

## Performance Management

At Niche we assist organisations with the design of their performance management systems and provide training for managers and employees on performance reviews and appraisals.

An efficient performance management system is a critical part of effective Human Resource Management.

There are many **benefits** that arise from a well designed performance management system including:

- ◆ Better communication and enhanced manager and direct report relationships
- ◆ Ensure priorities, goals and objectives are clear and agreed to
- ◆ Manage career expectations and identify training needs
- ◆ Improve employee and manager performance
- ◆ Improve employee motivation

### The Performance Management Cycle:



A Performance Management Process should:

- ◆ Not only be an annual event
- ◆ Include daily coaching and feedback
- ◆ Culminate in a ½ yearly and yearly formal review
- ◆ Include many informal catch-ups in between these reviews

When you ask employees if they have had feedback on their performance most will say “no” unless there is a formal performance review (appraisal) process in place.

Contrary to popular belief, employees crave feedback, both positive and constructive negative feedback. Part of being able to do your role better is knowing what you are not doing and what you need to work on to improve, and this is where performance feedback is so important.

Our model of overall job performance is below:



What this model illustrates is that when setting performance objectives and standards you need to both:

- ◆ Set objectives around individual task performance
- ◆ Set contextual performance measures - **“how”** they go about doing the role.

Without contextual performance measures in a performance review you may have someone who meets all the role key performance indicators (KPIs) but who actually is under performing as their contextual performance is poor and this then impacts on others around them and the wider team’s performance.

**Some of the mistakes to beware of when designing Performance Review Systems:**

1. Lack of Managerial Commitment
2. Lack of training of Managers
3. Trying to make the performance review encompass too much
4. Having too lengthy a review document(s)
5. Lack of a holistic approach to Human Resource Management
6. Key Performance Indicators (KPIs) emphasise Quantity not Quality
7. Setting Objectives without consultation and agreement from employees
8. Setting Objectives ONLY on Individual Task Performance