Performance Management
PEMANTAUAN PRESTASI
Slot 2:The Truth of PMS

Overview

➢ **Rationale**

➢ **Key Features of Performance Management System**

➢ **Integrated Performance Management System**

➢ **Expected Outcomes**

➢ **Performance Management Form**

➢ **Scoring Examples**

➢ **Implementation**

➢ **Critical Success Factors**

➢ **Training**

➢ **Appendix**

Employees want to know

➢ **What is expected of me?**   *Target setting*

➢ **How am I doing?**   *Performance review*

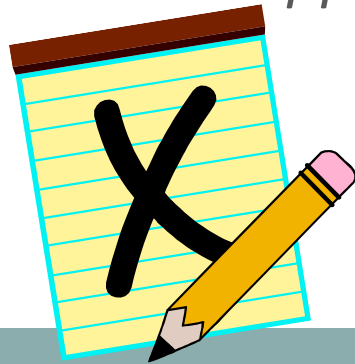➢ **Where am I going?**   *Career discussion*

Myths and Truths of Performance Management

Myths:

- *Science*
- *Always fair and accurate*
- *Solution to people management issues*
- *Everyone would use it happily*

Truth:

- *Art becoming a Science*
- *Can be abused and need safeguards*
- *Can become just a paper exercise*
- *Must believe in its efficacy to work*
- *Still the next best thing to having nothing*

Key Features

➢ **Performance Target Setting**

- **Division targets cascade to individual targets**

- **SMART targets**

➢ **Managing Performance**

- **Performance tracking & review**

- **Coaching & Counseling**

- **Performance review**

➢ **Career Planning**

- **Proactive training & development**

Integrated Performance Management System

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            ┌──────────────┐
            │  Budget /     │
            │  Business     │
            │  Plan         │
            └──────────────┘
                   │
            ┌──────────────┐
            │  Division     │
            │  Performance  │
            │  Targets      │
            └──────────────┘
                   │
            ┌──────────────┐              ┌──────────────┐
            │ Setting Annual│─────────────▶│ Coach, feedback│
            │ Objectives    │              │ & track        │
            │ - Individual  │              │ performance    │
            └──────────────┘              └──────────────┘
                   │
            ┌──────────────┐  } Key Result Areas
            │ - Team        │
            │ - Individual  │
            │ - Behavior    │
            └──────────────┘
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Budget / Business Plan

Division Performance Targets

Setting Annual Objectives - Individual

Coach, feedback & track performance

- Team
- Individual
- Behavior
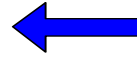
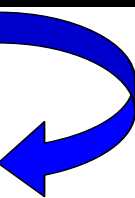} Key Result Areas

Career Plan

Training & Development

Interim
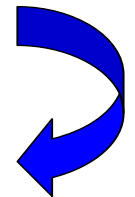
Promotion Evaluation

Performance Appraisal

Coach, feedback & track performance
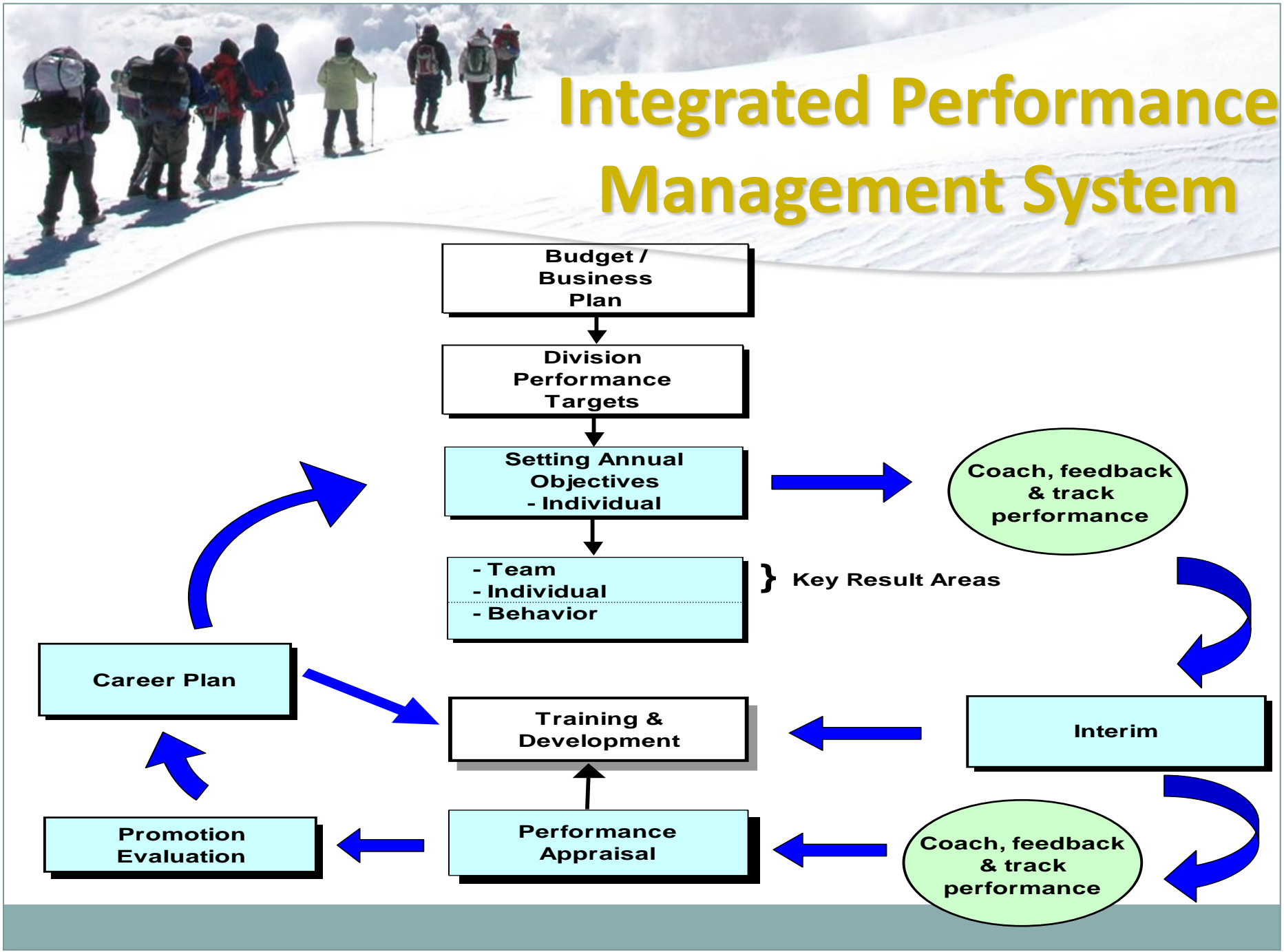
SMART Goals

- ➢ **_S_ pecific**

- ➢ **_M_ easurable**

- ➢ **_A_ greed Upon**

- ➢ **_R_ ealistic**

- ➢ **_T_ ime Bound**

Expected Outcomes

- ➢ **Greater accountability**

- ➢ **Clearer expectations**

- ➢ **Greater objectivity**

- ➢ **Higher commitment level**

Job Output

- Expected performance level for each Key Performance Area
- 4 KRAs
  - Financial
  - Operational
  - Customer service
  - Learning and growth
- Express 1 or 2 key performance indicators for each KRA where appropriate
  - 4 KRAs are recommended but is not mandatory that each be filled
- Have agreed measurement/target
  - Encourage them to propose their own targets

Examples

KRA	Financial	Operational	Customer Service	Learning and Growth
KPI	Billings Sales Profits Cost/ budget	Project completion. QSHE. Quality of product.	Customer satisfaction. Effective client liaison	Personal growth plan. Developing team members. Coaching & mentoring
Measurement/ Target	Billings: RM 10mil per quarter	Project completion: 30% completion by end 1Q according to std.	Satisfaction ratings	Coaching & mentoring. Providing coaching to specific indiv

Job Behaviors

●Behaviors, actions and culture

● Reinforces our Group's culture and values

● Conscious attempt to ensure some degree of consistency by using a behaviorally anchored rating scale
  ○ Defined behavior for each score level
  ○ Need to be consistent with the definitions

Scoring for Achievement of Performance Targets

Definition	Rating
Failed to meet expected standard / behaviour	1, 2
Inconsistent behaviour in meeting standard, guidance needed	3, 4
Meet expected standard / behaviour	5, 6
Consistently exceeded expected standard / behaviour	7, 8
Role model, always guide & coach others	9, 10

Example of Performance Score

Job Output

Key Result Areas	Rating	Weightage	Score
Financial	5	40%	2
Operational	5	20%	1
Customer Service	6	20%	1.2
Learning & Growth	7	20%	1.4
Total		**100.0%**	**5.6**

Job Behaviour

Key Competencies	Rating
Integrity & Discipline	5
Planning & Strategy	5
Leading Others	5
Problem Solving & Decision Making	6
Urgency	7
Teamwork	5
Communication	5
Total	**5.4**

Grand Total	**5.5**

Promotion Criteria

I	II	III	IV	V
Leadership	Management	Planning	Communication	Problem Solving & Decision Making
➤ Vision ➤ Helicopter perspective ➤ Initiative ➤ Change orientation	➤ Organizing ➤ Delegating / empowering ➤ Capacity to motivate ➤ Team-building ➤ Supervision / Coordination	➤ Strategic planning ➤ Business planning ➤ Budgeting ➤ Action planning ➤ Work flow planning	➤ Presentation skills ➤ Business writing ➤ Verbal skills	➤ Complexity ➤ Analysis ➤ Realism ➤ Imagination ➤ Decisiveness

Promotion Scoring Basis

Weightages

| Grade	Leadership	Managing People	Planning	Communication	Problem Solving & Decision Making
B1	(1 - 5) x 30 %	(1 - 5) x 20%	(1 - 5) x 25%	(1 - 5) x 15%	(1 - 5) x 10%
B2	(1 - 5) x 25 %	(1 - 5) x 20%	(1 - 5) x 25%	(1 - 5) x 15%	(1 - 5) x 15%
B3	(1 - 5) x 20 %	(1 - 5) x 25%	(1 - 5) x 20%	(1 - 5) x 15%	(1 - 5) x 20%
C1	(1 - 5) x 15 %	(1 - 5) x 25%	(1 - 5) x 20%	(1 - 5) x 20%	(1 - 5) x 20%
C2	(1 - 5) x 15 %	(1 - 5) x 20%	(1 - 5) x 15%	(1 - 5) x 25%	(1 - 5) x 25%
C3	(1 - 5) x 15 %	(1 - 5) x 15%	(1 - 5) x 15%	(1 - 5) x 25%	(1 - 5) x 30%

Promotion Scoring Basis

Rating

Rating Scale	Rating	Explanation
5	Well above expectation	Exceed all requirements
4	Exceed expectation	Exceed some requirements
3H	Above expectation	Meet all requirements
3L	Meet expectation	Meet most requirements
2	Below expectation	Meet some requirements
1	Well below expectation	Do not meet most requirements

Doing Performance Appraisal

1. Encourage self-assessment

2. Assess the employee objectively for the year in question

3. Discussion with the employee
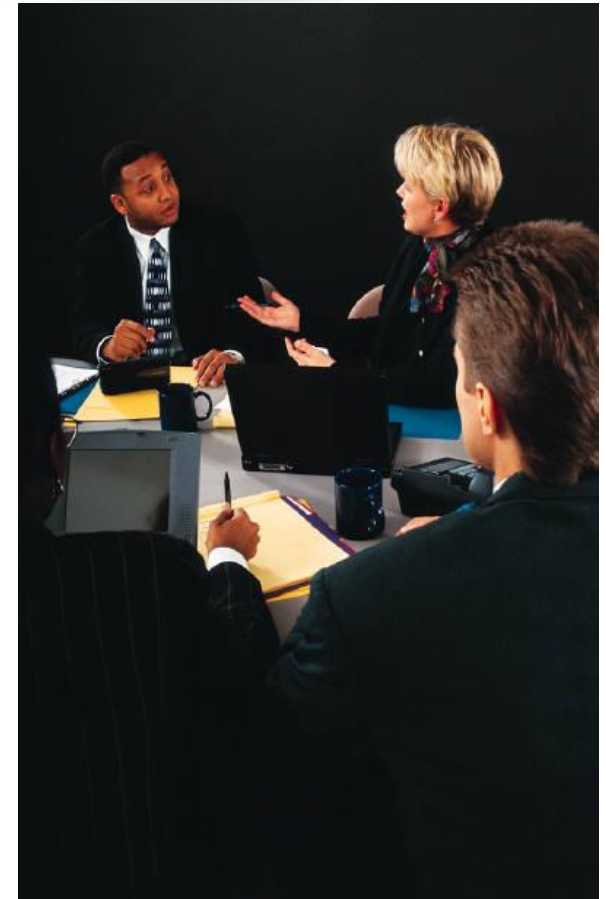
Writing Effective Appraisals

An effective appraisal is concerned with….

- Behavior   rather than   Personality
- Information   rather than   Belief
- Change   rather than   Evaluation
- Specifics   rather than   Generalities
- Commitment   rather than   Compliance
- Support   rather than   Direction
- Skills   rather than   Forms

Use the STAR Approach

✓ Use a Key Incident Log to note key performance/ incidents

✓ Give enough time to do a good job

  ✓ try to evaluate all reportees within a close enough timeframe for fair & consistent assessment
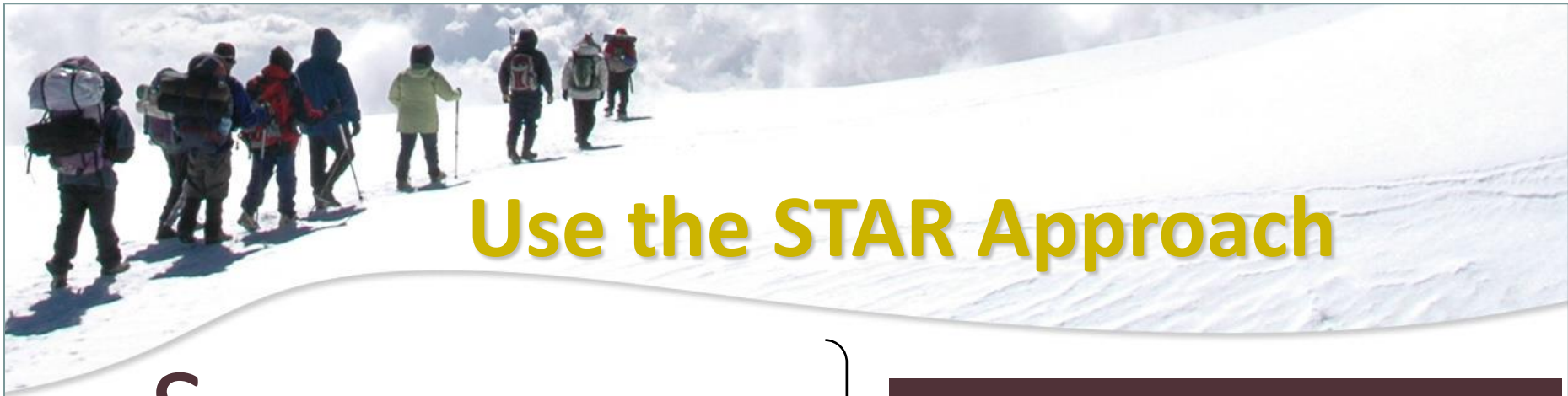
✓ In logging performance, use the STAR approach:

Situation, or

Task

Action

Result

Use the STAR Approach

Situation, or

Task

Action

Result

The circumstances that prompted the staff's actions

What the staff said or did in response to the situation

The result of the action

Performing an Appraisal Discussion

Use the COACH approach:

C	Create a positive climate
O	Obtain the employee's views
A	Add your views, using the ABCs of feedback
C	Clarify and resolve disagreements
H	Help develop an action plan

Source: Montebello, A. R. (1999). Best practices in performance management.. Retrieved December 2006 from the World Wide Web: http://www.performance-appraisals.org/cgi-bin/links/jump.cgi?ID=4131

The ABC's of Feedback

|	
Actionable	Addresses aspects of performance that the appraisee can do something about immediately.
Balanced	Provides some negative and some positive feedback. Any one-sided appraisal discussion – all positive or all negative – is neither realistic nor informative
Constructive	This means three things. The feedback: **Is Behavioral.** Focusing on behaviour instead of judgments about the person or personality **Has a Positive Focus.** Even substandard performance can often be phrased positively. Rather than saying "You aren't making as many errors as you used to," say "Your accuracy is up to 95 percent." **Is Timely.** It is much easier for a person to determine what to change while things are still "fresh" in the mind.

Critical Success Factors

➤ **Setting challenging performance targets**

➤ **Effective coaching & counseling**

➤ **Two-way communication**

➤ **Objective performance review**

➤ **Commitment to develop subordinates**

To Strengthen Consistency

➤ Set up post-assessment Expert Panel to moderate inter-dept ratings of similar jobs

   ✓ Using role-model benchmarking and calibration

   ✓ Force rank all incumbents in similar jobs/grades

➤ Do a normal distribution for each Dept if staffing is large enough

   ✓ Identify top and bottom 10%
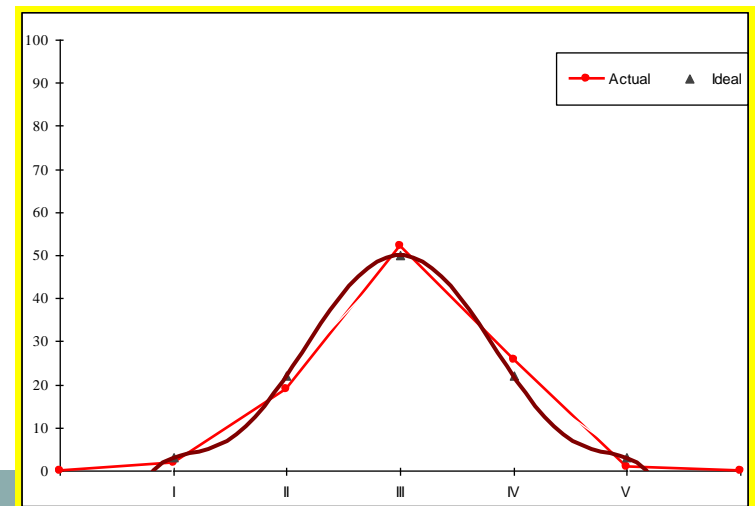
HR and your responsibility

HR's responsibility

➢ To endeavor to get back to the Head of Division/Dept if ratings/recommendations are moderated or promotion recommendations declined

Head of Department's responsibility

➢ Be prepared to build a case/justify for strong candidates if HODs do not agree with GPC's decisions

➢ Proactively follow up with HR in the event that some candidates slip through the cracks

Thank you

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