

Continuous Supervision Training
Priorities Communication Grow
PERFORMANCE
MANAGEMENT
Feedback Development HR
Improvement Employees
Objectives Goals Corrective
Direction Job Descriptions Review

Measurable

Commitment

Human Resources Management



<https://teservicesinc.com/our-solutions/>

HRM Process



Human Resources Management Process <http://www.whatishumanresource.com/human-resource-management>

TOPICS

- What Is Performance Management
- Performance Management Framework
- Performance Management Processes
- Stages Of Performance Management
- Performance Management Vs Performance Appraisal
- Performance Appraisal Process
- Benefits Of Performance Management
- Poor Performance
- Reward And Performance
- Performance Management Analysis



WHAT IS PERFORMANCE MANAGEMENT

1. **Performance management** is a strategic approach to **creating and sustaining improved performance** in employees, leading to an increase in the effectiveness of companies.
2. By focusing on the development of employees and the **alignment of company goals with team** and individual goals, managers can create a **work environment that enables both employees** and companies to thrive.
3. Based on the definition of performance management, a system **is built within an organization to measure and improve the performance of the people in that organization.**
4. In practice, performance management **means that management is consistently working to develop their employees, establish clear goals, and offer consistent feedback** throughout the year.
5. In contrast to other systems of reviewing employee performance, such as yearly **performance appraisals**, employee performance management is a much more dynamic and involved process with better outcomes.
6. For the Human Resources department, performance management is an important system for **onboarding**, developing and retaining employees, as well as reviewing their performance.
7. It is increasingly understood that a **yearly performance** appraisal system does not effectively engage employees, fails to consistently set and meet company objectives, and does not result in a strong understanding of employee performance.



WHAT HR CAN DO TO MAKE A PERFORMANCE MANAGEMENT SYSTEM WORK



Performance Management Framework

Identify Key Result Areas (KRA), Key Performance Indicators, Performance Targets, and Competencies

Performance Goal Setting



Provide learning and development interventions not limited to training, to enhance performance

Developing Capacity to Perform



Establish rewards and recognition initiatives to promote positive behaviors and results

Rewarding High Performance

Monitoring Performance

Establish monitoring system that provides regular and timely feedback



Evaluating Performance

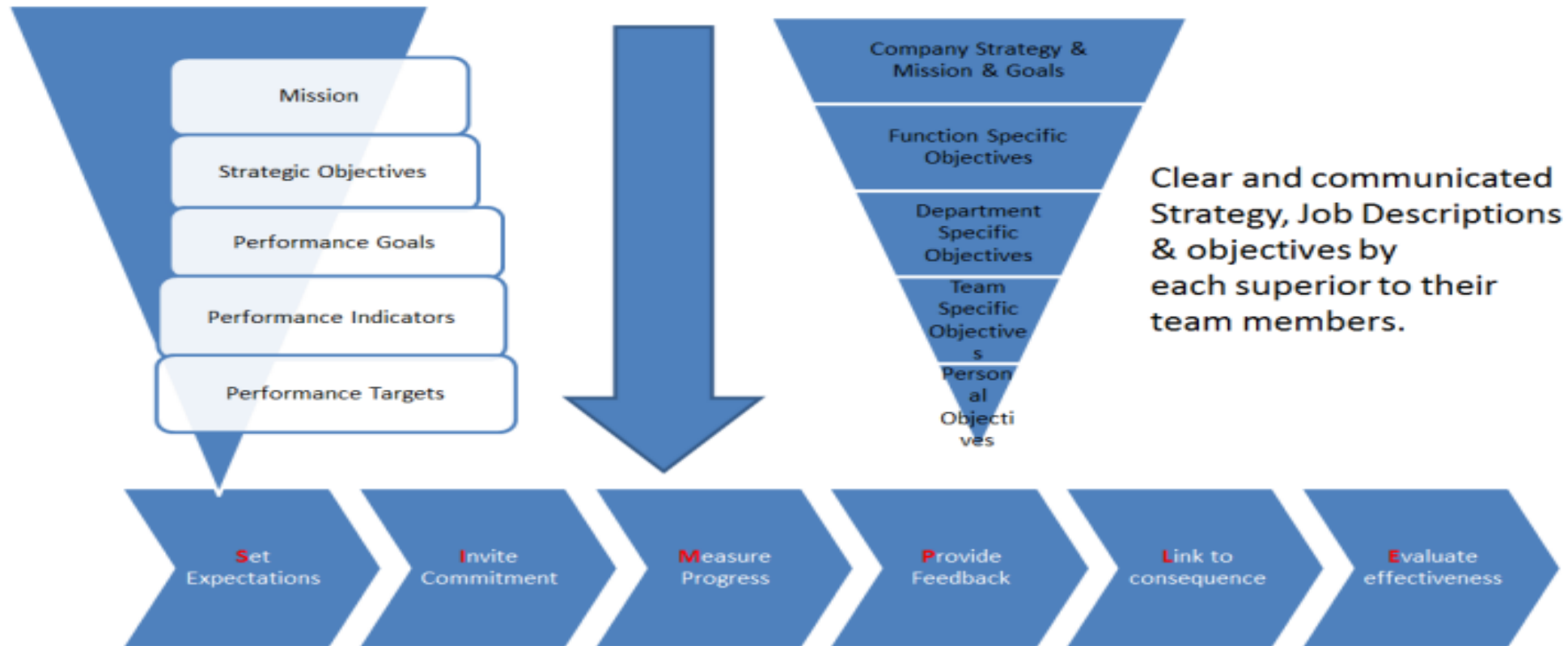
Objectively evaluate performance using scorecards and critical incidents



www.exeqserve.com

PERFORMANCE MANAGEMENT PROCESS

Performance Management Process



S I M P L E

BAD VS GOOD PM VIDEO AND DISCUSSION



The Five Stages of Performance Management



Planning Phase

Work is outlined and expectations are set

STAGE
01



Monitoring phase

Managers track employee performance and progress

STAGE
02



Learning and Development Phase

Employees and managers fine-tune their knowledge & approach to better suit the project needs

STAGE
03



Feedback Phase

Happens parallelly with the monitoring/learning phase

STAGE
04



Rewards Phase

Happens after project completion

STAGE
05

Video?

21.11.2025

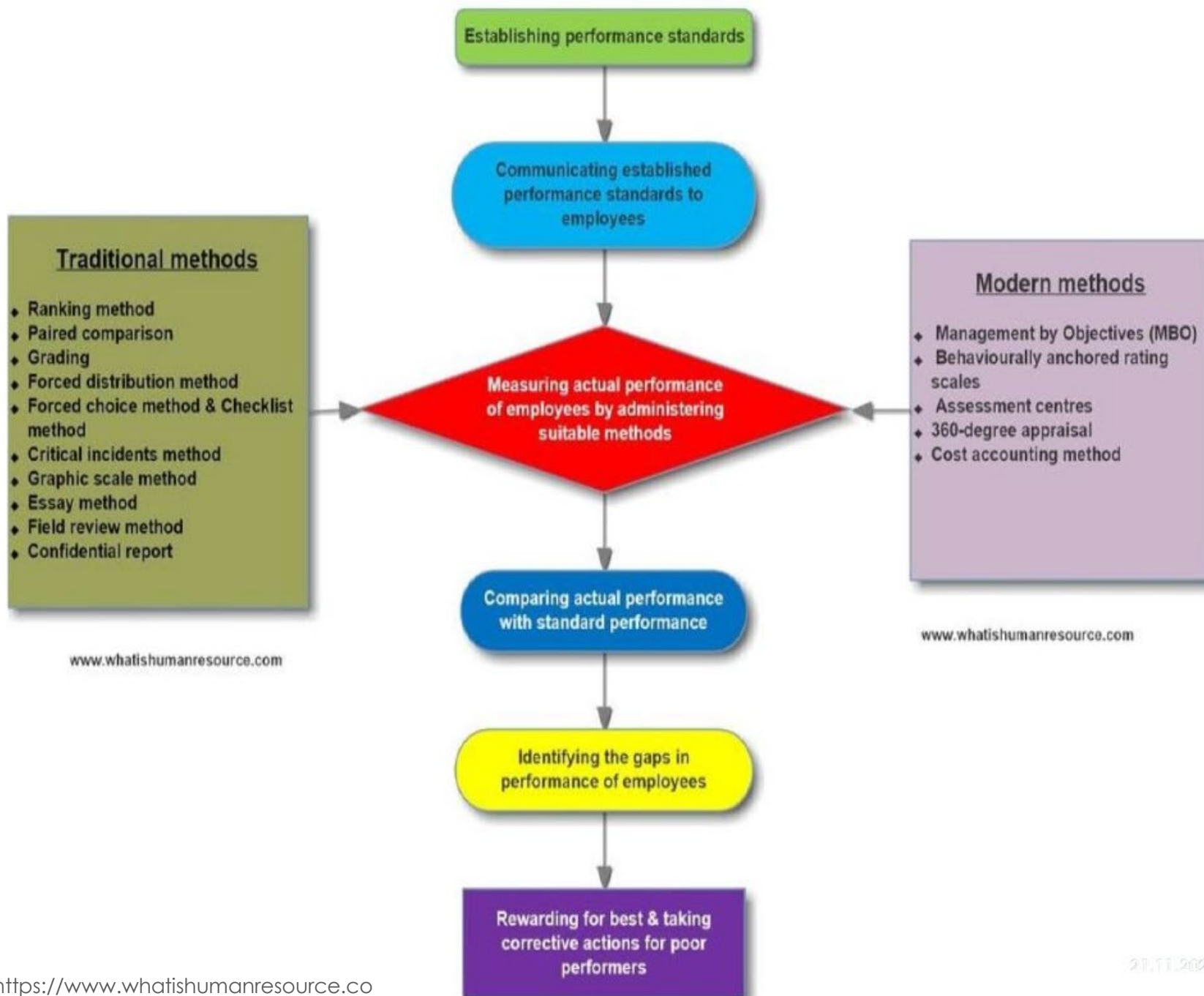
<https://upraise.io/blog/everything-you-need-to-know-about-performance-management/>

In fact, performance appraisals are often part of the performance management process, although some companies still rely on performance appraisals alone.

Performance Management	Performance Appraisal
Proactive	Reactive
Forward looking	Backwards looking
Led by supervisors and management	Led by HR with some management input
Flexible	Rigid
Strategic	Operational
Ongoing	Once a year
Does not use ratings or rankings	Uses ratings and rankings

<https://www.valamis.com/hub/performance-management#why-is-performance-management-important>

Performance Appraisal Process



Modern methods

- Management by Objectives (MBO)
- Behaviourally anchored rating scales
- Assessment centres
- 360-degree appraisal
- Cost accounting method

www.whatishumanresource.com

Management by Objectives (MBO):

In this method, employees and managers collaboratively set specific, measurable, achievable, relevant, and time-bound (SMART) objectives. The performance is then evaluated based on the accomplishment of these objectives.

Behaviorally Anchored Rating Scales (BARS):

•BARS combines elements of the graphic rating scale and critical incidents methods. It uses specific behavioral examples as anchors for each performance level, providing more concrete and observable criteria for assessment.

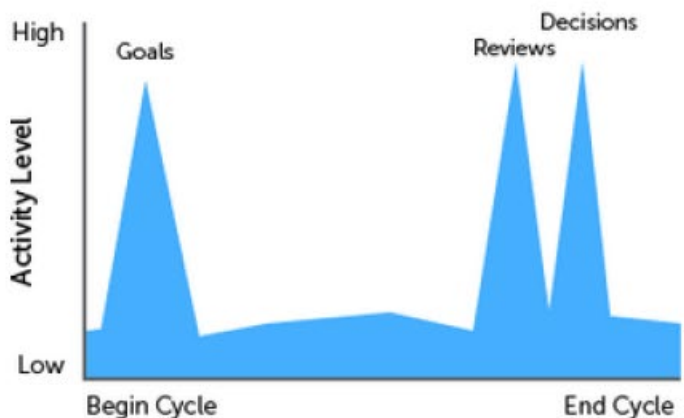
360-degree appraisal

Is a comprehensive performance assessment method that involves gathering feedback from various sources around an individual. The "360 degrees" refers to the full circle of people who provide input on an employee's performance, including peers, subordinates, supervisors, and sometimes even external stakeholders such as clients or customer

While the term "720-degree appraisal" is not a widely recognized or standardized concept, it seems to imply an extension of the more common 360-degree appraisal system. Innovative Contribution

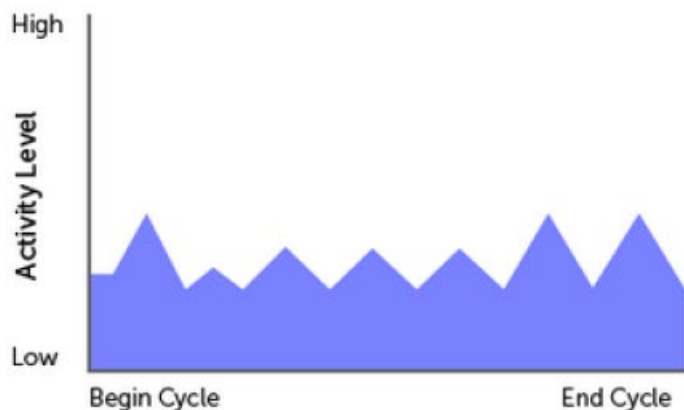
Organizations Want to Improve Performance Management

Traditional Performance Management



- Focus on process not people
- Formal and event-driven
- Separate from work
- 3-5% impact on performance

Everyday Performance Management



- Focus on people not process
- Informal and ongoing
- Integrated with work
- Up to 39% impact on performance



Engagement of employees is a focus of any management team. In a yearly appraisal system, goals would be given at the beginning of the year and then revisited 12 months later to see if they had been met. This long stretch of time without feedback or check-in is an almost certain engagement killer. In fact, 94% of employees would prefer their manager gives them feedback and development opportunities in real-time, and 81% would prefer at least quarterly check-ins with their manager, according to the [Growth Divide Study](#).

Zdroj: <https://www.valamis.com/hub/performance-management#why-is-performance-management-important>

Main objectives of performance management:

- Develop clear **role definitions, expectations and goals**
- Increase employee engagement
- Develop **managerial leadership** and coaching skills
- Boost productivity through improved performance
- Continuous feedback
- Develop a performance reward program that incentivizes accomplishment



These performance management goals show **a clear path from the developing of goals to the rewarding of increased accomplishment**. If one of these performance management objectives is not done well, then the others will suffer as a result.

The benefits of performance management

- Having **well-defined roles and performance standards** makes hiring an easier process, as candidates know what is expected of them
- Well-defined roles and standards **make training easier, as trainers know exactly** which areas **need to be covered**, and which information is nonessential.
- Consistent developing and revisiting of goals ensure that the organization keeps up with **changing market forces easily**, and reacts quickly as a whole, regardless of the size of the organization.
- Clear expectations and roles set employees up for **achieving goals from the start, providing a springboard to success.**
- Employees who feel that their **company is invested in their success stay with their companies,**
- Increasing employee retention.

The benefits of performance management

- Consistent **feedback and coaching from managers** lead directly to increased engagement
- To provide good coaching and feedback leads to **more skilled managers.**
- As employees become more skilled, they can **move up through the company, creating a leadership pipeline.**
- Productivity will increase thanks to **increased engagement, clear goals and upskilling of employees.**
- Employees remain incentivized to **perform long-term, as they are properly rewarded for their hard work.**

Employee performance management PROCESSES

- 1. Identify the goals of your performance management initiatives**
- 2. Define and describe each role**
- 3. Pair goals with a performance plan**
- 4. Monitor progress towards performance targets**
- 5. Coaching should be frequent**
- 6. Use guidelines to your advantage**
- 7. Build a performance-aligned culture**
- 8. Organize cross-functional workshops**
- 9. Management should offer actionable feedback**
- 10. Keep it professional, not personal**

Real-world examples of performance management

Adobe calculated that managers were spending about 80,000 hours a year on performance reviews, only to have employees report that they left those reviews demoralized and turnover was increasing as a result. Seeing a system that only produced negatives, **Adobe's leadership team made a bold leap into a performance management system that began by training managers how to perform more frequent check-ins** and offer actionable guidance, then the company gave managers the leeway they needed to effectively lead. Management was given much more freedom in how they structured their check-ins and employee review sessions, as well as more discretion in salaries and promotions. Employees are often contacted **for 'pulse surveys'** –a way for the leadership team to make sure that individual managers are leading their teams well. One of the many positive results of this has been a **30% cut involuntary turnover** due to a frequent check-in program.

Another tech trendsetter, **Facebook** has a performance management process that puts a heavy emphasis on peer-to-peer feedback. In semi-annual reviews, they are able to use that feedback to see **how well teams are performing and understand where collaboration is happening –and where it is not**. They also have developed an internal software to provide continuous, real-time feedback. This helps employees solve issues before they become problems.

Accenture is a massive company –over 330,000 people, so changing their systems means a huge effort. When they switched to their new system, they **got rid of about 90% of the previous process**. Now, they are using a more fluid performance management process where employees receive ongoing, timely feedback from management. This has been paired with a renewed focus on immediate **employee development** and an internal app for communicating feedback.

There are **common threads in all of these examples. Each company has built a system that works for them, rather than following a one-size-fits-all approach**. What works for one company might not work for another –it depends on the industry, the speed and flexibility of the company, and the overall goal of the system itself.

Real-world examples of performance management

Cargill is a Minnesota-based food-producer and distributor with over 150,000 employees and serves to demonstrate that even huge companies can ditch unwieldy performance appraisals and institute a new system. In following the latest research on the dissatisfaction of management with outdated performance management process, Cargill **created their ‘Everyday Performance Management’ system.**

The system is designed to be continuous, centered around a positive employee-manager relationship, with daily activity and feedback being incorporated into conversations that solve problems rather than rehash past actions.

The Everyday Performance Management system had overwhelmingly positive results, **with 69% of employees stating that they received feedback that was useful** for their professional development, **and 70% reporting that they felt valued** as a result of the continuous performance discussions with their manager.

Real-world examples of performance management

It’s no surprise that **Google** would show up on a list of companies that use a newer, innovative system of management. This company has always been a trendsetter, and **their performance management process is one that relies on data and analysis, as well as making sure that their managers are well trained.**

When assessing their performance management system, Google launched a project dedicated to assessing their managers, which has led to a thorough training and future development process that sets managers, and thus employees, up for success.

They also use a system of setting goals that have caught on across multiple industries. Using **their Objectives and Key Results (OKRs) system,** they reframe the goal-setting process, with great results.



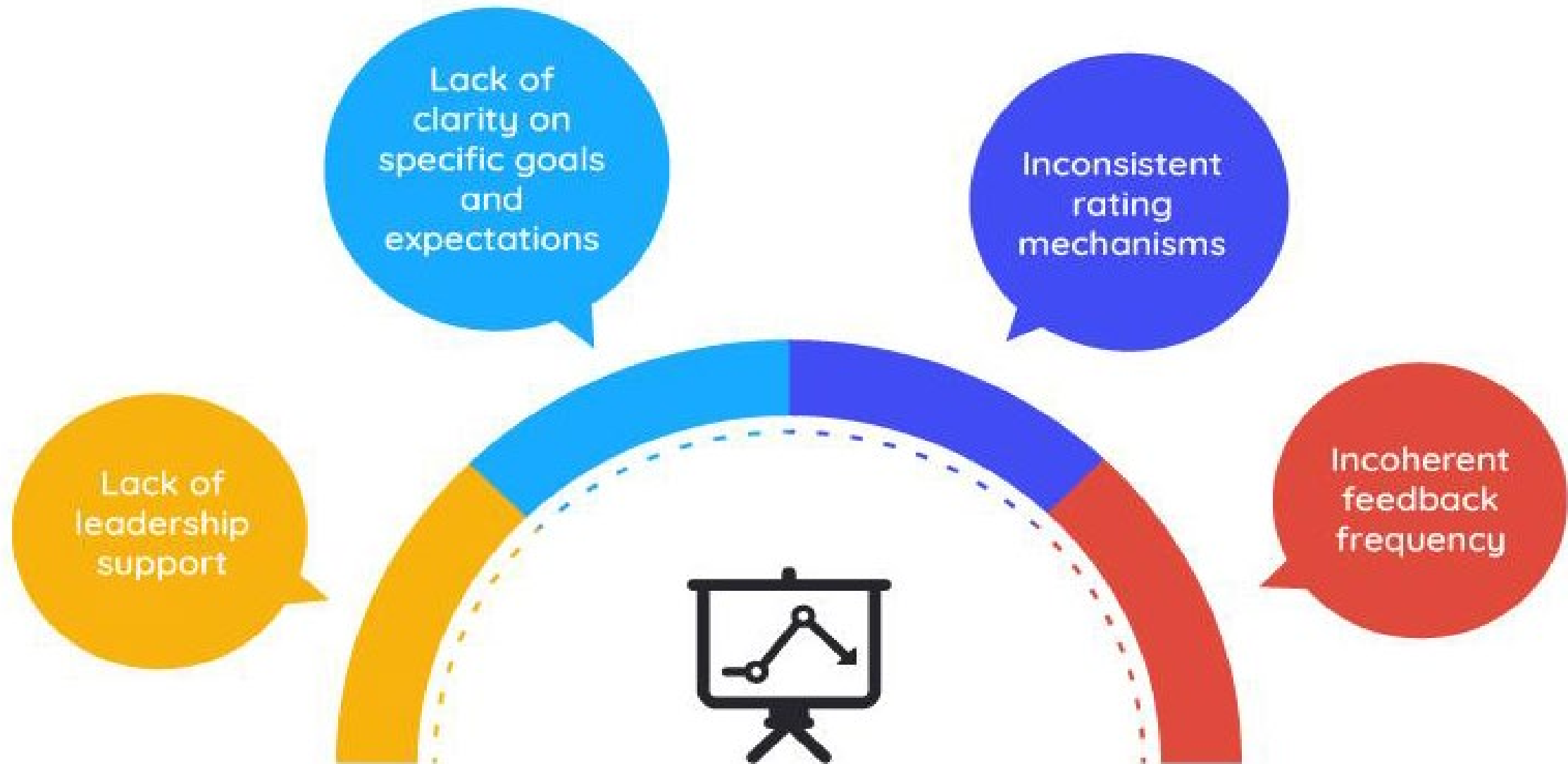
Poor Performance



Gary began to suspect that his performance management meeting could have gone better.

Where did things go wrong ?

Why Performance management fails?



Leaders adapt and cascade performance indicators to all staff levels.

Level	Performance indicator	Action
CEO	• EBITDA ¹	“Our key value driver is production.”
General manager	• Annual production	“We must identify bottlenecks and recurring equipment problems.”
Operations manager	• Daily production • Compressor OEE ²	“Compressor trip is a major recurring problem. We need to resolve root causes.”
Supervisor	• Shift production • Shift training	“Root cause identified. We need to train operators to follow cleaning procedures.”
Operator	• SOP ³ adherence	“OK, we will follow these procedures.”

Everyone understands and does something

Targets must be tailored to each level for meaning and impact

Targets must be tailored to each level to be meaningful

Where did things go wrong ?

- **Poor metrics**
- **Poor targets**
- **Lack of transparency**
- **Lack of relevance**
- **Lack of dialogue**
- **Lack of consequences**
- **Lack of management engagement**



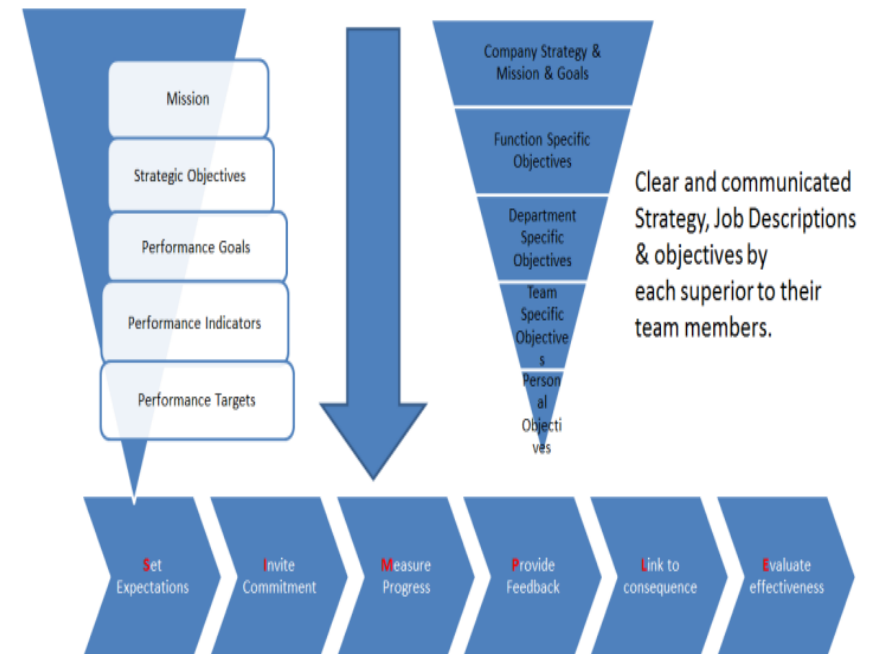
A regular performance-review cadence allows issues to be identified and resolved in an appropriate time frame.



▶ 5 Performance Management Mistakes to Avoid

- ▶ Not Setting Clear Expectations
- ▶ Your Process Doesn't Help Employee Development
- ▶ Holding on to Low Performing Employees
- ▶ Hoping For The Best – Waiting for Performance Appraisal to Give Feedback
- ▶ Limited Performance Incentives

Performance Management Process



Rewarding Employee Performance

Major Myths About Rewarding Employees

Myth #1: “Money is the best reward.”

Myth #2: “Employees are professionals. They should just ‘suck it up’ and do their jobs.”

Myth #3: “If I reward every time they do something useful, I will have to reward all the time.”

Myth #4: “We’re working to address critical problems, not to make our workers happy.”

Guiding Principles of Effective Reward Systems



Rewards should support behaviors directly aligned with accomplishing strategic goals.



Rewards should be tied to passion and purpose, not to pressure and fear.



Workers should be able to clearly associate the reward to their accomplishments.

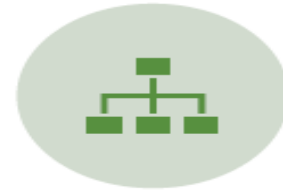


Rewards should occur shortly after the behaviors they are intended to reinforce.

Guidelines to Rewarding Employees



Reward employees by letting them hear positive comments from customers about how the employees' activities benefited the customer.



Occasionally have a Board member come to an employee meeting to thank them. This usually means a lot to employees, almost as much as having customers provide positive feedback about the employees' activities.



Understand what motivates each of your employees. You can do this by applying the "Checklist of Categories of Typical Motivators" in the previous subsection about supporting employee motivation on page 199. A major benefit of this approach is that each employee is afforded the opportunity to explain what motivates him or her.



In each monthly staff meeting, take a few minutes to open the meeting by mentioning major accomplishments of various employees.



Present gift certificates to employees who have made major accomplishments. Guidelines for determining who gets this reward should be clearly explained in your personnel policies in order to ensure all employees perceive the practice as fair and equitable. Allow employees to recommend other employees for awards.



Probably the most fulfilling for employees is to be able to do useful work. Be sure that each employee understands the mission of the business and how his/her work is contributing to that mission. Post your mission statement on the walls. Discuss the action-planning section of your strategic plan with employees so that they see how their activities tie directly to achieving the strategic goals of the organization. 21.11.2023

Best Practices- Performance Management

Frequent one-on-one
meetings



Adopting an agile
goal-setting
process



Recognizing efforts
and enabling a
culture of kindness



Performance management - Analysis

Performance management - Analysis

Component	Contents	Considerations
Performance planning and agreement	<ul style="list-style-type: none"> • Agreeing role profiles • Agreeing objectives (see also goal setting) • Agreeing performance measures • Agreeing development needs (see also personal development planning) • Agreeing areas for performance improvement • Recording decisions in an agreement 	<ul style="list-style-type: none"> • Format of role profiles • Methods of preparing and updating role profiles • Choice of measures • Format of agreement
Goal setting	<ul style="list-style-type: none"> • Identifying key result areas • Identifying key performance indicators • Agreeing targets and standards of performance 	<ul style="list-style-type: none"> • Methods of goal setting • Ensuring 'SMART' goals are <u>agreed</u> • Selecting appropriate measures
Personal development planning	<ul style="list-style-type: none"> • Deciding areas for development • Planning methods of development 	<ul style="list-style-type: none"> • Format of development plan • Approaches to <u>development</u> • Emphasis on self-directed development
Feedback	<ul style="list-style-type: none"> • Provision during year • Provision during formal review 	<ul style="list-style-type: none"> • Developing feedback skills • Use of informal and formal feedback

21.11.2003

Analysis of the components of the performance management system Armstrong

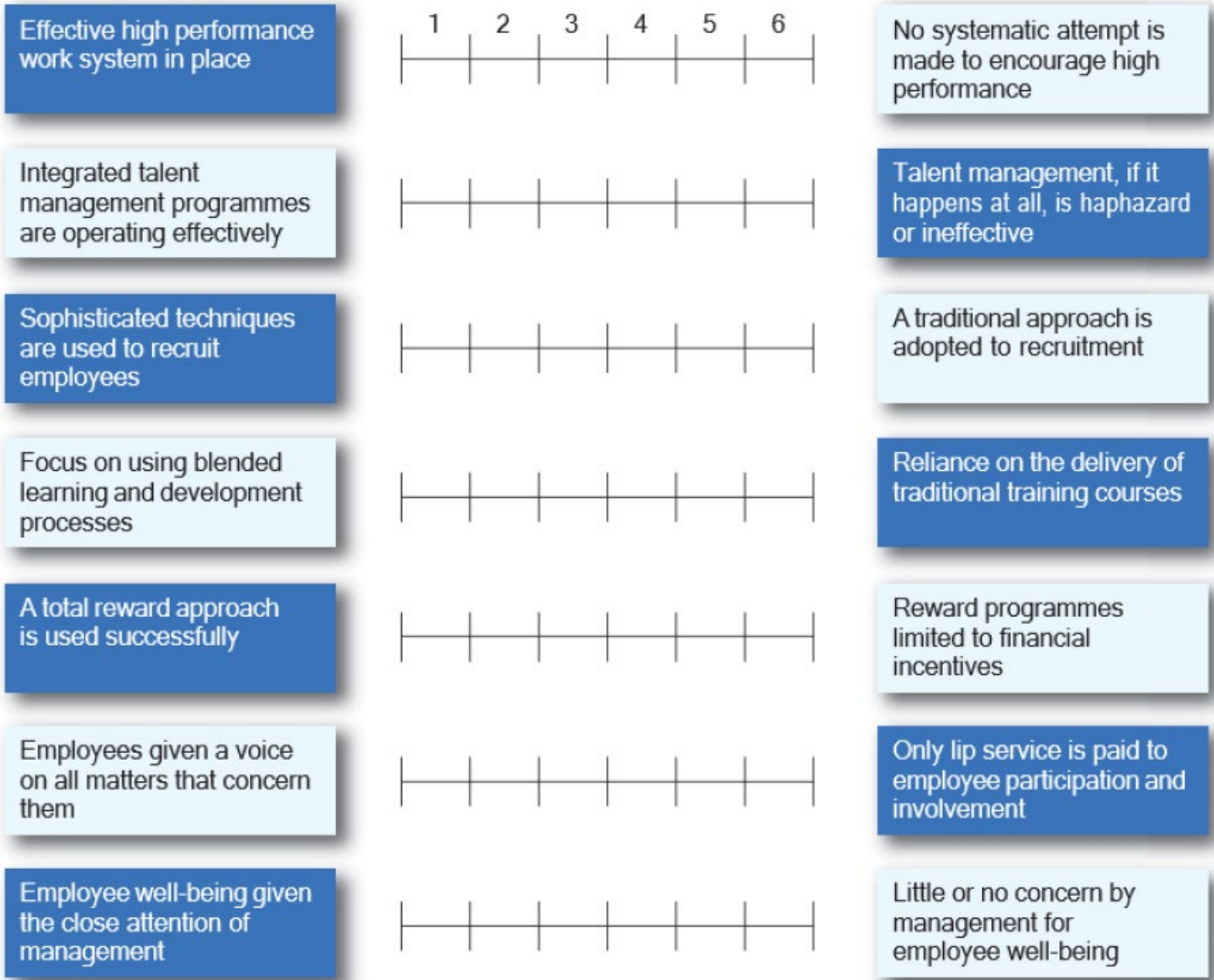
Component	Contents	Considerations
Performance reviews	<ul style="list-style-type: none"> • Purpose • Content • Timing 	<ul style="list-style-type: none"> • Use of informal reviews throughout year • Preparation for formal reviews • Conduct of formal reviews
Performance analysis	<ul style="list-style-type: none"> • Methodology • Use of metrics 	<ul style="list-style-type: none"> • Performance analysis skills • Data collection and analysis
Performance assessment and rating	<ul style="list-style-type: none"> • Use of overall assessment • Use of rating • Use of forced distribution rating 	<ul style="list-style-type: none"> • Provision of guidelines for overall assessments • Arguments for and against rating • Decisions on type of rating to be used, if at all • Developing assessment/rating skills • Providing rating guidelines, if appropriate • Arguments for and against forced distribution
Link to performance pay	<ul style="list-style-type: none"> • How assessment/ratings will inform performance pay decisions • The timing of pay reviews and performance reviews 	<ul style="list-style-type: none"> • Arguments for and against performance pay
Coaching	<ul style="list-style-type: none"> • Methods • Responsibility of line managers for 	<ul style="list-style-type: none"> • Developing coaching skills
Administration	<ul style="list-style-type: none"> • Documentation • Use of computers 	<ul style="list-style-type: none"> • Design of documentation • Design of computer system • Decision on extent to which a standard approach to performance management should be used

21.11.2023

Please state the extent to which you agree or disagree with the following statements about human resource management in this organization by placing a circle around the number which most closely matches your opinion.

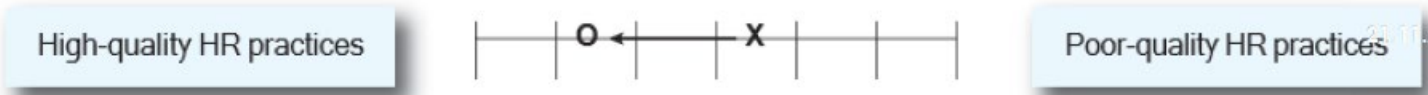
		Strongly agree	Agree	Disagree	Strongly disagree
1.	I think this organization is a great place in which to work.	1	2	3	4
2.	I am happy about the values of this organization and the ways in which it conducts its business.	1	2	3	4
3.	I get plenty of opportunities to learn in this job.	1	2	3	4
4.	I get good advice on how I can develop my career.	1	2	3	4
5.	I am given plenty of opportunities to achieve in my job.	1	2	3	4
6.	I get ample opportunity to use my skills in my job.	1	2	3	4
7.	I have been properly trained to do my job.	1	2	3	4
8.	My contribution is adequately rewarded.	1	2	3	4
9.	My performance is recognized properly.	1	2	3	4
10.	The performance pay scheme encourages better performance.	1	2	3	4
11.	I understand how the job evaluation scheme works.	1	2	3	4
12.	Pay increases are handled fairly.	1	2	3	4
13.	I get good feedback on my performance throughout the year.	1	2	3	4
14.	I am kept well informed about changes that affect me in the organization.	1	2	3	4
15.	I feel that management is prepared to listen to employees.	1	2	3	4
16.	The organization treats me fairly.	1	2	3	4
17.	The organization makes every effort to achieve job security.	1	2	3	4
18.	The organization makes every effort to ensure the well-being of its employees.	1	2	3	4
19.	The organization is committed to ensuring the health and safety of its employees.	1	2	3	4
20.	The working conditions in my department encourage good work.	1	2	3	4

Human resource management attitude survey



Strategic HRM gap analysis
armstrong

Mark on the scale X for current, 0 for desired - eg:





HR Metrics – Cost to Hire ?



\$1,000-\$5,000 per hire

<https://hiring.workopolis.com/article/how-to-calculate-cost-to-hire-and-why-its-important/>

KPI vs MBO

- KEY PERFORMANCE INDICATORS**
- MANAGEMENT BY OBJECTIVES**

Metrics that can be used to evaluate employee performance

- **Productivity:** measures how quickly and efficiently an employee can complete their work.
- **Work quality:** measures how well an employee's work is done, including accuracy, creativity, and the ability to meet set goals.
- **Attendance:** tracks how often an employee shows up to work on time and how often they are absent.
- **Team collaboration:** evaluates how well an employee can contribute to team projects and what value they bring to the team as a whole.
- **Problem solving ability:** measures how effectively an employee can solve problems and overcome obstacles that arise in their work."

Key Performance Indicators (KPI)

- **Productivity:** measures how quickly and efficiently an employee can complete their work.
- **Work quality:** measures how well an employee's work is done, including accuracy, creativity, and the ability to meet set goals.
- **Attendance:** tracks how often an employee shows up to work on time and how often they are absent
- .
- **Team collaboration:** evaluates how well an employee can contribute to team projects and what value they bring to the team as a whole.
- **Problem solving ability:** measures how effectively an employee can solve problems and overcome obstacles that arise in their work."

Employee	Productivity	Work Quality	Attendance	Team Collaboration	Problem Solving Ability
Jana Nováková	90%	85%	95%	80%	90%
Petr Svoboda	80%	75%	90%	85%	80%
Markéta Černá	95%	90%	95%	95%	95%
Tomáš Vlk	70%	80%	80%	75%	70%

When surveyed, employees had some negative feelings about a yearly appraisal system:

- 62% of employees feel that their performance review was incomplete
- 48% did not feel comfortable raising issues with their manager in between performance reviews
- 61% feel that the process is outdated
- 74% feel that they would be more effective with more frequent feedback
- 68% of executives don't learn about employee concerns until the performance review

All of this adds up to a lot of missed opportunities to solve problems and increase employee performance and engagement.

Zdroj: <https://www.valamis.com/hub/performance-management#why-is-performance-management-important>

Management by Objectives (MBO)

Employee	Objective 1: Increase productivity by 15%	Objective 2: Improve quality of work by 10%	Objective 3: Expand customer portfolio by 20%	Objective 4: Increase customer satisfaction by 25%	Overall Score
Jana Nováková	Met	Met	Met	Met	100%
Petr Svoboda	Partially met	Met	Exceeded several times	Partially met	85%
Markéta Černá	Met	Met	Met	Met	100%
Tomáš Vlk	Exceeded several times	Partially met	Exceeded several times	Partially met	70%

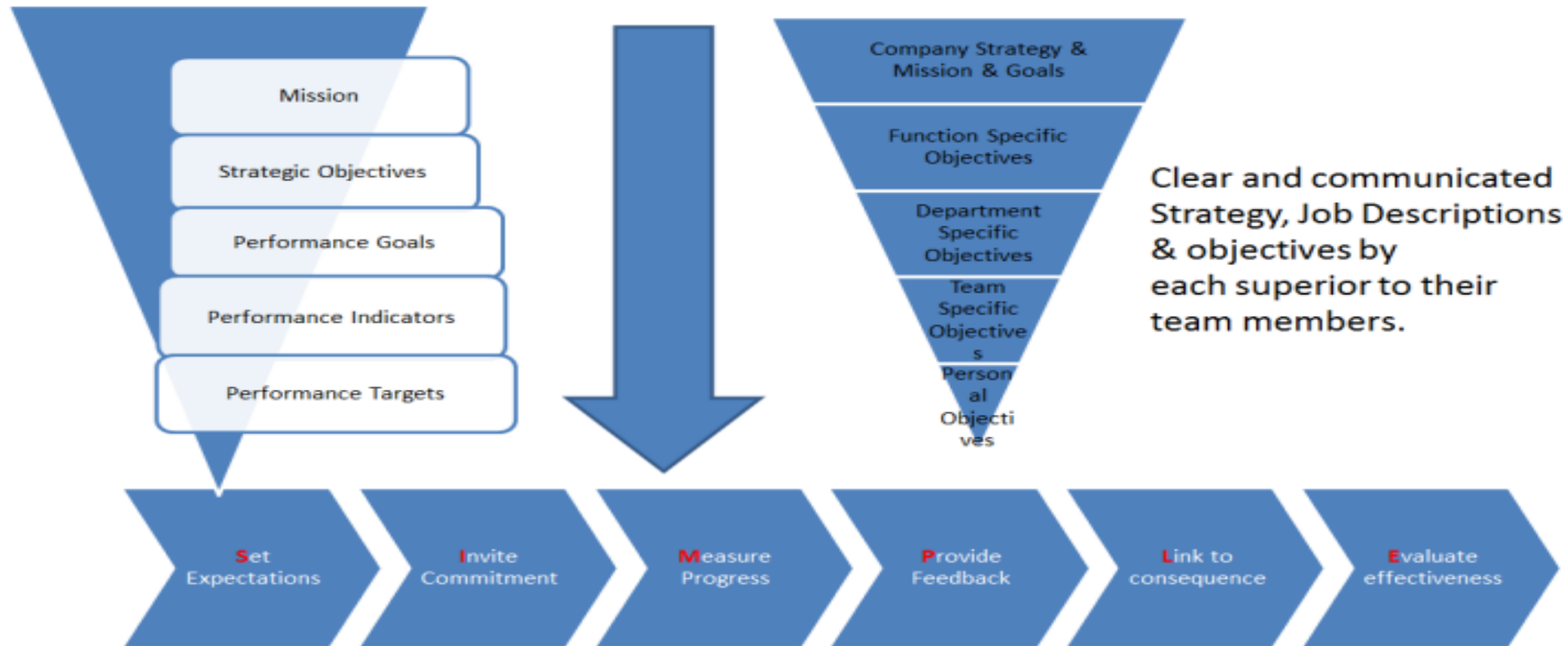
- Increase productivity by a certain percentage
- Improve quality of work, such as reducing errors, improving accuracy, speed, or creativity of work.
- Expand customer portfolio, such as increasing sales volume, number of new customers, expanding service or product offerings.
- Increase customer satisfaction, such as reducing complaints, improving customer service, improving communication with customers, and other factors affecting satisfaction.

Objectives and Key Results

- **Sales goals: Setting a sales goal as the Objective**, such as "Increase product sales by 20% in the last quarter." Key results may include measuring the number of new customers, increasing the sales volume of existing customers, increasing the average purchase value, and more.
- **Marketing goals: Setting a marketing goal as the Objective**, such as "Increase website traffic by 30% by the end of the year." Key results may include measuring website visits, increasing the number of newsletter sign-ups, increasing social media interaction, and more.
- **Technological goals: Setting a technological goal as the Objective**, such as "Improve website loading speed by 50% by the end of the quarter." Key results may include measuring website loading speed, optimizing code and images to improve loading speed, and more.
- **Educational goals: Setting an educational goal as the Objective**, such as "Improve employees' UX design skills by 50% by the end of the year." Key results may include measuring the success rate of completing educational programs, increasing the number of projects completed in the UX design field, and more.

PERFORMANCE MANAGEMENT PROCESS

Performance Management Process



S I M P L E

THANK YOU FOR PARTICIPATING!!

SEMINAR

SEMINAR 14:00 – 5:50

- 1. A JOB SPECIFICATION WITH KPI's**
- 2. MEASURE PERFORMANCE**
- 3. PERFORMANCE MANAGEMENT DISCUSSION**
- 4. DICUSSION AND PRESENT**

