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3HR Legal Weekly

Employment

Performance Management – An Overview

What is Performance Management?

Performance management is a process that aims to ensure that an employee's or team's performance contributes effectively to achieving business objectives and high levels of organisational performance. It brings together many of elements of good people management practice, including learning and development, measurement and reward of performance, and organisational development. For this very reason, it's complex and often misunderstood.

An effective performance management process should create a shared understanding about what is to be achieved and an approach to leading, managing and developing people which will ensure that it is achieved. As such it relates to every activity of the organisation set in the context of its human resource policies, culture, style and communications.

Performance management should focus on four main areas: Recognition of Achievements, Performance Improvement, Individual Development and Managing Behaviour.

In order to optimise the performance of individuals, teams and businesses it is critical that a number of factors come into play to achieve this.

First and foremost is to create a work-place culture that encourages staff to give of their best. This can be achieved by ensuring that the vision, strategy and business plans developed at board level are effectively interpreted and implemented by the organisation and its different business lines and departments.

These in turn need to be communicated through the workforce and translated into meaningful tasks and objectives for staff to achieve, both individually and collectively.

An easy to use and understand performance management process needs to be established that assesses a person's performance against agreed criteria to mirror the organisation's business objectives, values and standards.

It is essential therefore that individuals and teams have a clear set of objectives that are Specific, Measurable, Achievable, Realistic, and Time based (SMART), and that these, together with how they have achieved them, are assessed through a formal performance review.

The outcome of any good performance review should allow for a clear differentiation between levels of performance which could result in a number of possible outcomes. This might be some form of recognition (such as promotion, a pay increase, or a bonus), the identification of individual development needs, or begin to address cases of under-performance, including poor attitude or behaviour.

If you would like more advice and guidance on performance management then please contact Mel Northfield, Director HR Services – mel.northfield@3hrscs.com or call him on 0207 194 8132

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