Developing performance management systems

Overview

This learning resource will help you to understand how performance objectives and key performance indicators can be developed incorporating organisational goals and input from operations managers. It will also assist in ensuring that the performance management systems under development are flexible enough to cover a range of employment situations and are responsive to both internal and external changes. The learning resources will also help in monitoring performance and giving feedback to employees.

Key terms

**Key performance indicators (KPI)**
Those measures developed to gauge performance outcomes against targets.

**Performance standards**
The level of performance sought of an individual or group which may be expressed either qualitatively or quantitatively.

**Reliability**
Applying standardised measures to ensure the absence of bias.

**Organisational development (OD)**
The change and renewal process undertaken by organisations.
Human resource management information systems provide modern organisations with a means of collecting, storing and analysing large amounts of personnel data. There are components of these systems devoted to performance management. Alternatively, performance management system software is also available to install and use with HRMIS, or with desktop computers.

The uses of HRMIS for performance management systems include:

- linking performance to pay
- planning, recording and tracking incentives and benefits
- planning, recording and tracking staff training and development
- planning, recording and tracking occupational health and safety training
- storing and generating performance measurement and review forms
- storing and analysing data collected from performance monitoring, measurement and review processes
- generating reports
- recording performance development and improvement actions
- recording remedial, disciplinary, and termination actions
- planning career paths and promotions
- identifying competencies and skills
- storing job data on job analyses
- storing and generating job descriptions
- gaining immediate access to information and documents
- updating elements of the performance management system stored in HRMIS
HRMIS provide the opportunity to generate statistics and reports on performance progress and productivity results, which can in turn be integrated into organisational forecasting and planning.

If you have HRMIS accessible to you, investigate to determine its uses for developing and implementing your performance management systems. Become familiar with its capacity, so you are able to generate HR documents, forms and reports.

For example, you may be able to collect and collate data that you obtain from performance reviews to assist you in identifying performance gaps. You may be able to formulate plans for training and development, and report on the outcomes of interviews and recommendations for action on matters, such as under-performance and non-compliant performance.

HRMIS data provides documented evidence in the event that you are required to justify your system’s practices, procedures and tools. It also provides quick and easy access to any part of your performance management system, with the added bonus of being able to change and update any part as often as required.

You may wish to store documents for easy access when you need them. You will find that a tracking system enables you to determine when a particular individual or team review is due, or how many employees need performance reviews in a timeframe.

Try it

Research the use of HRMIS in an organisation, for the facilities it provides for performance management systems.

Look into HRMIS in your own or another organisation. Describe four facilities that the HRMIS provides that will assist your development and/or management of performance management systems.

1. 

2. 


Read

Additional reading is recommended on this topic. HRMIS is dealt with in Nankervis, Compton and McCarthy, in Chapter 4 of Strategic Human Resource Management (1999), and Chapter 3 of Stone’s Human Resource Management (2002).

Unit BSBHR504A Human Resource Management Information Services, in the Business Services Training Package, will extend your study of this topic.

Individual and team performance

Teams are not a new concept; they have existed since the beginning of time, since the first family and the first hunting party.

Survival and success for individuals in a group depends on the cooperative effort of those individuals working as a team, whether it is a family business, a cricket team, or a community renewal team.

It cannot be presumed that teams will perform well, simply because there is a combination of talent and a cooperative effort. Teams can be dysfunctional. As an HR manager, you need to be aware and seek to remedy non-performing teams; failure to act may weaken your efforts to introduce performance management systems.
Teams are individuals

Individuals in a team have different roles, needs and expectations. Likewise in a work team, individuals have different job descriptions. Each may need to comply with different legislation and Codes of Practice.

Each team member will be motivated by different roles, working conditions, incentives and rewards. Individual differences provide the mix of skill, knowledge, aptitude, expertise and experience that make up a team. The challenge for the team is to use these differences to advantage when determining team goals and plans for action.

Similarly, each person will differ in personality and character, in insight and perception, in attitudes and behaviours, in outlook and expectation of life at work. While this uniqueness brings a vast array of talent and variety to work teams, it can also create differences of opinion and expectations, especially when it comes to making judgements on performance.

You have to recognise these differences to address the individual and team performance expectations in any given operational area. Rationale and approach to performance management will decide how a performance management system is developed and managed to suit the situation, the specific functional area, and the individuals in the team.

The many differences between individuals and teams have the potential to create superior and highly productive teams. However, if these factors are undermined or become disintegrated, they pose problems.

Some individuals lack the social skills to operate in a cooperative unit. Others are orientated to working in isolation, performing their best when left to work by themselves.

On the other hand, some individuals thrive in a cooperative undertaking, preferring to pull together rather than work alone. They draw on the benefits of the social interaction, combined effort and shared results of being team members.

Regardless of individual preferences, if work teams are to operate in your organisation with the view to achieving optimum results for the organisation, then employees will be expected to work in teams.

Recruitment and selection processes

The first strategy for the human resource professional is to ensure that recruitment and selection processes provide the organisation with people who are able to function in teams. Job descriptions and duties that you will soon be examining will need to reflect this.

You will find unit BSBHR506A Manage recruitment selection and induction processes, from the Business Services Training Package, helpful
for reinforcing the concept that effective employee selection contributes to performance management systems.

**Coaching**

The second strategy is to discuss the merits of teamwork and the need to adopt a team approach, without jeopardising the ability of the team to function effectively with employees who are having difficulty working in a team. Some individuals can be encouraged into teamwork in a team-focused process of growth and development. Intervention, such as coaching and counselling, may be necessary for those who resist this approach.

Coaching is a practical approach to performance improvement. It entails seconding one employee to model for another employee on how to perform job-related activities. It is a planned training and development activity used to teach individuals new or upgraded skills, as well as to close gaps in skills.

A part of the cyclical process of performance management systems is to be able to provide coaching at any point in the cycle.

**Counselling**

Counselling is a behavioural approach to performance improvement. It is a process through which a person with counselling skills works with an employee to help the employee identify and take responsibility for making job-related behavioural changes. You will be addressing counselling in more detail later in this unit.

**Remedial strategies**

The fourth approach is to have remedial strategies in place, which can be used for those employees who have difficulty adapting to teamwork, and who have not responded to coaching and counselling.

Remedial work could include individual problem solving and goal setting as an ongoing part of a counselling process. This can also be facilitated with professional counselling through employee assistance programs.

Remedial strategies may also include professionally conducted behaviour modification programs and/or incremental disciplinary procedures. These issues will be addressed in more detail later in this unit.

**Jobs**

Jobs define the nature of work and how it is carried out by individuals, and are the generic basis for making a performance judgement.
Think

Think about why your organisation has the jobs that it does, and the contribution these jobs make to your enterprise. Consider the way jobs are designed and analysed.

Job descriptions

The information from these two processes provides the basis for writing job descriptions. Job descriptions provide the guidelines for performance expectations; they form the basis for performance action and continuing learning and development.

Job design is undertaken for new jobs, whereas job analysis is undertaken on current jobs. Both techniques provide details on:

- duties and responsibilities of the job
- tasks that comprise the job
- skills, knowledge, attributes and attitudes that are needed to do the job

Job design and analysis also identify:

- role responsibilities of the job
- to whom the job incumbent is responsible
- who is responsible to the incumbent

A job description evolves from the job design or analysis. The main features of a job description are:

- job title
- job category
- duties and responsibilities
- role relationships
- goals
- description of the job environment
• pay details
• hours of work
• workplace compliance issues, such as a ‘no smoking’ policy.

Again you will find unit BSBHR506A Manage recruitment selection and induction processes, from the Business Services Training Package, helpful, as it deals in depth with job analysis and design, and ways to formulate job descriptions.

Jobs have to be designed or analysed, and job descriptions drawn up, before performance management systems can be developed and implemented.

**Effective organisations work through teams**

It is the combination of job qualifications and other individual assets contributing to the cooperative effort, which has the potential to make teams work effectively and efficiently in setting and achieving goals. The challenge for teams is to nurture, tap into and then capitalise on the collective talent that exists within them.

To support your efforts to introduce a performance management system, promote the benefits of teamwork for getting results.

You have already looked at the inputs that individuals contribute to performance: the knowledge, skills, aptitudes, and experiences that people bring with them when they are employed to undertake a job.

As the inputs are put to use, the ultimate measure of performance outputs and outcomes is the work that teams undertake.

**Think**

**Think about your personal experiences of working in a team.**

Consider the benefits of producing outputs and outcomes that are derived from the combined effort, the mutual sense of direction and achievement of team members.
High performance teams

While team building and maintenance is an ongoing process in itself, creating teams that support a performance management system needs to go beyond the maintenance stage.

High performance teams tend to bypass formal channels to achieve something, with a certain ruthlessness to break records to get results. Such teams complement a performance management system, given their achievements in relation to corporate strategy.

While high performance teams are self-directed and self-managed, this occurs only as organisations have the courage and commitment to empower teams with strategic goal achievement. Performance management systems facilitate this process by transferring responsibility, and devolving the management of performance to work teams and individuals that comprise these teams.

Read

You can find additional readings on creating high performance teams in:

Developing Superior Work Teams: Building Quality and the Competitive Edge by Dennis C. Kinlaw. (This text has some useful tools in the Appendix for improving team development and performance.)

Empowering Teams by Wellins, Byham and Wilson.

Think

You may have come across high performance teams.

This may have been through your work experiences, or they may be evident to you as a customer or client of their products or services, or you may participate in a sport or entertainment involving a high performance team.

Your examples may include your children playing in a winning football team, or being a member of a successful school orchestra or debating team. You may have been a member of a highly charged business, or an investigative research team. You may have been in a winning sports team, or have participated in a competitive team in eisteddfods or drama festivals.
The drive to succeed beyond the rest will likely bring results, both for the winning team and for the individuals that comprise the team. The vision behind this drive is not always for monetary rewards, but may be a quest for achievement. It is important to recognise this when you deliberate on ways to provide incentives and rewards for exceptional performance achievements.

Organisational development

When introducing a performance management system into a functional area, you bring about change, even if performance management is practised elsewhere in the organisation. You are essentially acting as a change agent.

The change and renewal process undertaken by organisations is called organisational development (OD), and teams working for results are a fundamental component of this development.

The aim of organisational development is to improve the efficiency of the organisation by adapting to the changing environment impacting on it. The methods used for OD are aimed at changing those attitudes, values and beliefs that block organisational growth and development. The significant components of organisational development for performance management are:

- performance through the use of teams
- performance with collaborative management that includes all employees
- culture that facilitates and encourages exceptional performance
- action research used to identify what needs to improve/change in the organisation and why.

Therefore, organisations that support teamwork provide an organisational structure and culture that encourages self-supporting and empowered teams.

Your mandate for introducing performance management systems will be assisted considerably when your organisation has an OD agenda. The two complement each other.

Performance standards

Organisations set performance standards, which provide baselines for performance expectations, compliance and management. They are the guidelines that underpin monitoring, measuring, reviewing and providing feedback on performance.

Standards prescribe performance expectations for:
• organisations
• individual workers
• functional teams
• industries and professions

Read

Read more about performance standards on pages 81–89 of Managing Performance Improvement by Tovey.

Monitoring and measuring standards

Standards can be stated in terms of quality and quantity. For example a performance standard may be expressed in a job description as a duty, such as the employee must “meet daily production schedules”. A job description may also declare a legal standard, for example, the job incumbent must be is “registered as a solicitor in the State of NSW”.

Both examples can be measured and monitored at intervals and for outcomes.

Production standards

Production schedules are standards of quantity. They specify what has to be achieved and when. If necessary, progress is monitored with incremental checks throughout the day. Ultimately the production results must be measurable in quantifiable terms, to make a performance judgement regarding whether employees have achieved the specified standard.

A standard may be expressed as a competency requirement for a job, e.g. “the operator is able to produce 26 units per hour”. A competency checklist can be used to measure this in quantifiable terms.

Legal standards

Legal standards are quality standards. For example, the qualifications of a solicitor need to be viewed at the start of employment, reviewed each year, and then reinforced with an annual receipt verifying re-registration. This ensures that the organisation will uphold the standard, by having it legally reinforced on a regular basis by the registering authority.
Operational standards

An operational unit standard may be that the production team “has a minimum wastage of 2%”, or that the delivery team “completes customer deliveries at the time stated on the delivery schedule”. In both cases, the standards need to be monitored at regular intervals, for there is the risk of acceptable performance slipping to unacceptable standards.

A minimum 2% wastage is a firm quantitative performance measure. It can be monitored with a procedure for checking wastage and a form for recording wastage, so that the standard can be reviewed as often as required.

“At the time stated” is also a firm performance measure. Records of delivery times and dates need to be kept in a record (log) book, so that a periodic review can determine whether performance is continuing to meet the set standards.

Read

The latest edition of the Catalogue of Australian Standards, and the Standard Australia monthly magazine The Australian Standard, are useful references for you to review and become familiar with. Many AS (Australian Standards) are based on ISO (International Standards). These resources provide Australian Standards and professional packages for an extensive range of work practices in almost every industry in Australia

Tools to monitor and measure standards

Tools to monitor and measure standards include documents such as:

- forms
- charts
- checklists
- audits
- data sheets
- time sheets
- log books
- written statements
These can be purpose-designed or purchased off-the-shelf. They must be able to provide verifiable evidence, which can be reviewed to identify performance achievements and performance gaps.

A performance gap is the difference between intended performance and actual performance.

Organisational standards can be expressed in the following ways:

- “This company conforms to international quality standards for manufacturing surgical implants”
- “This college responds to job application appeals within 14 days”
- “Standard Operating Procedures (SOPs) are available for all employees to scrutinise”

Standards of conformity need to specifically relate the performance to the standard, just as the standard must relate to the performance.

Quality is harder to measure than a quantity. For instance, measuring behaviour, communication and attitudes is not easy. Neither is it easy to write standards for indefinable characteristics. For example, if an employee does not greet everyone with “good morning”, is it unacceptable behaviour? If so, how would that individual know? Standards can define these qualities as follows:

- “exhibits a professional attitude towards staff and clients”
- “has a positive approach to workplace interpersonal relationships”
- “contributes to team morale at all times”

A record of events or actions can provide a measure by answering questions such as:

- “how do we know what we have to conform to?”
- “how do we know that we are conforming?”
- “what evidence is there to support conformity?”

The critical incident technique may be used for this purpose. This is a diary record of job-related behaviour or attitudes, which is usually maintained by the team leader. It provides examples of acceptable and unacceptable behaviour and/or attitudes, and can be used for feedback on issues that have already been discussed between the person recording critical incidents and the individual employee. Individuals can also be encouraged to record critical incidents for their own self-evaluation of events.
Codes

Codes assist with qualitative measurement. Codes are standards for conduct, practice and ethics. They usually cover issues relating to quality. Standards and Codes arise from the expectations of society, consumers and clients. They may also emerge as competing organisations strive to gain credibility beyond the rest. Or, they may arise as a response to legislative action, such as new legislation covering work practices and procedures.

Codes for specific organisations and industries

Some Codes of Conduct are organisation-specific, and define business conduct or conduct expected in client relationships.

Other Codes of Conduct arise from particular expectations of industry associations concerned with performance standards, e.g. for journalists and telemarketers, or professionals, like occupational therapists and marriage guidance counsellors.

Monitoring, measuring and reviewing

Performance management systems need to be designed objectively, and with an objective means of measuring, monitoring and reviewing employee performance.

As people are subjects, not objects, it may be argued that it is impossible to achieve total objectivity. Though it is possible to work towards providing an optimum level of unbiased, fair and equitable measurement and assessment of performance, it is important that this intent is overt and obvious.

Criteria

The key to providing an objective performance management system, which eliminates value and individual judgements, is procedures and instruments that are:

- valid
- reliable
- free from bias
- practical

To be valid, the system must measure and review employee performance that is directly related to the job, e.g. a job analysis, job description and standards that specifically relate to the job.
To be reliable, the system must generate consistent results, that is, the same results over time, regardless of who is measuring, reviewing or providing feedback. For example, the following performance competency standard leaves no room for inconsistent measurement: “is able to produce 26 units per hour”. The review document could be in the form of a competency checklist.

Freedom from bias has two components. The first concerns legal issues of fairness and equity. Again measurement and review must relate to the requirements of the job and not focus on factors such as physical capability, gender and relationships. Neither can the performance of one employee be compared with another; each must be judged on their own merit. When individuals set their own performance goals, objectives and action plans, bias is reduced. This must apply equally to setting team goals, objectives and action plans.

The second component of freedom from bias, is freedom from rating error that results from the subjectivity of the judgement of one person about the performance of others. Quantitative measures reduce rating errors; while qualitative measures tend to be more subjective. This emphasises the reason for writing goals, objectives and performance plans that can be measured and reviewed with a minimum of subjectivity.

Practicality refers to the timeliness and ability to perform an activity that is to be measured. It is generally unfair to measure the performance of an employee without warning, or at a time of extreme work pressure. There are exceptions to this, when the nature of the assessment requires a judgement on an unplanned response, such as a bomb threat.

Practicality also concerns the ease with which instruments can be used, such as forms and documents. It is unfair to expect employees who have little understanding of the English language to complete forms in English, or to expect some categories of workers to complete documents that contain jargon only management understands. Practicality also refers to the availability of employees, team leaders or other assessors.

Key performance indicators

A performance management system has the following components for monitoring, measuring and reviewing individual and team performance:

- team key performance indicators linked to the key performance results for the organisation
- standards for measurement
- performance targets
- team and individual performance objectives
Once you have examined the links between organisational strategy and teams and individuals, and identified key performance areas that flow from an organisation’s strategic plan, you are then ready to move into the operational areas of that organisation to identify the components of functional and operational teams.

Figure 8: Organisational performance links

The focus on key performance areas or key results areas (KRAs) for teams flows through from four primary KRAs:

1. customer service and satisfaction
2. financial performance
3. human resource development
4. application of new technologies
Key performance indicators are not used to assess individual performance. They are designed by a team to address the key performance areas of the organisation, as they apply to the functioning of the team.

However, in the process of developing KPIs, the job description of each team member must be taken into consideration. For example, can the jobs in the team support the KPIs being developed? Will one job address one KPI, while another job addresses another KPI?

Relevant standards also need to be identified, as compliance issues could apply to the KPIs being developed and implemented.

Each team determines its own key performance areas for developing KPIs. This means that one functional area in an organisation could have different KPIs from another. There is not a recommended set number of KPIs, rather the team must seek to answer the questions:

- “Have our KPIs covered all the KRAs for the organisation that apply to this team?”
- “Can we easily sustain the number of KPIs we have produced?”

KPIs are process indicators. In other words, the team needs to develop each KPI in a way that will describe the process that it measures. The KPIs of the marketing team at the Pacmen Clothing Company may be written as follows:

Table 1: KPI’s of Pacmen Clothing Company (4 cols)

<table>
<thead>
<tr>
<th>Key results areas</th>
<th>KPIs</th>
<th>Monitors</th>
<th>Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer service and satisfaction</td>
<td>Obtain feedback</td>
<td>Phone customers six monthly — use questionnaire Mail out and collect customer satisfaction forms</td>
<td>Collate and analyse data</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Collate and analyse data</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Exceed new business growth targets</td>
<td>Team responds to figures each month</td>
<td>Compare half-year figures</td>
</tr>
<tr>
<td></td>
<td>Maintain budget allowance</td>
<td>Monthly report Team meeting to act on results</td>
<td>Graph with results</td>
</tr>
<tr>
<td></td>
<td>Procure funding for web site development</td>
<td>Written proposal IT consultative report</td>
<td>Deliver to CEO</td>
</tr>
<tr>
<td>Key results areas</td>
<td>KPIs</td>
<td>Monitors</td>
<td>Measures</td>
</tr>
<tr>
<td>------------------------------</td>
<td>-------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>Human resource development</td>
<td>Coach to improve sales</td>
<td>Team meeting to set goals and act Respond to outcome of action plan</td>
<td>6 month action plan</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Report and proposal to HRM</td>
</tr>
<tr>
<td></td>
<td>Undertake training to update marketing techniques</td>
<td>Consult with trainers to design a new program Respond to outcome of consultation</td>
<td>Review outcome of consultation</td>
</tr>
<tr>
<td>Application of new technologies</td>
<td>Monthly IT progress report for working party</td>
<td>Produce web site draft</td>
<td></td>
</tr>
</tbody>
</table>

Read

Recommended additional reading on composing KPIs can be found on pages 32–35 of Managing Performance Improvement by Tovey.

Team performance targets or goals provide the direction and incentive for addressing and applying performance indicators. To adequately discuss and set these, all members of the team must be involved.

The reality of a busy workplace does not always provide the ideal environment for developing, implementing and managing performance management systems. You may be aware of this from your own experience. Some of the issues may include:

- the challenge of negativity
- feelings of impatience
- trying to cope with seemingly impossible tasks
- awareness of all the “other” work waiting to be done
Read

Developing Superior Work Teams: Building Quality and the Competitive Edge by Dennis C Kinlaw. It would be beneficial at this point to read the steps for conducting a brainstorming session in the Appendix.

Setting goals and objectives

Performance management systems expect that teams will determine their objectives to meet their set goals or targets. Imagine a goal has been decided by a hospital reception team; it is to set a maximum time of ten minutes for the discharge of patients from their area. Their brainstorming session will provide them with ideas for forming objectives for meeting this goal.

The outcome of that process could result in the following objectives:

Goal:

The time for patients being discharged from the reception area will be reduced to ten minutes per patient by:

Objectives:

- moving the evening shift for reception staff forward one hour, to extend it to 8.00pm to cover visiting hours when patients take longer to discharge
- delivering discharge forms to patients awaiting discharge in the clinical areas (once the reception staff have been notified of their discharge), for them to read and complete prior to presenting at the reception area
- including a one-hour coaching period on computerised discharge procedures during the induction program for new reception staff
- providing one shift of mentoring with the computer discharge system during the first week on the job for new reception staff

In addition:

- communicating immediately to the clinical areas (by a memo and intranet) the proposed changes to the reception area discharge procedures
- commencing the new reception area processes and procedures from July 1
• incorporating a question regarding “the delivery of discharge forms to clinical areas” in the client feedback form before July

• monitoring client feedback from the point of introducing the new system

All of these objectives can be monitored, measured and reviewed with:

• questionnaires

• checklists

• memos

• shift timesheets

• time logs

• changes in client satisfaction forms

• diaries

• computerised commencement dates of new process

All objectives contain an action verb, which means they have to be acted upon. All have a condition and a time frame for action. For example:

• feedback to the team will be provided by computer-generated statistical analysis collated from client satisfaction forms, and from a time log kept at the reception desk for ticking arrival and departure times for each client

• informal feedback can be obtained from clinicians regarding the practicality of having patients completing forms in the clinical areas

• formal and informal feedback can be gathered from team meetings from verbal comment, and from action sheets regarding the effectiveness of the extra hours in the evenings

• a competency skills checklist can be designed for new staff undertaking induction training, which will both measure and provide feedback

• a skills checklist can be ticked by the mentor, to ensure that a new staff member is able to complete all of the steps needed to operate the computerised discharge system

You have now examined performance management system processes that are used for measuring, monitoring, reviewing and giving and receiving feedback on team performance. These have included:

• identifying KRAs for the organisation and associated team(s)
• developing key performance indicators
• setting team goals and/or targets to address KPIs
• identifying relevant quantifiable and qualifiable standards
• writing team performance objectives to meet team goals and/or targets

You have also identified a range of tools that can be used to monitor, measure, review and provide feedback. These have included:

• questionnaires
• checklists
• competency skills checklists
• time logs
• computer data sheets
• computerised statistical analyses
• computerised and written reports
• action plans
• timesheets
• budget statements
• activity reports
• Standards and Codes
• legislative instruments (Cases and Acts, Awards and Agreements)
• memos
• Intranet
• face-to-face communication

This list is not exhaustive. There are many other ways of measuring and monitoring team performance. Some are more pertinent to certain situations, such as financial statements in the banking industry, audits and accounts in the field of accounting and business, while ISO (International Standards) can provide quality control standards for the wide range of industries, from trucking and building, to media and telecommunication.

Both quantitative and qualitative measures will be needed in a cannery or a winery, just as much as in a steel fabrication or a petrochemicals plant.
Now that you have explored performance management and developed the essential elements of performance management systems relating to organisational strategy and team strategy, you can proceed to examine individual performance management as part of the total system. Review the following flow chart to reflect on the progress you have made so far:

**Figure 3 Performance management system**

- **Organisation strategy**
  - mission
  - goals and objectives
  - key performance areas.

- **Functional/operational teams**
  - key performance areas
  - key performance indicators
  - performance targets
  - performance objectives.

- **Individuals**
  - job description
  - performance objectives
  - action plans.

**Individual performance**

While it is important to consider the performance of a team as a unit, it is equally important to consider the performance of individuals. After all, individuals make up the team.

Individuals have the capacity to influence team performance, and they have the capacity to influence organisational performance beyond the parameters of their team. For example, an individual may not necessarily be acting in the capacity of team leader, yet has the qualities of an effective informal leader.

Such individuals can be found to have wide ranging influence, for better or worse, on extended groups, and with other individuals within the
organisation. They can be heard influencing decisions in staff cafeterias, washrooms, recreational areas, and in formal meetings. The power of the informal leader must not be underestimated.

Individuals also have the capacity to influence performance as they work with other teams, or are seconded to other teams and into special projects. They can also influence the performance of the enterprise as they work in specialised and consultative capacities outside the organisation.

Each person needs to be considered on their own merit. One employee may have specific abilities that would benefit both themselves and the organisation by a lateral move, promotion, or training and development beyond their existing team. Individuals could have untapped potential that may be exhibited in activities beyond teamwork. For example, the creative abilities of an employee may be able to be utilised for the benefit of the organisation, beyond the confines of the functional team.

Workers may also choose to contribute more effectively in another team or location. The scope, flexibility and adaptability of performance management systems allows for them to be applied to any situation, and to any changing situation, for any individual, at any point of time during the entire employment period.

You have already explored the capacity of individuals to influence team performance in earlier topics in this section. For instance, it applies to the different jobs that each team member is employed to undertake, and in the knowledge, skills, aptitudes and experience they bring to the jobs. It can also be apparent in their various behaviours and attitudes as they apply themselves to the job.

The job description, sometimes referred to as a position description, is a mandatory prerequisite to making any performance judgement on an individual employee. While a job description does not necessarily contain enough detail to act as a tool for measurement, it does determine what, and only what, is to be used for making a judgement about performance.

The most effective way of monitoring and measuring any performance is to write performance goals and objectives for individual performance. These goals can be measured, monitored and reviewed by using written performance objectives, which are custom-designed to achieve them, and can be addressed to give and obtain feedback.
Try it

1. Write individual performance objectives for achieving a job-related goal.

_____________________________________________________________
_____________________________________________________________
_____________________________________________________________

2. Write a goal that you want to achieve for the performance of your own job.

_____________________________________________________________
_____________________________________________________________
_____________________________________________________________

3. Write the objectives for achieving this goal.

_____________________________________________________________
_____________________________________________________________
_____________________________________________________________

Try it

Writing an action plan.

Having written goals and objectives, the next step is to act. An action plan will carry you forward towards your goal. An action plan will ask what, when, who, where, and how? The following is a sample format for an Action Planning Sheet:

Table 2: Action Planning Sheet (5 cols)

<table>
<thead>
<tr>
<th>Action (what?)</th>
<th>When will it take place?</th>
<th>Who is the person responsible?</th>
<th>Where will it happen?</th>
<th>How will it happen?</th>
</tr>
</thead>
</table>
The fact that Action Sheets have replaced Minutes at many team meetings is a reflection of the concern of performance management systems for proactive movement towards achieving results, rather than acquiring a retrospective or historical record of what has happened.

Actions focus on individuals. While they may be used in team planning, it will be an individual team member who will initiate an action. For this reason Action Planning Sheets seek to identify the name of the individual (who) is responsible for doing what (action). Action Planning Sheets can then be used for monitoring, measuring, reviewing, and giving feedback on the performance expected of each person.

Try it

Complete action planning sheets to determine individual performance actions.
Use the goal and objectives that you wrote in the previous activity to create an action plan to achieve your performance goal.

Table 3: Action Planning Sheet (5 cols)

<table>
<thead>
<tr>
<th>Action (what?)</th>
<th>When will it take place?</th>
<th>Who is the person responsible?</th>
<th>Where will it happen?</th>
<th>How will it happen?</th>
</tr>
</thead>
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</table>

Use an action planning sheet at your next team meeting in your workplace to complete the following details:

Table 4: Action Planning Sheet (5 cols)

<table>
<thead>
<tr>
<th>Action (what?)</th>
<th>When will it take place?</th>
<th>Who is the person responsible?</th>
<th>Where will it happen?</th>
<th>How will it happen?</th>
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26 Developing performance management systems: Worksheet
Your performance management systems are now developed and ready for you to introduce to the individuals and teams who will be working to achieve organisational strategies for the sustained success of the enterprise. You have designed the essential elements of your systems, as indicated by the following diagram:

Figure 10  Organisational performance links

(Figure may need to be remade)
Summary

You have analysed the internal and external environment that impacts on your organisation and on your efforts to introduce performance management systems.

You have explored the concept of performance management. In addition, you have examined the concerns, scope and responsiveness of performance management. These allow performance management systems to be flexible and adaptable to suit various functional needs, and to be able to respond and adapt to organisational change.

You have been able to identify the key elements of organisational performance, and explore the legislative framework and standards that underpin the management of the performance of people at work.

You have examined the essential components of performance management systems, which provide for monitoring, measuring, reviewing and feedback.

You have seen how team key performance indicators need to be developed to address key performance areas. Also, how performance targets or goals, and performance objectives, need to be developed to achieve team targets and goals. You’ve also identified a number of tools for measuring performance that could be employed to monitor, measure and assess results.

Finally, and most importantly, you considered the performance measures that could be used to determine the performance progress and outcomes of individual employees. You saw how, based on job descriptions, individual goals and objectives are set, and then how action plans are used to work towards achieving both team and individual goals.

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