PERFORMANCE MANAGEMENT

MODULE-4

Role of Training & Development in PMS

INDEX

Performance Management System (PMS)

- Performance Management System (PMS) is the soul of any process designed for "people management".
- The PMS is a process which is used to communicate organizational goals and objectives, reinforce individual accountability for meeting those goals, and track and evaluate individual and organizational performance results.

- It is the tool or a system to measure the performance of employees in an organization.
- A PMS streamlines the performance management and helps HR (Human resource) to establish clear performance expectations through which employees can easily understand what is expected of their job.
- It allows managers to reinforce on their employees, the individual accountability to meet their goals and evaluate their performance.
- An efficient PMS has several components such as; clear goals and objectives, regular performance reviews, transparent communications, identifying good performance, feedbacks, suggestions, learning, and development.

Role of Training & Development in PMS

- There's a clear connection between training, performance management and the impact an employee has on the company.
- Training can help improve performance management in your workplace.
- Training gives employees a framework of how their job duties and tasks should be completed, and, most importantly, what their managers are looking for. It centralizes knowledge in the workplace.

- Investing in training can be extremely rewarding to the entire business, including its clients and customers.
- There are several benefits to training in a performance management lens, including lower employee turnover, higher employee productivity, higher customer satisfaction and higher profits.

Role of Training & Development in PMS

> ### 1. Human Resource Planning

> ### 2. Induction

1. Human Resource Planning

- Effective human resource planning is vital to ensure training and development needs are met both collectively and individually, and that performance levels are appropriately managed.
- Human resource planning is relevant throughout the employment relationship.

2. Induction

- Once an employee is appointed to role, it is essential that the employer assist him or her to become a fully functioning member of the organization through an induction process.
- An effective induction can reduce turnover, long-term training costs, and improve employee well-being.

Need Identification for Training & Development for Performance Management

Training Need Identification

- The key idea of training need typically refers to a discrepancy or gap between organization expects to happen and what actually occurs.

  - Variations and gaps between employee's skill and skills required for effective current job performance
  - The conditions under which HRD activity will occur
  - Thus it is obvious that need assessment forms the foundation of any training programmed.
  - The main purpose of a systematic exploration of the way things are and the way they should be. The difference is called **THE PERFORMANCE GAP**

Training Need Analysis (TNA)

- TNA focuses more on needs rather than demands
- Also known as Training Need Assessment
- Tool used to ascertain the educational courses or skills that must be made available to the employees and management so as to enhance their effectiveness and management skills
- "Need assessment can be defined as a process for identifying and prioritizing gaps between current and desired results".

Model of Need Analysis / Levels of TNA

1. **Organization / Strategic level analysis** : organization analysis is a process used to determine where training and HRD efforts are need and the conditions within which they will be conducted

2. **Job / task level analysis** : results of the task analysis are typically included the appropriate standards of performance, how task should be performance to meet these standards and the knowledge, skills , abilities and other characteristics that employees need to possess in order to meet the standards.

3. **Individual level analysis** : in this type of analysis, the focus is typically on how well an individual employee is performance his task, i.e. whether he is competent to perform his job well as per the targets / objectives given to him.

There are seven steps of need identification for training and development of performance management.

1) Set clear expectations
2) Monitor performance
3) Ask away
4) Analysis
5) Set up personal development plans
6) Set up focus groups
7) Set up a system of mentoring and coaching.

1. Set clear expectations:

To identify training needs, you first need to set clear expectations for each role within your business. In order to monitor performance effectively you need something to measure against. Review job descriptions when new positions are created, or when making any substantial changes to existing roles, as well as periodically to account for smaller changes.

2. Monitor performance:

Measuring and monitoring performance should be embraced as a means to support employees (not penalize them) and can be a valuable tool to help you identify opportunities for development.

Set clear goals for employees and respond to performance blips on an individual basis. Understanding why performance is off kilter puts you in a better position to respond positively and offer appropriate training.

3. Ask away:

Now this may seem obvious, but gathering feedback from your employees is a great place to start. And we're not talking about traditional employee surveys here - they tended to focus more around business productivity as a whole, rather than individual staff needs.

Ask employees to rate their job satisfaction and performance and what would make it better. Also ask them to comment on your current training programme and whether it's supporting their career goals.

Also ask managers for feedback on employees and compare with employee self-evaluation to identify differences. It is equally useful to ask for employee feedback on managers.

4. Analysis:

An analysis of your business' strategies and goals, as well as an analysis of tasks being performed to achieve those goals should help to identify training needs that are specific to each team and job. Tapping into what's going on under the surface will help you spot where training is needed.

You will be able to identify areas where staff are spread too thinly, or where certain tasks are being duplicated. Training will fall into three categories:

✔ Improving staff knowledge about your industry
✔ Job-related needs
✔ Personal development

5. Set up personal development plans:

Giving employees the opportunity to work on personal development can have a profound effect on their motivation and how much they feel invested in your business.

Setting up personal development plans that you review on a regular basis improves communication and will also help you to identify any relevant work-related training needs.

6. **Set up focus groups:**

Focus groups are a useful starting point in identifying training needs within your business. A focus group looks at a cross-section of employees within the business under the guidance of an expert facilitator.

This is a useful way of gathering employees' views and opinions about current training and how to improve what is on offer. Focus groups also help to demonstrate that you are genuinely interested in your employees' opinions.

7. **Set up system of mentoring and coaching:**

Closely aligning staff with a mentor will help to develop skills, and in the process identify any additional training and development needs. Mentoring programmes are a great way of helping employees succeed in their careers.

Rewards and Recognition

- Rewards and Recognition is a system where people are acknowledged for their performance in intrinsic or extrinsic ways.
- Recognition & Reward is present in a work environment where there is appropriate acknowledgement and appreciation of employees' efforts in a fair and timely manner.
- This includes appropriate and regular financial compensation, as well as employee or team celebrations, recognition of years served, and/or milestones reached.

Rewards

- Reward can be defined as something that is perceived as beneficial or advantageous to a particular actor's interest.
- A reward can be defined as any positively perceived physical, economic or social cosequences.
- Reward management is an integrated process that deals with the strategies, policies and practices required to ensure that the value and contribution people make to achieving organizational, departmental and team goals is recognized and rewarded.

Types of Rewards

- Typically, the rewards can be divided into three main categories-

  1. **intrinsic versus extrinsic rewards,**
  2. **non-financial versus financial rewards,**
  3. **membership versus performance-based rewards.**

1. Intrinsic versus Extrinsic Rewards

- Intrinsic rewards are the rewards that are non-tangible but yet results in **higher levels of job satisfaction**. Some examples are- an impressive job title, career growth, personal achievements, praises, etc.
- Extrinsic rewards are tangible rewards that employees receive upon doing good work. It includes bonuses, raises, gifts, etc.
- Intrinsic rewards make employees feel valued in a company. Similarly, extrinsic rewards focus on improving employees' performance through appreciation. It's necessary to find a balance between extrinsic (performance) and intrinsic (motivation).

2. Non-financial versus Financial Rewards

- Financial rewards work by positively contributing to the overall employees' financial wellbeing. It includes bonuses, salary raises, etc.
- Non-financial types of rewards do not provide any financial gain to the employee. Instead, it focuses on appreciating employees through employee benefits. Gym memberships, parking spaces, gift cards are a few examples.
- Non-financial rewards are more feasible for companies to reward employees mainly because:

  - Long-term effects as compared to financial rewards: Employees are more likely to keep enjoying the benefits. However, financial rewards give one-time satisfaction.
  - Employees feel more comfortable about discussing their rewards with their peers.
  - For the same performance, financial incentives require higher investment.
  - It's a more affordable option for small businesses and startups.

3. Membership versus Performance-based Rewards

- Performance-based rewards are allocated based on the performance of an employee in a company. Performance-based rewards are given in pay plans, incentive systems, group bonuses, or commissions.
- Membership-based rewards are given in the form of benefits and services provided to the company's employees. For example, it might be in the form of the annual Christmas bonus, company retreat, upgraded office furnishing, etc.

How a reward system operates:

Reward strategy – Deciding policy, procedure, practice, process for longer term

Reward policy – Guidelines for decision making

Reward practice – Structure and scheme to implement above two

Reward processes – Ways in which policies are implemented and practice are carried out

Reward procedures – For maintaining the system

Components of reward system:

1) Financial Reward
2) Non-financial Reward
3) Reward policies
   ✔ Level of Rewards
   ✔ External competitiveness versus Internal equity
   ✔ Protection policy
   ✔ Transparency

(4) Psychological satisfaction

Recognition

- **Recognition is defined as the act of identifying someone or something because of previous knowledge, or to formally acknowledge someone.**
- An example of recognition is when you spot a familiar face in the crowd who is someone you met before.
- An example of recognition is when someone is given an award to recognize and honor his service.
- Employee recognition is the act of identifying and rewarding individuals in the workplace for their contributions, improvements and work ethics.
- Recognition provides motivation and reassurance for employees to meet and exceed expectations.
- Showing awareness and appreciation for employees and their work creates an environment that encourages improvement and communicates the value of individuals' contributions to the company.

8 types of employee recognition

- Here are eight types of employee recognition to motivate and uplift employees:

1. Bonuses

- Bonuses and monetary recognition show an employee the value placed on their work. Giving small bonuses when an employee achieves a goal or shows a high level of performance can help create an environment of spontaneous praise and motivation.
- Seasonal bonuses and monetary rewards, such as commissions, also show appreciation and the value of an employee's work.

2. Written praise

- Written praise such as a thank-you letter or email message offers a tangible and personalized note of gratitude and recognition.
- This form of recognition is easy to produce and offers words of affirmation that assure employees of the impact of their contributions.
- Written praise encourages employees who value encouragement and benefit from a concrete and direct reassurance of their impact.

3.Verbal praise

- Verbal praise is when an employee receives in-person praise for their work.
- Small recognitions, such as a thank you when submitting work or completing tasks, show employees that others see and appreciate their work.
- Verbal praise also includes a public or private declaration of appreciation, impact or improvement.
- Peers, leaders and supervisors may offer verbal praise of others in a group or one-on-one meeting.
- Verbal affirmation and recognition benefits individuals whose motivation comes from seeking approval and validation.

4. Formal recognition

- Formal recognition occurs in many forms and typically follows a schedule or set structure.
- Awards, such as an employee of the month, an employee of the year and work anniversaries, are formal forms of recognition.
- Knowing the structure and routine of these awards keeps employees interested in striving to earn these types of recognition.
- Formal recognition can benefit individuals who have competitive mindsets and motivation to earn awards.

5. Informal recognition

- Informal recognition can occur sporadically and provides constant reassurance of the value and efforts that an employee offers.
- Informal recognition includes small and unplanned notes, messages, declarations or gifts for employees who exceed expectations or work on extra projects.
- Small and informal displays of appreciation convey to employees that their work impacts the company and creates a constant sense of gratitude between the employee and the employer.

6. Peer-to-peer recognition

- Peer-to-peer recognition is when employees on the same level or in the same department offer praise to each other.

- A peer may publicly or privately praise a coworker for their work, help or general attitude.
- Knowing that your peers recognize your actions and attitudes motivates you to maintain and improve how you work with others.
- Peer-to-peer recognition encourages employees who wish to establish and maintain good relationships with their coworkers.

7. Leader-to-team member recognition

- When a leader recognizes and praises the work of a team member, they create a positive environment and encourage their team to recognize each other's work and impact.
- Receiving praise and positive confirmations from a leader promotes an employee's desire to continue their work and to strive for even greater achievements.
- Team members often look to their leaders for encouragement and approval.
- Leaders who provide recognition establish a positive environment and relationship within their team.

8. Day-to-day recognition

- Day-to-day recognition includes the small but meaningful comments or messages that display appreciation and awareness of each employee's contribution.
- Ending meetings with a thank you to all participants or sending messages thanking individuals for completing their tasks shows you appreciate their work.
- Adding positive comments or messages when collaborating or offering feedback also creates an atmosphere of uplifting and constructive feedback rather than criticism.
- Small and simple messages expressing gratitude or highlighting exceptional performance keep employees constantly assured and motivated.

Difference between Rewards and Recognition

- Rewards are tangible perks, whereas recognition praises an employee's accomplishments through verbal and nonverbal communications.
- It's important to note that rewards are in addition to—not a replacement for—an employee's salary and benefits.

Why are Rewards and Recognition Important?

- Many organizations are feeling the repercussions of the Great Resignation and looking for ways to make their employees feel valued.
- While benefits like health insurance remain the most attractive for candidates during recruitment efforts, rewards and recognition can be instrumental in keeping current employees engaged and motivated.
- According to the Journal of Applied Behavioral Science, actions that demonstrate appreciation and affirmation in a work environment can promote employee engagement and performance.
- It is important for organizations to nurture engaged employees as they are often the most motivated and produce higher quality work.
- In addition, turnover is costly and organizations can save time, money, and stress by keeping high-performing employees on their team.
- Remember, employees want to feel recognized for their hard work and their contributions to the organization.
- Adding consistent rewards and recognition to your organization's retention strategy can have an immense payoff and help employees feel appreciated.

What are Examples of Rewards and Recognition?

- **Since rewards are usually fixed, employees typically know what to expect when accomplishing specific goals. The following are examples of rewards:**

    1. **Monetary rewards.** A lot of times, monetary rewards mean gift cards. This could be a specific gift card to a team member's favorite business or a more generic VISA or American Express gift card.
    2. **Food and treats**. A common way for organizations to show their appreciation for employees is through food and treats. There are many ways to provide this reward through office snacks, catered lunches, or company dinner parties.
    3. **A trip.** Organizations can take it further and provide an all-expense-paid trip for their employees. This could be a company-wide trip or a

special reward to an individual employee for going above and beyond in special circumstances and/or tenure and achievement.

4. **Extra time off.** A great way to reward employees for their hard work is by giving them paid time off. Time off is a great way to recharge motivation after a busy season, and employees love the time to themselves.

- **Recognition is often more frequent, less expensive, and less formal. The following are examples of recognition:**

1. **Congratulating an employee during a company meeting** for accomplishing a task or overcoming a work obstacle can make an employee feel valued in front of the organization.
2. **An email or note** applauding an employee's efforts is a personal gesture that can make them feel validated and valued.
3. **Posting recognition** on company social media or internal company chat channels is an easy and effective way to boost morale among team members, especially if your team is still working remotely. At BerniePortal, our managers and team members post virtual recognition notes, called "High 4s," on our internal messaging system and in our company newsletter.

Team Performance

- Team performance management is essentially concerned with regulating the structure, environment or course of movement of a team with a view to improving the effectiveness of the team.
- Team performance management is primarily concerned with achievement of team's key business goals.
- It links two important factors:
    - Team building enablers
    - Performance outcomes

- A team is a dynamic system of interrelationships between groups of people, linked to a common purpose. Teams exist to produce results.
- The nature and measure of results vary from team to team, yet ultimately all teams are evaluated on their ability to produce results over time.
- Although there are times when a team must stay focused on the task, deadline and deliverables, the intensity of that focus is not sustainable.
- Burnout is predictable and eventually leads to disappointing results.

Effective team performance management will require you to:

- Set and communicate clear goals, objectives and standards of performance so that everyone knows what is expected.
- Have mechanisms in place to monitor performance vs. agreed performance standards and progress towards goals and objectives, and correct as needed

- Priorities and monitor delivery of what is urgent vs. what is important

- Develop the team's as well as individual skills and capabilities

- Put processes in place to help the team continuously improve their performance, and learn from experience and mistakes

- Recognize and reinforce success

Steps to improve the team performance:

1. Set and track attainable goals.

- First, you have to step back and think about what exactly you want your team to be working on. Define key goals and take into consideration your team's capacity to execute on them. Make sure you have processes in place and consider HR workflow software, to track your progress.

- In the meantime, don't forget to keep the goals attainable. Assigning one large project even with a reasonable deadline could be overwhelming. Alternatively, breaking large projects into smaller iterations shows clear progress and motivates teammates as they move toward the final product.

2. Clarify roles and tasks

- The next step is meeting with your team members one-on-one to communicate the priorities and expectations for their roles.
- First of all, describe the top two or three high-priority tasks you want them to focus on. Then estimate the time your employees should devote to these tasks. At the same time, help them understand the quality of the work you are expecting.

- Then make sure to explain the result you are trying to achieve.
- And finally, get out of their way—give your employees the freedom to work in the best manner possible.

3. Give and receive feedback

- According to experts from US Essay Writers, you need to develop a culture of trust in your team, providing constructive, meaningful feedback on a regular basis.
- For instance, ask about the challenges your employees face, how you can help them slice their time more effectively, and whether they need more resources.
- Don't hesitate to use the following questions in order to make the feedback process easier:
    o Are the established objectives still relevant?
    o Is there any progress on the work? If not, why? Do some digging to uncover the root of the problem.
    o Is the workload achievable and manageable?
    o Performance management software helps make sure the process is effective and all employees are performing to the best of their ability.

4. Don't let meetings ruin your productivity

- Improve the way you run meetings. Although meetings have a bad reputation in terms of performance, you definitely need them to share information and make decisions.
- Invite only those people who need to be involved, create a goal-oriented agenda, and sum up every meeting with clear resolutions.
- As a consequence, the number of excessive meetings will gradually decrease.
- Don't be afraid to experiment. As an illustration, hold a stand-up or walking meeting.
- Even if a positive shift in team productivity is not quite obvious, you will definitely benefit your health.

5. From an adobe of idleness to a space of performance

- Reorganize office space if employees are uncomfortable with the present layout. How exactly should you do it? Well… Only your team and your type of workflow know the answer.
- For example, you can invest in office cocoons. Distractions are one of the biggest productivity killers. That's why creating comfortable spaces for people to take shelter in, helps them stay focused in the office. Or supply your workers with stand-capable workstations. A study from the Texas A&M Health Science Center School of Public Health found that workers with this type of desk were about 46 percent more productive than those with traditional, seated desk configurations. It is *your* workspace at the end of the day. So arrange it however you believe will keep your creativity flowing.
- The more aware and engaged your employees are, the more productive! Consider employee engagement software to optimize that connection with those who work for you.

6. Enhance productivity by communicating effectively

- One of the keys to working more efficiently is to get a single communication system. This idea is supported by the fact that almost half of US workers prefer to communicate with colleagues online, saving on productivity.
- The ideal communication system for your company is a team messenger. Every team can find the best solution depending on its needs. It will be the universe of your team where you won't get distracted by chatting with relatives or friends.

7. Bring all the projects your team's working on under one roof

- Teamwork may become messy and mixed up without a centralized space to manage projects.
- In the same way, collaboration software is especially important if your coworkers are located in different offices and work remotely.
- The problem is that it can be easy to become confused about where all project data is located, who is doing the tasks, how far along they are in the process and how much work is left.

- Having a real-time planning tool that is accessible from everywhere, your team won't get sucked into hours of meetings and email correspondence.

- Project management software such as Basecamp or droptask can help you coordinate all the activity in one easy-to-manage, web-based tool.

8. Measure everything

- If you can't measure it, you can't improve it. So keep an eye on the metrics that matter for your team.
- For instance, analyze recent changes in productivity, sales and income, or inspect the latest staff retention rates.
- What you should remember is that improving internal communication brings long-term returns.
- But as a manager, you should understand the halfway results. If you are not satisfied with them, try to utilize other tactics on improving team communication. Otherwise, if you notice a positive trend, scale your efforts.

9. Don't overdo...

- Less is more. There can be too many tools, tips, or tactics the company utilizes at the same time.
- Eventually, every company should unify the software its workers use and the productive pattern of workflow. Without pre-established business processes at the office, productivity becomes hindered, instead of getting improved.

10. ... and don't stop

- Productivity is never an accident. If you swing like a pendulum while trying to improve your team productivity, the only goal you'll reach is wasted time.
- In order to grow productivity at the workplace, you need to constantly monitor your company's workflow, and never stop.

Factors affecting Team Performance

- Location & Distance
- Leaders
- Members
- Maturity
- Harmony & Conflict

Tools for effective management of Team Performance

1. Delegation of Authority

2. Project monitoring & evaluation

3. Dealing with stress at work

4. Using information technology efficiently

Summary

- Productivity is not just about focusing on remarkable proficiency.
- It is not all about perfectly managing every minute of the day either.
- Productivity is a complex process, involving multiple corporate disciplines. But as long as you take into account the aforementioned tips, you will be able to change your team performance for the better.

Performance Management linked Reward System

- Performance-linked reward systems **reduce labour cost, result in increases in real wages and motivate performance**. They provide a method of absorbing cost escalation on account of pay increases and thus help in sustaining competitiveness of the organisation.
- In order to make rope useful for long-run, its ends need to be joined by a strong knot. Similarly, retaining employee for long duration, their performance should be coupled with compensations.
- Thus, in order to be compensated well, an employee needs to perform well.
- This practice of linking performance with compensation is popularly known as "pay for performance" or "performance related pay" or "PRP".

- An increasing number of successful, large organizations are achieving better results, and greater employee engagement, by linking reward directly to performance.

- This approach is no longer just for salespeople. Instead, it can be highly effective at all levels, and in all functions of an organization. But to be successful, it has to be implemented correctly.

- It's important to realize that there is no 'one-size-fits-all' approach to developing a performance-based reward culture. To be successful, you have to customize and tailor a system that's unique to your business needs and existing HR processes.

- The HR professionals who contributed to this guide believe the answers to the following questions provided invaluable feedback in setting expectations, and shaping a meaningful performance-based reward culture.

  o Are the tasks that people are working on moving the organization forward? How can you tell?

  o Are your managers engaged with your employees throughout the year to make sure they carry out, and achieve, their objectives?

- o Are individuals delivering against what's expected? Who is, and who isn't?

- o Are you objectively ensuring that bonuses, salary increases, and promotions, are given to those high-performing individuals that you can't afford to lose?

- Performance-based reward is not about management setting up a system, and employees simply following suit. There are key psychological and emotional realities that have to be in place. In fact, it's common for organizations to ask the right questions and build the right system without thinking about the 'human side' of performance pay.

- Therefore, for a performance-driven culture to be successful, it's important to gauge the attitude of your employees. In general, employees have to:

  - o Desire higher pay;

  - o have the skills and capabilities to improve performance; and

  - o Trust their employer to administer the scheme fairly, and pay if they improve their performance.

- These become incentives for employees to buy into a performance-based reward system - something seen as essential by companies who have successfully implemented one.

- By integrating these elements into your HR processes, your organization can establish a true performance-based reward culture

- The result is a more energized and engaged workforce, who clearly understand how their contributions affect overall success, and know they're being rewarded fairly for their efforts.

- The overall business results can be enormous,
  with:

  - o Retention of top talent;

  - o Higher levels of performance throughout your organization; and

  - o Greater revenue and profits

Objectives of Performance Management linked Reward Systems

- Stimulating high level of performance by connecting with performance to pay.
- Embedding high performance culture across the organization.
- View of justice & equality

Why Link Reward to Performance

- To connect two ends of the rope, a knot is required; to make it lengthy and useful for long run.
- Likewise, the tie up between the reward and performance should be made for employee retention and their commitment to work, which ultimately improvise the contributing factor of the employee.
- Employees should perform well to be rewarded and the approach designed for this is "Pay for Performance".
- Apart from the base pay, which is based on job description, a variable pay should be announced for their outstanding performance.
- Although the pay raise motivates the employees to an extent, ultimately they want them to be appreciated and recognized in a society for their work, here comes the employee recognition program.
- Many employees become less committed to work not because of their low pay structure, but for the lack of recognition.
- Both types of rewarding system should be ensured for higher motivation, retention, engagement and job satisfaction.
- A simple example for performance based reward system can be best explained by the game of cricket.
- When a bowler or batsman performs well in a match, his performance is rewarded by the cricket council through the title "Man of the Match" and cash award.
- It motivates the winner and also the team players to perform well for their team.

Types of Pay-for-Performance Plans
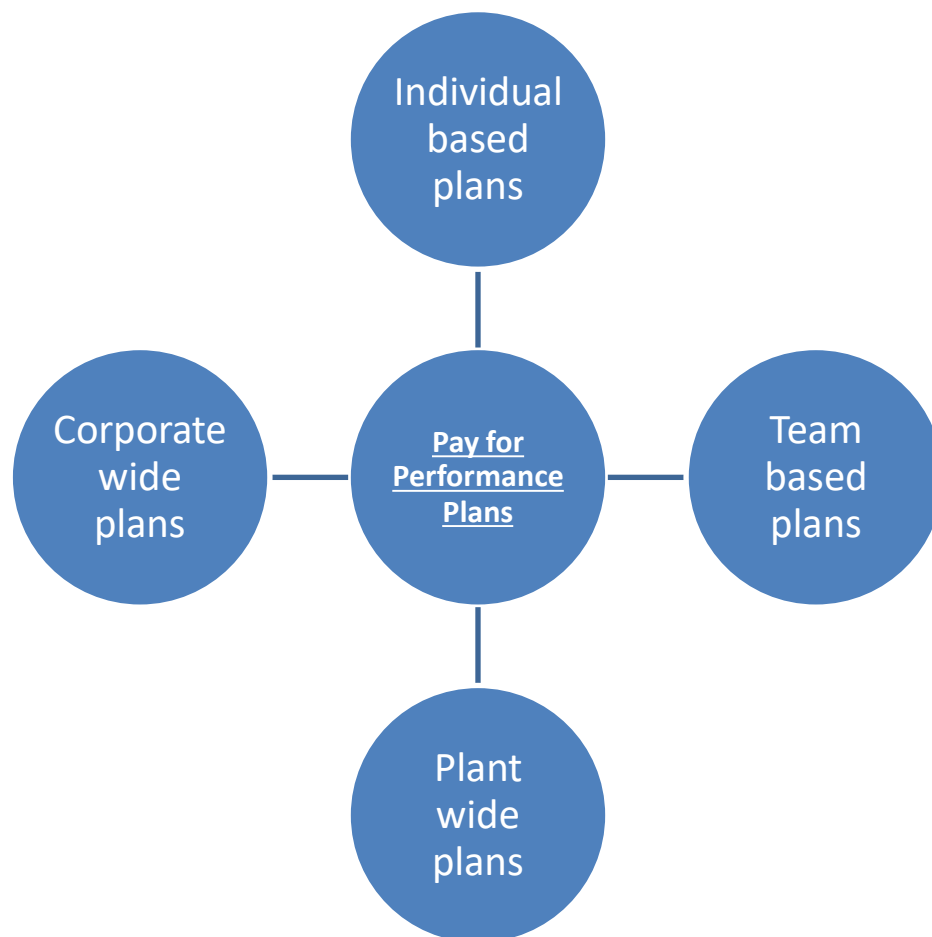
1. Individual based plans

- At the most micro-level firms attempt to identify and reward the contributors of the individual employees.
- Individual based pay plans are widely accepted today and most of them contain provisions that encompass corporate and group objectives.

- But what makes them truly individual plan is the fact that the actual awards to employees are differentiated based on individual performance criteria.
- Various individual based plans are as follows;

  o **Merit pay –** consists of an increase in base pay, normally given once a year.

  o **Bonus –** are given on a one time basis

  o **Awards -** it is like bonuses, are one time rewards but tend to be given in the form of a tangible prize such as paid vacation, or a dinner for two at a restaurant.

2. Team based plans

- Team based pays normally reward all team members equally based on group outcomes.
- Various forms of team based plan are as follows;

  o **Priest man's production bonus plan** – in this plan group of experts set the standard performance in terms of number of units for the whole work to be carried out by a group within a specific period. Employees are entitled to a bonus computed on the basis of the excess production achieved by them.

  o **Cost efficiency bonus plan –** under this plan, a predetermined percentage of the savings is distributed in the form of bonus to the employee.

  o **Towne plan –** this method considers the savings in labour cost alone for determining the rewards payable to the group.

3. Plant wide plans

- It rewards all workers in a plant or business unit based on the performance of the entire plant or unit

- Plant wide pay are generally referred to as gain sharing programs because they return a portion of the company's cost savings to the workers, usually in the form of a lump sum bonus.
- Three major types of gain sharing programmes are used;

   o **Scanlon plan –** provides a financial reward to employees for savings in labour costs that result from their suggestions.

   o **Rucker plan / Share of Production plan –** it commonly represents a type of programme that is used as an alternative to the Scanlon plan in firms attempting to move from a traditional style of management towards a higher level of employee involvement.

   o **Improshare –** here employees do not have scope for participation, or involvement but managers in the process of improving production and efficiency consult them. Employees are offered bonus compensation if that consultation process results in the organization making profits.

4. Corporate wide plans

- It is based on the entire corporation's performance.
- The most widely used programme of this kind are as follows;

o **Profit sharing –** based on predetermined economic sharing rules that define the split of gains between company as a principal and the employee as an agent.

o **Stock options –** options granted by a company to its employees as a compensation for work.

o **Employee Stock Ownership Plan (ESOP) –** ESOP is a defined contribution employee benefit plan that allows employee to become owners of stock in the company they work for.

Advantages of Performance-based Rewarding approach

- An effective Performance-based Rewarding approach can bring out multiple benefits to an organization and employees,

    1. Decreased attrition rate, which empowers employee retention in long run and commitment. Due to decreased attrition rate and increased employee retention, recruitment cost is less which helps in the financial stability of the organization.
    2. Motivate employees to perform better, aligning with the organizational goals. Employees get a clear insight of what should be done to meet the goals.
    3. Employee involvement (Participation Management) is increased which results in autonomy, more productivity and satisfaction. Employees feel that they are part of a big success, enabling more confidence and innovation in work.
    4. Rather than working on routine jobs, employees volunteer to work on challenging jobs to increase their recognition levels in the working society. It enforces healthy competition among individuals to perform better.
    5. Employee gets a chance to learn and enhance their skills, which highlights their development in career.

- For the real success of the system, it should be implemented without any bias or oversight.
- When employees perform well, he should be acknowledged rightly by the supervisors.
- HR department should not make this process to follow over a night; its importance has to be stressed to the supervisors and employees at all levels.
- When a perfect system is implemented, it results in higher retention of talented employees and greater profits to the organization.

Dis-Advantages of Performance-based Rewarding approach

1. Non assured motivation
2. Reliable on performance management
3. Need for training
4. Unsatisfied performance evaluation

Role of HR Professionals in Performance Management

1. Measuring/Evaluating Dimensions
2. Keeping leaders focused
3. Linking job descriptions to Performance Management
4. Implementing performance management for staff
5. Linking compensation to performance management
6. Matrix management and performance management
7. Keeping the system alive

1. Measuring/Evaluating Dimensions

- It is the most difficult part of performance management, and for good reasons.
- A dimension represents new level of discussion.
- The accuracy of the evaluation is dependent on the quality of the data gathered.

- Another important element in successfully measuring dimensions is describing appropriate key actions/behaviors in the performance plan.

2. Keeping leaders focused

- Keeping leaders appropriately focused on performance management can prove difficult.

3. Linking job descriptions to Performance Management

- Having direct links between job description and individual performance plans and appraisals is critical in some industries and can have legal implications.

4. Implementing performance management for staff

- It is much the same as implementing the system for managers for most organizations.
- When there is virtually no latitude for the employee, the time and energy devoted to the preparation of performance plans maybe unnecessary energy.

5. Linking compensation to performance management

- Another major challenge is establishing link between compensation and performance management.

6. Matrix management and performance management

- Dual reporting relationships, such as in a matrix organization, offer special challenges with regards to performance management.
- An individual may report to both a functional and project manager.

7. Keeping the system alive

- The greatest challenge for many organizations is keeping the performance management system viable after the first year or two.
- It is important to periodically monitor the system.

Ulrich's four role model

1. **Strategic partner**: improves and bring into line strategies with business. Helps line managers in solving organization, people and change-related issues. Contributes to management team's strategic decision-making. Nurtures systems thinking, customers focus. Strategically manages workforce development.

2. **Administrative expert**: creates and delivers effective and efficient HR processes and services tailored to unique business needs. Manage people and HR related costs. Ensures internal and external customer focus. Put on information technology to briskly deliver quality HR products and services.

3. **Change agent**: comprehends the organizations culture and what is real and unreal. Institutionalizes change capability within the organization. Assists line managers to lead and facilitate change. Act as a consultant in organizational effectiveness. Enhances management development.

4. **Employee champion**: change strategies and aids implement actions that improve human capital contribution. Helps build workforce commitment. Safeguards reasonable, moral, and impartial people processes and practices.

Potential Appraisal & its linkage to Performance Management

- Potential appraisal is a future-oriented appraisal whose main objective is to identify and evaluate the potential of the employees to assume higher positions and responsibilities in the organizational hierarchy.
- Many organizations consider and use potential appraisal as a part of the performance appraisal processes.

- Potential appraisal is a powerful tool for employee development. Potential Appraisal is the process that involves tracking of unrevealed talent, skills and abilities in a person and making it tangible.

- It is an appraisal that is futuristic in approach and considered as a potent device for employee advancement. Potential appraisals identify and evaluate the employee's potential to help him rise in the organizational structure.

- Managers use it as predictors to determine the required potential of employees to assign added responsibilities in the future. It helps to foresee

the future, in order to guide and direct individual performance towards the achievement of individual goals and organizational growth.

- Many organizations appraise their employee's potential as part of the performance appraisal processes. Potential appraisal data is extremely useful for career planning, as it captures the latent abilities of an individual and links with the future role and responsibilities.

- Thus, Potential appraisal assesses an employee's strengths and weaknesses with the objective to use it as a predictor to determine his future performance.

- **Generally, a performance management system includes the following actions.**

  o Developing a clear job description
  o Selecting right people with proper selection process
  o Negotiating requirements and accomplishment-based performance standards, outcomes, and measures
  o Making provisions for effective orientation, education, and training
  o Providing on-going coaching and feedback
  o Conducting quarterly performance development discussion
  o Designing reinforced compensation and recognition systems that reward people for their contributions
  o Providing promotional avenue and career development opportunities for staff
  o Assisting with exit interviews to understand the reason for which valued employees leave the organization.

Purposes of Potential appraisal linkage with PM:

- To advise the employees regarding their overall career development and future job prospects
- To chalk out succession plans
- To motivate the employees to develop their skills and competencies further.
- To identify the training needs of employees

Techniques of potential appraisal linkage with PM:

- Self – appraisals
- Peer appraisals
- Superior appraisals
- MBO
- Psychological and psychometric tests
- Management games like role playing
- Leadership exercises etc

The following are some of the steps required to be followed while introducing a Potential Appraisal System:

(a) Role Descriptions:

Organizational roles and functions must be defined clearly. A good potential appraisal system would be based on the clarity of roles and functions associated with different roles in the organization. This requires extensive job descriptions to be made available for each job. These job descriptions should spell out the various functions involved in performing the job effectively.

(b) Qualities Required:

Based on Job Descriptions, the roles to be played by employees should be prepared (i.e. technical, managerial jobs and behavioural dimensions)

(c) Rating Mechanisms:

Besides listing the functions and qualities, the potential appraisal system must list mechanisms of judging the qualities of employees such as- rating by others, Use of various psychological tests and games, technical knowledge and skills and performance appraisal records maintained.

(d) Organizing the System:

Once the functions, the qualities required to perform these functions, indicators of these qualities, and mechanisms for generating these indicators are clear, the

organization is in an effective position so as to establish and operate a potential appraisal system.

(e) Feedback:

If the organization believes in the development of human resources it should attempt to generate a climate of openness. Such a climate is required for helping employees to understand their strengths and weaknesses and to create opportunities for development. A good potential appraisal system should provide an opportunity for every employee to know the results of assessment and should also help in order to understand the qualities actually required for performing the role for which the employee thinks he or she has the requisite potential.

Potential Appraisal – Requirements for an Effective Appraisal System

- Potential appraisal contributes a lot to the development of organization and employees as well. So, it needs to be effective to help organization achieve its goals.
- **Effective potential appraisal system can work well in following situations/conditions:**

1. **Top Management Active Support:**

If, the Chairman/Executive Director of organization takes personal interests and gives active support for implementation of the potential appraisal system, this system can work effectively. The senior, middle and junior executives become prompt and serious to make the review process smooth, regular as they know top management keeps records of functioning of this activity, and lapse/neglect of any officer in this regard is communicated to the higher management.

2. **Corporate Policy:**

Organization should have detailed, clear policy with regard to introducing a system for reviewing potential of employees. Absence of incorporating such system in organization's policy most executives take it casually and do not attach importance for its effective working.

3. Existence of Congenial and Conducive Work Atmosphere:

If, good working situation exists where mutual understanding, faith and confidence are established between boss and subordinates, potential review may be meaningful and may make assessment proper and accurate. So, this is an essential requisite for effective potential appraisal system.

4. Healthy Organizational Culture:

Effective potential review requires a healthy culture in the organization where climate of openness, collaboration, trust, autonomy, pro-action exists. Such culture promotes values and develops a 'sense of we-feeling', 'togetherness' and 'belongingness'. All this helps to make unbiased assessment of employee potential.

5. Detailed Job Descriptions:

Organization should have thorough and detailed job descriptions for each job and the functions involved in performing the jobs. If, each job has clear job descriptions, the functions to be performed can be identified, and through potential appraisal mechanism it can be ascertained whether employees are available to perform.

6. Qualitative Traits for Each Job Role:

For effective potential appraisal system organization should ensure that each job role has clear specification as to the nature, extent and type of qualitative traits required to perform function of such job.
Qualitative traits may be –
i. Managerial skill and abilities
ii. Technical knowledge, skill, capabilities
iii. Human skill
iv. Conceptual skill.
If, it is clearly listed out the type of skill, level of competence etc. required for each function potential appraisal may make accurate assessment.

7. Rational and Effective Methods Used for Ascertaining Qualitative Traits:

For implementing potential review system organization should have rational and effective methods in practice to measure qualitative traits of an employee in a particular job. Such methods may be assessment centres, development centres, performance review records, simulation exercises etc.

7. Existence of Practice to Conduct Feedback Programme:

To make potential appraisal system effective, organization should have a programme for giving feedback to the employees in respect of their strengths and weaknesses and to help them develop weak areas. If, employees can come to know about the level of potential through feedback, they can develop perception about themselves and prepare their career planning and development programme accordingly.

Potential Appraisal– Advantages for the Organisation and Individuals

i. Advantages for the Organization:

1. It enables the organisation to identify the future leaders at various levels.
2. Organisation gets a pool of recognised persons for future vacancies.
3. Corrective actions can be initiated well in time to steer and guide the individuals.
4. Motivates others to perform equally well as the identified potential leaders who set standards.
5. Company can get rid of employees with below average potential.

ii. Advantages for the Individuals:

1. Motivates individuals to perform still better.
2. Helps in dealing with weaknesses to achieve desired results.
3. Forces individuals to ensure maintaining of their performance level to a high degree of proficiency.
4. Helps career planning.
5. Those with low potential in a particular job can plan for a career where there are better chances.

Performance Agreements

- A performance agreement is a method of establishing expectations and accountability for meeting a set standard of execution excellence -- and the consequences for not meeting them.
- Two or more parties agree on the actions the performer will execute and agree on the expected results from executing those actions.
- Oftentimes, there are consequences if the performer doesn't deliver as agreed.
- The agreement provides the basis for managing performance throughout the year and for guiding improvement and development activities.
- The performance agreement is used as a reference point when reviewing performance and the achievement of improvement and development plans.

- Performance agreements are likely to vary in title and structure from agency to agency. They are developed collaboratively between the employee and their manager, and are used to record the performance objectives for the upcoming period and results of the formal performance review.

- When establishing performance expectations, the overall objective is to come to an agreement that supports your organization's strategy. For individual performance goals, the objective is real, measurable improvement so that the person is in a position to help move the company forward.

- Performance agreements must clearly state agreed-upon objectives and how these will be measured. Document these things to help you avoid future disagreements about exactly what you expected the person to accomplish.

- The performance agreement is a legal document that sets performance expectations and obligations within a company, as well as the consequences of not meeting them. An effective performance agreement should:

  - Outline business needs

  - Be achievable and relevant

  - Hold employees and employers to account

  - Be fair to all participants

- Major companies often use performance agreements to motivate employees but also to prevent newly hired workers from developing bad habits. Once the employer sets job expectations, the employee has the opportunity to object before promising to fulfill them.

Key Components of a Performance Agreement

- The key expected results (KERs) set or updated for the next performance period
- Prioritisation of high and lower priority tasks, including timeframes for completion of tasks
- Standards of behaviour expected
- Identification and appropriate resourcing of the training and career development activities that support the employee's current duties and career aspirations
- Details of Work Agreements agreed
- Details of leave plans agreed
- Other matters that may impact on business outcomes such as study, a graduated return to work program or outside work
- Other matters that may impact on the achievement of goals set

An effective performance agreement:

- Reflects business needs.
- Is achievable and relevant.
- Outlines authority and accountability.
- Can be evaluated or measured.
- Is fair.
- Holds people to account.

Terms and Conditions of the Performance Agreement

- While some terms may vary depending on the business, every performance agreement should include the following sections:

Performance Agreement Sections	Description
Employer and employee information	- Employee's name, title, and position - Manager's name - Date of the agreement
Goals statement	The employee states their goals and expectations for the following period
Work performance expectations	The manager lists his or her expectations based on the employee's responsibilities
Individual behavior expectations	The manager and the employee present their expected code of behavior
Employee statement	The employee makes a statement confirming they understand the terms and conditions of the contract and agree to them

Performance agreement template

Employee: (insert employee's name here)

Role: (insert employee's role here)

Date: (insert date here)

Review dates

Task/responsibilities	Key outcomes	Actual Performance
(List the tasks and areas of responsibilities relevant to the position here)	(Describe what doing the job well looks like here)	(Comments on performance as at review dates here)

Employer Signature:

Employee Signature:

Why Are Performance Agreements Important?

Performance agreements are beneficial for both the company and employees. **Some of its greatest advantages include:**

- Encouraging open communication

- Aligning company and individual goals

- Providing a realistic objective and a fair method of measuring performance

- Strengthening trust and understanding between the management and employees

- Establishing a system to follow performance and make development plans

- Making performance a shared responsibility between managers and employees

Performance Reviews: feedback – e-PM

- A performance review, also called a performance appraisal or performance evaluation, is a formal assessment in which managers evaluate an employee's work performance, identify strengths and weaknesses, offer feedback, and set goals for future performance.
- In the past, many organizations held performance reviews annually for the entire workforce; however, more and more companies are moving toward a frequent feedback performance management system in which managers conduct reviews quarterly, monthly, or even weekly
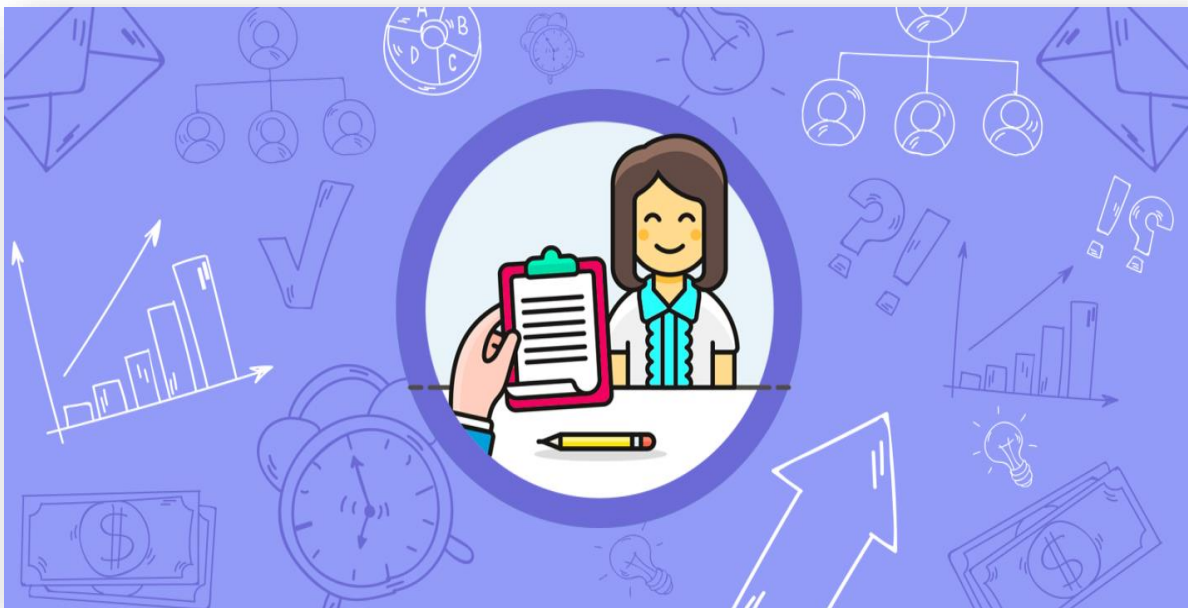
- In many organizations, the feedback process frequently fails because it comes from a place of fear, judgment and separation. Feedback given from love, acceptance and connection is a nourishing experience that allows people to gauge where they are and to work out collaboratively what they need to do next. Efficient feedback facilitates growth and enables people to align what the organization needs with what energizes them.

Characteristics of Performance Review

- Process of employment and HR defined practices
- Planning process
- Involves formal discussion
- Analyses employee work habits
- Reflect organizational health

Objectives of performance review

- Motivation
- Development
- Communication
- Provides basis for rating performance
- Other objectives

Types of performance review

Types of performance review

1. Formal Reviews

2. Informal Reviews

1. Formal Reviews

- Formal reviews are scheduled (usually once a year) and are typically done by all managers during the same time period in the year.
- They are **designed to review the person's performance for an entire year and are "official."** Typically, a written report is produced and entered into the person's personnel file.

2. Informal Reviews

- An informal review **provides an interim, off-the-record assessment of performance during the middle of an appraisal period**. Managers usually provide the informal review in a formally scheduled meeting.

Importance of performance review

- Serves as productive tool
- Evaluates performance
- Shows concern of employer towards employees
- Creates friendly environment
- Increases job satisfaction

What is Feedback?

- Feedback is way of assessment of work done or processes and is an integral part of the HR department.
- Feedback is a way to understand the needs, requirements, performances etc of employees in an organization.
- A continuous feedback helps companies evolve as they are better prepared for improvements required based on the answers received.

Importance of Feedback in Management

- An organization is a complex network of employees working in various departments, domains and profiles.
- Each employee has a different role, responsibility and decision making capacity. However, all work towards to objectives and goals set by the company. Hence, constant monitoring of the work being done is important for the business. This is where feedback is an important aspect in understanding the work done by an employee in an organization.
- These mechanisms set up in companies are often referred as organizational feedback.
- It is an important aspect for good business and a pivotal role is to be player by the HR department. It helps in understanding the performance of employees. Those who are doing good are rewarded and those who are lacking some skill are trained.
- One of the most comprehensive systems in an organization is a 360 degree feedback where every person evaluates each other in the hierarchy
- . This gives an overview of the entire performance of the employee.
- Another feedback method which involves inputs from suppliers & vendors also is a 540 degree feedback. From an employee perspective, these feedback also help in hearing the employee voice for any concerns or issues.

E-PM

- E-performance management is the planning, implementation, and application of information technology in managing performance management system.
- It makes the performance planning process faster and more convenient by providing an electronic means of collecting, routing, and storing performance evaluations and plans.
- It provides wide application that could be used across organizations spread in different parts of the world through one software module.
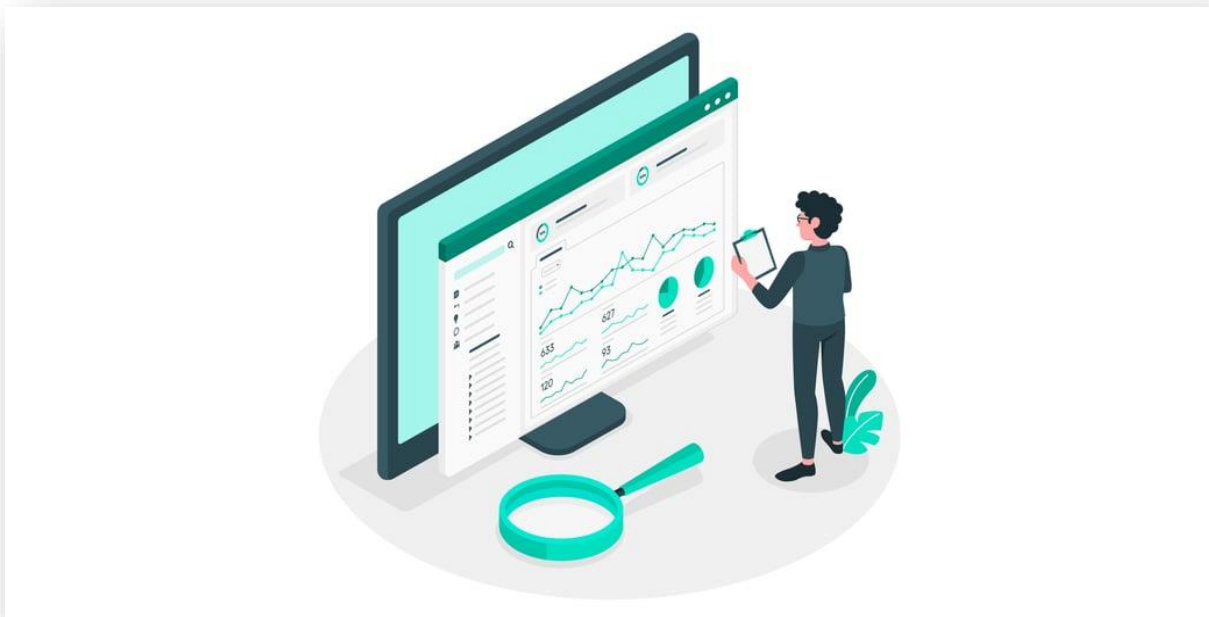
Features of E-PM

- Job or individual centered performance contracts
- Uploading of performance criteria
- Secure online appraisal with password
- Automatic e-mail notification of completed appraisal to employee and manager
- Workflow system to monitor appraisal progress
- Archived retrieval possible for retrieval of previous period appraisals
- Assigning different weighting protocols
- Viewing competency rating
- Viewing compensation details

- Career advancement and opportunities available

Process of E-PM

Stage 1
- Establish and weight criteria (within the first three months of the evaluation year).
- Establish criteria including goals, job responsibilities and competencies.

Stage 2
- Rate the employee (within three months following the end of the evaluation year).

Stage 3
- Managers sets formal meeting with employee to discuss performance, contributions and ratings with the employee and get feedback.

Stage 4
- Finalize e-performance document for approval.

Strategic Role of HR Professionals

- HR plays a pivotal role in significantly contributing, shaping and influencing the long-term plans of organizations.

- Conducting strategic workforce planning such as application of supply chain framework to understand longer term workforce needs and supply, sustaining the talent pipeline, and effectively managing costs, compliance, regulatory and risks considerations.
- Minimizing any human capital related risks as part of an organization's enterprise risk management and to ensure HR practices are sustainable.
- Serving as strategic advisers in mergers and acquisitions or organizational restructuring efforts to ensure exercises are value-accretive from a talent perspective.
- Optimizing human capital spend and understanding where to invest to yield the highest business and financial returns.
- Shaping and reinforcing a high performing organizational culture.
- Apply understanding of the business operating model to develop an agile HR strategy and operations.

- Develop robust understanding of complex workforce wants, needs and preferences and balance key stakeholders' interests.

Ethics in Performance Management

- Ethics is a backbone of any organization and its activities.
- Ethical performance management system is defined as a process of planning, managing , appraising and monitoring employees performance based on the principle of fairness, objectivity, transparency and good corporate governance.

Principles of Ethics in Performance Management

The key principles of ethical performance management are as follows:

- An ethical performance management system directs its employees to respect the core values of the organization. Because the ethics practiced by the organization is in conjunction with its environment. On the other side, the organization respects its employees and provide good working environment

so that they will generate the result as per the potential.

- This system is designed to make transparency in its operation and all the parties involved in performance management system respect each other's needs, values, and preoccupations.

- It emphasizes individual responsibility for personal decision making, behaviour, and action rather than collective responsibility.

- This system put emphasis on employees respecting and actively considering the ethical concerns and issues of all stakeholders, rather than focusing merely on shareholders alone.

- This seeks to build or change culture to a state in which the vision of the organization includes its employees, its customers, and the society at large.The values and norms of organization support employee's decision making, behaviour, andactions consistent with an 'ethical' vision.

- This system provide fair and free environment to itsemployees so that employees can get the opportunity to scrutinize the basis upon which the important decisions were made.

Objectives and significance of ethics in PM

- Building a better society
- Cultivates high performance teams
- Attracts and retains talents
- Maintains legal sanctity
- Improves reporting
- Promotes strong corporate image

Ethical Issues and Dilemmas

- Rushworth Kidder (1995) said that "An ethical dilemma is not a choice between right and wrong, but a choice between two rights."
- In organizations, many managers talk about ethics but do not recognize or act upon ethical issues in their day-to-day managerial responsibilities and most ethical questions arise from people relationships within the organizational settings. There are recent survey results in which one large organization indicate that only 26% of managers believe they are recognized and reinforced for their ethical decisions and behaviours.
- Performance management is essentially a commitment-based system of the organization. This seeks to align employee action and behaviour towards the desired organizational goals. As employees are the key to the organization, their beliefs, values, behaviours, and actions have a profound impact on the organization's outcomes and most organizations understand that employees tend to engage in behaviour that is recognized and rewarded, and avoid behaviour that is penalized.

- For example: In ABC Ltd. performance-based reward system exists where one of the employees has done an outstanding job all year, so he deserves strong recognition. However, he is already paid at the top of the salary range for his

job grade. Due to this reason, ABC Ltd. has too many people in the grade above him, so the company cannot promote him.

- Other Ethical issues & dilemmas in PM;

  o Managerial malpractice
  o Moral mazes
  o Value conflict
  o Corporate goal achievement
  o Superiors taking credit for subordinates work
  o Employee engagement
  o Managerial favoritism
  o Peer pressure
  o Workplace politics
  o Violation of ethics

Developing code of Ethics in PM

- Professional responsibility to practice fairness at workplace
- Professional development among teams
- Boosting Ethical leadership
- Ensuring Fairness and justice at all levels in hierarchy
- Conflicts of interest among employees
- Use of information in a right way.

HR Responsibility

- In organizations, the HR professionals are responsible for adding value to by developing HR functions. They are also responsible for maintaining the balance between performance improvement and ethical behaviour in the organization.

- The HR professionals shall act as ethics custodians and train and develop human resources for dealing effectively with relationship issues of morality, integrity, and honesty with other stakeholders particularly customer, suppliers, and society at large.

Developing Standards

- Human resource professionals must strive to meet the highest standards of competence and ethics.
- The purpose is to keep abreast of organizational strategy, mission, and objectives on a continuous and consistent basis.

- They must drive ethics training of top managers and employees on a wide scale. They have to educate them on the significance of ethics in attaining high-performance standards.
- The HR professionals shall transmit ethics to employees, managers, and external stakeholders through performance management system.

Ethical Leadership

- In making performance management a truly business-aligned, transparent, and credible management endeavor, human resource professionals must exhibit individual leadership.
- They should act as ethics communicator to improve the situation for their organizations.

Fairness and Justice

- For employee's work achievements and their contribution in improving organizational competence and performance, there should be fairness and justice in respect of rewards and recognitions.

- Human resource professionals are ethically responsible for promoting fairness and justice in the organization and they must enable a culture where ethical behaviour and action is a key performance criterion.

Conflict Management

- They must safeguard the interest of all stakeholders to eliminate the conflict arising between manager-employees, employer-employee and employees-organization on certain issues related to rewards and recognition etc.

Transferring Information

- The human resource professionals should ensure truthfulness of communication. It should be in respect of performance feedback and counselling and help top leadership in taking informed personnel decision.

4 Ethical Principles of Performance Management

1. **Respect for the individual**: people should be seen as "ends in themselves" and never as "means to other ends".

2. **Mutual respect**: both sides in the performance management process should totally respect each other's needs and preoccupations.

3. **Fair procedures**: all systems must be managed and operated with total fairness.

4. **Transparency**: people affected by decisions coming from the performance management process should be given the opportunity to examine and scrutinise the basis upon which any decisions were made.

MCQs

Sr.no.	Question	Answer
1.	What is the soul of any process designed for "people management"?	**Performance Management System (PMS)**
2.	Performance Management System (PMS) is the soul of any process designed for ?	**"people management"**
3.	The PMS is a process which is used to communicate_____ , reinforce individual accountability for meeting those goals, and track and evaluate individual and organizational performance results.	**organizational goals and objectives**
4.	The PMS is a process which is used to communicate organizational goals and objectives, reinforce individual accountability for meeting those goals, and track and evaluate individual and organizational performance results. TRUE/FALSE?	**TRUE**
5.	A PMS streamlines the <u>performance management</u> and helps HR (Human resource) to establish clear performance expectations through which employees can easily understand ?	**what is expected of their job.**
6.	A PMS streamlines the <u>performance management</u> and helps HR (Human resource) to establish clear performance expectations through which employees can easily understand what is expected of their job. TRUE/FALSE?	**TRUE**
7.	There's a clear connection between ?	**training, performance management and the impact an employee has on the company.**
8.	There's a clear connection between training, performance management and the impact an employee has on the company. TRUE/FALSE?	**TRUE**

9.	Training can help improve performance management in your _____.	<u>**workplace**</u>
10.	What can help improve performance management in your <u>workplace</u>?	**Training**
11.	Investing in <u>training can be extremely rewarding</u> to the entire business, including it's?	**clients and customers**
12.	Investing in <u>what can be extremely rewarding</u> to the entire business, including its clients and customers?	**training**
13.	What is vital to ensure training and development needs are met both collectively and individually, and that performance levels are appropriately managed?	**Effective human resource planning**
14.	Effective human resource planning is vital to ensure training and development needs are met both collectively and individually, and that performance levels are appropriately managed. TRUE/FALSE?	**TRUE**
15.	What is relevant throughout the employment relationship?	**Human resource planning**
16.	Human resource planning is relevant throughout the?	**employment relationship**
17.	Once an employee is appointed to role, it is essential that the employer assist him or her to become a fully functioning member of the organization through an?	**induction process**
18.	Once an employee is appointed to role, it is essential that the employer assist him or her to become a fully functioning member of the organization through an induction process. TRUE/FALSE?	**TRUE**

19.	What can reduce turnover, long-term training costs, and improve employee well-being?	**An effective induction**
20.	An effective induction can reduce turnover, long-term training costs, and improve ?	**employee well-being.**
21.	TNA focuses more on needs rather than ?	**demands**
22.	What focuses more on needs rather than demands?	**TNA**
23.	TNA is abbreviated as?	**Training Need Analysis**
24.	"What can be defined as a process for identifying and prioritizing gaps between current and desired results"?	**Need assessment**
25.	"Need assessment can be defined as a process for identifying and prioritizing gaps between?	**current and desired results**
26.	To identify_____, you first need to set clear expectations for each role within your business.	**training needs**
27.	To identify training needs, you first need to set clear expectations for _____ within your business.	**each role**
28.	What should be embraced as a means to support employees (not penalize them) and can be a valuable tool to help you identify opportunities for development?	**Measuring and monitoring performance**

29.	Measuring and monitoring performance should be embraced as a means to support employees (not penalize them) and can be a valuable tool to help you identify opportunities for development. TRUE/FALSE?	**TRUE**
30.	Set clear goals for employees and respond to performance blips on an?	**individual basis**
31.	Set _____ for employees and respond to performance blips on an individual basis.	**clear goals**
32.	Giving employees the opportunity to work on personal development can have a profound effect on their _____ and how much they feel invested in your business.	**motivation**
33.	Giving employees the opportunity to work on personal development can have a profound effect on their motivation and how much they feel invested in your business. TRUE/FALSE?	**TRUE**
34.	What are useful starting points in identifying training needs within your business?	**Focus groups**
35.	Focus groups are a useful starting point in identifying?	**training needs within your business**
36.	Rewards and Recognition is a system where people are acknowledged for their performance in intrinsic or extrinsic ways. TRUE/FALSE?	**TRUE**
37.	What is a system where people are acknowledged for their performance in intrinsic or extrinsic ways.	**Rewards and Recognition**
38.	Reward can be defined as something that is perceived as beneficial or advantageous to a particular_____.	**actor's interest**

39.	What can be defined as something that is perceived as beneficial or advantageous to a particular actor's interest.	**Reward**
40.	Types of Rewards	1. **intrinsic versus extrinsic rewards,** 2. **non-financial versus financial rewards,** 3. **membership versus performance-based rewards.**
41.	What are the rewards that are non-tangible but yet results in <u>higher levels of job satisfaction</u>.	**Intrinsic rewards**
42.	Intrinsic rewards are the rewards that are non-tangible but yet results in ?	**<u>higher levels of job satisfaction</u>.**
43.	Which reward work by positively contributing to the overall employees' financial wellbeing. It includes bonuses, salary raises, etc. ?	**Financial rewards**
44.	Financial rewards work by positively contributing to the overall employees' financial wellbeing. It includes ……	**bonuses, salary raises, etc.**
45.	What are allocated based on the performance of an employee in a company. Performance-based rewards are given in pay plans, incentive systems, group bonuses, or commissions?	**Performance-based rewards**

46.	Performance-based rewards are allocated based on the performance of an employee in a company. Performance-based rewards are given in pay plans, incentive systems, group bonuses, or commissions. TRUE/FALSE?	**TRUE**
47.	What is defined as the act of identifying someone or something because of previous knowledge, or to formally acknowledge someone.	**Recognition**
48.	Recognition is defined as the act of identifying someone or something because of previous knowledge, or to?	**formally acknowledge someone**
49.	What can occur sporadically and provides constant reassurance of the value and efforts that an employee offers?	**Informal recognition**
50.	Informal recognition can occur sporadically and provides constant reassurance of the _____ that an employee offers.	**value and efforts**
51.	Which recognition is when employees on the same level or in the same department offer praise to each other.	**Peer-to-peer**
52.	Peer-to-peer recognition is when employees on the same level or in the same department offer_____.	**praise to each other**
53.	What is essentially concerned with regulating the structure, environment or course of movement of a team with a view to improving the effectiveness of the team?	**Team performance management**
54.	Team performance management is essentially concerned with regulating the structure, environment or course of movement of a team with a view to improving the effectiveness of the team. TRUE/FALSE?	**TRUE**

55.	What are Factors affecting Team Performance?	• **Location & Distance** • **Leaders** • **Members** • **Maturity** • **Harmony & Conflict**
56.	What reduce labour cost, result in increases in real wages and motivate performance?	**Performance-linked reward systems**
57.	Performance-linked reward systems reduce labour cost, result in increases in?	**real wages and motivate performance**
58.	What provides a financial reward to employees for savings in labour costs that result from their suggestions?	**Scanlon plan**
59.	Scanlon plan provides a financial reward to employees for savings in _____ that result from their suggestions.	**labour costs**
60.	Keeping who appropriately focused on performance management can prove difficult?	**leaders**
61.	Keeping leaders appropriately focused on performance management can prove ?	**difficult**
62.	What is a future-oriented appraisal whose main objective is to identify and evaluate the potential of the employees to assume higher positions and responsibilities in the organizational hierarchy?	**Potential appraisal**
63.	Potential appraisal is a _____whose main objective is to identify and evaluate the potential of the employees to assume higher positions and responsibilities in the organizational hierarchy.	**future-oriented appraisal**
64.	Potential appraisal is a powerful tool for?	**employee development**

65.	What is a powerful tool for employee development?	**Potential appraisal**
66.	Potential appraisal assesses an employee's strengths and weaknesses with the objective to use it as a predictor to determine his future performance. TRUE/FALSE?	**TRUE**
67.	Potential appraisal assesses an employee's _____with the objective to use it as a predictor to determine his future performance.	**strengths and weaknesses**
68.	Organization should have detailed, clear policy with regard to introducing a system for reviewing?	**potential of employees**
69.	Who should have detailed, clear policy with regard to introducing a system for reviewing potential of employees?	**Organization**
70.	What requires a healthy culture in the organization where climate of openness, collaboration, trust, autonomy, pro-action exists?	**Effective potential review**
71.	Effective potential review requires a _____ culture in the organization where climate of openness, collaboration, trust, autonomy, pro-action exists.	**healthy**
72.	Organization should have thorough and detailed _____ for each job and the functions involved in performing the jobs.	**job descriptions**
73.	Organization should have thorough and detailed job descriptions for each job and the functions involved in ?	**performing the jobs**
74.	What is a method of establishing expectations and accountability for meeting a set standard of execution excellence -- and the consequences for not meeting them?	**performance agreement**

75.	A performance agreement is a method of establishing expectations and accountability for meeting a set standard of execution excellence -- and the consequences for not meeting them. TRUE/FALSE?	**TRUE**
76.	What provides the basis for managing performance throughout the year and for guiding improvement and development activities?	**The agreement**
77.	The agreement provides the basis for managing performance throughout the year and for guiding?	**improvement and development activities**
78.	Major companies often use _____to motivate employees but also to prevent newly hired workers from developing bad habits.	**performance agreements**
79.	Major companies often use performance agreements to motivate employees but also to prevent newly hired workers from developing bad habits. TRUE/FALSE?	**TRUE**
80.	A performance review, also called a ………	**performance appraisal or performance evaluation**
81.	A_____, also called a performance appraisal or performance evaluation	**performance review**
82.	In many organizations, the feedback process frequently fails because it comes from a place of_____.	**fear, judgment and separation**
83.	In many organizations, what frequently fails because it comes from a place of fear, judgment and separation.	**feedback process**
84.	What is way of assessment of work done or processes and is an integral part of the HR department.	**Feedback**
85.	Feedback is way of assessment of work done or processes and is an integral part of the ?	**HR department.**

86.	What is the planning, implementation, and application of information technology in managing performance management system?	**E-performance management**
87.	E-performance management is the planning, implementation, and application of information technology in ?	**managing performance management system**
88.	Who plays a pivotal role in significantly contributing, shaping and influencing the long-term plans of organizations?	**HR**
89.	HR plays a pivotal role in significantly contributing, shaping and influencing the long-term plans of organizations. TRUE/FALSE?	**TRUE**
90.	What is a backbone of any organization and its activities?	**Ethics**
91.	Ethics is a backbone of _____ and its activities.	**any organization**
92.	What directs its employees to respect the core values of the organization?	**An ethical performance management system**
93.	An ethical performance management system directs its employees to respect the _____ of the organization.	**core values**
94.	Who said that "An ethical dilemma is not a choice between right and wrong, but a choice between two rights?"	**Rushworth Kidder (1995)**
95.	Rushworth Kidder (1995) said that "An ethical dilemma is not a choice between right and wrong, but a choice between_____ ."	**two rights**

96.	Who shall act as ethics custodians and train and develop human resources for dealing effectively with relationship issues of morality, integrity, and honesty with other stakeholders particularly customer, suppliers, and society at large?	**The HR professionals**
97.	The HR professionals shall act as ethics custodians and train and develop human resources for dealing effectively with relationship issues of morality, integrity, and honesty with other stakeholders particularly customer, suppliers, and society at large. TRUE/FALSE?	**TRUE**
98.	Which professionals must strive to meet the highest standards of competence and ethics?	**Human resource**
99.	Human resource professionals must strive to meet the highest standards of?	**competence and ethics**
100.	Human resource professionals are ethically responsible for promoting fairness and justice in the organization and they must enable a culture where ethical behaviour and action is a key performance criterion. TRUE/FALSE?	**TRUE**