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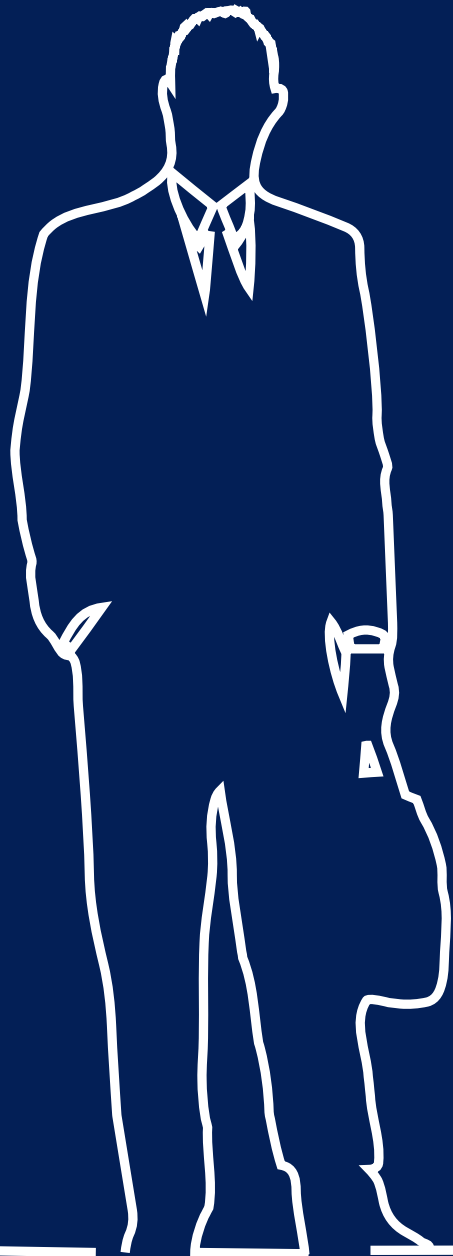
Continuous Supervision Training
Priorities Communication Grow
PERFORMANCE
MANAGEMENT
Measurable Feedback Development HR
Improvement Employees
Objectives Goals by Corrective
Direction Job Descriptions Review
Coaching Promote Monitor Reward

STRATEGIC PERFORMANCE MANAGEMENT AND APPRAISAL

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Agenda

- 01 Definitions
- 02 Differences
- 03 Performance Management Strategies
- 04 Performance Appraisal Strategies
- 05 Stages in Performance Management
- 06 Performance Management Components
- 07 Performance Appraisal Components

Definition

- Performance management- a continuous process of identifying, measuring, managing and developing the performance of the human resources within the organization to meet its future ideas.
- Performance appraisal- Evaluation of employees performance and giving them feedback about their individual performance.

Performance Management Vs Performance Appraisal

- Performance management focuses in the future while performance Appraisal focuses more in the past.
- Performance management is a dynamic process in communication while Performance Appraisal is very linear.
- Performance management is a continuous process while performance appraisal occurs once or twice a year.
- Performance management is a comprehensive approach while performance appraisal is an integral approach.

Performance Management Strategies

- Communicating organization goals and performance objectives to the employees.
- Implementing performance management software.
- Providing Continuous performance feedback to the staff.
- Use of peer reviews
- Introducing reward and recognition.
- Introducing meetings to discuss outcomes and results.



Performance Appraisal Strategies.

- Choosing a well structured appraisal program (Internal or Consultants)
- Aligning the appraisal program with the organization goals
- Effectively engaging the appraisal processes across all levels and department.

Stages in Performance Management

- Planning-This involves setting goals, performance expectations, they can be included in the job description.
- Monitoring-actively tracking the set goals.
- Developing
- Rating & Rewards

Components of performance management

- Total involvement of the management
- Goal setting- **S**pecific, **M**easurable, **A**ttainable, **R**ealistic and **T**imely.
- Development- training to employees incase new skills are required.
- Establishing a continuous communication channel.

Benefits of Performance management

- Builds up team coordination and communication.
- Employee motivation
- The management can consistently track the business performance.
- Redefining of the organization strategy.
- Reduced employee redundancy and turnover.

Components of performance appraisal.

- Define expectations- Clear definition of employee individual performance expectations.
- Measuring and evaluating their performance.
- Providing the feedback of the achievements and failures.
- Recording the feedback for future reference.

Benefits of Performance appraisal

- Increased productivity
- Management is able to construct a merit system.
- Easy to track employee performance.
- Employees are able to know their areas of weakness and improve on them.

Types of Performance Appraisal

1. 360-Degree Appraisal- The management gets anonymous feedback about an employee performance from the people who work closely with them. Focuses on all aspects of employee performance (behavior and its impact to the rest of the team).

Benefits;

- Helps the organization and team leaders to identify training gaps
- Helps in succession planning
- Team leaders are able to have an insight of their team's performance
- Feedback enables the employees to get an all round feedback on their areas of strengths and weaknesses.

Types of Performance Appraisal

- 2. Balanced Scorecard appraisal system**-Performance based system used by organizations for strategic management connecting strategic part and the operational elements of the organization. It focuses on the following perspective;
- Financial Perspective-Focuses on the financial performance of the organization (cost of savings and how efficient is the organization, Its profit margin and any additional sources of revenue)
 - Customer perspective-The organization has to deliver quality service to the customer to met its financial goals. The organization is required to set objective for continuous improvement of customer service and satisfaction.

- Internal processes perspective-The management focuses on how efficient the internal processes are. How to minimize waste and spend up the production processes. New and creative ideas could be developed here for the product and services to conform with the needs of the customer.
- Learning and growth- This perspective is used to evaluate to what extent are the employee aware of the latest marketing trends, how effective do they utilize that for competitive advantage. Also evaluates if all the employees have an access to training and education opportunities.

Advantages of a balanced score card.

- Top managers are able to understand how their strategic goals are executed.
- There is a common place to measure success for everyone in the organization.
- Gets team members aligned.
- Employees work is connected to organizational goals

Disadvantages of a balanced score card.

- Requires time and dedication to understand.
- Does not analyze the risks.
- Requires data mining-this can affect the performance of the managers and the team leaders.
- The indicators to measure success may not be valid to all the organizations.

Types of Performance Appraisal

- 3. Manager performance appraisal-** Evaluation of the manager's performance as well as the relationship with the subordinates or clients. Evaluation forms are used and the feedback is anonymous.
- 4. Project Evaluation Review-** Team members are evaluated at the end of each project. This facilitates skills growth and development.
- 5. General performance appraisal-** There is continuous interaction of employees and the management as they set organization goals. Evaluation is done at the end of the year even if the employee hasn't met the set goals.
- 6. Employee self assessment-** The employees are allowed to rate their performance and their evaluation form is compared with that of the management.

Maximizing the benefits of performance appraisal

- Ensuring employees have a clear understanding of the expectations and a time frame to achieve them.
- Linking the performance appraisal with the employee's job description.
- Maintaining a continuous communication with the employees about their performance expectations.
- Management to actionate on the performance feedback through training or other development programs.
- Allowing employees to comment on their performance.
- Documentation of the employee performance reviews.

Common pitfalls of performance appraisal

- 1. Inadequate knowledge in performance management;**
 - Failure by the managers to know how to plan for reviews, how to write the reviews and how to provide feedback.
 - Managers failure to plan the reviews with the employees
 - Not documenting the performance reviews
 - Failure to recognize good performance
 - Managers being unable to deal with poor performance

2. Rating error

- Recency effect- basing the review opinions on the employee recent performance.
- Contrast effect-Rating of one employee affects the performance rating of another employee due to comparison.
- Central tendency bias- The management avoid rating employees high or low and rate them average.
- Personal bias-The employee rating is affected by the managers attitude (unrelated to work) towards them.
- Leniency bias-Managers are too lenient with ratings thus rating employees low and average performance too high.

3. Being imprecise- failure to cite specifics of the areas employees have performed well and where they have poorly performed.

4. Lack of continuous feedback of the employee performance.

5. Lack of support solid systems and processes;

- Organization having a conflicting goals with the performance management processes.
- Use of paper work
- Lack of clear administrative process
- Lack of developmental activities to met the performance needs of employees.

Effects for a dissatisfied Appraisee

- Poor performance
- Could Create a hostile environment within the workplace when employees feel the rating process was unfair.
- There could be cases of increased negligence.(absenteeism, lateness, less attention to quality service etc.)
- Reduced communication within the organization.
- Work relationships could be highly affected.

Managing a difficult Appraisee

1. Preparation;

- Analyze the issues to highlight.
- Have a idea of the response you are likely to get from the employee.
- Have a clear understanding of the outcome you looking for.

Note; Employee needs to have a clear understanding of what needs to change

2. Do some background check by talking to those who work with the employee in question. Avoid personal issues getting in the way of your review.

3. Be specific of areas that needs to improved and where the areas employee has performed.

Managing a difficult Appraisee

4. Create a rapport with the employee during appraisal, this will enable an employee to open up to his/her challenges behind poor performance (lack of support, time etc.)
5. Controlling emotions-Its important to keep your emotions in check however difficult the message you want to deliver is.
6. Offer a solution for improvement-Engage the employee in finding a solution, this will create a will and a need to commit to the course of action.
7. Document the performance review meeting for reference when need arises.



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Thank you