

# 2013 Performance Management Effectiveness Report

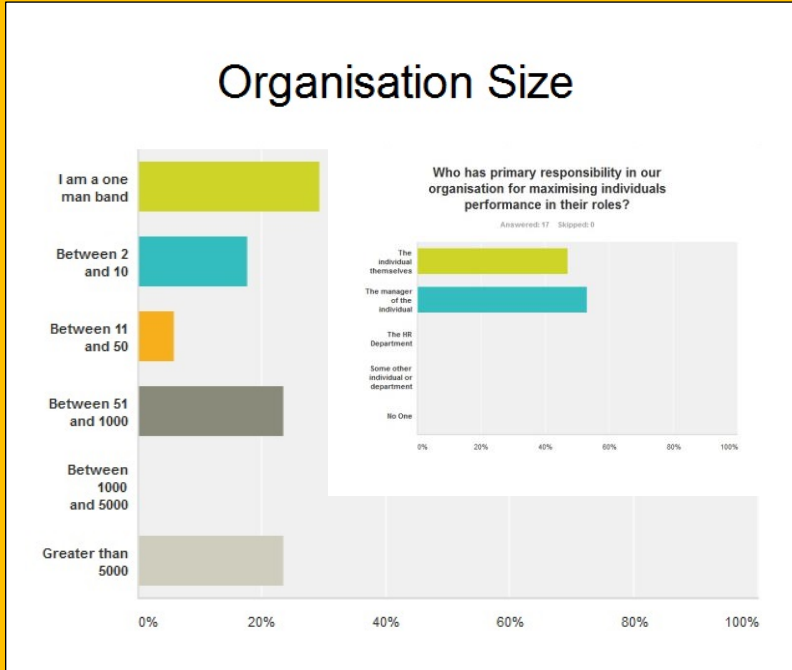
*Full*



## Summary

The 2013 survey findings indicate that although individual performance management remains important for managers, staff and organisations, there remains significant room for improvement in its effectiveness and outcomes. In excess of 70% of respondents indicated greater **clarity on their roles** and responsibilities and subsequent **connections** between **their goals and KPI's** with those of the organisation are key opportunities to improve. **Reducing** paperwork and administration through the **use of Information technology** is seen as a key opportunity to improve also.

## Demographics



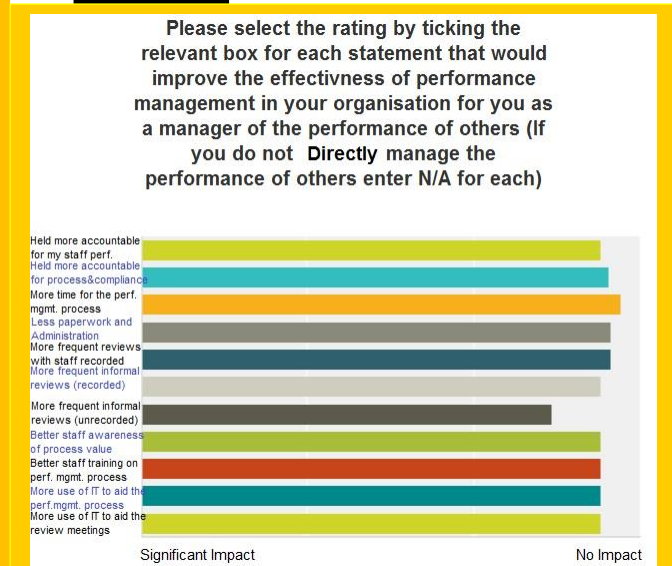
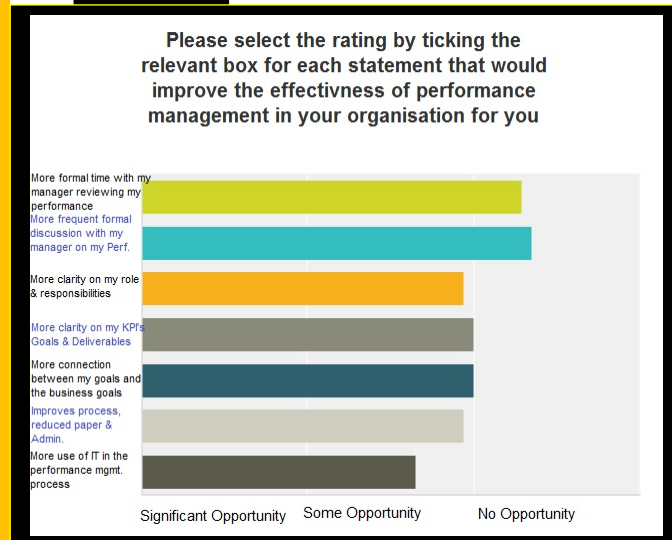
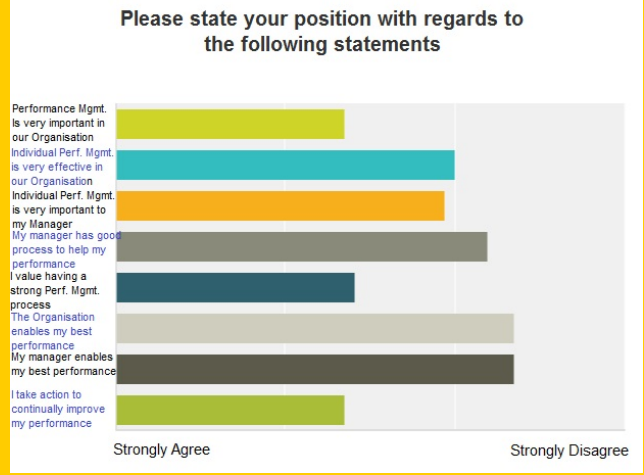
Respondent came from across North America and Europe and the majority of respondents 77% have responsibility for the performance of others, while 23% have a support role such as HR.

## Performance Process Ownership

There is close to a 50/50 split as to who owns individual performance, the individual themselves or their manager. Ownership of the process and its effectiveness lies with the performance manager in 40% of cases, while 30% indicated HR, 24% indicated that the individual staff member owned the process while 6% of organisations indicated no one owned the process. 20% indicated that there was no formal process which suggests that though a formal process may be absent in an organisation, there are still managers who take performance management seriously enough to informally manage individual performance.

## Performance Management Value

100% of respondents indicated performance management was important in their organisation, yet only 67% indicated that the process was effective. 94% of respondents value having a strong performance management process yet only 67% indicated their manager provides an effective process and enables the individuals best performance. This suggests the alignment and engagement between the manager and the individual has a significant impact on performance outcomes.



## Obstacles to Individuals maximising their performance

The major obstacles to individuals achieving their best performance and highest value contribution to the organisation were identified as:

- The culture of commitment to performance management in the organisation.
- Clarity of where their contribution aligns with the organisation's goals.
- The frequency and quality of performance review meetings with the performance manager.
- The time, administration and overhead of the process.

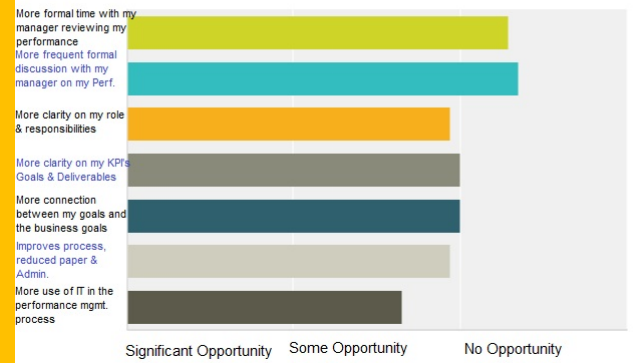
## Our Top 10 CSF's for performance management

- Have an organization-wide culture and process for managing individual, team and BU performance.
- Top down – Bottom up process: Higher level sets global goals & KPI's, and the teams and individuals below set their own objectives and performance standards in line.
- Well defined job/role descriptions included in a career management handbook for all staff.
- Joint review and agreement of SMART<sup>2</sup> goals & KPI's where the connections are made (Individual-Organisation)
- The individual owns their performance the manager supports them.
- Regular formal and informal performance review meetings recorded
- Automate the process so manager and individual can concentrate on the meeting and quality of the discussion.
- Recognise achievements and strong performances formally and informally, in private and as appropriate in public.
- Address consistent poor performers through a special process which turns around performance or moves the individual out of the role.
- Be consistent and fair, plan performance, motivate improvement and remember it's a normalised distribution model, so less than 10% will be either exceptional or fail to meet requirements, most staff should be in a job where the meet requirements and can exceed at a stretch.

Individual performance management does not sit as a standalone process but acts as an integrative feature in the Human Resource System/Talent Management. However the shortfalls identified in the survey have potential to dilute the overall capability of the system and the resulting performance of the organisation.

The opportunities for improvement of the individual performance management system identified in the survey can have a significant impact on outcomes which are further amplified when integrated with other key processes such as Training & Development, Career Management, Recruitment, Progression & Promotion, Benefits management and MIS to name a few.

Please select the rating by ticking the relevant box for each statement that would improve the effectiveness of performance management in your organisation for you



The use of Information Technology in performance management and review in my organisation can be described by the following statements (Tick those that apply)

Answered: 17 Skipped: 0

