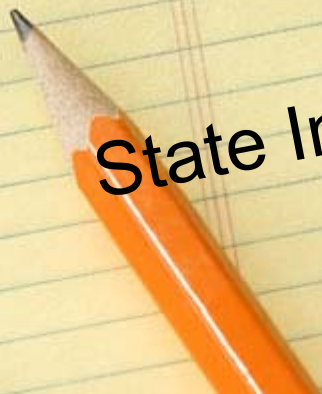# Performance Management

State Institute of Health & Family Welfare, Jaipur

Performance

- Set of outcomes produced during a certain period of time and does not refer to the traits, personal characteristics or competencies of the performer.
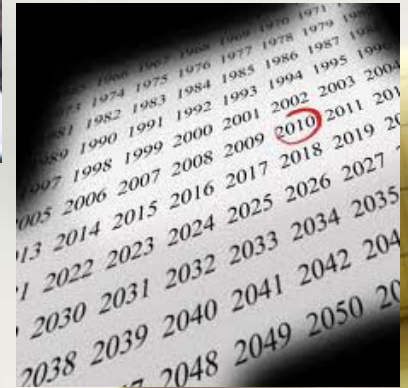
Performance Management .... is about

- Coaching
- Mentoring
- Feedback
- Positive reinforcement
- Role modeling
- Work-related counseling and advising
- Recognition and rewards for top performance
- Formal written performance appraisals

PM…. Is not about

- Just filling a form
- Just once an year

It's enabling and encouraging the **right** people to do the **right** things at the **right** time.

Why PM

- ## Direct financial gain
  - Grow sales
  - Reduce costs in the organization
  - Stop project overruns

- ## Motivated workforce
  - Improves employee engagemen
  - Create transparency

- ## Improved management control
  - Flexible & responsive
  - Displays data relationships

Performance Management System

1. Starting with the ultimate goal and mission of the organization

2. Eventually aligning all business units, teams & individuals with strategy.

Mission

Vision

Strategy

Processes

Systems

Performance Management

Behavior & Actions

Results

Performance Management Cycle

Performance Planning

Coaching and feedback

Performance review

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Pre-requisites for Implementing an Effective PMS

- Commitment from management.
- Participation of all concerned.
- Clear definitions
- Identification of performance parameters and Key Performance Indicators (KPIs).
- Consistency of application.
- Adequate organizational training
- Strong commitment
- Rewards and recognition

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Performance Planning

- Align job expectations with overall strategic plans, department goals, and the job description for the position
- Establish and agree upon performance expectations and goals
- Clarify and document the evaluation criteria that will be used in Phase III – Performance Evaluation
- Set the stage for ongoing feedback and coaching throughout the year
- Create a partnership based on two-way communication
- Identify sources for feedback on the employee's performance (optional)

Goal setting: At individual level

- Work priorities
  - Accomplishment of a project/job task
  - Improvement of a process
  - Improvement of individual performance
- Professional development
  - Acquisition of new skills/abilities
  - Gaining experience by taking on different and challenging responsibilities
  - Increasing knowledge and expertise
  - Continuous and ongoing learning
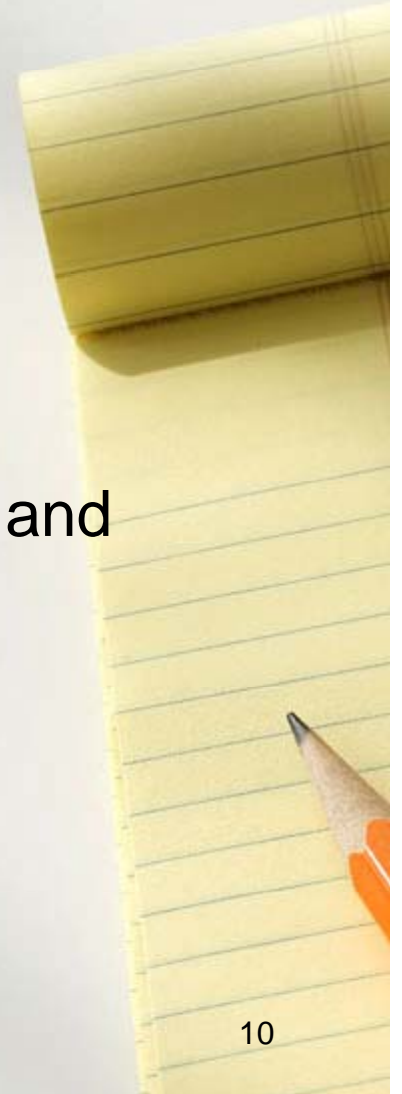
Ongoing Coaching and Feedback and documentation

Coaching

Documentation

Feedback

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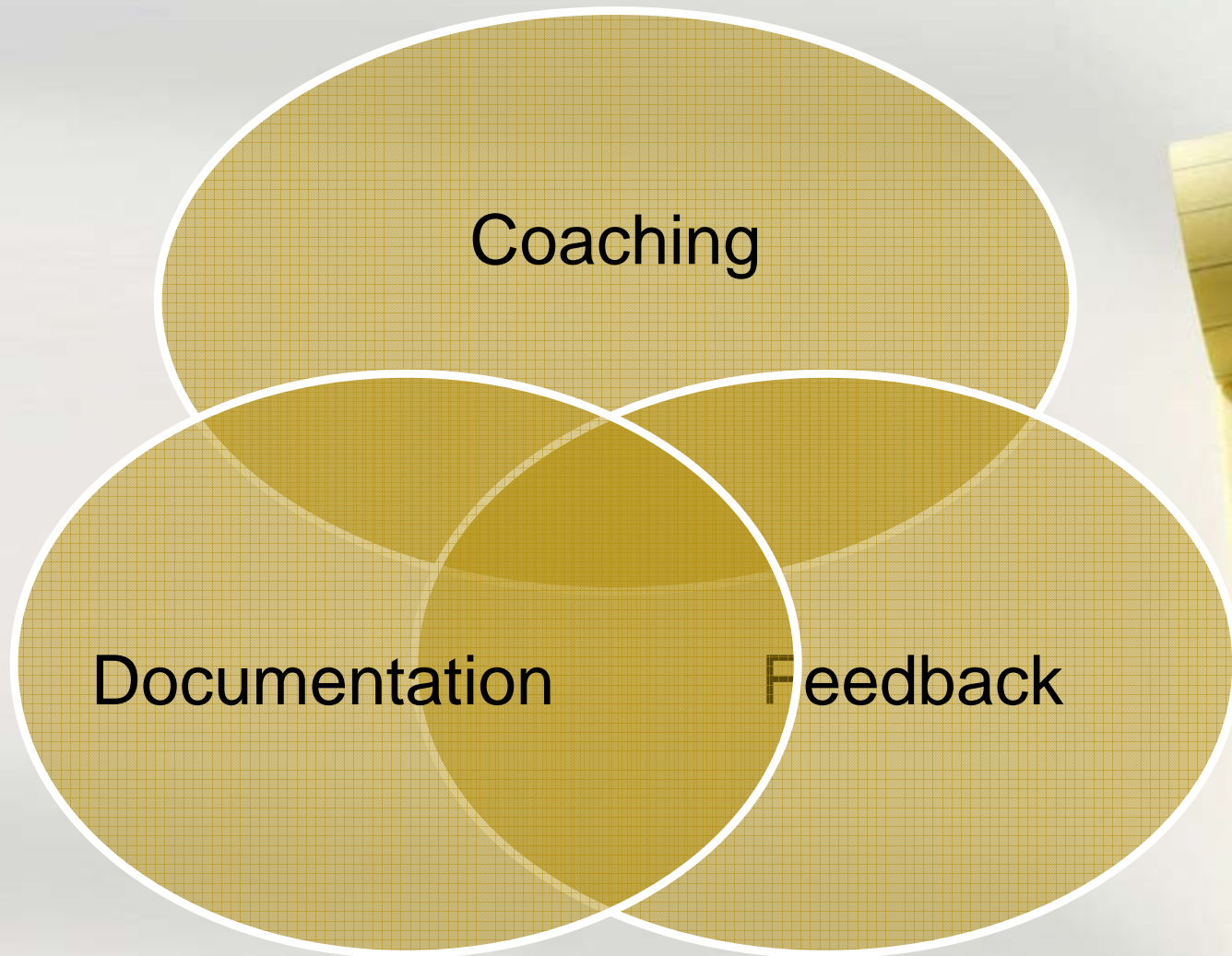
Benefits of Coaching

- Improves individual employee's performance and results
- Gives employees an opportunity to express their needs, concerns, expectations and to participate in their own development
- Increases employee motivation by increasing competence and confidence
- Helps build relationships by encouraging communication and establishing trust

Benefits of Coaching

- Builds commitment and loyalty by showing willingness to invest in the employee
- Provides documentation that helps identify employee strengths and manage their areas for improvement
- Provides a context through which to guide future performance

Performance Feedback

- Generally done in a private meeting
- Focused on facts
  - Assessed level of performance
  - How & why it was made
  - How to improve

Thanks for the feedback !

WOW! He listened?

How to Communicate PM feedback

Orally

In Writing

Formally

Informally

Public

Private

How to Avoid Pitfalls

- Document

- Document

- Document

Uses of Performances Data

- Performance appraisal

- Internal staffing

- Training need analysis

- Research and evaluation

Performance Management & Employee Development System

- Goal of every organization to be competitive

- Thus, important to define jobs

What is Individual Performance?

- Outcome of an employee's job description and performance objectives for the reward/ punishment the employee receives.

- **Individual performance should**:

  - Be aligned with the organization's Mission Goals

  - Contribute to the overall success of the organization.

  - Be expected to increase/improve each year

  - Become more challenging each year

Performance Appraisal

- The systematic description of an employee's strengths and weaknesses.

  Aguinis, 2005

Objectives of Performance Appraisal

- To determine compensation packages, wage structure, salaries raises, etc.
- To identify the strengths and weaknesses of employees to place right men on right job.
- To maintain and assess the potential present in a person for further growth and development.

Objectives of Performance Appraisal

- To provide a feedback to employees regarding their performance and related status.

- It serves as a basis for influencing working habits of the employees.

- To review and retain the promotional and other training programs.

Where does One Use Performance Appraisal

- Promotion
- Compensation
- Employees Development
- Selection Validation
- Assessing the impact of training
- Communication
- Motivation

Performance Appraisal System

1. Planning

2. Monitoring

3. Developing

4. Rating

5. Rewarding

Planning

- Setting performance expectations and goals
- SMART Objective setting
- What needs to be done, Why it needs to be done, and How well it should be done.
- Setting employee performance elements and appraisal standards

Monitoring

- Consistently measuring performance and providing ongoing feedback
- Conducting progress reviews
- To check how well employees are meeting predetermined standards and to make changes to unrealistic or problematic standards
- Identifying unacceptable performance

Developing

- Increasing the capacity to perform through training

- Giving assignments to introduce new skills or higher levels of responsibility

- Improving work processes, or other methods.

Rating

- Evaluating employee or group performance against the elements and standards in an employee's performance plan and assigning a summary rating of record.

- According to procedures

- A rating of record is assigned only to an individual, not to a group.

Rewarding

- Means recognizing employees, individually and as members of groups

- Consequences can and should be both formal and informal and both positive and negative.

What Gets Measured Gets Done…

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Performance Appraisal Tools and Techniques

- **Critical incident method**

  Identifying and describing specific incidents where employees did something well or needs improvement

- **Weighted checklist method**

  Evaluation of jobs based on descriptive statements about effective and ineffective behavior on jobs.

- **Paired comparison analysis**

  Methods of options, each option is in comparison with the others in the list. The results will be calculated and then such option with highest score will be mostly chosen.

Performance Appraisal Tools and Techniques

- **Graphic rating scales**

  Oldest & most popular method, the management just checks on the performance levels of their staff.

- **Essay Evaluation method**

  Non-quantitative technique, supervisors figure out the strong and weak points of staff's behaviors.

- **Behaviorally anchored rating scales (BARS)**

  Rates on behaviors or sets of indicators to determine the effectiveness of working performance. Mix of the rating scale and critical incident techniques

Performance Appraisal Tools and Techniques

- **Performance ranking method**

  assessment of employees from the highest to lowest levels, comparisons with others

- **Management By Objectives (MBO) method**

  Cares about the results achieved (goals) but not the way how employees can fulfill them.

- **360 degree performance appraisal**

  employees to give confidential and anonymous assessments on their colleagues.

Performance Appraisal Tools and Techniques

- **Forced ranking (forced distribution)**

  For instance, it is vital that the proportions be shared in the way that 10 or 20 % will be the highest levels of performances, while 70 or 80% will be in the middle level and the rest will be in the lowest one.

- **Behavioral Observation Scales**

  Scales of observation on behaviors is the one in which important tasks that workers have performed during their working time.

Avoid in Performance review

Error	Description
Recency effect	Reviewing only the most recent performance and not taking into account events throughout the entire year
Lenience or Halo Effect	Allowing excellent performance in one area to over shadow the review of performance in other areas
Harshness or Horn effect	Allowing excellent performance in one area to over shadow the review of performance in other areas
Central Tendency	Selecting a middle or average rating to describe all performance, lack of differentiation among employees
Low tolerance	Rating everyone low because of excessively high standards
High tolerance	Rating everyone high in order to avoid conflict or hurt feelings
Lack of information	Making evaluations with incomplete information
Avoidance	Reluctant to discuss problem
Contrast	Biased because of comparison with another employee just previously evaluated

Types of Rewards

- **Financial**
- **Consumables**: free lunches, picnics, education classes
- **Manipulatable**s: Desk accessories, appliances, club memberships
- **Visual & auditory**: cabins, redecorations of work enviornment, company literature
- **Job design**: job rotation, flexible hours, special assignments
- **Formal recognition**: feature in newsletter, commendation letters
- **Social recognition and attention**: pat on the back, friendly greetings

Performance Management Vs Performance Appraisal

PM	Performance appraisal
Holistic process	Operational process
Concentrates on managing the performance in state time so that the performance can reach the expected level	Setting of job standards and evaluation of the past performance
Older and traditional approach.	Comparatively modern method
Continuous function, employees discharge their capabilities in such a way that targets are achieved in real-time basis.	Limited function, concentrates only on the evaluation of the past performances
On-going fashion	Once or at the most two times in a year
Casual and flexible in nature	Formal and structural in nature
More customized for employee's work	More standardized, designation based
Managing the performance of the employees by setting kras(key result areas) and kpas (key performance areas)	Mechanism of controlling employee performance through--salary, reward, promotion and taking disciplinary action

Behavioral Performance Management

Identify : Behaviors for change

⬇

Measure: Baseline frequency of response

⬇

Analyze: Functional antecedents & consequences

⬇

Intervene: develop, apply, measure, maintain

⬇

Evaluate: for performance improvement

Functional Analysis of Absenteeism Behavior (ABC analysis)

A (Antecedent cues) →	B (Behavior) →	C (Consequences)
Illness/ accident	Getting up late	Verbal reprimands
Hangover	Sleeping in	Written reprimands
Lack of transportation	Staying home	Pay docks
Traffic	Drinking	Layoffs
No day care facilities	Working at home	Dismissals
Family problems	Visiting	Social consequences
Company policies	Caring for sick child	Escape from work
Group or personal norms		Nothing
Seniority/ age		
Possible risk sensing		

Comparing Performance Against Standards

- Performance can be higher/ lower/ identical to standard
- If lower than how much deviation than standard
  - Acceptable
  - Remedial action
  - Standard to be changed

Why PM is Difficult

- Conflicting Goals

- Job/Outcomes not quantified

- Personal relationships with employees

- Unable to give criticism

- Personality biases

- Poor communication

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Thank you !

For more details log on to
www.sihfwrajasthan.com
or
contact : Director-SIHFW on
sihfwraj@yahoo.co.in