



Align HR performance management framework

Effective performance management requires an integrated approach between internal policies and procedures to enable employees to have:

- clearly defined roles, responsibilities and expected outcomes as agreed in job descriptions
- appropriate training and development to undertake jobs through induction and professional development.
- individual goals and objectives that are linked from their business unit area which in turn links to the organizational goals (balance scorecard, goals, mission and vision)
- a performance planning and review system that provides formal feedback
- reward processes that encourage high performance.

Step 1: Strategy Formation:

The senior leadership/management team need to get together to formulate business plan and strategic imperatives annually. Budget and financial targets need to be set and built in. Things to consider: understand stakeholder needs, analyse market dynamics, define strategic objectives and measures; identify KPI owners and reporting and monitoring parameters.

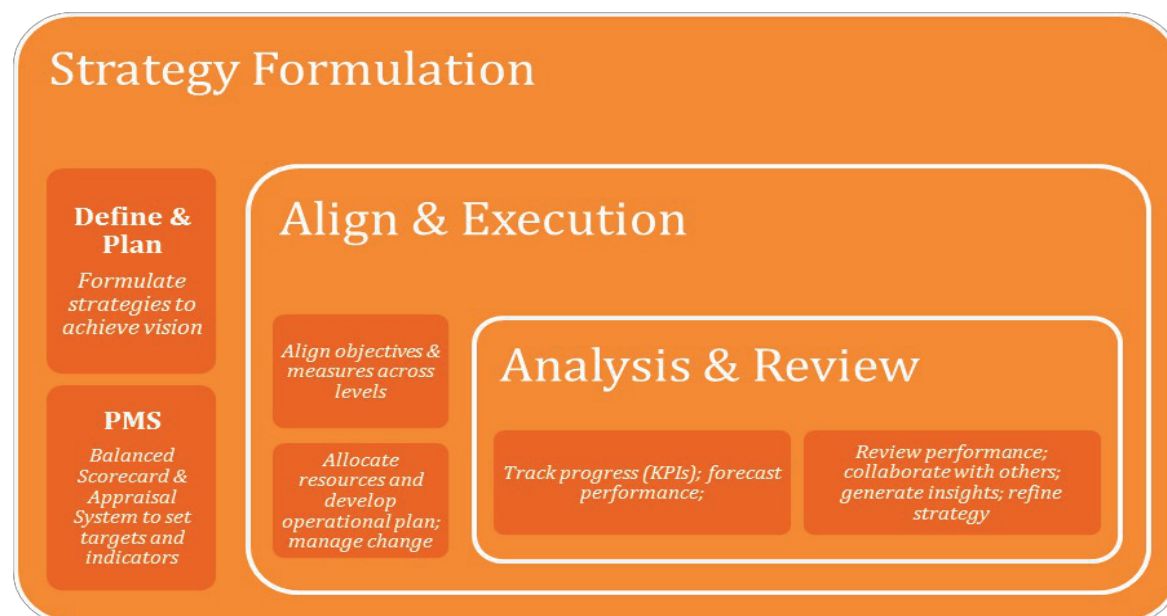
Step 2: Align & Execution:

The Performance Management system needs to be aligned across the entire talent management framework to ensure effective impact and business integration (ie., recruitment & Selection; Training & Development; Reward Management; Succession Management; Career Management). Reporting structures and performance metrics need to align and flow from individual to team reporting through to business units, divisions and overall company scorecard/dashboard. KPI owners need to develop an operational plan and allocate out KPIs to a group, team or targeted individuals to drive a performance culture.

Step 3: Analysis & Review

Performance Planning and Review System (PPRS): Refers to the system and procedures where individual staff establish plans, and review these plans, with their appraisers. This should be completed periodically at agreed times. Performance payments can be linked as a motivational and reward factor. It is critical accurate and effective reporting can be provided at agreed intervals to review and forecast performance so plans can be adapted based on the external and internal environment. Appraisers need to be well trained to conduct performance appraisals with staff and set new personal should link to competencies and align to the strategic imperatives of the organization as appropriate to the role.

Performance Management Framework



PULSE SERIES 5:

AlignHR's

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Performance Management

Definitions:

"is the integration of internal processes and culture that support and encourage achievement of high standards of performance within the organization and includes strategic planning, recruitment and selection, induction, performance review and planning, training and reward systems".

"is a systematic and periodic process that assesses an individual's job performance and productivity in relation to certain pre-established criteria and organizational objectives.

Performance Problems

There are four main causes of performance problems:

- **Knowledge or Skills** - The employee does not know how to perform the process correctly - lack of skills, knowledge, or abilities.
- **Process** - The problem is not employee related, but is caused by working conditions, improper procedures, etc.
- **Resources** - Lack of resources or technology.
- **Motivation or Culture** - The employee knows how to perform, but does so incorrectly.

A well designed PMS can assist performance of individuals and teams. It can also help determine performance gaps and training needs to improve capability. It is important to align the PMS to the talent management framework.

Performance Management Framework Developing a Culture of Performance



“Purpose, proper prior planning, passion, persistence and perseverance prevents poor performance.”

Somebody who likes the letter 'P',
Author Unknown

Performance Management formulate, execute, analyze, review.....

There are two key questions when designing a Performance Management System (PMS).
What does your organization want from its performance management system?
And,
What do your employees want from it?

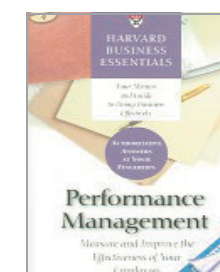
We know from research that employees want a good relationship with their leaders, meaningful work, cooperation from co-workers, trust in the workplace, opportunities for growth and advancement, and a clear understanding of work objectives. A good PMS can provide valuable feedback to management to help drive continuous improvement.

The key phases in converting the installation of a new PMS into a successful implementation include:

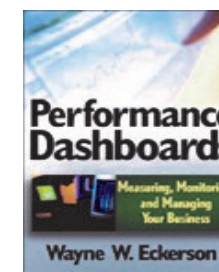
- **Communication:** Making the business case
- **Accountability:** Clear roles and accountabilities for all key stakeholders, starting with the Senior Management Team Training: Skill development for those conducting performance reviews
- **Alignment:** Aligned systems to reinforce the desired behaviors
- **Clear Measurement:** The right measures to evaluate key drivers and behaviours.

An effective performance management system should improve the following: employee productivity, customer satisfaction, employee job satisfaction, quality of products and services, degree of innovation, and financial performance. A partnership with Align HR will not only increase capability levels in your business but also your bottom line.

Performance Management Textbooks:



Luecke, R., and Hall, B. J. (2006). Performance Management: Measuring and improve the effectiveness of your employees. Harvard Business Review.



Eckerson, W. W. (2005). Performance Dashboards: Measuring, monitoring, and managing your business. John Wiley and Sons.

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