OVERVIEW OF PERFORMANCE MANAGEMENT

January 2024

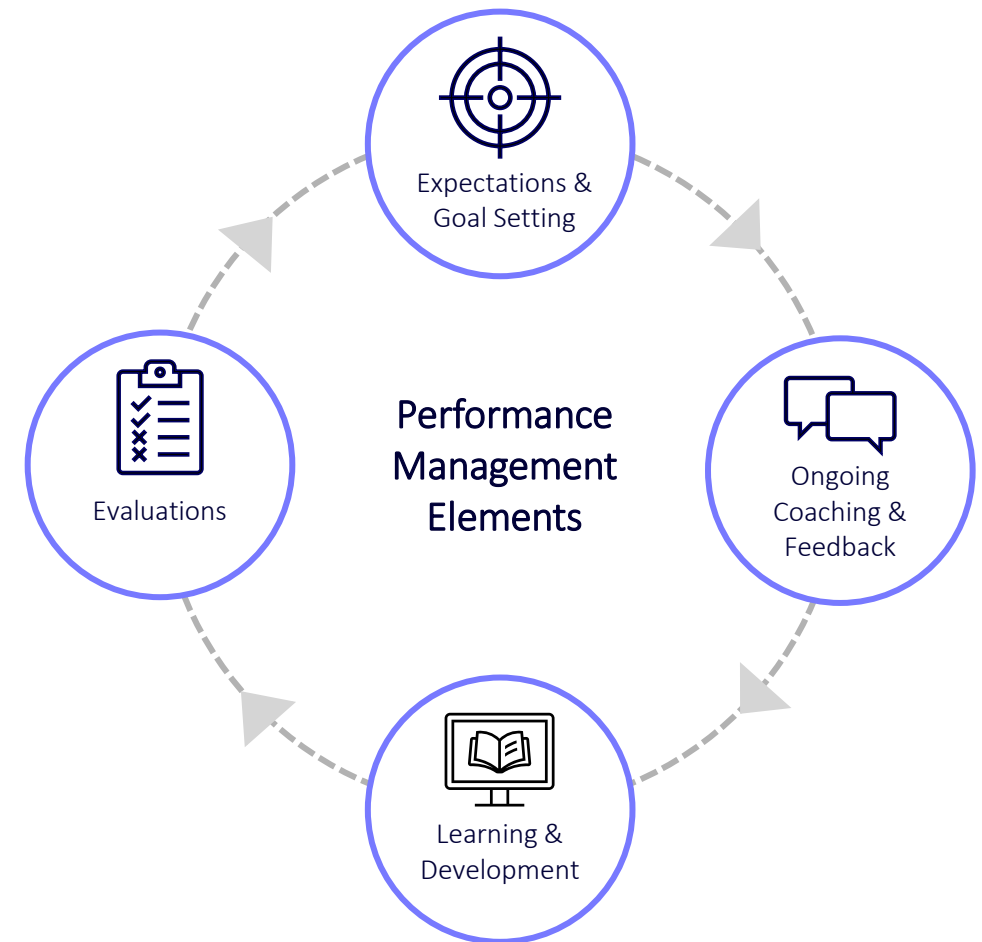# AN OVERVIEW OF PERFORMANCE MANAGEMENT

WHAT IS PERFORMANCE MANAGEMENT?

At its core, performance management is a way for the organization to **communicate the expectations** of each team member, **hold people accountable** for achieving these expectations, and **encourage learning** along the way. Performance management aims to strengthen the organization's culture and reinforce its values. It creates an environment for people to thrive.

To be successful, performance management is an **ongoing process** with a **learning mindset**, not a "once-a-year" evaluation.

Best Practices: Performance management should be...

- ✓ Frequent and year-round

- ✓ Allow employees to own their own career paths and development opportunities

- ✓ Complement a culture of **continuous feedback** (frequent performance conversations) and of **learning and coaching** (focus on areas of learning & development)

- ✓ Focused on **what you do, how you do it, and employee results**

Performance Management Elements

- Expectations & Goal Setting
- Ongoing Coaching & Feedback
- Learning & Development
- Evaluations

SAGANA   caspian debt

PURPOSES OF PERFORMANCE MANAGEMENT

Why performance management should be a cornerstone of your people practices.

EMPLOYEE ENGAGEMENT	EMPLOYEE DEVELOPMENT	SUPPORTING OVERALL PEOPLE PRACTICES
• Reinforces company culture and key employee behaviors that support company goals • Enhances employee and leader communication and relationships • Builds trust by increasing the sense of transparency and fairness on how employee performance is measured and rewarded	• Ensures employees receive timely and consistent feedback to address performance needs in the moment • Identifies employee training needs • Provides employees with guidance and developmental opportunities • Empowers employees to take ownership of their careers and developmental goals	• Identifies employees who may be ready for promotion or new assignments • Can support compensation decisions such as pay increases, bonuses and incentive pay distribution • Sets consistent standards of performance to reduce biases in evaluating employee performance

SAGANA   caspian debt

1. Nelson (Feb 2022)

ANNUAL PERFORMANCE MANAGEMENT PROCESS

SET COMPANY GOALS	DEFINE EMPLOYEE PERFORMANCE & DEVELOPMENT GOALS	ENGAGE IN ONGOING FEEDBACK & COACHING	CYCLE CHECK-INS	ANNUAL REVIEW

Description

• Set regular company goals (OKRs, KPIs, SMART, etc.) • Collaborate with departments and managers to determine team goals that support company goals	• Leaders meet with employees to define upcoming employee expectations and goal setting – this should be a collaborative experience between leaders and employees!	• Bi-weekly or weekly manager and employee coaching conversations • Managers are providing just in time feedback to support employee day to day performance	• Performance check-ins should be scheduled 2-3 times a year • This formal check-in can include: goal and performance tracking, and new goal setting • Tracked in a quick check-in form	• Host an end-of-year performance and development conversation with each employee. Managers should gather feedback from other team members. The discussion should be two-way, with the employee sharing his/her views and the manager coaching • Tracked in a clear and simple review form

Participants

• Senior company leadership • Department leaders • HR	• Manager • Employee	• Manager • Employee	• HR - Administration • Manager • Employee	• HR - Administration • Manager • Employee

SAGANA   caspian debt

REDUCING BIAS IN PERFORMANCE MANAGEMENT PRACTICES

Expectations & Goal Setting

Review your expectations and goal setting for inherent biases:
Review competencies, job descriptions, and skills for gender-inclusive language, and consider gender stereotypes. Consider questions such as are these leadership competencies discriminating due to inherent gender stereotypes.

Ongoing Coaching & Feedback

Create common coaching and feedback standards:
Women are less likely to get credit for successes and more likely to take criticism for failures (Burns et al., 2021). They often must provide more evidence of their competence and are more likely to have their judgment and decisions questioned. Ensure they are receiving similar coaching opportunities by standardizing the coaching and feedback process

Learning & Development

Actively prepare women for leadership roles:
As with men, women are more likely to be promoted if they are actively coached on career advancement. Senior leaders must ensure that emerging women leaders are given the same opportunities as their male counterparts to showcase their abilities, stretch their roles, network with senior leaders, and promote their visibility at the executive level.

Evaluations

Ensure that hiring and promotions are fair:
Audit reviews and promotions regularly to ensure your company does not systematically rate men more highly and promote them more quickly. Train managers to understand the impact of gender bias on their decision-making and put clear and consistent criteria in place to reduce bias in staffing decisions and performance reviews.

REFERENCES

Burns, T., Huang, J., Krivkovich, A., Rambachan, I., Trkulja, T., & Yaa, L. (Sept 2021). *Women in the Workplace 2021*. McKinsey & Company. https://www.mckinsey.com/featured-insights/diversity-and-inclusion/women-in-the-workplace

Correl, S., Mackenzie, N., & Wehner, J. (Jan 2019). *Why Most Performance Evaluations are Biased and How to Fix Them*. Harvard Business Review. https://hbr.org/2019/01/why-most-performance-evaluations-are-biased-and-how-to-fix-them

Deis, M. & Thomspon, M. (2007). *Andragogy for Adult Learners in Higher Education*. Allied Academies International Conference. http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.574.5807&rep=rep1&type=pdf

Hennigan, L. & Watts, R. (Feb 2022). *Learning Management Systems: Everything you Need to Know*. Forbes Advisor. https://www.forbes.com/advisor/business/lms-meaning/

Nelson, B. (Feb 2022). *The Employee Journey: A Hands-On Guide*. Gallup Inc. https://www.gallup.com/workplace/389408/employee-journey-hands-guide.aspx

Sarkis, S. (Feb 2019)). *Gender Bias Impacts Communication and Leadership*. Forbes. https://www.forbes.com/sites/stephaniesarkis/2019/02/26/gender-bias-impacts-communication-and-leadership/?sh=1d8c3e6177ef

SHRM. *Managing Employee Performance Toolkit*. https://www.shrm.org/resourcesandtools/tools-and-samples/toolkits/pages/managingemployeeperformance.aspx