

REPOSITION CHECKPOINT REPORT - 'Performance Management Approach & Performance'

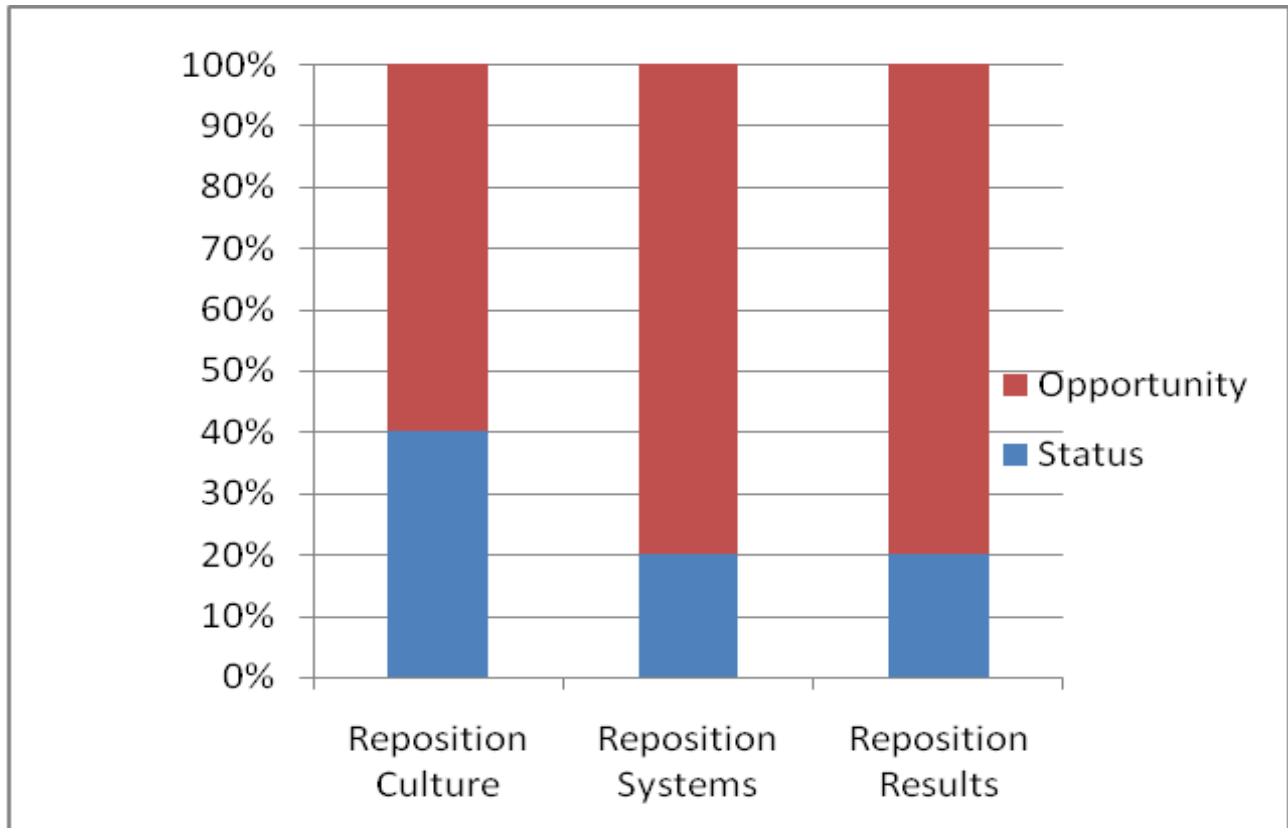
Characteristics of an Organisation with an Effective Performance Management Approach

Reposition Culture - The challenge is to further entrench the performance culture and to increase the business momentum that is generated by the performance culture. The danger is complacency. Increasingly link the strong performance culture to the organisational identity and brand, making this an increasingly important organisational characteristic for customers and employees. Reinforce the pursuit of excellence and strong performance in both internal messages and communications, and external messages and communication. Build this emphasis into the recruitment and selection processes to align the profile of newcomers to the organisation's performance culture. Continually test to see that departments and individuals understand the specific contribution they make to a better business. Increase the quantity and the efficacy of inter-departmental forums where the ongoing agenda is to remove all obstacles that stifle people and restrict performance. Increase the quantity and effectiveness of customer focus groups that drive improved delivery and enhanced customer satisfaction. Make it an organisational pursuit to be the benchmark for a culture that drives performance and involve everyone in this pursuit.

Reposition Systems - The organisation has a robust and effective performance management system. The need is to further entrench the system and to reinforce the efficacy of the system. Include the performance management system in the identity of the organisation, making the approach to performance management a valuable organisational attribute for customers and employees. Promote a sense of pride in the attention the organisation gives to managing performance. This will build a performance momentum with the performance management system being continuously upgraded for better effect. As far as recruitment and induction are concerned, add to the attention given to the organisation's performance management system to further reinforce the importance of the system and the required performance outcomes. On an ongoing basis refine all management forums and communication forums to make the performance orientation increasingly obvious and relevant for all employees. Aim to further embed a strong performance orientation into each and all of the organisation's management systems. In the agendas of management forums build accountability for current and future performance as a common theme for these forums. Systemise a performance orientation and systemise performance improvement actions.

Reposition Results Orientation - This is a performance orientated organisation that delivers above average performance. The strong results orientation has its own momentum as performance orientated people are attracted to the organisation. The challenge here is to further embed this performance orientation into the management processes and the lifeblood of the organisation. The directional framework is to build the results orientation into the organisation's identity and brand, so that all stakeholders rightly perceive the organisation as an organisation that is continually driving and achieving new levels of performance. Recognise instances of exceptional performance by deploying the accountable people on short term performance transfer assignments, aimed at transferring instances of excellence to other areas of the organisation. This approach to recognition creates its own momentum as it promotes peer recognition and it enables employees to extend their sphere of influence beyond their day to day function. In this way, the value of excellent performance gets ploughed back into the business with a positive impact on business performance and employee engagement. Furthermore this links instances of exceptional performance to the broader organisation and enables employees to increase their impact on the organisation.

SAMPLE REPORT – PERFORMANCE MANAGEMENT APPROACH - REPOSITION CHECKPOINT



There is a significant opportunity to enhance performance by repositioning the performance management approach.

Reposition Status – Performance Management Approach

Reposition ‘Culture’ - Status

<p>The culture is the opposite of a performance culture. There is a sense that people are required to do a job rather than contribute to a better business that has more and more satisfied customers with increasing profits. The level of employee engagement is low, largely attributable to loosely defined performance standards and a lack of alignment between individual contribution and the overall business goals. Similarly there is a lack of alignment between the performance goals of different departments and functions within the organisation. This contributes to inter-departmental conflict which works against a cohesive focus. Management do not give adequate attention to the quality of work produced by individual employees with the result that productivity and performance are not considered to be that important. This creates an environment where individual contributions are under-valued with a negative impact on morale and productivity. Employees do not readily see the connection between what they do and what the company achieves. This has a negative impact on accountability and commitment. Whilst employees have a need for meaningful work that impacts overall performance, the culture does not promote this. Expect to find low levels of productivity with a negative impact on delivery, customer experience, and financial performance. Also expect to find fairly high levels of staff turnover and or fairly high levels of employee dissatisfaction. Employees will experience frustration with a lack of confidence in the organisation and in management.</p>	1	20 to 40
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Reposition ‘Systems’ – Status

<p>The formal and the informal approach to performance management is generally perceived as being ineffectual and irrelevant. Indeed, some employees think the performance management approach is demotivating and detrimental to performance. With regard to the formal performance management system, the system is either poorly defined with a lack of system discipline, or it has been implemented in a manner that has not achieved employee buy-in. The impact is that employees will comply with the system if there is system discipline but employees do not believe in the performance management system and are disengaged. It is quite possible that the performance management system was developed by HR or a consultant, and that line management were not involved in the design and implementation. The recruitment, selection and induction systems do not emphasise performance with the result that people come into the organisation with a job mindset rather than a performance mindset. Similarly the appraisal and recognition systems do not draw attention to performance which gives employees an implied message that performance is not particularly important to the organisation. The communication forums do not draw attention to performance and feedback on company performance is generally either late or not particularly relevant for most employees. Performance is not driven by an effective performance management system with the result that performance levels are variable and dependent on individual initiative or the performance orientation of each manager.</p>	2	00 to 20
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Reposition ‘Results Orientation’ – Status

<p>This is an organisation with a very limited focus on performance. People will expand their work to fill the time available for completion. Research in America found that people 'on average' admit to 'stealing' a day a week from their employees through time wasting and other distractions. Using this as a reference it is clear that the very limited performance orientation will be having a detrimental effect on employee engagement and productivity. Expect to find fairly high levels of sick leave, relatively high staff turnover, limited attention to detail, weak quality control, significant variances in work quality and productivity, signs of boredom, distracted employees, and a tardy approach to deadlines. Also expect to find that people perform their job with a limited appreciation of how their particular role impacts customers and overall business performance. Work is guided by generic job descriptions with very little reference to relevant key performance measures. Accordingly, expectations are loosely defined and the irregular feedback given to employees tends to be highly subjective. The undemanding environment promotes slovenly work leading to dissatisfied customers, rework, reduced profitability, and reduced employee morale.</p>	3	00 to 20
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Reposition Opportunity | Initiatives – Performance Management Approach

Reposition ‘Culture’ – Opportunity | Initiatives

<p>The organisation is going about its business without a deep sense of purpose. There is a clear need for top management to revisit and redefine what is essential for the organisation. In order to establish the basis for a performance culture it is important that all employees have a sound grasp of what it is that the organisation must do well in order to build a business that has a sound value proposition with sustainable profitable growth. These 'essentials' need to be expressed in a way that every department and every employee can understand and can relate to. This will help focus employee effort and will contribute to a greater sense of urgency about performance with enhanced employee engagement. It will also contribute to a more cohesive effort with an enhanced sense of purpose and belonging. If there is an existing performance management system in place it is clearly ineffective. This requires a participative management intervention aimed at repositioning the objectives of the performance management approach with sensible changes to the manner in which performance management is applied. It is important that this work is done by the executive team. It must not be delegated to the HR Department or to a consultant. This will ensure that there is top management buy-in for the approach to performance management together with a renewed performance emphasis. It is important that all communication forums draw attention to the performance 'essentials' in order to build this emphasis into the fabric of the organisation.</p>	1	20 to 40
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Reposition ‘Systems’ – Opportunity | Initiatives

<p>The need is to either introduce an effective performance management system or to completely overhaul the existing performance management system. It is essential that this project is owned by the CEO and that the project has the full support of management. Step-change performance outcomes must be expected and planned for. Do not delegate the design and implementation of the new performance management system to HR or to a consultant. While the project management of the design and implementation can be delegated it is imperative that top management and line management are active participants. The impact of the performance management system will be strongly tied to the belief that line management have in the system and its efficacy. Ensure the design of the performance management system starts with the overall organisational goals and that these are cascaded throughout the organisation. This will enable a focused effort with all employees seeing the relevance of their performance outcomes in the context of the organisation's goals. Revisit the recruitment, selection, and induction processes in order to embed a strong performance orientation in these systems. Similarly, revisit the recognition systems and the communication forums to ensure that a performance orientation is obvious to all employees. Aim to make performance system driven and system dependent, rather than dependent on the initiative of each employee.</p>	2	00 to 20
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Reposition ‘Results Orientation’ – Opportunity | Initiatives

<p>There is a significant 'Reposition Opportunity'. There is an urgent need to accelerate performance and productivity by establishing challenging and relevant performance goals for each department and for each employee, and thereafter to pay far more attention to performance. It is essential for executive management to develop a clear picture of the key performance areas for the organisation and thereafter to establish relevant departmental and individual targets that ensure that effort is well directed, productive, and cohesive. It is most important that goals have sufficient granularity to be relevant for each employee and that they have sufficient stretch to require enhanced performance from each employee. This focus on performance will reduce the incidence and the impact of distracted employees, and it will increase the general level of accountability in the organisation. Management should use various forums to explain the organisational key performance areas and also to establish the base for a step-change in the organisation's results orientation. This is a change management process and it is important to communicate the rationale for the change and the intended outcomes as thoroughly and as regularly as is practically possible. Ensure status indicators for delivery, customer satisfaction, financial performance and other key areas are established and provide ongoing feedback against these measures. Recognise those who deliver a step-change in performance and task these people to assist others drive performance.</p>	3	00 to 20
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