

Performance management process

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Performance management best practices are discussed in this article. I begin by defining performance management in the context of today's business climate. Following that, I go over a step-by-step summary of how to manage organizational performance. The necessity of performance management is next discussed.

What is performance management?

Performance management is a continual process of defining targets, monitoring progress, and giving continuing coaching and feedback to ensure that employees reach their objectives and career goals. It is more than simply an annual performance review. Managers and workers collaborate to plan, monitor, and evaluate an employee's job objectives and overall contribution to the business through performance management.

Performance management entails much more than the yearly performance review meeting. The process of planning, mentoring, and assessing employee performance is known as performance management.

Importance of performance management

Businesses require effective performance management. It assists them in aligning their personnel, resources, and systems to fulfil their strategic objectives through formal and informal methods. It also serves as a dashboard, alerting management to possible problems and letting them know when to make changes to keep the firm on course.

When it comes to performance management, organizations that get it right become powerful competitive machines.

The basic notion of "what gets measured gets done" underpins effective performance management. A firm should develop a cascade of measurements and targets from its top-level strategic objectives down to the everyday actions of its frontline personnel in an ideal system. Managers keep a close eye on such

indicators and meet with their teams regularly to review progress toward reaching the goals. Good performance is rewarded, whereas poor performance prompts corrective action.

Performance management process

Planning, coaching, evaluating, and rewarding are the four major areas that make up the performance management process. Each stage is critical, and they all work together to build the foundation of a company's performance management process.

1. Make a plan

Planning is the initial stage in the performance management process.

- Defining the plan

The planning stage of the performance management process is the first step. HR and management must describe the position in detail, including a detailed description, long and short-term goals, essential objectives, and a precise measure for evaluating those objectives and goals. Goals should be explicit, quantifiable, achievable, relevant, and time-based and clear performance requirements should be established.

- Getting Feedback

Employees should have the opportunity to provide feedback on this content after management has completed the defining step. They are the ones who are performing their jobs; therefore, they will have a unique perspective on what skills, competencies, and goals will best help the firm achieve its objectives.

- Obtaining Approval

Both management and employees agree on the role's description, aims, and objectives. By making the initial phase of the performance management process collaborative, management sets the tone for the rest. As the Gallup survey shows, the employee feels they have participated in goal setting, which is critical.

2. Provide Guidance

- Hold meetings on a regular and timely basis

The next phase in the performance management process begins once the work criteria and future targets have been established. The coaching process is crucial and must be carried out regularly. Meetings should be held at least once a quarter, although monthly meetings are preferable.

- Provide the training, mentoring, and solutions that are required

Instead of punitive measures for poor performance, these sessions should focus on solutions and coaching opportunities. Employees will avoid accountability if it is branded a negative, rather than being honest about where they are suffering. In some circumstances, this type of management training may be quite beneficial to a company.

- Collect input from both parties

Rather than taking a hostile attitude, management should provide - and receive - honest feedback and collaborate with people. It's critical to be able to provide actionable input in this situation.

- **Re-evaluate your goals if required**

Management should evaluate objectives to determine if any modifications should be made as the performance management process progresses and pay attention to career development possibilities for their staff. This phase comprises assessing the employee's overall performance, the procedure's effectiveness, and the award, an essential component of the whole process.

3. Review Performance

- **Examining the performance of employees:** An employee review, also known as a performance evaluation, should occur at the end of the yearly performance management cycle. These are usually done once a year to assess how well an employee performed over a given period. To illustrate the employee's development over the year, a clear record from prior check-ins should be kept. The purpose of the monthly check-ins is to assist the employee with problem-solving, goal-setting, and other forward-thinking activities. This is the only phase in the process that looks backward to evaluate the previous year's performance.
- **Examining the process of performance management:** At this point, both management and staff should review the prior year's performance management approach to determine how effectively it performed.
- **The following are some examples of questions that can be asked:**

Have your personal and organizational goals been met? If not, what is the reason?
What obstacles did the employee have to overcome?
What kind of training would be beneficial to the employee's performance?
What impact did management input have? If not, what is the reason?
How could the procedure be improved?

Was the time you spent on this procedure well spent?

- **Examining overall objective accomplishment:** Of course, one of the most important things to address is, "Did the employee achieve his or her objectives?" How successfully did the employee perform the duties assigned to them throughout the year? It's critical to consider minor and larger goals since this might reveal issues where training or interventions can be implemented.
- **Providing useful input**

Giving and receiving comments is a crucial element of the review. Management should provide actionable feedback to employees to be aware of areas in which they may improve their performance in the future. The employee should also be allowed to provide input on the process and how management can improve.

4. Take action: Action is the final stage in the performance management process

- **Appreciation and reward:** The reward and recognition process is the final stage in the performance management process. This stage is critical; if employees aren't given a cause to be motivated, they won't stay that way. This does not have to be monetary, but it will almost certainly entail financial remuneration. New projects, company-wide recognition, time off, or leadership possibilities might be offered as further incentives.
- **Setting the tone for the performance management cycle the following year** The end of the performance management cycle provides the last opportunity for management and employees to give feedback on the process and input and feedback for the planning stage for the following year's cycle.

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