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We hope you find them useful.

PERFORMANCE MANAGEMENT

INTRODUCTION

Performance management is an integrated approach to helping an organisation to achieve its aims and objectives by monitoring and improving the performance of individuals, departments and the organisation as a whole. This checklist aims to provide an understanding of the key principles of performance management. It outlines key issues to be considered in the introduction and operation of a performance management scheme at organisational level, and provides guidance for individuals on how to take advantage of performance management to improve their personal performance and develop their potential. A performance management system uses agreed targets and objectives to enable managers to measure and review performance, giving a clear indication as to whether the activities undertaken by individuals are contributing to the achievement of organisational goals.

Current levels of performance are not always what the organisation and its employees would like them to be. Individuals can work to narrow this gap by becoming more productive, developing their skills, or becoming better informed; organisations can improve processes, systems and procedures. To be effective, performance review must be conducted in the context of the organisation's overall strategic plan, with the aim of generating the momentum required to achieve corporate goals.

Effective performance management should always include pre-planned elements supported by informal reviews as appropriate. At times, it may be helpful to bring in external assistance, or to consider 360 degree feedback for individuals and groups. Performance management should always be a shared process between employees and managers.

Performance management involves:

- understanding current practice
- identifying future or intended practice
- recognising the processes and driving forces which will improve performance
- agreeing targets and objectives to meet organisational goals
- using tools, techniques, support from managers and colleagues and training and development activities to develop capabilities and achieve the desired progress
- measuring and monitoring changes, improvements and progress towards goals
- reviewing progress, renewing goals and moving on.

DEFINITION

Armstrong and Baron define performance management as "a process which contributes to the effective management of individuals and teams in order to achieve high levels of organisational performance. As such, it establishes shared understanding about what is to be achieved and an approach to leading and developing people which will ensure that it is achieved". They stress that it is "a strategy which relates to every activity of the organisation set in the context of its human resource policies, culture, style and communications systems".

At the organisational level

1.   Align objectives with organisational strategy

The purpose, values and goals of each unit or department of the organisation should support or relate to the purpose, values and goals of the organisation. This will create a situation where each time that a departmental goal is achieved, the organisation moves forward.

2.   Set standards, criteria, indicators

Competitiveness requires organisations to stay in touch or benchmark with best practice, or best in class. Benchmarking will enable you to compare your key processes with similar processes in other industries. For example if prompt telephone answering is a key process, then look to organisations in the service industries such as the AA, or another high profile organisation that excels in that process.

All standards and indicators should be SMART - Specific, Measurable, Achievable, Realistic, Time-bound.

As individual performance management grades are often linked to salary levels, organisations need be very clear about the standards that will apply to each grade. It can be de-motivating and counter-productive, for example, if an unqualified achievement of agreed objectives does not lead to the award of the highest grade, because the company has pre-determined the percentage who will be awarded the highest grade in any particular year. Honest management of expectations is fundamentally important for the credibility of the process.

3.   Choose evaluation methods

Output-based evaluation is more useful than a ranking or rating system with criteria which are vague, or subjective. While performance management is about helping people to improve, there may come a time when, after all possible support and encouragement have been given, performance is simply unsatisfactory. In this case remedial or even disciplinary action may be necessary. When selecting evaluation methods, keep the purpose for which they are to be used clearly in mind. This is particularly important when performance management is used to inform decisions on pay.

4.   Assess the suitability of quality/customer care programmes

When implementing performance management, take account of the quality management programmes currently in place and review their suitability. For example, ISO9000 quality systems, are perhaps best suited to stable operations which are not undergoing radical change. Kaizen, as a continuous improvement scheme, is a more philosophical approach to improvement rather than a prescriptive system. The Business Excellence Model provides an adaptable framework for setting realistic and challenging standards.

5.   Build performance appraisals into the business planning cycle

As performance management is dealing with personal objectives which feed into the organisation's strategy for achieving its corporate objectives, performance appraisals should become an integral part of the business planning cycle, particularly in relation to the delivery of products and services.

6.   Ensure clear communication

Successful performance management depends on the engagement and involvement of all employees, so good communication about all aspects of the scheme - what it is seeking to achieve, how it will operate, how objectives will be set, what criteria will be used for evaluating performance and whether there is a link to pay or bonuses - is essential. A culture of open communication across the whole organisation is vital. This will provide feedback to enable management to detect and prioritise, realistically, where and when performance criteria need to be adjusted.

7.   Monitor and review

Continue to monitor and review the operation of the performance management scheme. All organisations operate within dynamic environments and changing circumstances may make adjustments necessary. Take note, also, of any problems which arise and make amendments to improve the operation of the scheme.

At the individual level

1.   Identify where you are

An objective assessment of how you are currently performing forms the starting point. This means that you must have a clear idea of what you are expected to deliver, to what standard, and by when. A personal SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) can help here, but a regular communication process with line managers is the best approach. Colleagues and peers can also help in assessing your performance. Make a clear record of your current position so that later on you can assess what improvements have been made.

2.   Identify where you want/need to be

This may be to perform a task better, faster, or to carry out a new task. It may mean learning new skills or acquiring knowledge, capitalising on present strengths or tackling an individual weakness. This position needs to be describable, and preferably measurable. Be mindful that there may be some degree of divergence between what you as the individual 'want' to do and what the organisation 'needs' you to do, for example, in terms of skills for the current job role, versus skills for your career in the longer term.

3.   Agree objectives and indicators

Objectives should be agreed between you and your line manager, in line with organisational and departmental goals and the criteria by which performance will be judged should be agreed not imposed. Make sure that you will be able to measure progress towards the agreed objectives and that the indicators set will give you a direct insight into whether you are improving your efficiency or effectiveness. For example, if a plan to deliver outputs is agreed with your line manager, an indicator for efficiency would be the extent to which you stick to the plan; an indicator of effectiveness would be the level of success in delivering the outputs. Setting standards or indicators for some tasks can be straightforward and based on time, accuracy and productivity. Other, 'softer' areas such as personal skills development are not so easy to quantify.

4.   Make use of relevant tools and techniques

A number of tools can be used to monitor progress, identify shortcomings, and even measure how well you are performing. Fishbone (Ishikawa) diagrams, and input-output diagrams are useful for qualitative progress; Pareto analysis, moving averages and the CUSUM technique are more suited to quantitative measures. But don't forget that an honest open discussion between you and your line manager remains an effective way to assess your progress. Record the key elements of the conversation on an official appraisal/review form, and jointly agree and sign it off.

5.   Test and trial

Having worked out the causes of shortcomings in your performance, consider whether to opt for the simplest, cheapest, most efficient, most easily understood solution, the solution which will elicit the most support, or the one likely to have the greatest impact. The latter is not necessarily the best; take things one step at a time and reflect and adapt as you go.

6.   Evaluate performance

The evaluation of performance is a key stage, making all the effort worthwhile. What and how you evaluate depends on the standards and objectives agreed. Meeting a budget or sales target will be easy to identify. Hitting a target objective - or progress towards it - is also measurable. In softer skills acquisition, sometimes gut feeling will tell you how near or far you are from the targets. Performance evaluation should be carried out on a regular basis and both line manager and report must be aware of or agree on the timeframe at the beginning of each reporting year. Mid-year reviews will also be helpful to improve the quality of work throughout the year and to make any necessary adjustments.

7.   Carry out performance appraisals

Performance appraisals should cover the points covered in points 1 to 6 above. Learning and development needs should also be addressed. A personal development plan can be helpful in identifying development needs, making plans to meet these, recording development activities and demonstrating what has been learnt.

Managers should avoid

- taking an 'all or nothing' approach - build incrementally on knowledge and experience
- being rigid or adopting a 'command and control' approach to goal setting
- looking for a quick fix
- giving employees 'surprises' related to poor performance – problems need to be addressed at an early stage
- neglecting 'soft' issues such as building relationships and giving feedback.

National Occupational Standards for Management and Leadership

This checklist has relevance to the following standards:
B: Providing direction, unit 6
D: Working with people, unit 6

Additional resources

Books

Beyond performance management, Jeremy Hope and Steve Player
Boston Mass.: Harvard Business Review Press, 2012

Handbook of corporate performance management, Michael Bourne and Philippa Bourne
Chichester: John Wiley, 2011

Practical and effective performance management: how excellent leaders manage their staff and teams for top performance, Steve Walker
Bury: Universe of learning, 2011

This is a selection of books available for loan to members from CMI's library. More information at:
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Related checklists

Performing a SWOT analysis (005)
Conducting a performance appraisal (036)
Personal development planning (092)
Introducing performance measurement (129)
Setting up a performance related pay scheme (143)

PERSONAL DEVELOPMENT PLANNING

INTRODUCTION

Employers are increasingly aware of the importance of investing in their staff and often have structures and processes in place to provide opportunities for the training and development of their employees. Nonetheless, managers also need to take personal responsibility for renewing and updating their skills and knowledge throughout their working lives. Personal development is a continuous lifelong process of nurturing, shaping and improving skills and knowledge to ensure maximum effectiveness and ongoing employability.

Personal development does not necessarily imply upward movement; rather, it is about enabling individuals to improve their performance and reach their full potential at each stage of their career.

Adopting a constructive approach to personal development planning (PDP) will help individuals to:

- consider where they are now, where they want to go and how they can get there
- revitalise technical skills that date very quickly
- build up transferable skills (such as self-awareness, ability to learn, adaptability to change, empathy and good time management)
- monitor and evaluate achievements.

The process of PDP provides a schedule to work to and can lay the basis for:

- continuous learning
- a sense of achievement
- ensuring employability and survival in an age where very few jobs can be guaranteed to stay the same
- making the most of opportunities which may arise.

DEFINITION

Personal development planning is the process of:

- establishing aims and objectives (or goals) - what you want to achieve or where you want to go, in the short, medium or long-term in your career
- assessing current realities
- identifying needs for skills, knowledge or competence
- selecting appropriate development activities to meet those perceived needs.

Scheduling and timing are important but should not be too regimented.

ACTION CHECKLIST

PDP is usually understood as a cyclical process, where improvement comes from moving around the loop. The following chart outlines the process:
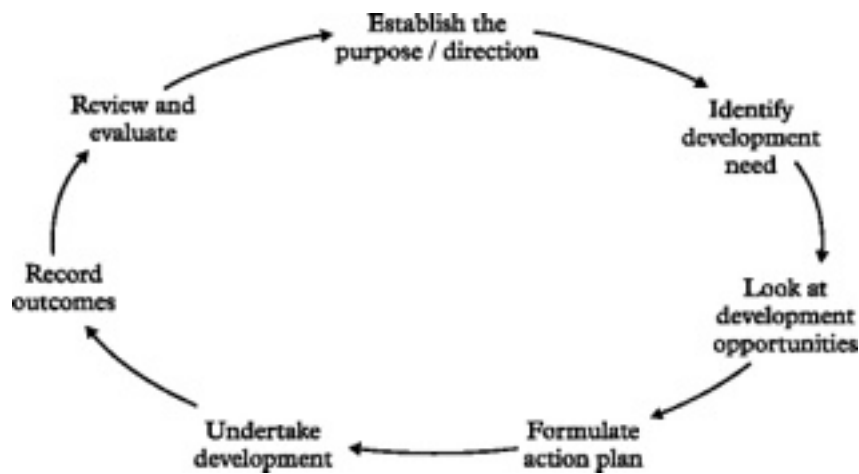
The Personal Development Planning Cycle

1. Establish your purpose or direction

The purpose of any development activity needs to be identified. You may do this, either, by yourself or with the help of your manager, mentor, career coach, colleagues, or friends. This involves:

- gaining an awareness of your current standing and future potential within your chosen field or sector
- gaining a measure of what you are good at and interested in (because these things will motivate you)
- taking account of the organisational (and sectoral) realities you encounter
- linking your plans to organisational (and sectoral) needs as much as possible.

Think about:

- your own value system, involving private life and family, work and money, constraints and obstacles to mobility, now and in the future
- the characteristics of the kind of work that fits with your value system.

2. Identify development needs

The identification of development needs may emerge from intended or actual new tasks or responsibilities, from discussions with your manager or others, or from dissatisfaction with current routines. Some people know what they are good at, others may be less sure. Various instruments such as self-assessment tests, benchmarking exercises and personal diagnostics are available to help you assess your skills in a structured way.

Your development needs will depend largely upon your career goals. If you intend to remain in similar employment, you may need development to re-motivate or re-orient yourself, or to improve your current performance and effectiveness. Alternatively, development may be required to prepare you for promotion, your next job, a new career or self-employment.

3. Identify learning opportunities

As a result of one, or several, of the assessment processes above, draw up a list of the skills or knowledge you need to acquire, update or improve. Compare this list with your current skills and knowledge base and identify the gaps.

CONSIDER

- your learning style - some learn best by trying out new things, whilst others prefer to sit back and observe; some prefer to experiment, others to carry out research. The Learning Styles Questionnaire, devised by Peter Honey and Alan Mumford will help identify preferred learning styles (See Additional Resources below.)

- your development: in addition to your own organisation, consider government and private advisory agencies, literature and open learning, multi-media or online packages, professional institutes, your peer groups, networks and colleagues and family and friends

- the range of learning options available - these can be broadly differentiated into three categories:

  Education takes place over a sustained but finite period of time, usually leads to a qualification and may open up the way into a new career direction.
  Training is carried out at a specific time and place and is usually vocationally relevant and limited to specific measurable aims and objectives.
  Development encompasses a wide range of activities with learning potential that are either work-based (such as work shadowing, job rotation, secondment, attachment, mentoring, delegation, counselling or coaching) or personal (such as private reading, authorship, presenting papers, peer group contacts, networking, or community involvement).

There will be occasions when unplanned development opportunities arise, such as, a last minute vacancy on a course or a place at an event, which will require you to take account of your priorities when considering whether to follow up on that opportunity.

4. Formulate an action plan

For each of the skills and knowledge gaps you identify, set yourself development objectives. These need to be SMART: Specific, Measurable, Achievable, Realistic and Timely. There must be an element of challenge in them so that they stretch you as an individual and carry you on to new ground. But they must also be attainable and viable within a realistic time-frame, otherwise time will overtake you.

5. Undertake the development

Put your plan into action- what you do and how you do it should be your choice. In addition to training courses, options include work shadowing, secondment, job rotation, project work, networking and community involvement.

6. Record the outcomes

Keeping records serves to remind you - and others, such as potential employers - what you have done. Most importantly your records will help you to focus on what you have got out of your development activity. Record the date, the development need identified, the chosen method of development, the date(s) when development was undertaken, the outcomes, and any further action needed.

7. Evaluate and review

Evaluation is the key stage in the self-development cycle. There are two issues you should reflect upon: whether the development activity you have undertaken was appropriate and worthwhile; and whether and how your skills or working behaviour have improved as a result. Evaluating development activities also involves asking the following questions:

a) What am I able to do better as a result?
b) Has this experience thrown up further development needs?
c) How well did this development method work?
d) Could I have gained more from this activity?
e) Would I follow this approach again?

Evaluation will also provide a key lead for the next stage of the continuing cycle. Goals change, tasks vary and new needs will emerge. It is important to revise your own plan accordingly.

Managers should avoid:

- repeatedly putting off planning your personal development
- trying to tackle everything at once – select one area to work on and then move on to the next
- being too ambitious – development normally takes place in incremental steps
- being afraid to ask for help from your line manager, colleagues or HR department
- forgetting to reflect on and evaluate your learning experiences.

National Occupational Standards for Management and Leadership

This checklist has relevance for the following standards:
Unit AA1: Manage yourself
Unit AA2: Develop your knowledge, skills and competence

Additional resources

Books

Study skills for part-time students, Dorothy Bedford,
Harlow: Pearson Education, 2009
This title is available as an e-book

Strengthen your strengths: a guide to enhancing your self management skills, Peter Honey,
Maidenhead: Peter Honey Publications, 2008

Personal development and management skills, Chris Routledge and Jan Carmichael
London: Chartered Institute of Personnel and Development, 2007

Continuing personal development, Peter Honey
Maidenhead: Peter Honey Publications, 2007

A managers guide to self development, 5th ed, Mike Pedler, John Burgoyne, Tom Boydell,
Maidenhead: McGraw Hill, 2007
This title is also available as an e-book

Learning styles questionnaire : 80 item version, rev ed, Peter Honey and Alan Mumford
Maidenhead: Peter Honey Publications, 2006

Discover your hidden talents: the essential guide to lifelong learning, Bill Lucas
Stafford: Network Educational Press, 2005

Practical self development: a step by step approach to CPD, Bob Norton and Vikky Burt
London: Institute of Management Foundation, 1997

This is a selection of books available for loan to members from CMI's library. More information at:
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Related checklists

Setting SMART objectives (231)
Testing for personal effectiveness (164)

Internet resources

Palgrave Study Skills www.palgrave.com/skills4study/pdp/
Offers advice about Personal development planning including: setting priorities, making choices, keeping personal records and structured reflection.

CHECKLIST 3 LEADING FROM THE MIDDLE

INTRODUCTION

Leadership is often seen as the key to improved performance. It is needed at all levels in an organisation - not just the top. Think about situations you have seen and you may recall people who were at the bottom of the hierarchy, or in positions with no formal authority, but were still able to provide a lead for others.

Many businesses adopt a matrix approach to organisation, and individual managers may need to lead a diverse team from several parts of an organisation. For larger organisations spread throughout a number of countries, team members may rarely or never meet face-to-face, and so will need to work on a virtual, distance basis. In these types of team particularly, leadership is vital for delivering products or services.

Most people would agree that leadership can be developed, and that there are some definable leadership skills which can help managers to get the most from their team. Many organisations now run programmes to improve the leadership skills of staff at all levels from Supervisor through to Managing Director. This checklist seeks to explain the fundamentals of leadership, taking leaders as people who:

make followers feel well-supported, and can be trusted and relied upon by team members
have a clear, exciting image of the future and can lead the way through change
show commitment to, and generate enthusiasm for, the organisation
are honest and open, and spend time talking and listening to their people
give staff the room and the confidence to get their job done.

DEFINITION

There is no commonly agreed definition for leadership, but a suggested one is: the capacity to establish direction, to influence and align others towards a common aim, to motivate and commit others to action, and to encourage them to feel responsible for their performance.

ACTION CHECKLIST

1.   Be clear about the difference between management and leadership

There is some disagreement about the differences between management and leadership, and some experts consider that there is no distinction (for example, Henry Mintzberg) while others think the two should be separated. Most would agree, however, that managers and supervisors need some leadership ability. While definitions of both areas and their argued differences vary, you need to be clear and think out your own approach to the subject before you can work to improve your leadership skills. A common approach to the difference (and one taken here) is that:

management is about the day-to-day running of a function and getting the right people in the right place, with a focus upon implementation

leadership is about creating a vision for that function and gaining people's commitment by providing strategic direction.

2.   Be clear about where you are now

Are you comfortable with the idea of being a leader? If not, where do you think your weaknesses lie? Many people - especially those who have been promoted because they have a technical skill - feel uncomfortable about leadership. But think about yourself as a leader: consider whether you think that leadership is alien to your character; whether you may lack the authority and respect to be a leader; or whether you feel that it is only more senior managers who should be leaders.

Remember that everyone can learn how to develop their leadership potential - authority and respect are there to be earned. Today, people at all levels are expected to show leadership qualities.

3.   Downplay charisma

Look at the range of income sources - are you generating funds, or is money allocated at the beginning of each year? Will you really get in all the money you have noted down, or will some come in the next financial year, or fall through? How much of it is guaranteed income?

4. Recognise the different leadership needs of people

You will need to work at developing a range of leadership styles and matching your leadership style to the situation and the people. Different staff will need different kinds of leadership:

with people who fail to take responsibility, you will need to take a directional style, giving strict targets and ensuring that you monitor these
staff who lack confidence, but show potential, will benefit from a coaching approach - they need you to be directive and supportive, to explain what needs to be done, but to reinforce their positive behaviour and get them to take responsibility
with talented but underachieving employees, lead through communication, and get them performing better through involving them in the decision making, and supporting them in taking the initiative
star performers who are already fully competent need to be appreciated, and left alone to get on with the job.

Situational leadership theory gives a good basis from which to understand the need to work at acquiring different leadership styles. Within this theoretical approach, 'best' leadership approaches are viewed as relative to specific contexts and situations rather than as attributes of particular personalities. R. H. Hall's emergent leader approach (1972) is representative, while Ken Blanchard and Paul Hersey developed their well-known Situational Leadership Theory in 1982.

5. Build up a range of demonstrable leadership attributes that confirm you as a leader in the eyes of your people

Demonstrable leadership attributes that will help you to lead others include:

- developing and demonstrating good work habits
- understanding and valuing your staff's work
- working hard at handling pressure
- clearly demonstrating the values you hold dear
- encouraging your staff's enthusiasm
- providing regular feedback
- listening and learning.

6. Build communication channels

Develop the right mix of communication, so that people get to know what you expect, can understand if they have done well or badly, and feel that they are able to give you feedback on your own performance.

Most research into what makes a good leader stresses that leaders communicate - and communicate - all the time. They create a vision of where the department and organisation are going, and they do so by communicating it clearly and often, demonstrating it through actions and listening to their people.

7. Work hard at empowering your staff

You need to provide support and confidence to help staff to achieve things for themselves. Today's leaders work at creating the right environment and circumstances so that staff can take real ownership of their work. Are you courageous enough to trust your people to do a good job, and to show faith in them? If you are, and can still give them a sense of vision and guidance when they need it, then they will see you as their leader.

Managers should avoid:

- behaving in a domineering way
- thinking that leaders have to come up with all the ideas - or are the only ones who have ideas
- relying on charisma
- refusing to listen to their staff.

National Occupational Standards for Management and Leadership

This checklist has relevance to the following standards:
B: providing direction units, A2, A3

Additional resources

Books

John Adair's 100 greatest ideas for effective leadership, John Adair
Chichester: Capstone, 2011

Managers and leaders who can: how you survive and succeed in the new economy, Ruth Spellman
Chichester: John Wiley, 2011

The leader who had no title: a modern fable on real success in business and in life, Robin Sharma
London: Simon and Schuster, 2010

Creating effective teams: a guide for members and leaders, Susan A. Wheelan
Thousand Oaks Calif.: Sage, 2010

Why should anyone be led by you? What it takes to be an authentic leader, Rob Goffee and Gareth Jones
Boston Mass: Harvard Business School Press, 2006

Leading project teams: an introduction to the basics of project management and project team leadership, Anthony T Cobb
Thousand Oaks Calif: Sage, 2006

The servant leader: unleashing the power of your people, Robert P Neushel
London: Kogan Page, 2005

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Related checklist
Coaching for Better Performance (089)
Developing Passive People (086)
Steps in Successful Team Building (088)

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