

MASTER YOUR BUSINESS THROUGH PERFORMANCE MANAGEMENT

All too often managers and employees tend to equate performance management with performance appraisals, says recruitment specialist PAG. This, however, is not the case. Performance appraisals are backward-looking while performance management is a broader, forward-looking practice designed to help employees understand what is expected of them and how their work contributes to the company's goals and vision.

Commitment and hard work are nothing new in the world of work but they don't always contribute to the company's desired results. Work smarter and not harder is a common adage in today's working environment and the role of performance management is to remind us that being busy is not the same as producing results. It redirects our efforts away from busyness and towards effectiveness.

Good performance management practices track performance against targets and identify opportunities for improvement. It focuses not only on past performances but on what should be done and how to do things better. The growing competition companies face from rival businesses across the world increases the need to be able to achieve more within the constraints of a company's available resources. Performance management ensures that the organisation and all of its subsystems - its processes, departments and employees - are working together in an optimum fashion to achieve the results required by the company in order to stay competitive.

PAG says that a good performance management policy takes into consideration the following key elements:

Plan work and set expectations

In an effective organisation, work is planned in advance. This requires setting performance expectations and goals for groups and individuals to channel their efforts towards achieving the company's objectives. By involving employees in the planning process, they will have a better understanding of the company's goals and consequently a better grasp of what needs to be done, why it has to be done and how well it should be done in order to achieve these goals.

Monitor performance

Ongoing monitoring provides managers with the opportunity to check how well employees are meeting the predetermined standards set during the planning process and allows them to review any unrealistic targets. By monitoring continuously, any underperformance can be remedied in time to ensure that targets will still be met.

Develop the capacity to reform

During the planning and monitoring stages, deficiencies in performance become evident and can be addressed through training which strengthens job related skills and competencies and helps keep employees up to date with changes in the work place such as the introduction of new technology.

Rate performance

From time to time, companies find it useful to summarise their employees' performances. This is a helpful tool for looking at and comparing performances over time or among various employees and also helps identify what training is necessary to help employees improve further.

Reward good performance

Rewarding means recognising employees, individually and as members of a group, for their performance and acknowledging their contribution to the company's goals. Good performances should be recognised without having to wait for formal company award ceremonies, a simple 'thank you' will go a long way."