

BSBHRM512

Develop and manage performance management processes

Release 1

Learner guide

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Aspire Version 1.1

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BSBHRM512 Develop and manage performance management processes Release 1

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Level 1, 464 St Kilda Road
MELBOURNE VIC 3004 AUSTRALIA
Phone: (03) 9820 1300

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Contact details

Participant
Name:
Start date:
Phone number:
Email:
Work location
Name:
Address:
Postal address:
Workplace supervisor name:
Phone number:
Fax:
Email:
Registered Training Organisation (RTO)
Name:
Address:
Postal address (if different):
Phone number:
Fax:
RTO contact name:
Mobile:
Email:

Contents

Before you begin	vii
Topic 1: Develop integrated performance management processes	1
1A Analyse organisational plans to identify policies and objectives	2
1B Develop objectives for performance management processes	6
1C Design methods and processes for managers to develop KPIs	9
1D Develop time frames and processes for formal performance management sessions	13
1E Ensure processes are flexible to cover the range of employment situations in the organisation	20
1F Consult with key stakeholders about processes and agree on process features	25
1G Gain support to implement the processes	30
Summary	33
Learning checkpoint 1: Develop integrated performance management processes	34
Topic 2: Facilitate the implementation of performance management processes	41
2A Train relevant people to monitor and identify performance gaps and manage talent	42
2B Work with line managers to ensure performance is monitored and intervention occurs	46
2C Support line managers to counsel and discipline employees	54
2D Articulate dispute-resolution processes and mediate between managers and employees	59
2E Provide support to terminate employees who fail to respond to interventions	64
2F Ensure the outcomes of performance management sessions are accessible and stored appropriately	68
2G Regularly evaluate and improve performance management processes	72
Summary	74
Learning checkpoint 2: Facilitate the implementation of performance management processes	75
Topic 3: Coordinate individual or group learning and development	83
3A Design and develop learning and development plans and strategies	84
3B Deliver learning and development plans, and ensure they meet specified outcomes	88
3C Contract appropriate providers for performance development	92
3D Ensure activities comply with quality assurance standards	97
3E Negotiate remedial action with providers	101
3F Generate reports on the progress and success rates of activities	103
Summary	106
Learning checkpoint 3: Coordinate individual or group learning and development	107

Before you begin

This learner guide is based on the unit of competency *BSBHRM512 Develop and manage performance management processes*, Release 1. Your trainer or training organisation must give you information about this unit of competency as part of your training program. You can access the unit of competency and assessment requirements at: www.training.gov.au.

How to work through this learner guide

This learner guide contains a number of features that will assist you in your learning. Your trainer will advise which parts of the learner guide you need to read, and which practice tasks and learning checkpoints you need to complete. The features of this learner guide are detailed in the following table.

Feature of the learner guide	How you can use each feature
Learning content	Read each topic in this learner guide. If you come across content that is confusing, make a note and discuss it with your trainer. Your trainer is in the best position to offer assistance. It is very important that you take on some of the responsibility for the learning you will undertake.
Examples and case studies	Examples of completed documents that may be used in a workplace are included in this learner guide. You can use these examples as models to help you complete practice tasks and learning checkpoints. Case studies highlight learning points and provide realistic examples of workplace situations.
Practice tasks	Practice tasks give you the opportunity to put your skills and knowledge into action. Your trainer will tell you which practice tasks to complete.
Video clips	Where QR codes appear, learners can use smartphones and other devices to access video clips relating to the content. For information about how to download a QR reader app or accessing video on your device, please visit our website: www.aspirelr.com.au/help
Summary	Key learning points are provided at the end of each topic.
Learning checkpoints	There is a learning checkpoint at the end of each topic. Your trainer will tell you which learning checkpoints to complete. These checkpoints give you an opportunity to check your progress and apply the skills and knowledge you have learnt.



Foundation skills

As you complete learning using this guide, you will be developing the foundation skills relevant for this unit. Foundation skills are the language, literacy and numeracy (LLN) skills and the employability skills required for participation in modern workplaces and contemporary life.

The following table outlines specific foundation skills noted for your learning in this learner guide.

Foundation skill area	Foundation skill description
Reading	<ul style="list-style-type: none"> Interprets and critically analyses organisational strategic and operational plans to identify relevant policies and objectives to be addressed
Writing	<ul style="list-style-type: none"> Uses broad vocabulary, grammatical structure and conventions appropriate to text when developing objectives, designing methods and processes and reporting
Oral communication	<ul style="list-style-type: none"> Conveys information using language, format and style appropriate to a specific audience Uses listening and questioning to extract main ideas from oral texts or to confirm and clarify understanding
Numeracy	<ul style="list-style-type: none"> Selects from, and applies, mathematical and problem solving strategies when reporting on success rates of activities
Navigate the world of work	<ul style="list-style-type: none"> Understands and interprets organisational policies and procedures in order to formulate processes relevant to own role requirements Monitors adherence to legal and regulatory rights and responsibilities for self and possibly others
Interact with others	<ul style="list-style-type: none"> Selects and implements appropriate communication protocols to liaise with personnel in a range of work contexts Supports line managers to achieve goals, playing an active role in facilitating effective group interaction, influencing direction and taking a leadership role on occasion Negotiates with others to achieve agreeable outcomes playing an active role in facilitating consensus in contentious situations
Get the work done	<ul style="list-style-type: none"> Takes responsibility for developing, implementing and monitoring processes and strategies to manage performance Accepts responsibility for planning, scheduling and sequencing complex tasks to meet organisational and legislative requirements Uses systematic, analytical processes in complex, non-routine situations, setting goals, gathering relevant information, and identifying and evaluating options against agreed criteria Uses digital systems and tools to store, access and organise digital information

What do you already know?

Use the following table to identify what you may already know. This may assist you to work out what to focus on in your learning.

Topic	Key outcome	Rate your confidence in each section
Topic 1 Develop integrated performance management processes	1A Analyse organisational plans to identify policies and objectives	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	1B Develop objectives for performance management processes	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	1C Design methods and processes for managers to develop KPIs	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	1D Develop time frames and processes for formal performance management sessions	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	1E Ensure processes are flexible to cover the range of employment situations in the organisation	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	1F Consult with key stakeholders about processes and agree on process features	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	1G Gain support to implement the processes	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
Topic 2 Facilitate the implementation of performance management processes	2A Train relevant people to monitor and identify performance gaps and manage talent	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2B Work with line managers to ensure performance is monitored and intervention occurs	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2C Support line managers to counsel and discipline employees	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident

Topic	Key outcome	Rate your confidence in each section
	2D Articulate dispute-resolution processes and mediate between managers and employees	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2E Provide support to terminate employees who fail to respond to interventions	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2F Ensure the outcomes of performance management sessions are accessible and stored appropriately	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2G Regularly evaluate and improve performance management processes	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
Topic 3 Coordinate individual or group learning and development	3A Design and develop learning and development plans and strategies	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3B Deliver learning and development plans, and ensure they meet specified outcomes	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3C Contract appropriate providers for performance development	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3D Ensure activities comply with quality assurance standards	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3E Negotiate remedial action with providers	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3F Generate reports on the progress and success rates of activities	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident

Topic 1

Develop integrated performance management processes

A performance management system is designed to support the business. For the system to be effective, it must be supported by managers and employees. Your role is to facilitate the establishment and monitoring of the integrated performance management processes that make up this system. They may include communications, data collection and analysis, software and reporting.

You need to work closely with managers at all levels within the organisation to help develop key performance indicators (KPIs) and to ensure these meet organisational needs and are supported across the organisation.

In this topic you will learn how to:

- 1A Analyse organisational plans to identify policies and objectives
- 1B Develop objectives for performance management processes
- 1C Design methods and processes for managers to develop KPIs
- 1D Develop time frames and processes for formal performance management sessions
- 1E Ensure processes are flexible to cover the range of employment situations in the organisation
- 1F Consult with key stakeholders about processes and agree on process features
- 1G Gain support to implement the processes

1A

Analyse organisational plans to identify policies and objectives

Most organisations have a strategic plan articulating their mission, vision and values. Supporting the business plan is a series of operational plans, policies and objectives covering component systems of the organisation; for example, there may be defined plans and objectives for each division, unit, department or team.

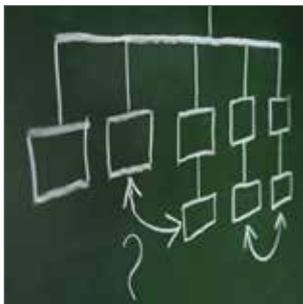
The strategic plan usually describes what the organisation wants to achieve, whereas the operational plans describes how this will be done. As a manager with responsibility for performance management activities, you must translate these goals and objectives into your organisation's performance management processes.

Analyse organisational structure

Key components and interrelationships of the organisation's structure together identify how a performance management system will be integrated into the overall goals and policy framework. Organisational structure is illustrated by an organisational chart that indicates the links between functional groups and roles within the organisation.

The organisation's design can provide an insight into important aspects of the performance management system. However, existing policies and standard procedures may provide a far deeper understanding of integrated performance management requirements.

Here are several factors to consider when analysing an organisational chart.



Reporting lines

Identify reporting lines to determine who is responsible for performance reporting and the subordinate job roles for each supervisory role.



Interrelationships

Identify cross-functional connections where jobs report to more than a single functional manager; the performance processes must provide relevant information within each functional group and avoid possible 'political' or other human resource issues.



Culture

Determine the overall culture of the organisation; for example, an organisation with many levels of reporting will tend to be more bureaucratic and require much more detailed performance management processes to cope with these reporting requirements; organisations with few reporting lines are generally more flexible, but may lack a reporting structure.

Performance management policies

Establishing a performance management policy is one way that an organisation can translate its strategic and operational objectives into practical individual actions. A performance management policy's content and structure will vary depending on the size and scope of the organisation, the level of importance that senior management places on employee performance and the industry the organisation operates within.

Other workplace policies

Policies affecting performance management are not restricted to the performance management policy itself. For example, workplace health and safety, anti-discrimination, privacy and confidentiality, and workplace equity and diversity policies all have some impact on the management of performance within an organisation.

How to analyse the integration of an organisation's performance management policies

- Establish how each step of the procedure conforms to existing policies, legislation and relevant regulations.
- Determine how well the procedures gather sufficient data for effective performance management.
- Establish how effective the performance management procedures are at helping managers and the organisation improve individual and group performance.
- Identify gaps in the existing procedures where rules, regulations, legislation or policy are not being addressed.
- Consider innovative or incremental improvements that address individual, regulatory or organisational outcomes and compliance standards.

Example: analyse policies

The last three quarterly quality improvement meetings have focused on reviewing the performance management processes used in a company's cardboard manufacturing plants in two regional cities.

Three management working groups are dealing with the improvement plan review process:

1. The first working group is analysing existing policies to ensure they are up to date, compliant and meeting the organisation's overall objectives.
2. The second group is interviewing process workers, team leaders and line managers about the existing performance management processes to identify any misunderstandings, ambiguities or gaps in the current procedures.
3. The third group is analysing the current strategic plans that provide the operational goals and objectives for the two plants. The group is to ensure these plans are consistent with existing policies and procedures governing performance management and to compare their findings with the other groups.



The final collated reports of the three working groups highlight several discrepancies between strategic goals, organisational policies and the procedures followed by line managers, and recommend improvements to current processes.

Practice task 1

1. What should decisions be based on when developing integrated performance management processes?

2. What factors should be considered when analysing the organisational chart and establishing the organisation's integrated performance management processes?

continued ...

... continued

3. What method could you use to translate strategic and operational objectives into practical individual actions?

4. What organisational policies and procedures play a part in performance management?

1B

Develop objectives for performance management processes

Effective performance management processes have clearly defined objectives. These objectives will vary depending on the organisation's size and nature, but can generally be divided into two categories: helping the organisation deliver its operational plans, and developing employees' skills and knowledge.

Achieve organisational objectives

Organisational objectives are usually identified in the operational plan for the business. Depending on the nature of the organisation, these may relate to profit levels, customer satisfaction, market share or meeting time lines for launching new products.



Performance management processes should be structured to align with organisational objectives. The operational plan identifies targets and objectives for each department and work area, and for each individual.

The following chart illustrates the relationships between the strategic plan, the operational plan and individual targets and objectives.



Create performance targets

Line managers are responsible for identifying individual work targets and objectives. As someone responsible for performance management processes, you must create procedures that allow line managers to integrate work targets with performance targets.

Employees are motivated to achieve their performance targets, as these are usually linked to their remuneration and promotion opportunities. Aligning organisational, individual and performance targets helps ensure that performance management processes support organisational objectives.

Performance targets must be set so they are SMART; that is, specific, measurable, achievable, realistic and targeted. You may be required to help line managers create performance targets from their operational objectives. Applying SMART principles to operational objectives can help you do this.

Here are some examples of SMART performance targets.

SMART performance targets

Increase sales by 10 per cent (compared to the previous 12 months) by June.

Achieve a customer satisfaction rating of 7 or more by April.

Launch three new products within the allocated budget and by the agreed deadline.

Develop employees' skills and knowledge

Developing employees' skills and knowledge is another common objective of performance management processes.

Here are some points to consider when developing employees' skills and knowledge.

Employees

- Ensure employees hold appropriate qualifications to carry out their work.
- Provide employees with the opportunity to gain the experience required to achieve their career goals.

Licensing requirements

- Many organisations must comply with licensing requirements. For example, the insurance industry requires salespeople to be trained before they can sell insurance products. They must also complete refresher training.

Line managers

- Line managers need to ensure that employees have the appropriate skills and knowledge to achieve their individual performance goals. You need to ensure that line managers understand this requirement and provide training where it is required.

Processes

- Performance management processes can be used to provide opportunities for employees to extend their skills and knowledge. An individual performance management plan should identify learning and development opportunities.

Example: align performance management objectives

The operational plan for an office supplies company lists improving supply performance and reducing lost time incidents as key objectives.

The warehouse manager consults with the line managers to identify specific work goals for each manager. These goals are to:

- reduce the average number of backorder lines to 15
- increase supply turns to an average of 2.8
- provide all forklift operators with refresher training by the end of June
- implement safety initiatives targeted at reducing the lost time injury rate.



The line managers then work with their employees to set individual performance targets that support these four goals.

Practice task 2

1. What role do operational plans play in performance management?

2. What is one strategy you could use to ensure line managers achieve their operational objectives?

3. How can you contribute to developing employees' skills and knowledge?

1C

Design methods and processes for managers to develop KPIs

Performance management begins with performance planning, which is used to provide a structured approach to achieving the desired level of performance for both individuals and teams. Line managers must ensure performance plans are created for their team members. Your role is to provide line managers with a structure they can use to develop KPIs and performance plans for the staff reporting to them.



The performance management process

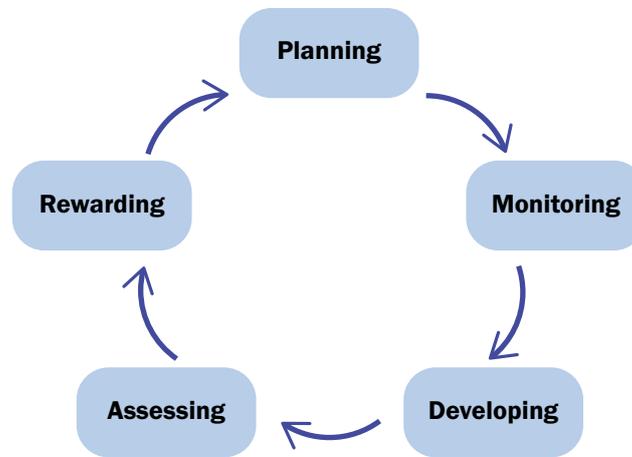
The performance management process is a continuous cycle of monitoring, developing and rewarding employee behaviour when it meets performance standards. You can assist line managers in implementing this process by establishing a procedure to follow.

Here are several main steps of the performance management process.

Performance management process
Set objectives.
Identify and use performance indicators.
Regularly monitor and appraise individuals and teams to identify achievements.
Identify training and development needs.
Use the knowledge and information derived from performance monitoring to modify plans.

Performance management cycle

This performance management cycle chart illustrates the steps to follow. The process is a continual cycle of improvement.



Performance plans

Performance plans for individuals or teams provide an opportunity to reflect on how well goals are being achieved and what can be done to address any barriers to attaining them.

Here are some aspects that should be included in performance plans.

Aspects of performance plans:

- Specific goals to be achieved
- Performance measures (KPIs)
- Actions required to achieve goals
- Time frames to achieve goals
- Performance monitoring and evaluation

Key performance indicators

Key performance indicators (KPIs) are commonly used to define and evaluate how successfully an individual is performing against their goals or targets. They serve as a guide for employee behaviour and provide a mechanism for managers to monitor performance and provide feedback. In this context, these measures are often closely linked to reward and recognition structures.

You can read more about KPIs and developing KPIs at the following websites:

- www.management.about.com/cs/generalmanagement/a/keyperfindic.htm
- www.leadership-and-management.com/developing-kpis.html



Ensure performance planning works

Here are five steps to assist with putting an effective performance plan in place within your team and its members.

1**Develop agreed expectations**

Job roles and individual performance within a job can vary significantly. Define agreed expectations so both the employee and the manager are clear about what is expected of the employee.

2**Create performance benchmarks**

Performance benchmarks provide a measureable standard for the employee to achieve in order to fulfil the expectations of their role. Milestones for performance can also be included in this step if a significant change in working conditions is required.

3**Achieve consensus**

Benchmarks, expectations and the time line for achieving milestones must be agreed on in order to form effective monitoring processes and to gain employee buy-in.

4**Confirm accountability**

By agreeing to the performance requirements, the employee also accepts accountability for their actions. This is the key point where the employee signals acceptance of their conditions and the manager clarifies how the employee will contribute to the business.

5**Establish outcomes and consequences**

Performance management processes rely on the establishment of outcomes and consequences. These usually include guidelines regarding remuneration, bonuses, penalties and termination provisions.

Example: performance plans

There are a number of reasons that an organisation may develop a performance plan.

Here is an example of an individual performance plan.

Individual performance plan					
Goal	KPIs	Action required	Support	Time frame	Evaluation of performance
Increase the number of new customers on a business phone plan by 15% over a 6-month period.	Make 50 outbound calls per day, with an average of five new sign-ups per day.	Provide coaching in: <ul style="list-style-type: none"> product features and benefits overcoming objections closing techniques. 	<ul style="list-style-type: none"> Team leader Manager Training department 	28/10/2016	Team leader to monitor at least four outbound sales calls made by each operator. Compare results of call monitoring with monitoring results prior to training.

Practice task 3

1. What purpose do KPIs serve in the performance management process?

2. How would you encourage line managers in your organisation to set KPIs?

1D

Develop time frames and processes for formal performance management sessions

A performance appraisal is a formal assessment and rating of individuals by their managers, usually as part of their annual review meeting.

Performance management, on the other hand, encompasses a wider scope of ongoing activities and aims to clarify mutual expectations and establish support requirements to enable an employee to more effectively meet their performance goals.

Managing the performance management system requires you to develop suitable processes and time lines so line managers can conduct formal sessions with their staff, consistent with organisational requirements.

Formal performance management sessions are an opportunity to help staff identify how they can better contribute to organisational goals.



Performance management sessions

Formal performance management sessions provide a means through which the elements of planning, monitoring, developing, assessing and rewarding can be put to good use. One of the key functions of this type of session is to look at what needs to be done to achieve the purpose of the employee's job; to meet new challenges; to make better use of their knowledge, skills and abilities; and to develop their capabilities by encouraging a self-management approach.

Here is an example of what a performance management session could include.

Reflective practice

Staff should be encouraged to undertake self-assessment and reflection. The more that reflective practice is implemented as part of everyday practice, the more likely it is targets will be reached when performance management sessions are held.

Partnership approach

Performance management processes need to be empowering for employees and to be seen as a partnership approach to achieving goals. The manager and employee need to reach a mutual agreement regarding the employee's performance.

Solutions

Both the manager and the employee need to identify issues and/or barriers to effective performance and to determine appropriate solutions together.

Support

Coaching, mentoring, professional development opportunities or other support and guidance need to be provided to support the employee to reach their targets.

Number of sessions

The ideal number of performance management sessions will vary according to organisational policy and management style. Some organisations hold a minimum of two meetings.

Here is an example of what these meetings include.

**Meeting 1**

The first meeting is a performance planning meeting to outline and discuss the results to be achieved. In this meeting, the manager may review the organisation's mission, vision, values and goals, and the business unit's objectives. The manager should then take the time to discuss the employee's specific goals and actions and how these contribute to the larger strategic goals.

**Meeting 2**

The other key meeting is held towards the end of the performance period. This meeting is used to discuss the individual's achievements and review development needs. Organisational policy generally stipulates the time frames for scheduled performance reviews. Where possible, avoid scheduling performance review meetings all at the one time.

Conduct a performance management session

Performance management sessions should follow organisational policies and ethical procedures. The procedure should be documented, with advance warning and the opportunity for genuine involvement given to the staff member.

Here are some tips for conducting a performance management session.

1**Preparation**

Preparation is vital; ensure you have access to the employee's position description and any agreed personal development or performance management plan objectives.

2**Relaxed approach**

Create an appropriate environment. Performance discussions should be held somewhere private and comfortable; informal surroundings can help reduce any employee anxiety about the process.

3**Empathic approach**

Show empathy and ensure the employee is at ease with the situation.

4**Time line**

Allow enough time. To be effective, performance reviews usually take around an hour; some may last longer.

5**Uninterrupted time**

Allow no disturbances. Pausing to take even one phone call will suggest to the employee that they are a low priority.

6**Evidence-based facts**

Discussions of performance should be based on factual evidence, not opinion. Refer to actual events or behaviour and compare results with agreed performance measures.

7**Information gathering**

Consult employee work records and use employee insights and manager feedback.

8**Transparency**

Avoid surprises. The process should be transparent and all issues for discussion noted in advance.

9**Reflective practice**

Promote the employee's self-analysis of their performance. An employee often benefits more from their own analysis than from one imposed by an authority figure. Encourage them to consider what they did well and what they could improve on.

10**Partnership approach**

Be prepared to initiate an action plan for both you and the employee to monitor the progress of achievement going forward. The action plan must have quantifiable goals and time lines for achievement.

11**Positivity**

End the session on a positive note, highlighting the way forward and/or gaining agreement with the results of the session.

12**Documentation**

Clear, accurate and comprehensive documentation, such as an employee performance review form, assists in conducting a performance management session.

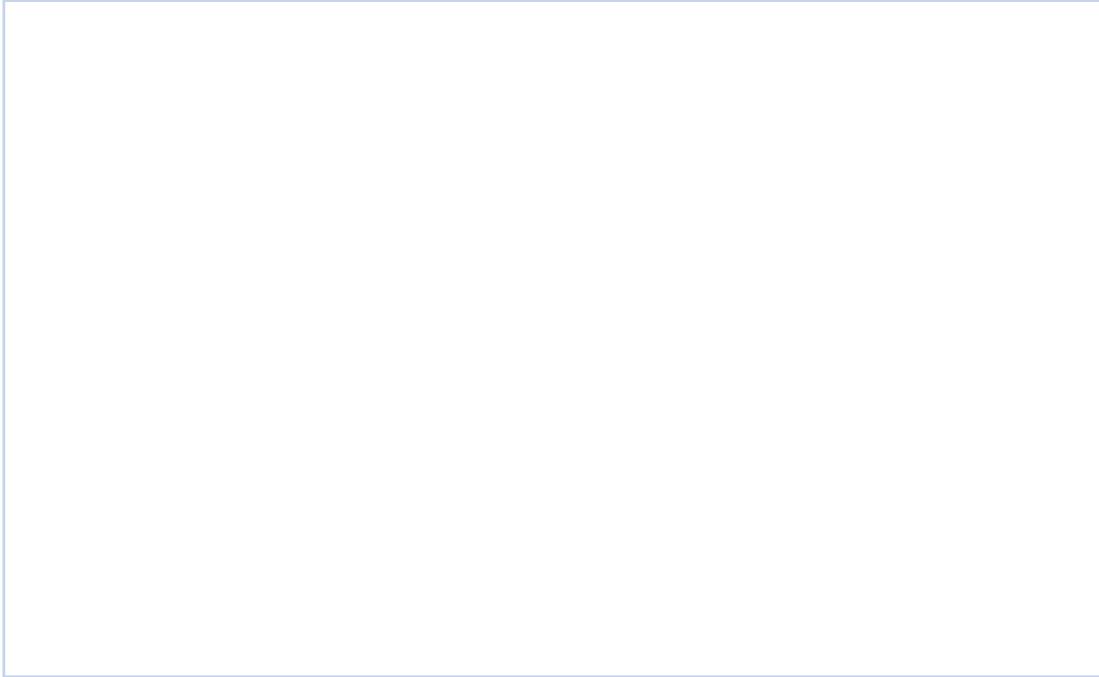
Example: employee performance review form

While formats will vary, employee performance review forms can be completed on paper or online.

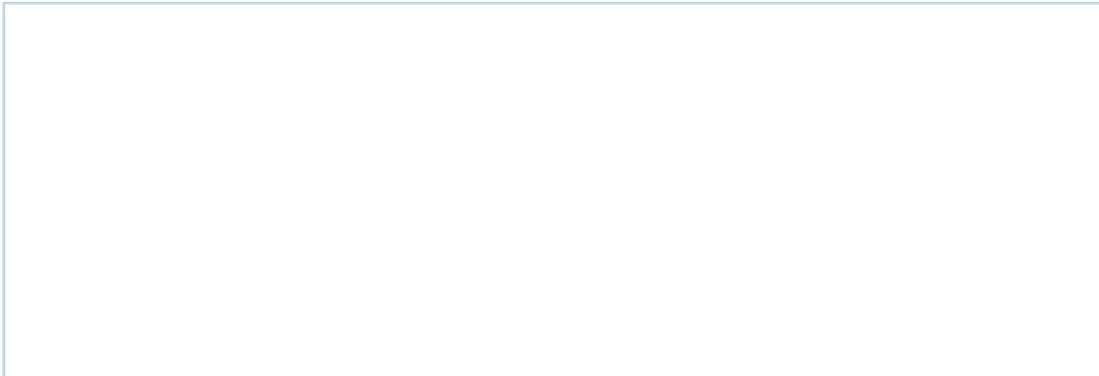
Employee information	
Name:	Employee ID:
Role:	Date:
Department:	Manager:
Review period / / to / /	
Rating	
Please rate the following skills, knowledge and abilities using this rating scale: Poor 1 Fair 2 Satisfactory 3 Good 4 Excellent 5	
Job knowledge:	
Work quality:	
Initiative:	
Teamwork skills:	
Communication skills:	
Comments:	
Professional development since last review:	
Comments:	
List targets here that align with your specific position description:	
Comments:	
Overall rating (average the rating numbers above):	
Evaluation	
Additional comments:	
Agreed goals:	
By signing this form, you confirm that you have discussed this review in detail with your supervisor. Signing this form does not necessarily indicate that you agree with this evaluation.	
Employee's signature:	Date:
Manager's signature:	Date:

Practice task 4

1. Provide an overview of the processes and/or systems that your organisation, or one you are familiar with, uses to manage employee performance.



2. Outline the extent to which managers and their subordinates value this approach to performance management.



continued ...

... continued

3. What changes could you suggest to improve the system?

A large, empty rectangular box with a thin blue border, intended for the user to write their suggestions for improving the system.

1E

Ensure processes are flexible to cover the range of employment situations in the organisation

Many organisations are moving to casual, part-time and remote work arrangements to control costs, attract skilled labour and promote efficiency. While there are many benefits to these arrangements, there are also some challenges.

The sheer diversity of roles and the skills required to carry out work functions in the modern workplace can also place pressure on performance management approaches and processes. One of the challenges for organisations with diverse work functions or flexible work arrangements is establishing the right processes to manage and monitor employee performance.



Diversity of employment situations

Consider the potential range of work situations that may exist in a large organisation and the demands these can place on performance management.

Here are some examples of different work situations.

Examples of different work situations

- Casual and contract work
- Full-time work
- Marketing/sales positions
- Office/clerical positions
- Part-time work
- Physical labour
- Processing work
- Production work
- Technical/scientific positions
- Telecommuting positions
- Warehousing/transport work

Flexible systems and processes

Line managers and human resources staff need access to systems, including performance management systems, with processes that are flexible enough to accommodate the different performance requirements of staff across a range of work roles and functions. One of the most challenging work situations is where employees work in flexible arrangements.

Flexible work arrangements

A performance management system that supports diverse work roles or an increasing number of flexible workers must be carefully planned and implemented. It must be flexible in itself to support the 'flexible' nature of these workers. In addition, there should be clear policies that guide a system of flexible work arrangements.

Here are some points to consider when checking whether your performance management system is appropriate.



Policy

Are there specific policies or strategy documents approved and communicated by senior management that endorse flexible work arrangements? Are there specific, pragmatic and comprehensive guidelines relating to how flexible work arrangements are initiated, monitored and supported?

Employee commitment

To what extent do the organisation's employees show commitment to achieving organisational and personal goals? Are they committed to maintaining remote working protocols?

Management commitment

Is your management team committed to flexible work arrangements? Do your managers have the capacity to monitor and support such arrangements and maintain the same or higher levels of performance?

Technology requirements

Does the organisation have the information technology and communication systems in place to support flexible work arrangements in a smooth, efficient and consistent manner? This includes connecting remote workers and enabling dispersed teams to collaborate.

Teamwork requirements

To what extent is work done in teams and is there sufficient coordination to ensure coverage and to compensate for having team members on different schedules and working from different locations?

Performance monitoring

Are there methods for performance measurement and employee development? Are accountabilities and responsibilities clear on the part of both managers and employees? Are performance expectations clear?

Communication

How effective are the organisation's communication systems? How is knowledge regarding customers, and organisational and team performance shared? Are these processes robust enough to keep remote workers in the loop?

Challenges of managing remote workers

There are a number of challenges associated with managing a remote workforce.

Possible issues with remote workers
Potential abuse and wasted time when the lack of face-to-face interaction results in an employee focusing on non-work activities
Potential security issues arising from allowing external access to IT systems
Managing and controlling at a distance for traditional managers who do not feel secure when their employees are working remotely, particularly in a crisis
Need to develop a system of ensuring employee self-motivation and self-discipline that can accommodate flexible or off-site work processes
Need to define goals and limits of responsibility, to prevent duplicating an effort or missing a key job requirement
Loss of personal and social contact for employees in flexible arrangements

Successfully manage remote workers

A distributed and flexible work environment requires a different management style. A structure based on frequent communication, feedback and trust is essential to the management of remote workers.

When people work autonomously, their independence and responsibility increase. This potentially lessens their physical connection to their organisation and certainly changes their interaction with it. Performance management processes need to provide the mechanisms for establishing and maintaining effective connections.

Many organisations have had success in implementing flexible work arrangements and managing the performance of remote workers.



Example: manage remote workers

A large fast-food organisation has work arrangements that include casual, part-time, permanent, contract and commission-based employment. A performance management system monitors the work and outcomes of each of the employee streams to ensure equitable rewards and performance management are applied across the organisation.

The system is electronically based and permits only supervisors to enter performance data. However, employee input is provided for in relation to self-appraisal and goal-setting.

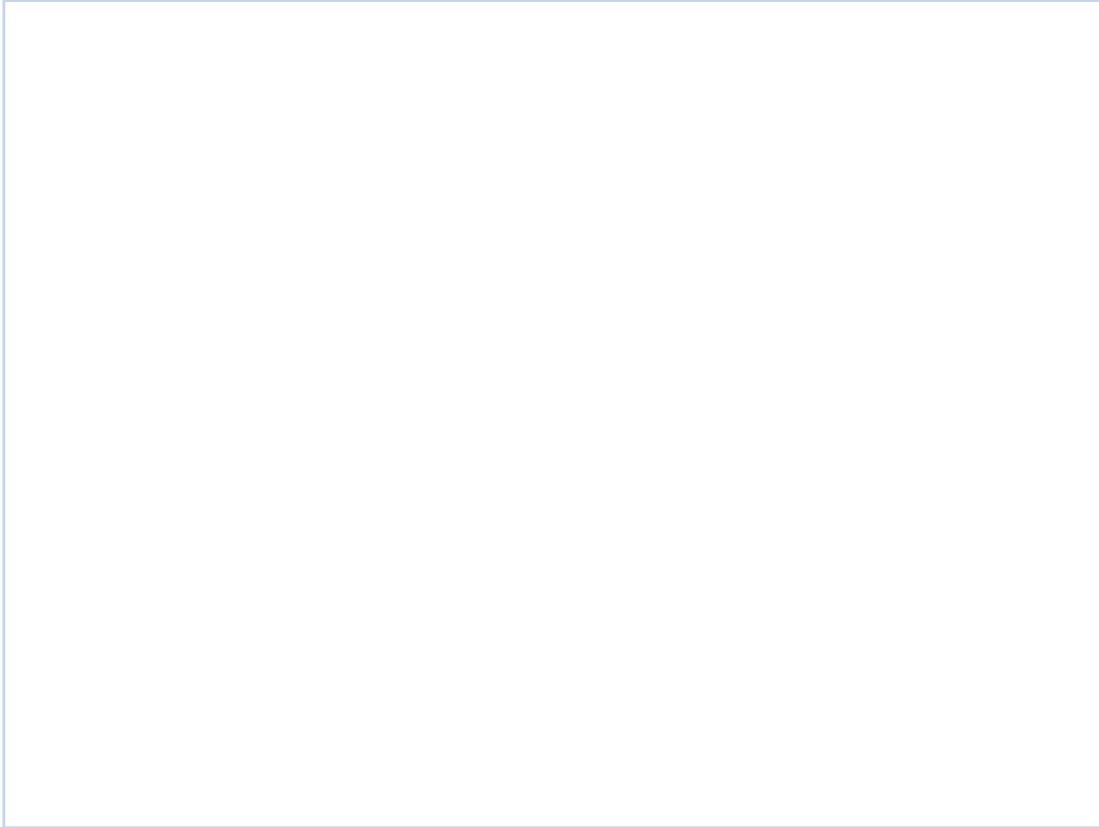
The system also allows for different levels of remuneration, bonus structures, evaluation and remedial action across the various employment conditions.

Based on a commercially available data management system, this performance management system has been customised to organisation requirements and allows senior managers access to reports, graphs and spreadsheets on employee performance and performance ratings.

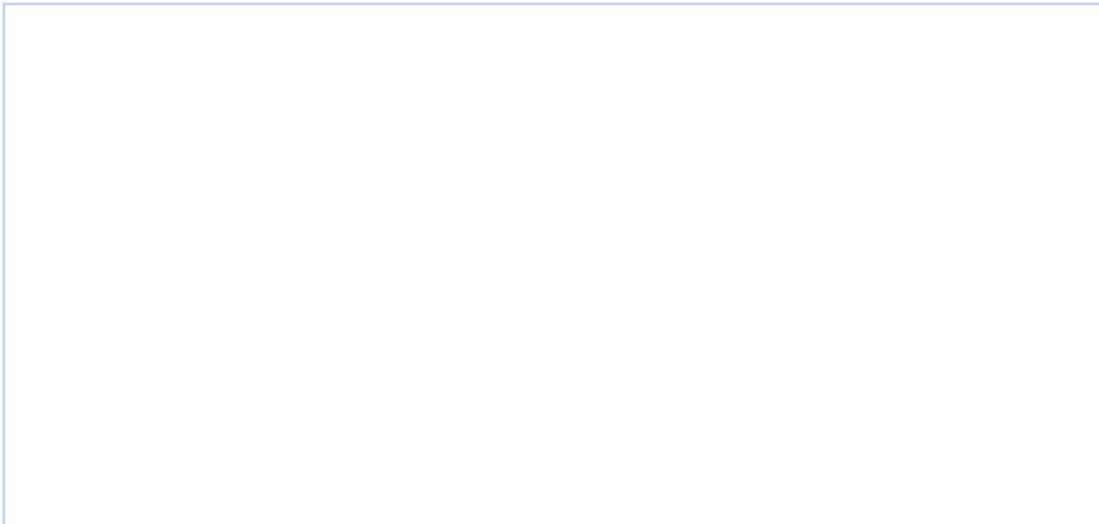


Practice task 5

1. Make a list of the work arrangements supported in your organisation, or one that you are familiar with.



2. Evaluate the effectiveness of the performance management system in relation to managing and reporting on different work arrangements and job functions.



1F

Consult with key stakeholders about processes and agree on process features

When establishing a performance management system, you need to take the time to understand the needs and concerns of relevant stakeholders and, in some cases, consult with them when shaping the features of the performance management system. You require leadership skills that allow you to obtain the support and endorsement of stakeholders.

Stakeholder consultation is important for the long-term effectiveness of an organisation and for building a sustainable performance management system.

Stakeholders can include the following:

- Senior management
- Line managers and supervisors
- Employees
- Union representatives

Determine the features of the system

When consulting with your key stakeholders, use the performance management cycle to discuss key features of the system.

Here are some points to consider when determining the features of the system.



Planning

Decide on:

- a process for creating KPIs and ensuring vertical alignment with organisational objectives
- time frames for performance management sessions and how often they will be held
- the development of processes and documentation to support all stages of the performance management system.



Monitoring

In conjunction with stakeholders, determine the most effective ways for managers to monitor staff performance; for example, holding annual performance reviews with employees and reinforcing these with monthly progress meetings between a manager and their staff.

Part of monitoring involves managing underperformance; determine the organisation's policies and procedures for managing underperforming employees or employees who have not complied with organisational standards or requirements.

continued ...

... continued

	<p>Developing</p> <p>In consultation with stakeholders, consider both internal and external opportunities for developing and improving employee performance. This may include coaching, mentoring, external training courses and career counselling.</p> <p>If necessary, ensure both yourself and the line managers are skilled in the effective delivery of performance improvement methods to other staff.</p>
	<p>Assessing</p> <p>Determine how actual performance will be measured against planned targets.</p>
	<p>Rewarding</p> <p>Establish processes for recognising and rewarding high achievers.</p>

Automated systems

Performance management processes may involve a considerable amount of paperwork. When administrative demands are great, both employees and managers can end up spending their performance management time completing documentation, rather than discussing performance issues and development.

Automation can greatly facilitate the performance management workflow and substantially reduce the paperwork associated with this process. Organisations can buy off-the-shelf systems or custom-designed systems that link with human resource management programs.

Here are some features of an automated approach to performance management.

Features of automated systems of performance management



Functions

These conduct and capture performance ratings, including user interfaces that display relevant competency, performance standard and rating process information.



Planning

This provides for employer/employee initiation of development planning.



Data

This involves capturing employee input and documentation of accomplishments through a web-based system.



Evaluation

This involves automated reports that evaluate ratings for staff in different work groups.

Consult with stakeholders

If you are building a performance management system, consult widely about its structure to ensure the important features are relevant and meaningful. In this way, you are more likely to gain stakeholder acceptance and develop a more effective system. Ideally, all major stakeholders should have input into shaping the system. An inclusive approach to determining what the system looks like contributes to a well-balanced approach to performance management within an organisation.

When consulting with stakeholders, actively seek input in the following areas.

Suggested features may include:

- Types of input and output forms and documentation
- Style and accessibility options
- Reporting options
- Cost and value input

Example: benefits of consultation

Stakeholder consultations can provide numerous benefits.

Comparative benefits of various stakeholder consultations				
Organisational benefits	Questionnaire	Electronic survey	Group meeting	Face-to-face interview
Broader scope of ideas and input	X	X	X	X
Better acceptance of outcomes by stakeholders	X		X	X
Opportunity for open discussion				X
Ability to form a consensus			X	
Creation of ownership in the system and its overall goals		X	X	X
Opportunity for social learning between different stakeholder groups			X	
Efficiency	X	X	X	
Effectiveness of gaining valuable input	X		X	X

Practice task 6

1. Who are the stakeholders that you need to consult with in your organisation, or one you are familiar with?

2. What are the key features of a performance management cycle?

3. What features should you be aware of in regards to automated systems for performance management purposes?

1G

Gain support to implement the processes

Implementation of a new system is rarely based on one person's decision. You need to gain the support of the organisation as a whole, so you can implement a performance management system that meets the needs of the business and the users of the system.

Part of the process of creating a robust and reliable system that meets all the needs of the organisation is to consult widely and gain the support of stakeholders for the system.



Present options to potential supporters

The performance management system you create or help to create may be a very important project for you and those involved. It is important to step back from the project to establish the specific contribution the system will make to the overall organisation.

In doing so, you need to analyse the costs, outcomes and benefits to be derived from implementing the system. Providing positive forecasts of features and benefits to managers and internal/external stakeholders will start the process of gaining vital support for the system you are implementing.

Here are some potential supporters.

Potential supporters
Representatives from senior management
External clients
Internal customers, including employees
Internal or external agencies providing the infrastructure for the project

Gain support

You need to consider who needs to support the performance management system from both within and outside the organisation.

Here are several methods of gathering support.

Employee support

Even the best performance management processes will fail if employees (including the unions that may represent them) are dissatisfied with them. Employees also become anxious when they do not know what to expect. Employees need to see that performance management is about more than discussing poor performance. It includes recognising and rewarding accomplishments and successes, and providing opportunities for employees to develop further with organisational support.

When employees see performance management as a process designed to help rather than to blame, they are much more likely to be open and cooperative. As a manager, you need to help employees see performance management as a partnership.

Management support

Performance management processes are, by design, developed to improve the overall performance of employees and therefore the organisation as a whole. Middle and senior managers are often directly concerned with the specific performance of staff and their overall work outcomes.

External stakeholders

External agencies or individuals with a direct interest in the organisation's performance management should be informed and consulted during the development process. Support can be gained by a perceived or actual bottom-line gain for the external stakeholder. This means generating forecasts and examples of how the system will improve returns to the organisation or improve performance in non-financial areas.

Example: gain support from external stakeholders

The A+ Office Furniture company employs 110 people in two states. Due to rapid initial growth, the owners are seeking investment from three external organisations, including state government investment.

During a recent review and overhaul of management systems, the managers at A+ decided to review and improve the performance management system, including remuneration arrangements, training and professional development, and output contracts for all staff. The state government investment body requires ongoing reporting on the company's financial decisions.

Prior to implementing the new performance management system, the managers meet directly with the potential investors to outline the benefits of the new system and gain collaborative input from them.

The managers at A+ are confident that, by allowing the investors to have input, they will be more likely to commit to the investment because they:

- understand the organisation's decision to implement change
- have a better understanding of the company's commitment to continuous improvement of employee performance
- can help shape performance management.



Practice task 7

1. What strategy could you use to gain the support of a supervisor or manager for implementing a new performance management process?

2. What are the pros and cons of such an approach?

Summary

1. Analysing the organisation's structure allows you to define reporting roles, positions of influence and cross-functional relationships, and so develop insight into the nature of the organisation.
2. Objectives for performance management processes need to be developed in a way that supports organisational strategies and goals, and builds the organisation's capability.
3. Performance planning is used to provide a structured approach to attaining the desired level of performance for both individuals and teams.
4. Key performance indicators (KPIs) are measures commonly used to define and evaluate how successfully an individual or team is performing.
5. Formal performance management sessions provide a means through which the five primary performance management elements of planning, monitoring, developing, assessing and rewarding can be utilised effectively.
6. Performance management processes must be flexible enough to provide measurable and useful results for managers regardless of the employee's work situation.
7. When establishing performance management processes, it is important to take the time to understand the needs and concerns of relevant stakeholders to improve the level of input and to gain their support.
8. Gaining support for the implementation of a new performance system should begin with employees, followed by senior managers and finally external stakeholders.

Learning checkpoint 1

Develop integrated performance management processes

This learning checkpoint allows you to review your skills and knowledge in developing integrated performance management processes.

Part A

1. Why is it important to analyse organisational plans prior to developing performance management policies and procedures?

2. What are two common objectives of performance management systems and why is each of these objectives important?

3. What purpose do KPIs serve in the performance management system?

4. Managers should develop KPIs in consultation with employees. Describe how this process occurs in your workplace (or one you are familiar with) and suggest actions that would improve the level of support the organisation receives from employees.



5. What is a performance management session? Provide an example of setting time frames and processes that make performance management sessions effective.

6. How can organisations ensure their performance management system supports a range of employment situations?

7. Using an example, explain how you would consult with relevant stakeholders to identify the features of the performance management system and obtain their support.



Part B

Read the case study, then answer the questions that follow.

Case study

Insane Music runs a chain of retail outlets around the country. The organisation's management structure consists of the executive team, state managers and store managers. There are currently 10 stores in Queensland, 14 in New South Wales, 9 in Victoria, 4 in South Australia and 4 in Western Australia. Each store has a number of permanent full-time sales and administrative staff, plus a number of casual and part-time sales staff.

The management team is looking at introducing a performance management system to improve management and staff performance against business objectives and to manage underperforming employees. They are also interested in incentive programs to encourage high performance.

The company's strategic plan includes:

- increasing the number of outlets by 10 per cent (or four stores)
- creating a flagship store for performance management and to create benchmark management practices
- increasing sales in each store by at least 15 per cent through the use of incentives and bonuses.

1. Who would you consult with to establish the performance management system?

2. What considerations within the strategic plan would you need to take into account when discussing a new performance system?

3. Create at least two KPIs that could be included in the employees' performance plans to help meet strategic and employee goals.

4. How would you ensure that part-time and casual staff are involved in the performance management process?

5. Explain the following key features of your proposed system:

a) Planning processes

b) Monitoring and reporting processing

c) Managing underperformance

d) Employee development processes

e) Review process

6. How would you gain organisational support to ensure effective implementation?

Topic 2

Facilitate the implementation of performance management processes

Performance management systems can be difficult to implement. Employees and managers in many organisations complain of flawed, ineffective processes. Often it is not the tools or processes that cause difficulties with performance management; rather, difficulties arise because, at its core, performance management is a highly personal and often threatening process for both managers and employees.

As much as the process itself needs to be well designed, its implementation should provide training and support for the managers and supervisors responsible for monitoring performance. Your role may include working with line managers to support them as they address performance issues, particularly if discipline or termination is required. In addition, you need to ensure that they follow policy and processes when dealing with employees and that they complete the required documentation.

In this topic you will learn how to:

- 2A Train relevant people to monitor and identify performance gaps and manage talent
- 2B Work with line managers to ensure performance is monitored and intervention occurs
- 2C Support line managers to counsel and discipline employees
- 2D Articulate dispute-resolution processes and mediate between managers and employees
- 2E Provide support to terminate employees who fail to respond to interventions
- 2F Ensure the outcomes of performance management sessions are accessible and stored appropriately
- 2G Regularly evaluate and improve performance management processes

2A

Train relevant people to monitor and identify performance gaps and manage talent

As the person responsible for overseeing the performance management system within your organisation, you must ensure that supervisors, managers and any other stakeholders likely to use the system have the skills and knowledge to implement it as intended. Some of the fundamental skills required by these people are being able to monitor performance, identify performance gaps and contribute in a measurable way to performance outcomes. Performance gaps may include situations where outcomes are less than those stated in the strategic objectives.

Here are some examples of performance gaps.

Performance gaps

- Costs above budget
- Conflict
- External interference
- Failure to meet strategic and/or operational objectives
- Lost-time disputes
- Low/high turnover of labour
- Productivity below budget
- Quality, WHS or environmental failure
- Work bans or 'go slow' protests

Provide training

Your training in response to performance gaps should focus on developing strategies for effectively monitoring employee behaviour and outcomes. It should also address techniques required by managers to identify clear performance gaps and the underlying reasons for poor performance.

Training can be provided internally or externally, and both formally and informally. For organisations with existing training regimes, personnel who require upskilling for a new or modified performance management system can attend sessions as deemed appropriate within the work context. If external training is required, make arrangements with relevant providers to meet the needs of the business.

For externally purchased performance management software, you can negotiate for training to be included in the purchase contract.

Informal training may be preferred if the identified gaps are minimal. This may involve coaching or mentoring by personnel who have the necessary skills and knowledge.

Adequate training ensures all stakeholders responsible for monitoring performance and identifying performance gaps understand their responsibilities.



Performance gaps

A clear performance gap can be about one of two things – behaviour, or a work target not being met. Performance gaps in behaviour relate to actions undertaken by an employee that do not comply with organisational policies and procedures and that may have a negative flow-on effect to customers, suppliers or work colleagues. Target-related performance gaps apply to underperformance of work targets.

The type of performance management system your organisation uses will determine how performance is measured and performance gaps are identified. Production targets, where people make something or do something measurable, can be easier to work with than identifying subjective performance issues.

Here are examples of behavioural and target-related performance gaps.

Behaviour-related performance gaps



Needing to be constantly reminded to complete a task

Failing to cooperate with colleagues on a project

Taking extended lunch breaks or leaving early without permission

Target-related performance gaps



- Falling short on sales targets for 6 months in a row
- Not meeting project or reporting deadlines
- Exceeding the projected number of mistakes by 25 per cent for two months running

Example: performance rating

Here is a sample performance rating form that shows it is possible to create a well-constructed mechanism to measure subjective criteria such as communication skills.

Performance rating form
Employee name:
Employee position:
Manager name:
Key work responsibilities:
Results and goals to be achieved:

Behavioural assessment of competences		
Communication		
1	2	3 4 5
<i>Below expectations</i> Even with guidance, fails to prepare straightforward communications, including forms, paperwork and records, in a timely and accurate manner.	<i>Meets expectations</i> With guidance, prepares straightforward communications, including forms, paperwork and records, in a timely and accurate manner.	<i>Role model</i> Independently prepares communications, such as forms, paperwork and records, in a timely, clear and accurate manner.
Personal effectiveness		
1	2	3 4 5
<i>Below expectations</i> <Performance standard>	<i>Meets expectations</i> <Performance standard>	<i>Role model</i> <Performance standard>
Teamwork		
1	2	3 4 5
<i>Below expectations</i> <Performance standard>	<i>Meets expectations</i> <Performance standard>	<i>Role model</i> <Performance standard>
Achievement of organisational results		
1	2	3 4 5
<i>Below expectations</i> <Performance standard>	<i>Meets expectations</i> <Performance standard>	<i>Role model</i> <Performance standard>

Practice task 8

1. Who are the stakeholders in your organisation (or one you are familiar with) who require training in relation to your performance management system?

2. Describe the skills that each of these stakeholders may require.

3. What method of training would you choose for the stakeholders, and why?

2B

Work with line managers to ensure performance is monitored and intervention occurs

Once performance planning has occurred and standards have been agreed to, supervisors need to look at ways they can regularly monitor employee performance, acknowledge excellence and act on poor performance. Supervisors rarely have time to continually monitor employee activities. Even if they did, confidence and trust in the manager–employee relationship would likely erode as issues of trust and ability would be called into question.

Competent, responsible, trustworthy employees should be allowed to perform their jobs without being under continual surveillance. They should also be given the freedom to meet performance outcomes using their own initiative. For this reason, more subtle and effective monitoring may be required.



When and how to monitor

Formal performance reviews provide a suitable mechanism for two-way communication where performance issues can be discussed and plans to improve performance can be negotiated. However, this method alone may not always be enough to ensure effective performance. Supervisors and line managers should identify additional ways to regularly monitor employee performance and encourage dialogue.

Here are two ways to monitor performance.

General observations

Monitor via general observations

Monitoring and obtaining data do not need to be formal and onerous. 'Managing by walking around' may be one effective way of observing individuals' actions and gathering immediate and accurate data related to performance.

Progress reviews

Monitor via progress reviews

Progress review meetings help to maintain focus on goals and provide an opportunity to address performance issues. These meetings may be scheduled weekly, fortnightly or monthly, depending on the circumstances.

Diagnose performance issues

Diagnosing performance issues works best when the supervisor has a good working relationship with the employee, because the person in the best position to identify barriers to performance and performance issues is the person who does the job. An effective manager should play more of a guiding role to tease out the causes of performance issues.

Typically, there are two major causes of performance issues. The first relates to employee characteristics, including skill levels, motivation, ability, training and so on. The second relates to work systems and the environment in which the employee works. Here, you should consider managerial behaviour, resource allocation, working relationships and the like.



Provide appropriate interventions

While recognition of good performance comes easily in the sense that it usually elicits a positive reaction such as praise, keeping a positive slant when responding to poor performance may be more challenging. Your response to poor performance will depend on your organisation's policies and procedures and your own assessment of the situation.

You should be mindful of legislative provisions and organisational policies that cover the following:

- Unfair dismissal
- Equal employment opportunity
- Diversity and anti-discrimination
- Bullying and harassment
- Privacy and confidentiality

Deal with poor performance

Pay attention to the processes you use for dealing with poor performance, because there can be further outcomes such as lower morale.

Here are three useful techniques for dealing with poor performance.

Performance counselling

Performance counselling involves discussing an employee's performance with a view to improving it so that performance expectations are met. As a general rule, a structured approach should be taken so the same process is followed for all employees.

Performance coaching

Typically, performance coaching is appropriate for first-time problems involving poor performance, poor attendance or tardiness. Coaching should be relaxed and comfortable. The coach's goal should be to collaborate with the employee to come up with some workable solutions to the problem.

Discipline

Discipline as an approach to changing an employee's behaviour and performance needs to be structured and predefined. Boundaries, consequences and rewards must be clearly spelt out prior to the use of a discipline-style approach.

Counsel employees

Sometimes counselling an employee will address poor performance. A counselling session may not need further following up or may lead to corrective action.

Here are some basic steps to use to counsel employees.

1

Identify the problem

Check whether the behaviour is contrary to organisational policy and workplace culture and/or outside the expected behaviour of employees.

2

Analyse the influencing factors

Analyse any influencing factors, such as work times being set to achieve organisational outcomes. Employees may be paid hourly rates and require approval for any time off so adjustments can be made.

3

Coordinate counselling

Coordinate the counselling session. Ensure the counselling time is communicated to both the employee and their supervisor to ensure the time does not conflict with other priorities.

4

Allow enough time

Conduct the session with sincerity and compassion, while remaining firm and in control. You should allow time for all sides of the story to be told if the issue has affected more than one employee.

5

Discuss causes

Allow employees the opportunity to identify what caused their behaviour. The manager should record and review these causes as they are discussed.

6

Use the appropriate counselling style

Use directive and non-directive counselling. Both directive counselling, using statements such as 'you will' and 'from this point on', as well as non-directive counselling, asking questions such as 'how will you rectify this in the future?', can be used at appropriate times.

7

Set the corrective action

After listening to the employee's reasons, you can empathise, but if there is a need for corrective action, this needs to be set with the employee. Involving the employee in setting the corrective action will help ensure they have ownership of the corrective action and it is followed through.

Address poor performance

When an employee's performance is unsatisfactory, managers have a responsibility to acknowledge the problem and take corrective action. Most underperformance problems can be resolved when managers address them promptly. Your organisation should have policies and procedures for addressing poor performance. All line managers should receive some basic training in how to identify and address poor performance.

Part of your role is to apply and interpret organisational policies and procedures to assist line managers to address underperformance. You also need to have an understanding of any legal requirements surrounding the actions taken to address poor performance.



Desired performance versus actual performance

Effective performance management involves clearly identifying the difference between the desired performance and the employee's actual performance.

Desired performance vs actual performance

Once an employee's performance level has been established and any real or potential underperformance identified, a manager should act on the poor performance by applying the following five steps.

Identify the impact



Line managers need to evaluate and identify the impact of the employee's conduct or poor performance. The impact of an employee's underperformance needs to be measured against factors such as their position description and performance targets, and the organisation's strategic plan, performance requirements, culture and so on. Support managers to ensure they and the employee are able to review the performance in the context of organisational requirements.

Gain acknowledgment



Some employees do not want to hear that there is a performance problem or their performance can be improved. The manager should clearly describe the performance gap, gain agreement that the gap exists and explain why it is important that the employee reaches the required standard of behaviour or target. Using a 'we' approach to addressing and solving performance-related problems is more likely to foster an environment of acknowledgment and cooperation.

Solve the problem



Once there is general acceptance that a performance gap exists, the source of the problem should be identified.

Ask the following:

- What are the underlying reasons for the employee not performing to standard?
- What is preventing the employee from reaching the required standard?

The manager and employee should work together to consider all possible options to address the problem.

Agree on actions



Once the gap has been identified and agreed on, the next step is to agree on how the performance issue will be addressed. This could be via a performance management plan that documents what has been agreed and the dates by which goals should be achieved.

All performance improvement discussions and any disciplinary action must be documented. You are responsible for ensuring line managers are aware of their responsibilities.

Follow up



Both the manager and the employee should monitor the employee's performance to ensure the agreed improvement is achieved. Encourage managers to acknowledge goal achievement.

Work with line managers

The hands-on supervisory role that line managers undertake to manage their staff can be difficult if they lack the knowledge, understanding, interpretation or skills to deal with issues effectively. You can assist line managers to overcome these issues by monitoring how well they use the performance management system and by providing training, mentoring and support as required.

Here is an example of potential issues and opportunities for assisting line managers.

Application of policy in relation to performance issues

Line managers should understand the organisation's approach to performance management through proper induction, training and support. Induction processes can include peer tutoring, formal training, interviews and discussions. Regular professional development, training and education can also provide valuable skill development for line managers.

Policies and procedures

Organisational policies and procedures should detail the steps to be taken and the responsibilities of managers in conducting performance reviews.

Knowledge of applicable legislation

Legislation guiding performance management includes industrial relations law, privacy and confidentiality law, anti-discrimination law, corporations law and workplace health and safety law.

Additionally, legal advice may be sourced from internal or external experts such as corporate lawyers, industry associations or industrial relations specialists.

Communication skills

Managing performance is as much about interpersonal communication as it is about specific performance issues. You can assist line managers by mentoring and coaching them, as well as by offering training in the negotiation, communication or leadership skills managers need to effectively deal with employees and other people in the organisation.

Example: support new line managers

Dianne has been promoted from a technical role to a line management position. Like many other people promoted on the basis of their technical skills, Dianne has never managed people and performance issues before.

Recognising this, Dianne's manager assists her to prepare for a discussion she must have with a new team member who is showing a pattern of arriving late to work. Dianne's manager has an informal word with her, outlining some important dos and don'ts with respect to the company's policy on dealing with performance issues. He also shows Dianne where to access more information. The manager encourages Dianne to remain emotionally detached from the situation and avoid allowing her feelings to influence the discussion.

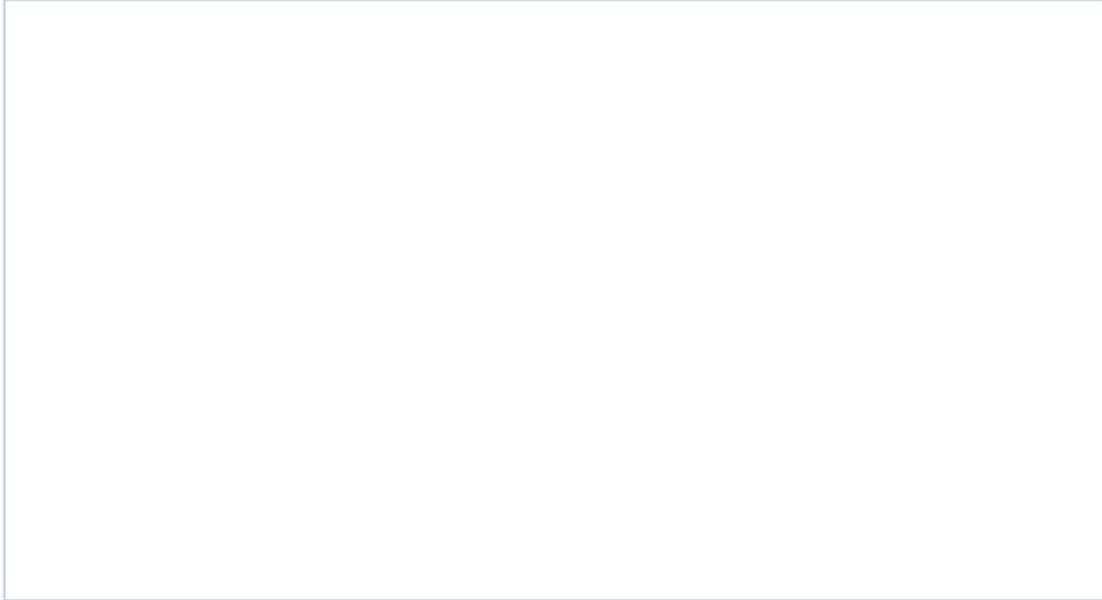
This advice is understood and applied well, but Dianne also understands that there is still much to learn.



Practice task 9

Consult with a line manager in your organisation (or one you are familiar with) who is currently dealing with a performance issue.

In accordance with your organisation's policies and procedures, and taking into account relevant legislation, establish a strategy for how the manager could deal with this performance issue. Share it with them.

A large, empty rectangular box with a thin blue border, intended for the student to write their strategy for dealing with a performance issue.

2C

Support line managers to counsel and discipline employees

If an employee continues to underperform, their line manager must take action in accordance with organisational policies and procedures. You can provide assistance to line managers in a number of ways. A line manager dealing with an ongoing performance problem with the same person may need additional skills to handle the problem and guide the employee back onto the right track. Failing this, the line manager must be familiar with the disciplinary processes they can follow within the context of the workplace and the Australian industrial relations system.



Decide how to respond

A progressive approach to discipline suggests that the line manager's initial response should start with a positive, supportive approach to improving employee behaviour and performance. One such approach is counselling. If circumstances require it, more formal approaches such as verbal and written warnings can be used.

Counselling

Counselling of an employee can be direct or indirect.

Here is some further information on the two processes.

Direct counselling

This implies that the line manager needs to be close to the employee to take them through the necessary steps to improve their performance or behaviour. However, it may be difficult for the manager to dedicate the necessary time or resources to one employee. In this instance, the manager may use indirect counselling methods.

Indirect counselling

This is more 'hands-off' and instead relies on the employee agreeing to measures the line manager provides. These measures may be actions such as attending training, adopting new workplace processes, modifying behaviour or adopting new reporting requirements.

Warnings

When counselling proves ineffective, a line manager may need to give verbal or written warnings as a disciplinary measure.

Here are two examples of the types of warnings that may be issued by a line manager.

Verbal warnings

Verbal warnings are often the next step in most organisations if coaching has proven ineffective. This is done in a formal setting where the manager spells out the details of the warning and the immediate and possible future repercussions if the behaviour does not change.

Verbal warnings may be appropriate when a team member:

- has not responded positively to coaching or other less formal requests
- has breached their employment contract; this may include non-deliberate violations of policies and procedures, or causing harm to the organisation in some way
- is causing problems for the organisation, but is wishing to improve.

Written warnings

Written warnings are records of gross or ongoing misconduct or other serious breaches in organisation policy where the intention is either deliberate or negligent. The record is the first step in the process of legal termination, should this be necessary. The process of issuing a written warning is similar to that of a counselling session; that is, a formal time and place should be scheduled and a discussion should be held and documented.

A written warning may be appropriate when the team member continues to display the performance or behavioural problem despite coaching and a verbal warning, or it is likely that termination may be deemed necessary.

Support the counselling process

The process of counselling and warnings can create tension between the employee and the line manager. The line manager must be prepared to deal with this in a professional, responsible and accountable way.

Here are some things that line managers must know when undertaking the counselling process.



Performance processes

Ensure the manager has adequate knowledge of the organisation's performance management processes, policies and procedures. This can be achieved through direct education using induction training, coaching, peer tutoring or informal assistance as needed.

Responsibilities and rights

The line manager must also be aware of their responsibilities and the employee's rights. It is important to ensure the organisation is not exposed to the risk of industrial or legal action because due process has not been followed. It is recommended that this information be provided through formal training to ensure compliance with legislation and any industrial relations standards.

Accountability

The line manager must be aware of their own accountability in the process. They have ethical responsibilities to the individual and to the organisation, as well as a duty of care to follow correct processes. For example, managers should avoid creating a hostile environment or talking negatively about the organisation during the counselling or warning stages.

Support available

Let the line manager know that you are available for support, and provide them with details of agencies and other sources of information to support them before, during and after the performance management process.

Example: written warning record

Here is an example of a written warning record for a serious breach of company policy.

Written warning	
Date: 19 July 2016	
Team member: David Jeffries	
Manager: Steven Jones	
<p><i>Description of the incident</i></p> <p>On 15 July 2016, I overheard part of a conversation you had with Sarah Costean in her cubicle. I heard you discussing her specific cultural requirements and stating, 'Why should you be allowed to do that? You should go and work somewhere else'.</p> <p>I called Sarah into my office and asked her about the comment and the events leading up to it; she stated that you had made several remarks about her appearance over the last few weeks.</p> <p>When I asked you initially, you denied saying such things, but later that day admitted you had said things 'to that effect'.</p>	
<p><i>Prior incidents</i></p> <p>No prior incidents of a similar nature.</p>	
<p><i>Improvement plan</i></p> <p>Your behaviour violates our workplace behaviour policy part 12, which is in accordance with state anti-discrimination legislation. As such, you are required to attend an anti-discrimination workshop next Tuesday and will be excluded from the workplace pending an evaluation by our human resources psychologist.</p> <p>Should Sarah seek to take the matter further, we will provide this document to the relevant authorities.</p>	
<p><i>Comments by the team member</i></p>	
Manager:	Date:
I acknowledge that I have received and understand this document.	
Team member:	Date:

Practice task 10

1. Why do you need to support line managers in disciplining employees?

2. What is the difference between direct and indirect counselling?

3. What information should a line manager know prior to undertaking disciplinary action with an employee?

2D

Articulate dispute-resolution processes and mediate between managers and employees

During the counselling and disciplinary process, employees may disagree with the assessment of their behaviour or the steps taken. It is important that this dispute does not create a hostile environment that affects other employees or that may have implications in the event of legal action.

Here are some ways that you can support both the line manager and the employee.

You can support the line manager and the employee by:

- identifying the problem
- outlining the dispute-resolution process
- providing mediation services.

Identify the problem

Employees sometimes have grievances with their employer, where they disagree with a decision made regarding their employment or conduct. For example, an employee being counselled for racist remarks may dispute that their language was inappropriate.

As someone responsible for performance management processes, you should be monitoring the counselling and disciplinary process by staying in contact with the line manager. This may involve meeting with the line manager after a counselling session or inquiring regularly about the employee's performance. You should also ask the line manager about the employee's response to counselling.



If the line manager or the employee advises you that the employee disagrees with the manager's decisions, you should explain the dispute-resolution process to both the manager and the employee.

Outline the dispute-resolution process

A dispute-resolution or grievance process grants employees the right to appeal a decision made regarding their performance or conduct. Its purpose is to provide a means by which employees can express dissatisfaction with an outcome and obtain a fair and unbiased hearing.

Organisations are required to have a clear dispute-resolution process. The process is not limited to disputes about performance and may extend to disputes about workplace conditions or other entitlements.

Most organisations publish the dispute-resolution process so it is readily available to all employees. You can refer the employee to the company intranet or to the relevant document for this information.

If an employee has a grievance, the employee and their manager both need to understand the following:

- The process for making a complaint, both formally and informally
- That people who make complaints will not be disadvantaged or victimised
- The guidelines on internal investigation procedures and record-keeping
- Whom the employee is entitled to access for advice and assistance, including any external mediators or other agencies

Escalate a grievance

The aim of dispute-resolution processes is to reach an agreed compromise. If agreement cannot be reached between the manager and the employee, then the dispute needs to be escalated. The dispute-resolution process will indicate who should be involved at each stage.

Depending on the organisation, you may be asked to attend these meetings to support the employee and the line manager, and to ensure that procedures are followed. In some organisations, it may be appropriate for the employee to seek representation from their union or another organisation. This should also be described in the dispute-resolution process.

Here is an example of what meetings the process may require.

Meetings
• Between the employee and their direct supervisor
• Between the employee, their supervisor and a senior manager
• Between the employee, their supervisor and a higher level manager
• Involving external mediation services such as the Fair Work Commission

Clarify responsibilities

Line managers must clearly understand their responsibilities within the dispute-resolution process. Most disputes are resolved within the organisation, but if they are not, line managers' actions and their records will be carefully analysed when the dispute is escalated. You must ensure that line managers clearly understand the procedures and record-keeping requirements.

You can do this by holding:

- general training sessions for all line managers
- a detailed review of procedures and requirements with line managers involved in a dispute.



Dispute resolution

Negotiating a resolution to a dispute can create tension between the manager and the employee, and possibly with other employees. Your role is to support the manager by remaining professional at all times and suggesting suitable alternatives if required.

You must also ensure the employee understands their rights and responsibilities in the dispute-resolution process. Meet with the employee to explain these rights and responsibilities, then log the meeting and briefly outline what was discussed.

You can find more information about dispute-resolution processes in the Fair Work Ombudsman's Best Practice Guide, which is available here: www.fairwork.gov.au/BestPracticeGuides/10-Effective-dispute-resolution.pdf



Provide mediation services

As someone responsible for performance management processes, you may be asked to mediate between the line manager and the employee to help resolve a dispute.

How a mediator can help resolve a dispute:

- Provide an objective viewpoint
- Help the parties negotiate a mutually agreeable outcome
- Verify what was discussed and agreed on at a meeting
- If required, in the case of the issue escalating, use the record of the meeting to clarify the dispute

Strategies for effective mediation

Effective mediation requires you to follow a process.

Here is a process an effective mediator will follow.

Prepare

Prepare for the meeting by encouraging the line manager and the employee to bring specific examples to the meeting and by reviewing the details of the dispute before the meeting

Set the tone

Set a constructive tone by explaining that the objective of the meeting is to come to an agreed position.

Ground rules

Focus on the facts by setting ground rules and keeping the discussion to what actually happened, rather than emotional reactions.

Practise active listening

Practise active listening by taking notes as the manager and the employee each speak and by asking questions to clarify.

Compromise

Suggest compromises by presenting a course of action that both parties can agree to.

Plan

Create a plan by documenting the agreed actions and agreeing on a review schedule if required.

Access external mediation services

If a dispute is continuing, the employee can access external mediation services, such as those of the Fair Work Ombudsman. The organisation's dispute-resolution process will detail when the employee is entitled to access mediation services.

You can help support line managers in accessing external mediation services by encouraging them to prepare for the meeting. This will help the external mediator make a reasonable assessment and recommend a compromise.

When preparing for mediation, a line manager can do the following:

- Write a short history of the matter
- Ask when and why the dispute began
- Explain what the main issues are
- Provide information about previous attempts to resolve the matter
- Ask what outcome they are seeking
- Provide details of any related concerns

Example: use mediation techniques

Andrew has issued a written warning to Annie, an employee who has repeatedly bullied a junior member of the team. Annie has approached her HR representative, saying that she has not been bullying anyone and alleging that she is being unfairly targeted by Andrew.

Andrew has kept a careful record of the bullying incidents and informed HR when the verbal and written warnings were issued. Flynn, the HR representative, arranges a meeting between himself, Andrew and Annie.

During the meeting, Flynn explains that his role is to help resolve the dispute and to be an objective third party. He carefully outlines the dispute-resolution process and provides both Andrew and Annie with a copy of the relevant procedure.

Flynn asks Andrew to present examples of Annie's bullying. He then helps Andrew explain why this behaviour constitutes bullying under the organisation's code of conduct.

At the end of the meeting, Annie accepts that the behaviour is in fact bullying and agrees to attend remedial training.



Practice task 11

1. What dispute-resolution process would apply if an employee disputes their manager's position?

2. What information would you provide to a newly appointed line manager about the dispute-resolution process?

2E

Provide support to terminate employees who fail to respond to interventions

Termination is the 'cessation of the contract of employment between an employer and an employee, at the initiative of the employer within relevant industrial agreements'. Termination should be a last resort, used after all attempts to correct an employee's underperformance or poor behaviour have failed. Termination of employment should not be regarded as a disciplinary measure; rather, it should be a response to a problem for which no other resolution can be found. For some human resource practitioners, termination of employment due to poor individual performance represents a failure of the performance management process.



Before you or a line manager decides to terminate a person's employment, you should be aware of the legislation for dismissal and the rights granted to employees in the event of a termination.

Legal obligations

The *Fair Work Act 2009* (Cth) applies to all Australian organisations. The Act sets out the National Employment Standards and awards, and provides employees with protection against discrimination and unfair dismissal.

The reason/s for terminating employment must be communicated to the employee. Notice periods may vary depending on the terms of employment. The employee should be made aware of the notice for termination at the time of employment or induction.

Here are some accepted reasons for terminating employment.

Poor performance

Poor performance is when an employee's performance has been unsatisfactory and records show a work history that supports this claim.

Changes to operational requirements

Changes to the business's operational requirements may mean that it can no longer support the job position the employee currently holds. This may be due to restructuring, financial issues, competitive forces or legal requirements. A restructure is not a valid reason if it is viewed as a strategy to dismiss an employee rather than a necessary act.

Support

Termination of employment can be a difficult experience for supervisors and managers too. Here are some types of support that need to be provided.

Legal support

The manager should be made aware of their legal obligations and can refer to organisational policies and/or human resources personnel to assist.

Ethical and moral support

Since termination can be the result of difficult circumstances, a manager must feel confident that the decision is the right one. Moral and ethical support can be provided by colleagues, senior managers or support services outside the organisation such as change consultants, psychologists or business consultants.

Physical support

Depending on the nature of the termination of a person's employment, there may be hostility (verbal or physical). While every effort should be made to minimise risks to individuals, you may need to provide support such as isolation from potentially dangerous situations, the intervention of mediators or the presence of a third party.

Example: support staff during terminations

When several attempts to correct the unsatisfactory performance of a staff member fail, line manager Rhiannon turns to her supervisor for help. The issue has escalated beyond the terms of employment outlined in the employee's work contract. Rhiannon has exhausted all intervention avenues. She has invested a great deal of time and energy in counselling and coaching this highly skilled employee, to no avail. Now she needs some support in handling the next step – termination of employment.

Her manager consults with the HR department to source the termination documents, which include a final termination interview record and pay advice for the employee. Once the documentation is prepared, Rhiannon's manager sits with her to talk through her approach to terminating the person's employment.



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They cover where, when and how the termination should occur, including company procedures such as handing back keys and uniforms, and when and how the employee is to leave the company site. Since this employee has a reputation for being belligerent at times, Rhiannon agrees that her manager should also be present at the exit interview, but that he will take a back seat in proceedings.

When she is confident that she has all the information and documentation, Rhiannon sets up the meeting with the staff member.

Practice task 12

Read the case study, then complete the tasks that follow.

Case study

Sarah has worked as the national sales manager for a registered training organisation for the last 10 years. She currently receives the highest salary of the entire organisation's executive team. The CEO is looking to expand interstate and is seeking to free up some money to assist with that expansion. While he values Sarah's contributions, the CEO is worried that the organisation can no longer afford to continue to pay Sarah the same salary if the expansion is to go ahead.

The CEO already has someone in mind within the organisation who could step into the role immediately at less than half Sarah's salary. Sarah's performance has been fairly solid over the 10 years, but the CEO has noticed a 15 per cent decline in the sales team's overall sales figures for the last quarter.

1. Are there any legal grounds for dismissing Sarah?

2. If not, what alternatives to dismissal could the CEO consider?

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3. Where could the CEO go to seek advice and support for his decision?

4. Identify any laws, codes of practice or policy positions you need to be aware of when reaching a decision about whether to terminate employment.

2F

Ensure the outcomes of performance management sessions are accessible and stored appropriately

Detailed documentation is an essential part of an effective performance management system. Written records confirm discussions that have taken place. It is worth remembering that the records you make can be used in legal proceedings. As they are legal documents, you should take every step to record accurate performance management information.

Types of performance management information

- Dates and times of performance discussions
- The performance issues or misconduct in question
- Description of where and how the issue occurred
- Description of how long the issue has been a problem
- Steps undertaken to resolve the issue
- Agreed performance plans
- Signatures of parties involved
- Any other relevant information

Legal and organisational requirements for record-keeping

Personal information, such as that recorded during performance management sessions, must be stored in accordance with organisational policy and legal requirements. Legal requirements include adherence to national, state and territory legislation.

You can read more about the Privacy Act and your legal obligations at this website: www.oaic.gov.au/privacy/privacy-news

Privacy and confidentiality considerations

When dealing with employee information, all managers need to understand and follow the organisation's privacy policy.

Privacy refers to a person's ability to control others' access to themselves, their space and their possessions, including information about themselves. Privacy also means taking steps to avoid embarrassment and humiliation.

Confidentiality is about data or information, and refers to managing access to private information. Confidentiality provisions restrict an individual or organisation from using or sharing information about a person that is outside the scope for which the information was collected.

Here is some information about privacy and confidentiality.



<p>Privacy and confidentiality</p> <p>Confidentiality refers to both written and verbal information, and to both personal staff details and organisational information.</p>	
	<p>Legal requirements</p> <ul style="list-style-type: none"> • How information is collected • How it is stored and for how long • When it can be destroyed when it is no longer needed • When it can be accessed and released to other parties
	<p>Information about workers</p> <ul style="list-style-type: none"> • Private information such as contact details, medical information or salaries • Incident reports • Individual training plans, work plans or goals, and reviews

Access to records containing personal information

Under the *Privacy Act 1988 (Cth)* and state legislation, an employee has a right to see, copy, respond to and know about personal information held by an employer. If requested, an employer is required to provide an employee with information relating to their personal records.

However, under certain circumstances, a public sector employer is not required to provide employee access to information.

Here is an example of information that employers can provide to employees.

Access of records
Nature of the information kept
Main purposes for which that information is used
Steps the employee should take to obtain access to the information

Keeping records

As a manager in control of personal information, you should follow your organisation's record-keeping policies and procedures. It is essential that you take all action to prevent loss and unauthorised access, use, modification or disclosure of personal information from occurring.

A sound record-keeping policy covers the following:

- How and when personal information is collected
- How the information is used
- Who can access that information
- How long the information will be kept
- When and why the information might be disclosed
- An employee's right to access and to correct information about themselves

Example: store performance management records

At a state government agency, employee performance management records are secured within the overall information management system of the department. Employees who undertake any form of performance management session have their records permanently associated with their personnel files. Access to these files requires a specific form to be lodged with the administration manager, who may authorise the release of the information by the HR department if deemed appropriate.

The system also allows all employees to receive a copy of any documentation recorded during a performance management session within two days of the session. This ensures that those conducting the session create all the necessary records within that time.

Recent improvements to the information management system include password access to performance reviews via an online intranet portal. This improvement is being incorporated into policy to reflect the new method of accessing personal data.

	Personal and Professional	Work and Experience	Skills, Knowledge and Abilities	Overall Rating
COMMUNICATION				
INITIATIVE				
PRODUCTIVITY				
RELIABILITY				
TEAMWORK				
SELF-MANAGEMENT				
WORK MANAGEMENT				
TECHNICAL SKILLS				
PROBLEM SOLVING				
RESPONSIBILITY				
TEAMWORK				
CREATIVITY/INNOVATION				
DEPENDABILITY				
LEADERSHIP				
DEVELOPMENT OF STAFF				
FINANCE MANAGEMENT				
SOURCE MANAGEMENT				
GENERAL CONTRIBUTION				

Practice task 13

1. Where would you find further information on your legal obligations?

2. What performance management information should be stored?

3. What are three components of a record-keeping policy?

2G

Regularly evaluate and improve performance management processes

To comply with organisational policies, strategic objectives and, in some instances, quality assurance standards, performance management processes need to be evaluated and continually improved. This evaluation should be performed according to the organisation's policies and procedures.

Here is some information about evaluating and improving performance management processes.

Performance management system

The following details some of the measures that can be used to assess how effectively the performance management system is operating.



Track training

This involves verifying that all users of the performance management system have been trained prior to implementation.



Track activities

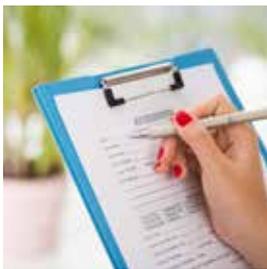
In most organisations, copies of completed performance management forms are submitted to HR following formal performance evaluations. If the system is automated, the forms can be signed electronically and stored automatically.

These strategies enable the organisation to ensure that performance management activities are being conducted for each employee.



Track HR decisions

If a performance management system links evaluation to rewards, the system should monitor the internal consistency of the evaluations and rewards. People who receive good evaluations may receive higher levels of compensation, more frequent promotions and other desirable outcomes more readily than those who perform less effectively. Tracking the alignment of evaluation information and decisions is made easier by having automated processes in place.



Gather feedback

Survey or focus group information can be collected periodically to assess user reactions to the performance management process and to modify the system in ways that contribute to increased effectiveness.

One strategy that gathers useful information and promotes feedback is surveying managers and employees on the extent to which they are seeking, giving and receiving quality feedback.

Experienced practitioners have found that reporting these results to individual managers and employees can increase the frequency and quality of the performance feedback over time.

Example: an evaluation approach

A global distributor of electronic goods, ElectroHouse, has offices in 42 countries. The HR management system is layered and includes international, regional and country HR managers.

The global directive for performance management improvement is guided by ElectroHouse's adherence to ISO 9001:2008. This approach is followed at every national office. To ensure regular improvement to the performance system, the following steps are taken at each site:

- Annual performance system strategies are implemented in line with global policy.
- Operational performance management systems are audited twice yearly – once by an internal auditor from regional headquarters and once by an external ISO auditor.
- A global performance management intranet forum is used to post incremental improvements and to suggest innovative changes to the system.
- All feedback is administered through national servers to ensure it is acknowledged and acted on if necessary.



The system of improvement is part of the management culture of ElectroHouse: managers actively seek out new and improved methods of performance management and system operation.

Practice task 14

What are four strategies and methods you could use to evaluate and improve the performance management system in an organisation?

Summary

1. Performance gaps often fall into one of two broad categories: attitude and behaviour issues, or a work target that is not being met.
2. Training may be required to ensure that those responsible for identifying and monitoring performance gaps understand their roles and responsibilities, and how to go about effective performance management.
3. Once performance planning has occurred and standards have been established, line managers and supervisors need to regularly monitor employee performance. Intervention through coaching or counselling may be required to address unsatisfactory performance.
4. Line managers and supervisors may need assistance to address and correct poor performance. Your role may be to advise and assist with additional strategies and methods that accord with organisational policy and legal requirements. You may also need to support them to counsel and discipline employees who continue to perform below standard.
5. If necessary, the organisation's dispute-resolution processes may need to be implemented, with mediation taking place between line managers and employees.
6. An employee's failure to respond to interventions may require termination of employment. You may need to support line managers in this process by offering strategic support.
7. Personal information that is recorded during performance management must be stored according to organisational policies, and privacy and confidentiality legislation.
8. Performance management systems need to be evaluated and continually improved over time. This evaluation should be conducted according to the organisation's policies and procedures.

Learning checkpoint 2

Facilitate the implementation of performance management processes

This learning checkpoint allows you to review your skills and knowledge in facilitating the implementation of performance management processes.

Part A

1. Why is it important to ensure line managers and others have adequate training in relation to performance management processes?

2. Suggest three ways managers can monitor performance to identify performance gaps.

3. What intervention would you suggest if a manager hears of a sexual harassment incident?

4. Using the table below, give an example of a situation of an underperforming employee. Explain how you addressed (or would address) the poor performance using a performance management approach.

Step	Suggested activities
Identify the impact	
Gain acknowledgment	
Solve the problem	

Step	Suggested activities
Agree on actions	
Follow up	

5. Using the table below, explain the purpose of performance counselling, performance coaching and employee discipline. Provide an example of when you would use each method.

Method	Definition	Application
Performance counselling		
Performance coaching		

Method	Definition	Application
Employee discipline		

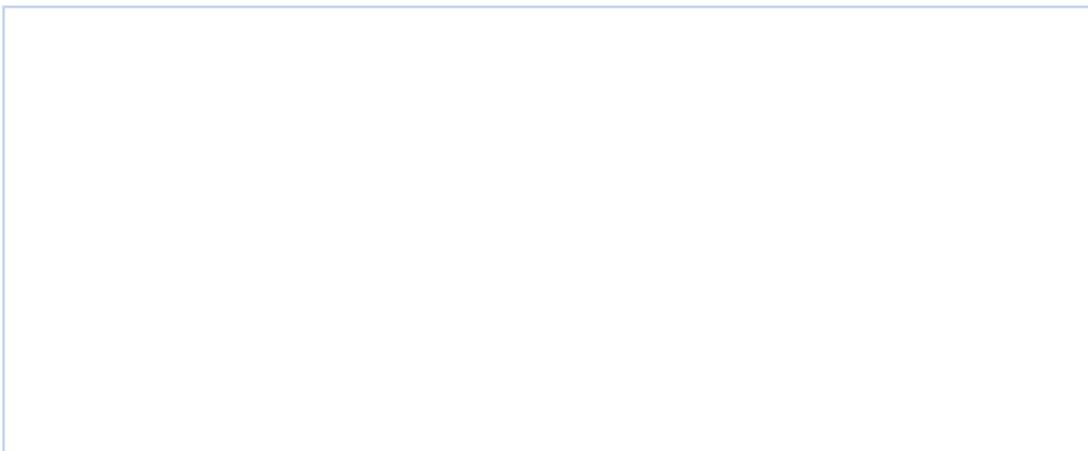
6. What is a dispute-resolution process?

7. How can a mediator help resolve a dispute?

8. Explain the steps a manager should take to legally terminate an employee. How could you support a manager to apply this process?



9. Explain at least two strategies that can be used to regularly evaluate and improve performance management processes.



Part B

Simulate the creation, implementation, monitoring and control of performance management processes by explaining how you would complete the tasks listed in the table below.

Task	Method
Train relevant people to monitor performance and identify performance gaps.	
Ensure performance is monitored regularly and appropriate intervention occurs.	
Assist managers to address poor performance and deal with repeat performance issues.	

Task	Method
<p>Assist managers to respond to an employee grievance that arises from performance management.</p>	
<p>Provide support to terminate employees who fail to respond to intervention.</p>	
<p>Ensure the outcomes of performance management sessions are accessible and stored appropriately.</p>	
<p>Regularly evaluate and improve performance management processes.</p>	

Topic 3

Coordinate individual or group learning and development

Learning and development activities play a crucial role in the performance management process. With the agreement of their manager, employees can benefit from a learning and development plan with strategies that improve performance and enhance their career prospects.

An effective learning and development plan should be part of a broader organisational strategy that establishes a culture of continual improvement. The focus should be on achieving clear outcomes that meet quality assurance and individual and group skill development. Managers must ensure that specific learning objectives are identified, documented and reported on appropriately.

Finally, the performance management system requires review, evaluation and improvement in keeping with the organisation's strategic directions.

In this topic you will learn how to:

- 3A Design and develop learning and development plans and strategies
- 3B Deliver learning and development plans, and ensure they meet specified outcomes
- 3C Contract appropriate providers for performance development
- 3D Ensure activities comply with quality assurance standards
- 3E Negotiate remedial action with providers
- 3F Generate reports on the progress and success rates of activities

3A

Design and develop learning and development plans and strategies

A learning organisation exists when the culture, systems, processes and policies all provide opportunities to foster and enhance the organisation's knowledge base.

Here are some activities that contribute to a successful learning organisation.

	<p>Methodical problem-solving</p> <p>This involves creating a systematic approach to identifying, analysing and improving existing problems.</p>
	<p>Trialling new methods</p> <p>This can include one-off trials or ongoing experiments with new ways of learning about or doing specific tasks.</p>
	<p>Learning from experience</p> <p>This is an ongoing analysis of historical events, both internal and external to the organisation, to determine the best and least effective methods used in the past with the aim of improving future experiences.</p>
	<p>Disseminating knowledge efficiently</p> <p>This involves creating efficient, seamless methods of getting information out quickly to those who need it or can benefit from it.</p>

Development plans

Learning and development plans are an integral part of the process of encouraging effective employee performance.

Here is more information about learning and development plans.

Learning and development plans:

- are directed by organisational policy
- contribute to and form part of the learning culture
- assist managers and staff to understand and implement the learning process
- create skills and knowledge outcomes that can be monitored and measured.

Learning cultures

The most successful organisations have developed a learning culture based on the attitudes, commitment and management processes that support an open learning environment. They have the capacity to continually adapt and respond to changes in business environments.

Once managers have established a supportive and open environment, they should create learning and development plans for their employees. These plans must be designed using specific learning outcomes and tailored to meet the needs of the individual and the organisation’s strategic directions.

Here are some elements of learning and development plans.

Learning and development plans should:

- incorporate and adhere to existing legislation and corporate policies regarding learning
- list and describe the learning activities that must be completed by the employee
- specify the completion date; the resources, costs and time allowances involved; and performance outcomes
- provide for the employee and manager to comment and sign off the agreed activities.

Example: learning and development plan template

Having a plan in place will assist you in achieving your outcomes.

Here is an example learning and development plan.

Learning and development plan form
Employee’s name:
Supervisor:
Department:
Overall aim of learning and development activities:

continued ...

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Performance outcomes	Activities	Resources/ costs	Evidence required	Date
Employee's comments:				
Manager:			Date:	
Employee:			Date:	

Practice task 15

Read the case study, then complete the tasks that follow.

Case study

Levi has been working for a major construction company for twenty years. He has performed numerous roles for the company, including those of foreman, site manager and technical training officer. He is somewhat resistant to change and not keen on adopting new technology.

Recently, the organisation automated its training and reporting systems. The company held internal training sessions to upskill employees, but Levi did not attend any of these.

Levi's manager approaches him regarding this behaviour and he agrees to undertake the performance development activities recommended. The HR manager informs Levi's manager that the company policy for external training requires 'return on investment' justification for every request.

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1. Document a learning and development plan for Levi.

2. Consider internal opportunities for learning and add these into the plan for Levi.

3. Explain why it is crucial for an organisation to support staff to continue their learning.

4. What are some benefits of having a learning culture?

3B

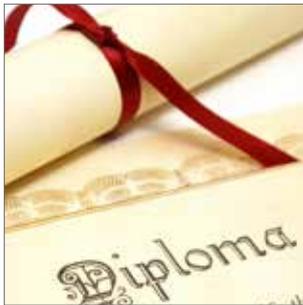
Deliver learning and development plans, and ensure they meet specified outcomes

Once a learning and development plan has been drafted and agreed on, it can be implemented with the aim of achieving the agreed outcomes and performance targets. Ultimately, the aim of any learning and development plan is to translate employee development outcomes into the achievement of performance goals.

Measurable objectives

A quick review of the learning plan should indicate whether or not its objectives are measurable. Before the plan can be implemented with any success, the objectives must have quantifiable criteria. The plan should include time frames, a specific description of the activities and measurable performance outcomes. Managers should use this information to establish benchmarks for the successful delivery of the plan.

Here are examples of organisational measurable objectives.



Attainment of a qualification or statement of attainment



Successful completion of an evaluation or assessment task



Specific work-based outcomes related to the new learning, such as the completion of a new work task or the ability to deal with a new situation



Completion of the training within the specified time or within the specified cost and resource allocation

Milestone measurement

If the learning and development plan extends over a long period of time, consider using milestones to measure the effectiveness of the plan.

A milestone measurement may include:

- a percentage of training completed by a specified time
- measurable work-related performance outcomes over specific periods of time
- feedback or meetings with the employee at regular intervals to gauge the plan's effectiveness
- monitoring of learning and development programs to ensure organisational and work group objectives are being met.

Provide feedback to the employee

Providing feedback at regular intervals ensures the employee understands what is required of them. Feedback can be given during a formal milestone meeting and/or informally throughout the learning cycle.

Feedback is a powerful tool for managers. It is important to use feedback to keep the employee motivated and on track. All feedback should be specific and clear so the employee knows exactly where they have come from and where they should be going in order to complete the agreed plan on time.



Monitor learner involvement

Prior to commencing a learning and development activity from the plan, meet with the employee to go through the plan and clear up any confusion or ambiguity. Take the opportunity to motivate the employee by highlighting the positive aspects of completing the activity and relating it to their personal goals, which should have been discussed during their performance evaluation.

At the completion of the activity, debrief the employee by discussing the benefits of completing the learning and gain feedback from them about the level of learning they believe they have gained from the experience.

The purposes of a briefing meeting include:

- determining the level of success of the activity with regards to employee perceptions and the organisation's perceptions
- assessing the likelihood of undertaking similar activities in the future
- assessing the employee's level of skill and knowledge with the aim of developing further learning plans.

Example: successful learning and development plans

At an employment agency in Western Australia, the director of HR development creates a new employee training plan for team leaders. Each team leader is consulted and the plan is included as part of their individual learning and development plans. The employees agree to the identified activities and are generally excited by the investment in their personal and professional development.

The training is trialled for team leaders in one region before being rolled out across all regions. Feedback is encouraged to gauge the level of support for and effectiveness of the program. Staff are also interviewed to measure the effects the training is having on their supervisors' performance and, in turn, on their own performance.

The program runs for six months and the results of the ongoing feedback, interviews and performance outcomes are collated. The program is successful on many fronts: first, each supervisor enjoys the support from the HR department; second, they all report significant improvements in their ability to deal with supervisory situations; and third, staff feedback identifies a marked improvement in overall performance in their day-to-day interactions with their supervisors and customers.



Practice task 16

1. Why use learning benchmarks?

2. What are milestone measures used for?

3. Why is feedback seen as a powerful tool for managers?

4. Why is it important to meet with employees at the commencement of learning and development programs?

3C

Contract appropriate providers for performance development

A performance development plan should identify appropriate options for individuals and work groups, together with the most appropriate provider for meeting identified performance development needs. These providers may be sourced externally to the organisation or internally from the existing workforce, and may include consultants, trainers and training organisations or workplace experts. When contracting providers, ensure they have the capacity to meet your organisation's requirements.



Performance development options

Undertaking a performance gap analysis assists in determining the performance development needs of an employee, a work group or department, or the broader organisation. Once a performance need has been identified, consider the best method and the most appropriate provider for achieving results.

Managers should take a broad view of possible performance development options, including the use of external providers where appropriate.

Performance development options

Click on the picture to reveal some performance development options.



Mentoring

This is a process of advising and counselling, usually by someone from within the organisation who has a different set of skills and experience about issues such as career pathways.

Providers of successful mentoring programs suggest that the mentor is a voluntary position and supported by the organisation with time and resources. A mentor should be a role model for the employee and therefore the employee must agree to the choice of mentor.



Coaching

Coaching is an ongoing process of developing a person through setting appropriate challenges, on-the-job training, encouragement and debriefing.

The employee's supervisor can act as a coach or they may appoint internal or external providers for the specific development needs.

**Debriefing**

This is a questioning process to help people understand and learn from past mistakes.

Debriefing is usually completed by the employee's supervisor or manager and/or HR staff member. Providers of external training may also take on a debriefing role during training and assessment.

**Career counselling**

This is a process where an individual is taken through a series of self-analysis techniques to identify a career goal and an action plan to meet that goal.

Professional career counsellors can be accessed via HR staff or directly through external organisations or consultants.

Contractual providers

When contracting an external provider, ensure that the person or organisation has the resources, capacity, skills and knowledge to meet organisational, work group or individual requirements. Before committing to a course of action, make sure the opportunity you are pursuing or the problem you are solving is a learning and development issue.

Here are some examples of what external providers can offer.

External providers can provide a range of options



Rotations or internal transfers

Rotations are short-term movements to another work area with a specific goal in mind. Transfers do not usually have a specific development goal.

Rotations involve managers from other divisions or work areas. HR and senior management approval may also be required.

Rotation and transfer options must be carefully planned to ensure consistent or improved performance of the organisation.



Project teams

Working as a member of a project team can provide a combination of practice, observation, delegation, transfer, joint problem-solving and new content.

This option involves the project team manager, HR personnel responsible for the project and current workplace supervisor to negotiate or discuss the terms of the employee's involvement.



Practice

Opportunities to practise skills in circumstances of increasing difficulty over time are a useful method of developing skills.

The employee's direct supervisor may be able to provide opportunities to practise new tasks or tasks of increasing difficulty. Additional support can be provided by an HR professional for ideas and a choice of methods of implementation.



Observation or visits

Observation or visits provide a person with an opportunity to observe how things are done by another person in another work area or organisation.

Providers of the work observation experience must be consulted to ensure there is no unnecessary disruption to work and the employee has sufficient access to the workplace to gain from the experience.



Conferences

Conferences and seminars generally rely on experts giving presentations on knowledge-based topics. Conferences may or may not include the opportunity for discussion of skills, or practice and development.

A conference may be provided by industry or work-related organisations. Conferences can be costly, so management approval is usually required.

Training providers

There may be alternative options to consider. If an employee is failing in some aspect of their job, a performance appraisal can determine whether the person lacks the necessary resources, skills or attitude to perform the job. Then further training options need to be considered. Again, this may mean using other providers.

Here is further information about what external training providers can offer.

On-the-job training

This is a structured process of teaching a person how to do a practical or procedural task.

The employee's supervisor may oversee on-the-job training. Providers may include internal training facilitators, external agencies, a supportive peer, and a mentor or buddy process.

Reading and research

A program of reading and research into a particular topic, and presentation of results, can be a way for people to gain new knowledge.

This type of development requires agreement between the supervisor and employee about the content that should be accessed and the goals and objectives of the process. Providers of information content should be verified as reliable and accurate by a subject matter expert or manager.

Training courses

Training courses include any formal event where a presenter works with a group of participants through a program of activities to develop skills or knowledge.

External training providers can offer specific training experiences for employees or work groups. Selection should be based on the agreed development needs of employees in relation to workplace requirements. Contacts include the training provider and the selected trainer or assessor.

Tertiary courses

Tertiary courses offer an opportunity to update academic qualifications and knowledge.

Training budgets may allow for ongoing tertiary education. This is usually administered by senior managers and HR professionals. Selection of the tertiary provider is often based on geographic constraints, funding availability, specific required course outcomes and the institution's reputation.

Align providers with the development plan

The appropriate development option and provider should align with the options detailed in the employee's development plan and with guidelines in the organisation's training and development policy. The plan and provider/s should take into account any costs, time, organisational needs and legal and compliance requirements. For example, the organisation may not have a tertiary training option for staff due to its size, cost base or competitive requirements, but may provide traineeships to new staff using government-subsidised training.

Example: alignment of development options with organisation policy

Mid-level manager Joseph is considering development options for one of his staff, Sue. In a recent performance evaluation, Sue agreed that she needed more knowledge and understanding of corporate taxation compliance in order to fulfil her role more readily and be more confident.

Joseph consults his HR manager regarding the training options for Sue. According to the HR department, the organisation's budget allocation allows for any form of external training as long as it is work-related and a case for improved work outcomes can be argued with the HR manager.

Joseph asks Sue to research local providers and come back with at least two options, including costing, time requirements and how she expects that her work performance and the organisation will benefit.



Practice task 17

1. Explain why it is important to align providers with the employee's or work group's learning and development plan.

2. What types of performance development options could you use external providers for?

3D Ensure activities comply with quality assurance standards

Monitoring performance improvement efforts and ensuring activities comply with quality assurance standards are essential parts of managing a performance management system. Most organisations have a quality system of some sort in place, or must comply with one. Learning and development should accord with these requirements.

Managers may be called on to monitor the extent to which learning and development meet quality assurance requirements, particularly regarding customer satisfaction requirements.

Performance improvements

When performance has changed in the desired direction, within the negotiated time frames and budgets, the performance improvement efforts can be deemed a success.

Here are some things to look for when monitoring the learning and development activities.



To what extent has performance in key performance areas improved?



What evidence is there that the learning and development activities have led to improved performance?



How satisfied are employees, managers and other key stakeholders with the performance?

Quality assurance

There are several approaches you can take when it comes to quality assurance. While some quality assurance standards may be voluntary, others are essential to an organisation being able to deliver a service.

Here is further information that highlights some commonly used standards.

Standards – ISO 9001:2008



This is the International Standard for quality assurance, which identifies the basic principles for quality assurance such as documentation systems, continuous improvement systems and the auditing process.

Business Excellence Australia



This is a division of Standards Australia that has generated a quality framework for business excellence.

Internal policy guidelines



Compliance may also be self-regulated through the implementation of strict internal guidelines for meeting the industry-specific quality standards within an organisation.

Evaluate compliance

The evaluation methods used to determine compliance of activities with quality assurance standards will depend on the scope of the activities being undertaken and the specific compliance requirements an organisation adheres to. The outcomes of these methods can then be compared with the compliance requirements to identify whether the learning and development program has met the selected criteria.

Here are some evaluation methods you can use as a starting point.



Survey the people involved and have them assess and report on improvements in performance.



Survey key stakeholders and ask them whether they have observed improvements in performance or behaviour.



Analyse records of performance (for example, work samples or employee performance data) to track and report changes in outputs and achievements.

Document performance

Quality assurance systems are underpinned by effective documentation. The documentation must align with the existing systems so the data can be used in the continuous improvement of learning and development processes.

Familiarise yourself with the existing reporting systems to ensure your input adds to the overall improvement of the organisation's performance.

Example: basic monitoring report

Here is an example of a basic monitoring report.

Learning and development monitoring tool				
Employee's name:				
Supervisor's name:				
Department:				
Activity	Results to date	Lessons learnt		Changes required
		Positive	Negative	

Practice task 18

1. Why is it important to evaluate the effectiveness of learning and development activities in relation to quality assurance standards?

2. How can you ensure external providers deliver on agreed expectations?

3E Negotiate remedial action with providers

Learning and development plans are subject to constant review and change. Even the most well thought-out performance improvement activity may not deliver according to expectations, or the employee may fail to make the adjustments required of them. A manager may need to identify and negotiate the necessary remedial action with a training and development provider.



Remedial action

Once it is accepted that learning and development activities need to address specific underlying employee training and development needs, and a provider is identified, managers can then discuss the specific outcomes they are seeking and negotiate strategies for achieving those expectations.

In the context of performance improvement, remedial action refers to actions designed to rectify a particular problem or aspect of performance. If an employee does not meet the required standards during or after a learning and development program, action needs to be taken. The cause of the failure to meet objectives needs to be determined.

Situations where you might use remedial action
Poor, inappropriate or insufficient training
Ambiguous or poorly designed objectives
Lack of time or funding based on initial expectations
Employee aptitude, attitude or skill levels

Suitable outcomes

Learning and development providers, whether they are internal or external to the organisation, must be contacted to negotiate further action to remedy the situation.

Managers may face situations where learning and development providers do not deliver on the expectations discussed. In these instances, further targeted support for the employee should be arranged. Clearly defined organisational requirements regarding learning and development goals for the employee or work group will facilitate the process of negotiating a suitable outcome.

Example: achieve remedial action

When the outcomes of a learning plan fail, Emil negotiates the necessary remedial actions with the training provider. As most of the training is conducted using an external provider, Emil uses the following steps to approach a suitable outcome:

- Outline the original performance objectives and gain agreement from the provider that these objectives were not met. Without this agreement, negotiating further action will be difficult.
- Ask the provider to suggest actions to improve the outcome and meet the original objectives.
- Determine whether these suggestions are appropriate to organisational goals and, if in addition to the original agreement, identify and agree on a suitable alternative.
- Remind the provider of their failure to meet the original objectives and ask that these be met under a mutually agreeable new arrangement.



Practice task 19

1. When would you need to use remedial action?

2. What measures or structures does the organisation need to have in place to ensure the success of remedial action?

3F

Generate reports on the progress and success rates of activities

Learning and development activities are sometimes accompanied by high expectations from senior management, often due to the investment an organisation makes in employee development. An organisation may require comprehensive reporting on learning and development outcomes to verify its progress and success.

Liaise with managers to uncover their reporting needs for learning and development activities, and devise ways that this information can be collated and prepared to confirm the value of training and development. Some proprietary systems have training reporting functionality built in. Alternatively, you can develop your own simple reporting system using a spreadsheet or database application.

The data you may want to collect should support or show the following:

- How the learning and development need is linked to business goals
- How the learning and development activity/option chosen meets these needs
- The start date for commencement of activities
- Costs associated with activities (including training, travel, accommodation, downtime and so on)
- Expected outcomes to be achieved
- Progress made towards outcomes

Communicate outcomes

Once the methods for collecting data and generating reports have been determined, identify the frequency with which this information is required. The nature of the learning and development activity or program will determine how frequently this information is required.

You also need to determine who the report must go to. In most modern information systems, reports are centralised so the relevant person can access them as required. If the organisation does not have a central reporting system, you may be able to create a simple folder on a network drive or use a paper-based system.

In a successful quality assurance system, analysis and communication of quantitative and qualitative data provide for the foundation of future improvement. Likewise, those responsible for assessing the data play an important role in the organisation's ongoing quality improvement. It is vital that the data is presented in a way that adheres to company conventions, or at least in a format that makes it easy for the person evaluating the data to arrive at an accurate decision.



Example: record and report training and development outcomes

Here is an example of a training outcomes report template.

Training outcomes report												
Name of business				Period of training								
Name of employee/s	Position	Training need identified	Link to business goal/target identified	Method of delivery	Start date	Training costs				Expected outcome	Review method & date	
						Training	Travel	Accom.	Other			Downtime
Sub-total												
Grand total												
												\$0
No. individuals supported												
Achieved/committed to business improvement tool? (required for 6 or more employees)												

Practice task 20

1. What might be some of the data you collect for reporting on the progress and success rates of learning and development activities?

2. Why is it important to ensure the outcomes of learning and development programs are communicated to key personnel in the organisation?

Summary

1. Performance development providers include internal and external individuals, consultants and organisations. Providers should align with development plans and organisational policies.
2. When contracting a provider, ensure the person or organisation has the resources, capacity, skills and knowledge to meet organisational, work group or individual requirements.
3. Learning and development plans and strategies should foster the growth of a learning organisation and encourage effective employee performance. Learning organisations are skilled at creating, acquiring and transferring knowledge, and can modify behaviour to reflect new knowledge and insights.
4. Ensure the learning and development activity has measurable objectives and specified outcomes that will transfer back to the job. Only when performance has changed in the desired direction, within the negotiated time frames and budgets, can the performance improvement efforts be deemed a success.
5. Learning and development activities need to be monitored to ensure they comply with relevant codes and quality assurance standards.
6. In the context of performance improvement, remedial action refers to actions designed to rectify a particular problem or aspect of performance. You may need to negotiate with providers to implement remedial action where performance has not improved as a result of learning and development activities.
7. Managers need to be appraised of the progress of learning and development activities and success rates. Once you have determined the methods for collecting data and generating reports, identify the frequency with which this information is required.

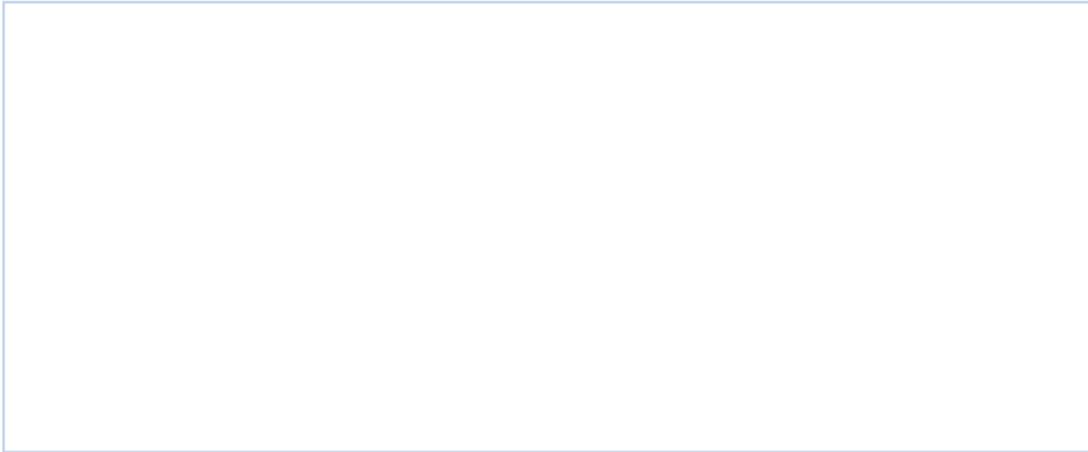
Learning checkpoint 3

Coordinate individual or group learning and development

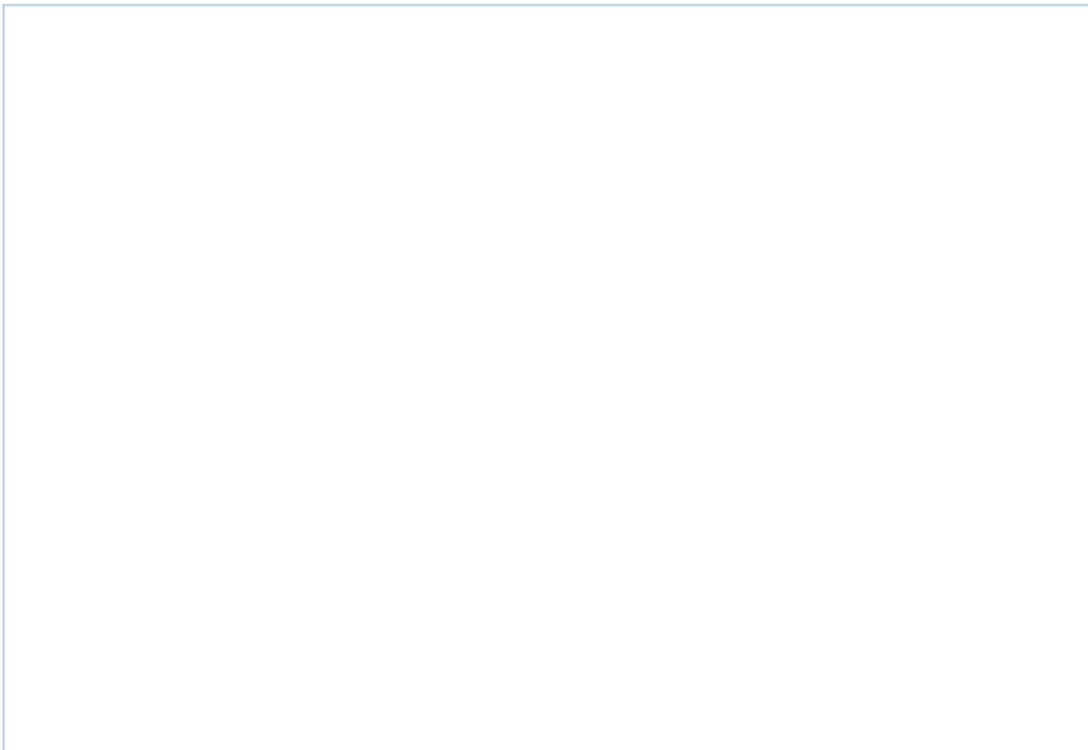
This learning checkpoint allows you to review your skills and knowledge in coordinating individual or group learning and development.

Part A

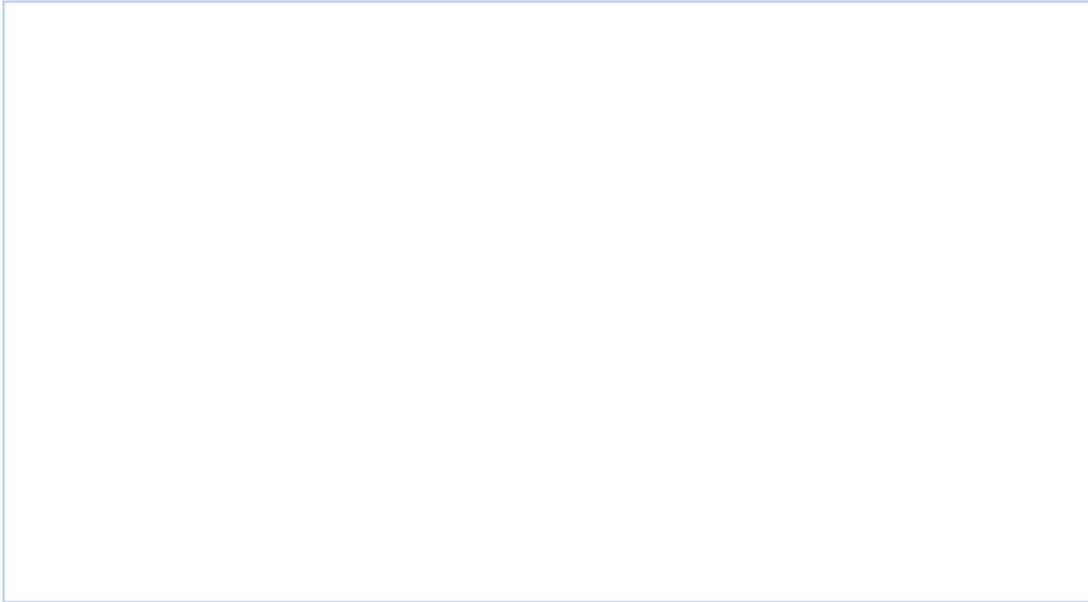
1. Give examples of how organisations display the qualities of a learning organisation.



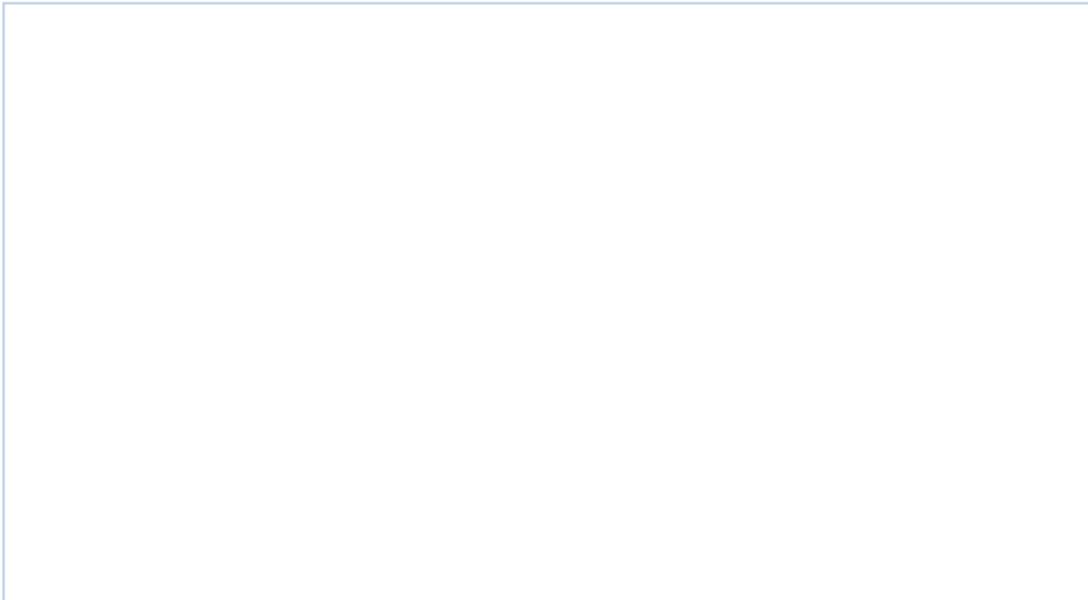
2. Identify people/roles/activities within a learning organisation and how they can contribute to learning and development needs.



3. What information should you include in a learning and development plan?



4. How you will ensure that an individual fulfils the objectives stated in their performance development plan?



5. What quality assurance standards do learning and development activities need to meet?

6. How will you ensure that learning and development providers meet their obligations?

7. Explain how you would negotiate remedial action with an external provider if it is required.

8. Describe the process you would use to report on the progress and success rates of a selected learning and development activity.

Part B

1. What should be included in a contract with a provider for a learning and development activity?

2. What should a report on the progress and success rates of activities include?