



Managing Performance - a critical tool in administration

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Performance management (PM) includes activities which ensure that organizational goals are consistently met in an effective and efficient manner. It is a process by which organizations align their resources, systems and employees to strategic objectives and priorities. Armstrong and Baron (1998) defined it as a “strategic and integrated approach to increase the effectiveness of companies by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors.”

Managing performance is a requirement of every organization that sets out to perform a function. Is there any organization that is set up for no function? The answer is clearly 'no'! Every entity private or public is set up with the objective of carrying out a given function. Therefore every organization should be concerned with how the achievement of its objective is managed. The basis of performance management is assigning responsibilities to job holders at the various levels of the organization and holding them accountable for delivering on these jobs. Hence, governments just like any other organization need to manage performance.

Government departments not only need to delineate their own performance targets but should do so with reference to best practice. Today, with abundance of information and growing awareness, government managers everywhere are expected to become more and more accountable. They have to meet increasingly demanding targets, defined from the point of view of the people their department or agency actually serves. They are also expected to monitor and demonstrate continuous progress.

The Nigerian Public Sector and Performance Management

Bringing it all home, the question is:

- What is performance management to us?
- Who is managing our performance?
- How is our performance being managed?

In Nigeria, the closest we are to performance management in the public sector is the Performance Appraisal. This is done through a uniform appraisal form that is administered to all public sector employees annually, at two levels:

1. Junior Staff
2. Senior Staff

The appraisal form is filled by both the staff and the supervisor and collated by the Human Resources department. The appraisal is expected to be used in determining staff training requirements and promotion.

The limitation of this process lies in the difference between appraising and managing performance. Appraisal, at its best is a part in performance management as we will see next.

Performance Management versus Appraisal

'Employee Performance Management is a process for establishing a shared understanding about what is to be achieved at an organisation level. It is about aligning the organisational objectives with the employees' agreed measures, skills, competency requirements, development plans and the

delivery of results. The emphasis is on improvement, learning and development in order to achieve the overall business strategy and to create a high performance workforce’.

Typically, a performance management process will:

- Link individual employee objectives with the organisation's mission and strategic plans. The employee will have a clear concept on how they contribute to the achievement the overall business objective,
- Focus on setting clear performance objectives and targets linked to expected results, actions and behaviours – Performance Standards
- Appraise performance against clearly defined performance standards,
- Define clear development plans as part of the process, and
- Conduct regular discussions throughout the performance cycle which include such things as coaching, mentoring, feedback and assessment.

Performance Management is an on-going process as opposed to just an annual event.

Performance appraisal on the other hand is simply an aspect of the performance management process and will usually occur at a yearly interval. Performance appraisal at best, describes a process of judging past performance and **not** measuring that performance against clear and agreed objectives. There are typically no objectives which are set in appraisal systems that clearly link to strategic or operational outcomes. Hence managing performance based on appraisal alone will usually result in:

- Poor Understanding of Expectations

Since employee review is not based on clearly defined targets as the evaluation criteria, it will likely result in tensions between the appraisee and the appraiser as they each may be operating based on their personal expectations. Misalignment of expectations will stress relations around the appraisal process. There will also be low level of confidence in the process.

- Subjectivity of Opinions

The review outcome is generally wholly dependent on their appraiser's highly subjective opinion. The process will therefore not achieve a clear result as to who achieved their objectives and who did not.

- Performance Not Aligned to Promotions

Where employees and managers have received favorable reviews that are not aligned to defined standards of performance the organisation will end up has not achieved its overall goals of developing a high performance workforce’.

- Poor Development Opportunities

Most appraisal systems do not feature a competency assessment or an active development plan for the employee. Staff may become disillusioned if they can see no personal development prospects in the system.

Measuring Performance

Traditionally, government managers have tended to sidetrack attention from results and output in favour of measuring inputs, focusing on behaviours and report on historical details, for example date of entry into the service, qualification, date of last promotion and current position. Government organisations should implement quality improvements by measuring output trends, identifying process defects and taking corrective actions. These should reflect in the performance standards.

Given the size and complexity of government departments and statutory sector agencies, the diversity of the processes they perform, and the tangled interdependencies between functions and departments, getting a "customer-centric" view of performance is no easy matter. Never-the-less, public sector just as the private sectors need to address these questions to get into the right track for performance management.

- What is critical for success in meeting goals and objectives?
- What needs to be measured?
- How can it be measured?
- Perhaps most vexing of all, where is the data that will enable you to measure it?

Managing Performance with KPIs

Key performance indicators (KPIs) are indicators used to report progress towards delivery on factors identified as critical to the success of an organisation's goals and objectives. In a progressive environment, KPIs can also serve as tools for change, providing input into process management that will assist in bringing about sustainable performance improvements. Ideally, the identification of KPIs should help to the defining performance standards.

There are five elements that are essential to any KPI-based management system:

1. Clearly defined organisational objectives
2. Measurable performance results that are linked to the overall strategic plan.
3. Program of activities for accomplishing organizational objectives
4. Availability of good cost information and accountability
5. Constant review of KPIs in line environmental dynamics.

Benefits of Performance Management

Managing performance and aligning them to organizational objectives facilitate the effective delivery of strategic and operational goals. There is a clear and immediate correlation between using performance management programs and improved business and organizational results.

Benefits may include:

Direct financial gain

- Grow productivity
- Reduce costs in the organization
- Stop project overruns
- Aligns the organization directly behind the management goals.

Motivated workforce

- Improves employee engagement because everyone understands how they are directly contributing to the organizations high level goals
- Create transparency in achievement of goals
- High confidence in appraisal process
- Aligned development programs.

Improved management control

- Transparent and seamless process
- Simplifies communication of strategic goals
- Provides well documented and communicated process.

Conclusion

Given the staggering difference between appraisal and performance management, should we stay with the former with its limitations as a means of evaluating performance while planning to measure up with the global workforce performance in line with Vision 2020?

Vision 2020 is about building:

- Identity of performance
- Identity of professionalism
- Identity of culture.

This is expected to enable the Nigeria develop a high performance workforce that will not only serve as the backbone for national economic development but will also loop into the global workforce in a seamless integration by 2020. Hence, we will be comparable in competence and delivery with personnel from other high performing countries of the world.

Clearly, with this ambition of the national vision for 2020, this is the time to review our game plan for achieving the vision's target. Aligning our performance measurement system with global best practice entails developing a structured and integrated method for observing and assessing job behaviours and outcomes for systematic improvement of performance. This is definitely one clear means of achieving improvement in our work culture that will bring us closer to our global workforce alignment goal.