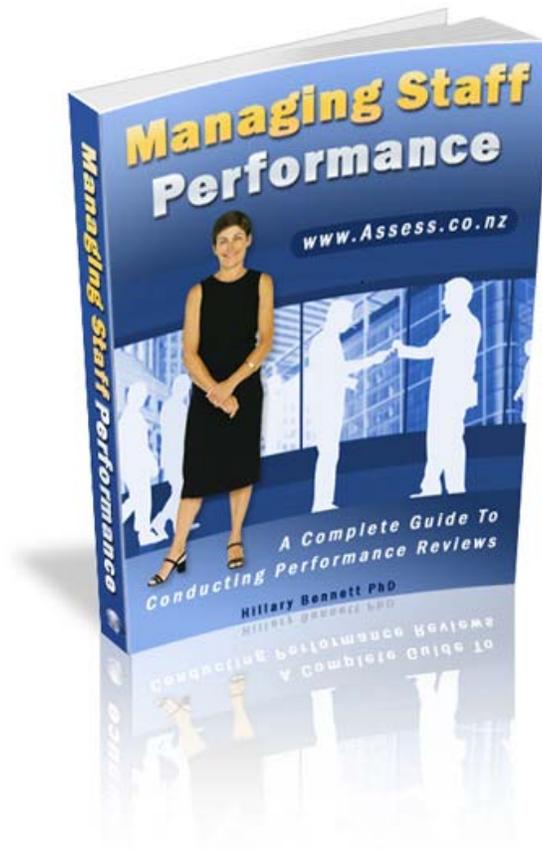


“Managing Staff Performance”



A complete guide to conducting performance reviews

By
Hillary Bennett PhD



Assess Systems

Aust/NZ Ltd

Workplace Selection & Development Solutions

MANAGING STAFF PERFORMANCE

A complete guide to conducting performance reviews

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PUBLISHER

AssessSystems Aust/NZ Ltd	Phone	+64 9 414 6030
P O Box 300 594	E-mail	office@assess.co.nz
Albany	Web	www.assess.co.nz
Auckland		

ABOUT THE PUBLISHERS

AssessSystems Aust/NZ Ltd - Leaders In Workplace Assessment

Our Business Is Assessment. Our Focus Is People in Organisations – Who to Hire and Promote, Who to Train and Develop and How to Maximise Employee Performance. Our key point of difference is our Industrial Organisational Psychology training and experience.

Our team uses research-based psychological techniques to help organisations and individuals reach peak performance. We aim to establish a down-to-earth, friendly, and professional relationship with our clients and offer a wide range of assessment solutions to meet their needs.

ABOUT SMALL TO MEDIUM ENTERPRISES (SME)

Most SMEs are owned by persons skilled in a particular field, but without formal business training or experience. To drive a successful a business they are face with near impossible task of doing the **three essential tasks** in business well: -

- The **reason for the business**, like running a retail electrical store, a motor vehicle repair service, or clothing manufacture. This is usually what the owner likes doing, and what they are skilled in - the reason why they got into the business in the first place – an electrician, a motor mechanic or clothes designer.
- Getting **the next job** - sales and marketing. Also business must sell their products or services to gain revenue – to exist. Many business owners are good at making, fixing, designing, but poor at selling.
- Paying the staff, sending out invoices, paying creditors, PAYE and GST returns, keeping an eye on the bank balance and cash flow - **finance and administration**.

Almost without exception owners get one of the three right - the thing they like doing. As time passes, they come to understand the importance of the other two, but since they have no training or experience in that, they usually intensely dislike these and do it badly. Also, as they devote more time to the other two functions, the thing they went into business for suffers, and soon all three elements of the business are done poorly.

ABOUT THIS BOOK

Managing people in any size organisation cannot be delegated; every manager must know how to get the most effective performance from people reporting to them. This eBook has been written to provide managers at all levels with practical advice on how to improve business performance by improving the performance of everyone in the business.

The publishers are skilled and experienced in human relations management. You have purchased this eBook because you manage people. You are busy and want quick answers with out the “fluff”. This book has been purposely kept short, with plain simple language. We taken a bullet-point approach so that you can quickly access guidance when a problem when it occurs. Where applicable we have provided quick check lists and draft forms.

Please feel free to send your comments or suggestions to the address above, or visit our website at www.assess.co.nz

ABOUT THE AUTHOR

Dr Hillary Bennett is an organisational psychologist and Director of AssessSystems Aust/NZ Ltd. She has a strong academic background as former senior lecturer at the University of Toronto, University of South Africa and Massey University. She has wide experience in the presentation and interpretation of psychological assessments for the purpose of selection, career guidance and performance management. She has undertaken many diverse consulting roles from psychologist to the Auckland Blues & Super Twelve Rugby teams, to community work assisting brain damaged adult executives re-enter the work force. Hillary's knowledge and academic background position her as one of the most qualified in the field of Business Psychology in Australasia.

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CHAPTER 1 – PERFORMANCE REVIEWS

THE ROLE OF PERFORMANCE REVIEWS IN MANAGING YOUR STAFF

On the people front, to be profitable any business needs firstly to hire the right people and then ensure that these people perform well. To ensure that staff delivers superior performance it is crucial that they get regular feedback on how they are performing.

One of the most pervasive causes of poor performance and low motivation in the workplace is the lack of feedback. The provision of regular, accurate feedback is the lifeblood of effective performance management in any workplace. The consequence of not receiving feedback is that staff will invent their own version of reality.

Very often no feedback is interpreted as: -

“ No news is good news”

“ I must be doing okay: I haven’t heard any complaints”

Or

“ No one cares why should I”

“Why bother no one ever notices”

PERFORMANCE MANAGEMENT AND BUSINESS GOALS

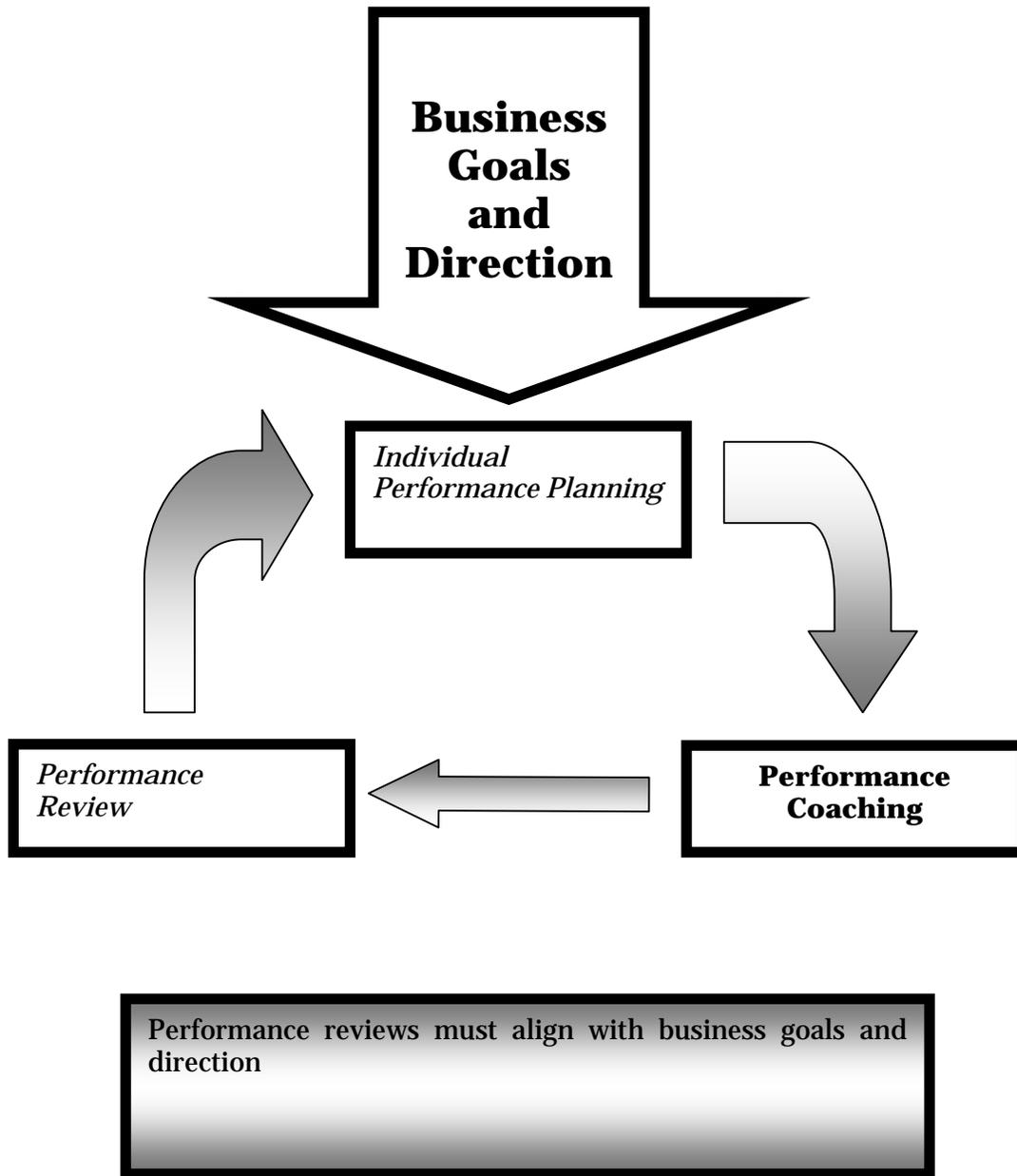
Performance management is the ongoing process for managing the performance of all employees. It is a proactive process that enables each employee’s performance to be aligned to the business’s strategic direction. The performance goals set for each member of staff needs to aligned to the goals of the business.

Performance management is not only about managing poor performers but also about recognising and motivating those employees whose performance meets and exceeds expectations. If employees performance exceeds

expectations they should be praised, if it dips they should be informed and asked to take corrective actions.

The success of an organisation will largely depend on the ability of its owners and managers to effectively manage the performance of others. To do this the owner or manager needs to: -

- **Define Business Goals and Objectives:** Identify a clear set of business goals and objectives.
- **Plan Performance:** Set clear performance goals for a given period of time.
- **Coach Performance:** Coach the person to achieve the goals within the given time period.
- **Review Performance:** Formally review the performance for a given period of time against the performance goals.



CAUSES OF POOR PERFORMANCE

There are many reasons why your staff's performance does not meet expectations or "why they do not do what they are supposed to do". These reasons can be categorised into various performance gaps.

These include: -

Competence gap:

Employees lack the knowledge, skill, and abilities required. They don't know how to do what they have to do. They are not able to do what they have to do.

Resource gap:

Employees lack the resources needed to do what they have to do. There are obstacles beyond their control.

Motivation gap:

Employees lack motivation and attitude. They don't have the desire or commitment to do what they are meant to do.

Confidence gap:

Employees lack the confidence in their ability.

Authority gap:

Employees do not have the necessary authority to do their tasks.

Feedback gap:

Employees are provided with inadequate feedback regarding their performance. They think they are doing what they are supposed to do. They think their way of doing things is better.

Direction gap:

Employees lack understanding of their key responsibilities and performance standards. They don't know what they are supposed to do or they don't know why they are supposed to do it. They think something else is more important.

Reward gap:

Employees' performance is not clearly linked to the rewards they receive. There is no positive consequence for them doing what they have to do.

If **any** these gaps are present in your business you need to take some steps to close or remove them because rarely will an employee's performance improve by itself, but with unfailing certainty, once an employee's performance has deteriorated it becomes resistant to improvement.

DIAGNOSING POOR PERFORMANCE PROBLEMS

Poor performance invariably has many causes. In addition to what you observe on a daily basis, asking the following questions and listening carefully to the answers, will help you determine the real source of the problem.

NEVER ASSUME YOU KNOW WHAT IS CAUSING POOR PERFORMANCE!

Performance diagnosis should occur throughout the performance management cycle:

- When planning for future performance
- When coaching
- Reviewing performance.

Performance diagnosis has 3 stages:

1. Problem Awareness

Becoming aware that staff are either “not doing what they should be doing” or “doing something that they are not supposed to be doing”.

2. Problem Assessment

An assessment of the seriousness of the problem, here you need to establish whether the problem is worth your time and effort. If it is not worth your time and effort don't worry about it.

3. Problem Identification

If the problem is worth your time and effort then you need to establish the causes of the problem.

Therefore the purpose of performance diagnosis is to: -

- Uncover causes to eliminate them
- Uncover causes to reduce them

The following diagnostic questions will help you diagnosis the cause problem.

DIAGNOSTIC QUESTIONS TO IDENTIFY CAUSE(S) OF PROBLEM

Questions	Solutions	
	If Yes	If no
1. Is the person aware that his/her performance is poor?	Ask question 2	Give feedback on poor performance Tell person the performance needs improving
2. Does the person know what is expected of him/her?	Ask question 3	Clear expectations and goals

3. Does the person know how to do the task?	Ask questions 4	Arrange for training or on-job experience
4. Does he /she know why he/she should do it?	Ask question 5	Explain why
5. Are there external factors causing the poor performance?	If possible remove the barriers	Ask question 6
6. Does he/she think something else is more important	Explain priorities	Ask question 7
7. Are there positive consequences for performing well	Ask question 8	Provide relevant rewards
8. Are there positive consequences for not performing well	Change the rewards	Ask question 9
9. Are there personal problems that may be impacting on performance	Help the person address the issues	Ask question 10
10. Could he/she perform if he or she chose to do it	Arrange a coaching / review meeting to discuss performance	

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