

Performance Management

In the context of increased competitiveness in the market and a difficult economic climate, performance management as an organisational process and management tool takes an even higher profile than before.

A Definition

Performance Management is “a strategic and integrated approach to delivering sustained success to organisations by improving the performance of people who work in them and by developing the capabilities of teams and individual contributions” (Armstrong and Barron, 1998 Performance Management: The New Realities CIPD)

PM is a strategic and integrated process – it needs the buy-in of senior leadership and a comprehensive perspective to ensure it is managed not in a piecemeal fashion but in an integrated way throughout the organisation. Organisational goals and objectives need to be clear and translated into strategic, departmental, team and individual goals and targets.

PM is about improvement and development – it is forward looking in identifying gaps between the ideal and the real and addressing them through the on-going development of individual employees, teams and organisational learning. Evidence demonstrates PM is a very powerful tool in improving organisational success.

PM is about sustainability – Churchill said "Success consists of going from failure to failure without loss of enthusiasm."* It requires a commitment from everybody. When the task appears too complex and overwhelming, remember the big picture and celebrate organisational and personal achievements while consistently addressing step-by-step areas requiring improvement.

*www.brainyquote.com/quotes/quotes/w/winstonchu131188.html

Key Ingredients in Performance Management include:

Organisational inputs – a commitment to a quality-focused organisational culture founded on positive employee relations, an open and secure leadership style, training, coaching and mentoring.

Team inputs – teams made up of individuals who know their team roles and greatest contributions, where the team is headed, why they do what they do and achieve performance through high levels of trust and support.

Individual inputs – employees who are engaged in the organisation through being recognised and appreciated, having scope for personal development, and opportunity for achievement.

Reasons for failure of Performance Management include:

- A superficial understanding of the concepts, methodology and process of performance management
- Implementing it without sufficient buy in from all stakeholders
- Allowing performance management to be simply about targets and appraisals without creating an organisational culture of support, development and improvement.

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