



# Performance Management

**Performance management is not just about dealing with employees who are not achieving the standards you set, whether in actions or attitude. It is a management approach that encompasses the whole business and is part of the culture of the organisation.**

## Why is Performance Management Important?

- Allows you to prioritise and put in place sufficient resource to meet those priorities
- Provides a framework to motivate and manage employees
- Allows you to identify and rectify poor performance at an early stage
- Allows you to learn from past performance and the fore to improve future performance



All of these things done well, can increase customer satisfaction with your product or service.

## What are the risks of not managing performance?

- Your teams may not be working efficiently or effectively towards your business goals
- Employees that are not engaged or involved with your business are unlikely to be putting in their best efforts
- Underperforming employees can impact on others
- Leading to staff setting their own standards – “if they can get way with that, then why can’t I”

All of these have an impact on organisational profitability and in the longer term could lead to the organisation being uncompetitive in their market place.

## High performing organisations have the following key elements within their performance management systems:

- They make use of all the available management information to make decisions
- They have a “can do” culture with strong leadership
- Individual and team responsibility and accountability is agreed in advance
- They undertake performance reviews
- Individuals are both challenged to achieve to their full potential, but also supported so that they flourish
- There is a transparent reward structure and they also understand what action will be taken if they don’t achieve the expected standards

## Effective performance management requires:

- Two way communication – employees need to know the business aims, targets, objectives and priorities; managers need to listen when employees offer suggestions for improvement or provide market information
- Planning to ensure that performance management happens – train managers and give them the tools to do their jobs
- Assessing what has been achieved both by individuals and the business as a whole
- Reviewing what has been achieved and reward behaviour that you wish to continue - this doesn't always have to be financially!



## In dealing with underperformance there a number of points to consider before taking action

- Ask yourself is this a “can’t do” or a “won’t do” issue
- If you believe it’s “can’t do”, then it’s likely that there is some action you need to be doing
- If it’s a “won’t do” you need to decide if this is a performance or disciplinary matter, as the individual may be choosing to behave in a certain way

## If an employee is failing to meet your standards you need to answer the following questions before deciding on the action that you plan to take:



- Have they received the right training?
- Have they been over-promoted or stretched beyond their capabilities
- Have they received an appropriate level of support?
- Is this a “blip”, or an on-going issue?
- Do they know the standards that are expected?
- Are there any other reasons for their behaviour – this may be in or out of work

## For further advice and assistance

on this subject please contact **Peta Fry, HR Director** on (01793) 818300 or email

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