will continue.

Salary Increment

One off bonus payment – according to budgetary conditions

Promotion – to a higher position within the organisation

Responsibility Loading – Where a staff member, as a reward for performance, undertakes or is appointed to a position or role that carries additional responsibilities.

Extraordinary Reward and Recognition – When the need for a reward falls outside of the guidelines above and the available formal mechanisms, an Extraordinary Reward can be applied.

5. 9 Tips and Traps

The employee must be provided opportunity to respond and provide feedback to any performance recognition reward recommendation including an opportunity to decline performance recognition or to request recognition of the greater team.

6. Monitoring Staff Misconduct

JKL Industries Policy on: Managing Misconduct, Managing Unsatisfactory Performance and/or Workplace Behaviour

Policy No.

P06/260

Function

Personnel

Contact Position

Human Resources

Authoring Organisational Unit

Human Resources

Date Approved

Revised 30/8/2012

Next Review Date

01/02/2014

6. 1 Purpose: This policy must be read in full before proceeding to address misconduct or serious misconduct. Supervisors must discuss any allegations of misconduct or serious misconduct with an officer from Human Resources and their own supervisor.

This policy is intended to –

assist supervisors when handling misconduct in the workplace and to provide guidance in taking appropriate action, and

provide employees with a clear understanding of the processes for dealing with allegations of misconduct or serious misconduct

Employees must be afforded procedural fairness throughout the implementation of this policy. Normal standards of respect, civility and confidentiality must be maintained throughout the process.

Nothing in this policy precludes the University from terminating the employment of an employee without notice for serious or wilful misconduct.

Depending on the nature of the misconduct, it may also be appropriate to refer to the University's policy on Anti-Fraud and Corruption.

Conduct that is serious misconduct includes but is not limited to –

theft, fraud, assault, being intoxicated

a serious breach of JKL Industries Code of Conduct, statutes or policies

repeated acts of misconduct for which the employee has been counselled

serious bullying or harassment (including sexual harassment)

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disobeying a lawful and reasonable instruction given by a supervisor

abusing or threatening an employee or anyone within the workplace

malicious damage to JKL Industries property or reputation

repeatedly refusing to carry out a lawful or reasonable instruction that is consistent with the employees contract of employment

Employees who are unsure about any aspect of this policy should seek further advice from HR.

Confidentiality: the confidentiality of all parties involved in the management of misconduct and serious misconduct processed must be respected and all information gathered is confidential.

6. 2 Scope: These procedures do not replace the normal responsibility of a supervisor to discuss work or conduct issues with staff members, to ensure that staff members have a clear understanding of the work and conduct expected of them and to provide appropriate feedback on their performance. The emphasis should always be on early intervention and informal resolution of a problem, as opposed to a more formal intervention at a later time. In any event, unless the matter is of a serious nature, the formal disciplinary process outlined below should only be commenced when it becomes clear to the supervisor that a work performance or conduct problem has not been corrected through relatively informal discussion between the supervisor and staff member.

Nothing in these procedures prevents JKL Industries from terminating the employment of a staff member for unsatisfactory performance.

6. 3 Background: The managing of unsatisfactory performance requires the principles of natural justice and procedural fairness to underpin all actions undertaken by supervisors. Staff from the Human Resources Section can advise on this.

The principles of natural justice are:

All parties will have the right to be heard and judged without bias

All issues are investigated thoroughly and justly

The principles of procedural fairness are:

The standards of conduct or job performance required will be made clear to the staff member by documentation or during interviews

The staff member will be made aware of the likely next steps in the event that satisfactory performance or conduct is or is not maintained

The staff member will be afforded the right to be accompanied and represented by an employee representative at discussions or interviews at any level of the discipline process

When a complaint about performance or conduct is brought to the supervisor's attention by a third party, the substance of the complaint will be verified before any action is taken on the matter

6.4 Definitions

‘Disciplinary Action’ is the action or actions taken as a result of an allegation meeting the required standard of proof, for which a penalty is considered appropriate.

Penalties may include:

Formal reprimand, warning or counselling

Suspend the employee for a period with or without pay

Demotion to a lower position or transfer to another position

Termination of employment

‘Disciplinary Process’ is the process undertaken by JKL Industries management to investigate and manage allegations of unacceptable conduct or workplace behaviour.

‘Employee’ means a person employed by the JKL Industries who has an ongoing or fixed term contract under the terms of a General Staff Agreements (as amended or replaced from time to time)

‘Employee Representative’ is a person nominated by an employee to provide support and/or to make representations to JKL Industries on their behalf, and who is not currently a practising solicitor or barrister.

‘Employee Assistance Program’