

PERFORMANCE MANAGEMENT SYSTEM INCLUDING JOB DESCRIPTION AND APPRAISAL FORMS¹

The Theory of Performance Management Programs (PMP)

Management of Performance

Most organisations use only Job Description Forms (JDF's) in their Human Resource Management.

Recent research suggests that organisations using Performance Management Programs (PMP's) perform better than those that do not. However, most organisations do not have a formal program and continue to rely on JDF's alone.

A Performance Management Program benefits both the organisation and the subordinates whose performance is being appraised. For the organisation, employee appraisal is a management feedback system that provides input that can be used for the entire Human Resource activities.

For the individual, appraisal provides the feedback essential to good performance.

Purpose of performance reviews in a PMP

1. Evaluation of human strategic resources
2. Human resource planning
3. Performance based remuneration
4. Identification of future potential
5. Salary review
6. Training and development
7. Motivation in current job
8. Planning future work
9. Evaluation of current performance

Management by objectives method of a PMP

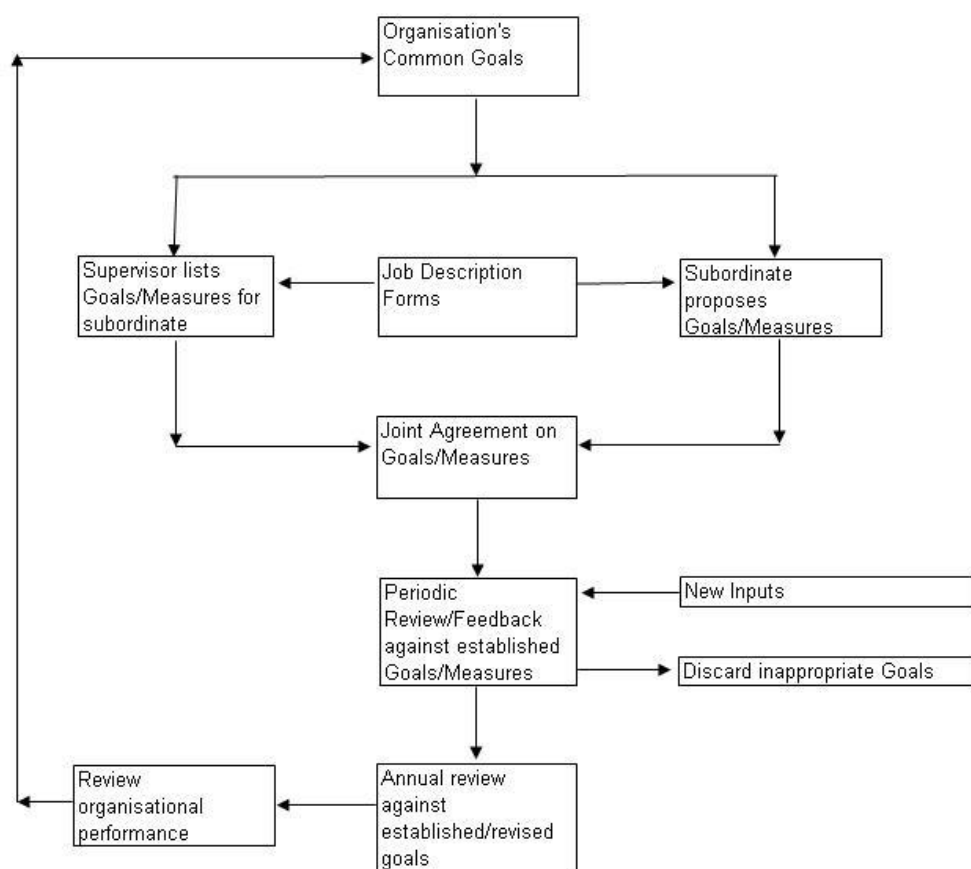
Management by objectives (MBO) is a philosophy of management first attributed to and used by Peter Drucker.

¹ This article does not constitute "advice". Care should be taken when applying the principles espoused and should not be done without consulting your financial and legal advisers. It is important to realise that individual and specific circumstances will need to be taken into account and accordingly the writer is not to be held responsible for any actions taken as a result of this article.

It seeks to judge the performance of employees based on their success in achieving the objectives they have established through consultation with their superiors.

Performance improvement efforts under MBO focus on the goals to be achieved by employees rather than the activities or traits they exhibit in connection with their assigned duties.

MBO is a strategic system involving a cycle that begins with setting the organisation's common goals and objectives and ultimately returns to that step.



Appraisers of performance – Different Models

Managers and supervisors traditionally have served as appraisers of their subordinates' performance.

Occasionally, appraisals are made by persons other than a supervisor. Individuals of equal rank who work together are sometimes asked to evaluate each other.

A popular approach involves employees being asked to evaluate themselves on a self-appraisal form.

360 ° feedback reviews

Termed either multi-directional feedback or 360 ° feedback. Organisations will attempt to gather work performance data about an employee from as many sources as possible.

A 360 ° feedback review usually requires six reviewers – two managers, two subordinates and two peers – to comment on the reviewee's performance over a range of pre-determined criteria. Both involving more than one person, the feedback process is likely to be more meaningful for both the supervisor and the employee.

Rating scales

With any rating method, certain types of errors can arise that should be considered, especially those that do not include carefully developed descriptions of the employee behaviours being rated. Provisions for comments on the rating form are useful.

Establishing performance standards

Before any appraisal is conducted, the standards by which performance is to be evaluated should be clearly defined and communicated to the employee.

Job standards should be based on job analysis or competency profiling and the resulting job descriptions and duty statements.

Performance standards will permit managers to specify and communicate precise information to employees regarding quality and quantity of output. Therefore, when performance standards are written, they should be defined in quantifiable and measurable terms.

Performance appraisal and the Law

Since performance appraisals are used as one basis for HRM actions, they must meet certain legal requirements.

- 1 Performance appraisals must be job related with performance standards developed through valid job analysis.
- 2 Employees must be given a copy of their job standards in advance of appraisals.

- 3 Managers who conduct the appraisal must be able to observe the behaviour they are rating.
- 4 Supervisors should be trained to use the appraisal form correctly.
- 5 Appraisals should be discussed openly with employees and counselling or corrective guidance offered to help poor performers improve their performance.
- 6 An appeals procedure should be established to enable employees to express disagreement with the appraisal.

Why performance appraisal programs fail

The primary culprits are lack of top management support, lack of job relatedness standards, rater's bias, too many appraisal forms to complete on each individual and using the program for conflicting purposes.

An important principle of performance appraisal is that continuous feedback and employee coaching must be a positive daily activity. The annual or semi-annual performance review should simply be a logical extension of the day-to-day supervision process.

Organisational politics can introduce bias even in fairly administered employee appraisals.

Requirements for successful MBO

If they are to succeed, MBO programs should meet several requirements.

1. Objectives set at each level of the organisation should be quantifiable and measurable for both the long and short term.
2. The expected results must be under the employee's control and goals must be consistent for each level.
3. Managers and employees must establish specific times when goals are to be reviewed and evaluated.
4. Each employee goal statement must be accompanied by a description of how that goal will be accomplished.

Steps in Drafting a PMP

1. Agree on what are the organisation's Goals, Measures and Values. These will be used to draft the JDF's so that they reflect what the organisation requires from the position. They will also be used in the later Performance Appraisal system.
2. Agree on the Classification Levels to be used.
3. Agree on the JDF.
4. Using Organisation's Goals and JDF, agree on Goals and Measures for the position.
5. Instigate PMP.

DRAFT JOB DESCRIPTION FORM

1. **POSITION DETAILS**

Title:

Holder:

Start Date:

2. **KEY RELATIONSHIPS**

Supervisor:

Positions directly
Supervised by Position:

Internal customers:

External customers:

External suppliers:

3. **PRIMARY PURPOSE OF THE POSITION**

4. SPECIFIC RESPONSIBILITIES

5. POSITION REQUIREMENTS

QUALIFICATIONS:

SKILLS:

RELEVANT EXPERIENCE:

6. EQUIPMENT USED

7. TRAINING REQUIRED

8. AUTHORISATION

PREPARED BY:

SIGNATURE:

EMPLOYEE:

SIGNATURE:

DATE: 18th July 2004

KEY PERFORMANCE MEASURE WORKSHEET

This worksheet is to assist the employee and employer agree on specific Objectives of the position and on the Performance Measures to be used in evaluation.

Objective:

Output	Performance Measures	Mid-term Rating	Annual Rating

ANNUAL PERSONAL PERFORMANCE APPRAISAL

It is important to appreciate that Performance Appraisal is a process with two major goals:

- A.** To provide the environment and opportunities for every staff member to develop and achieve their career goals.
- B.** To improve Company performance and profitability by setting goals and measuring achievements to provide a positive reward system for all staff.

Person being appraised _____

(Job Title) _____

Company _____

Person conducting appraisal _____

(Job Title) _____

Date of appraisal _____

ANNUAL PERSONAL PERFORMANCE APPRAISAL

1. JOB DESCRIPTION REVIEW

Are there any aspects of the job that have significantly changed in the past year?

Make changes to the job description as required.

Please forward your amended Job Description to the Personnel Manager.

2. ANNUAL PERFORMANCE OBJECTIVES

After discussion, list the agreed performance objectives for the coming year.

Remember, behavioural objectives are worthwhile, achievable, specific, measurable and time-bounded.

ANNUAL PERFORMANCE OBJECTIVES (List in order of importance)	COMMENTS – Indicate if objectives met exceeded or not met	*RATING

*RATINGS A: Exceeded Objective B: Met Objective C: Did Not Meet Objective

As a result, total achievement is rated A, B or C.

A = Exceeded Goals

B = Met Goals

C = Goals Not Met

3. GENERAL JOB PERFORMANCE


Assessment of overall job performance as appropriate to the skills and duties as outlines in the Job Description.

ASSESSMENT AREAS	COMMENTS – Strengths, weaknesses and suggestions for development	*RATING
i) SERVICE TO CUSTOMERS The ability to provide excellent service to customers and where appropriate generate further business.		
ii) GENERAL JOB MANAGEMENT The ability to make the general job area function well eg. Deal with problems, few missed deadlines or budget overruns.		
iii) ADMINISTRATIVE SKILLS The ability to plan, organise, make decisions and schedule staff and/or work duties.		
iv) PEOPLE MANAGEMENT SKILLS Abilities for team involvement either through team leadership or team commitment skills.		
v) INTERPERSONAL SKILLS The ability to communicate to all in both verbal and written form.		
vi) OTHER (Please specify):		

*A = Exceeding Job Requirement B = Meeting Job Requirement C = Less than Job Expectation

OVERALL ASSESSMENT:

After discussion, the agreed rating of overall job performance (including achievement of performance objectives, general job performance and career development objectives) is:

- Continually exceeded job requirements = A
 - Usually met job requirements = B
 - Often not meeting job requirements = C
- 

4. CAREER DEVELOPMENT

a) As a result of discussions, career steps for you within the organisation are:

(nb. Development may be within a particular job, by geographical move or by promotion to another position.)

The next step _____

Longer term: _____

b) This may require some specific development objectives eg. Gaining qualifications, short training courses or placement. Therefore your training objectives for the next 12 months are:

i) _____

ii) _____

iii) _____

5. SUMMARY

Summary by Appraiser: (Highlight strengths and weaknesses)

Summary by Appraisee:

Appraisee

Appraiser

/ /

6. I have discussed this appraisal with the appraising officer and make the following comments:

NEXT SENIOR MANAGER:

/ /

As a result of the Annual Personal Performance Appraisal conducted for

..... on / /

the following details should be noted for development action:

ANNUAL JOB PERFORMANCE OBJECTIVES

RATING:

GENERAL JOB PERFORMANCE

RATING:

OVERALL ASSESSMENT RATING:

HAS THERE BEEN ANY CHANGE TO THE JOB DESCRIPTION?

Please indicate Yes or No:

REQUESTED NEXT CAREER STEP

TRAINING & DEVELOPMENT REQUESTS

i) _____

ii) _____

iii) _____

iv) _____

OTHER COMMENTS

Appraisee

Appraiser

/ /

Received by Personnel:

/ /