

## CRITERIA 3: PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM

This chapter contains:

- Overview
- **The Performance Management Cycle: Purpose and Aims**
- **Evidence Required for Accreditation**
- **Other Aspects of Performance Management: Learning Management Systems; Competency Frameworks and 360 degree feedback**
- **Adding Value: the Range of Good Practices**

### OVERVIEW

Performance Management is about establishing a **culture** in which individuals and groups take responsibility for the continuous improvement of business processes and of their own competences. It is about **sharing** expectations. Managers can clarify what they expect individuals and teams to do; likewise individuals and teams can communicate their expectations of how they should be managed and what they need to do their jobs. It follows that performance management is about **interrelationships** and about improving the quality of relationships - between managers and individuals, between managers and teams and is therefore a **joint** process.

Having a Performance Management & Development System in place will facilitate, at minimum, an annual review for all engineering professionals. This review, or Appraisal, combined with an overall Training Needs Analysis process, leads to the agreeing of individual CPD plans. These plans are designed to ensure the maintenance of key competences, in line with Organisation objectives. Like all good plans, they need monitoring and reviewing.

## EVIDENCE FOR ACCREDITATION

### **3.1 Each engineer and technician has formal, documented, Performance review with supervisor (minimum annually)**

- Supervisors have appropriate training in conducting Appraisals
- [At audit] Staff are clear on the timing and purpose of Performance Reviews and can discuss their contribution and the outcomes

#### HOW CAN YOU DO THIS IN PRACTICE?

- There is no one right way to conduct a Performance Review / Appraisal. However, there are established good rules that should be followed. See Chapter end.
- At minimum, it is important to have a form to collect consistent information on the review. This form (on paper or on-line), should show Organisation and Departmental objectives to assist in agreeing Individual objectives. See Chapter end.

### **3.2 Training Needs Analysis (T.N.A.) carried out**

- CPD initiatives are focused on identified knowledge- or skill-gaps
- [At audit] Staff can describe their contribution to the T.N.A.

#### HOW CAN YOU DO THIS IN PRACTICE?

- The first step in a TNA is to have clear objectives for the organisation, usually agreed by top management.
- Then consult individuals, teams and managers (even customers if you're brave) to discover what competencies your staff have and which ones they'll need in the future, based on the overall organisation's objectives.
- The gap *may* present a training need, or it may be something that could be better resolved through Mentoring, structured reading etc

### **3.3 Individual CPD Plans Produced**

- Sample documentation for 5% of engineering staff (with confidential details blacked out), show individual's CPD plan.

#### HOW CAN YOU DO THIS IN PRACTICE?

- A **target date**, expected **outcome** and level of **priority** should be agreed for each element of someone's CPD plan. Remember the old dictum: "If you can't measure it, you can't manage it."

### 3.4 Individual CPD Plans 'rolled up' into an overall Organisation Training Plan

- An overall CPD/Training matrix for the organisation is produced at the end of each round of staff Performance reviews.

#### HOW CAN YOU DO THIS IN PRACTICE?

- Once Training Needs are predicted, they need to be monitored. Compiling an overall Spreadsheet, with staff names on one axis and CPD requirements on the other axis, allows for an analysis of all requests. This can help with planning, budgeting and reporting.

### 3.5 Targeted CPD carried out in accordance with plan

- Sample documentation for 5% of your engineering staff (with confidential details blacked out), show a clear link between an individual's CPD plan and the actual CPD carried out.

#### HOW CAN YOU DO THIS IN PRACTICE?

- Firstly, ask yourself whether the systems you put in place to support CPD plans are actually working. For example, are staff attending courses when they book on them? If not, why not? Is it due to lack of management support or poor time management skills? You will only know if you reflect the effectiveness of your support structures.

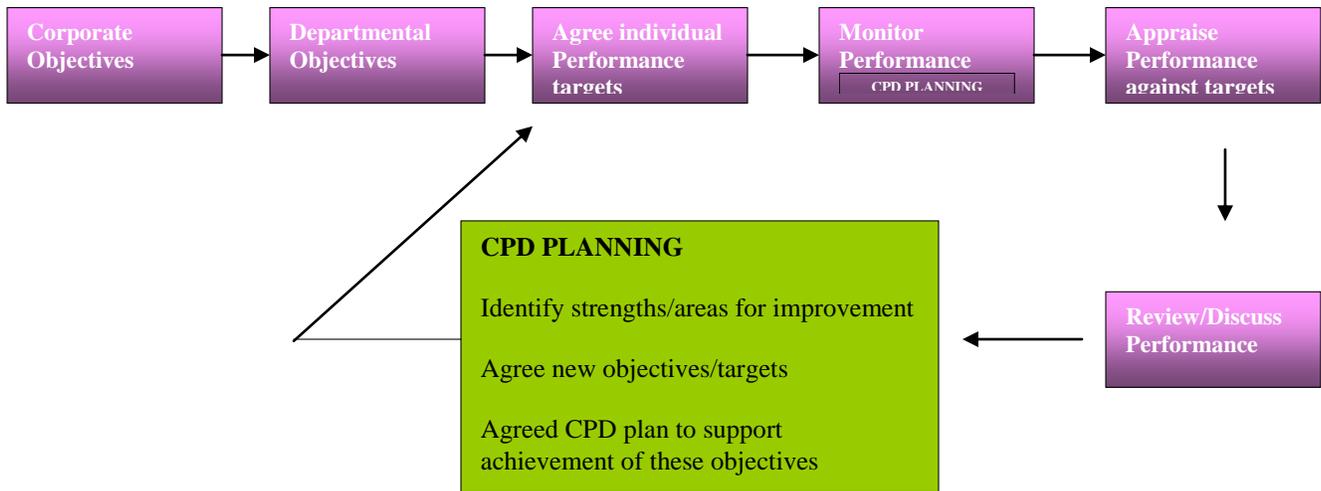
### 3.6 Progress against plan checked periodically

- Interim 'check-ins' are carried out
- **[At audit]** Staff can describe how they monitor and review their own CPD plan
- **[At audit]** Line management can describe how they monitor and review individual CPD plans with their staff

#### HOW CAN YOU DO THIS IN PRACTICE

- Regular, brief 1-2-1 meetings between a line manager and an individual staff member are a good way to check how things are progressing.
- Ask the individual staff member to lead the meeting, giving a written or verbal update on progress. The manager's job is to listen. If the manager does interject, use **OPEN** questions which aid the discussion, rather than **CLOSED** questions which impede exploratory, dialogue.

## The Performance Management CPD cycle



## PURPOSE OF PERFORMANCE MANAGEMENT & DEVELOPMENT SYSTEM

- Cascade organisational strategy through departments to individuals, aligning desired Learning & Development outcomes with business goals
- Agree a CPD plan that will enable the employee to deliver on his/her objectives.
- Review the employee's strengths and examine ways that these can be leveraged to assist the business.
- Provide a forum for listening and for two-way feedback.
- Conduct discussions around the employee's career path within the organisation
- Demonstrates top management's commitment to individual CPD plans

### Get S.M.A.R.T.

Define clear S.M.A.R.T. objectives for each development priority. This will help when you come to measure how successful it has been. SMART = Specific, Measurable, Agreed, Realistic and Time Bound.

### Tip: Individual CPD Plans

The individual CPD Plan should be a working document that is accessible to both the employee and manager. It can also form a great 'springboard' for discussions with a Mentor.

## OTHER ASPECTS

### **Competency Frameworks and Performance Management**

Competency Frameworks define the behavioural repertoire underpinning excellence in an organisation. They are certainly growing in popularity. When CIPD recently conducted a Learning & Development Survey it found: “Sixty per cent of organisations have a competency framework in place for their staff, and just under half (48%) of those who haven’t say they intend to introduce one in the next two years.”

For an employer, having a Competency Framework tailored to, and integrated within, their business processes can co-ordinate and support activities such that they are constantly aware of the available **talent** within the organisation. Management can plan, track and monitor the effectiveness of **performance** management, succession and career planning, recruitment, project team **deployment**, and learning and development. The framework itself allows people to grow in awareness of core competencies and then practice them, moving from novice to a level of independence and then, hopefully, expertise. Naturally as technologies and market situations change, so too the Competency ‘map’ can be reviewed to ensure the correct and relevant core competencies are being addressed through development activities.

### **Learning Management Systems and Performance Management**

Larger employers are increasingly investing in integrated on-line systems, an element of which can incorporate Performance Management. A Learning Management System (LMS) is generally web-based. It can range from basic software, to manage the recording of training completed, to more sophisticated packages that encapsulate the entire learning experience, including Performance Management and multi-rater assessments (e.g. 360° performance reviews).

#### **360° performance reviews**

360° performance reviews take place in many leading CPD Accredited organisations. Where once the tool was viewed as a ‘remedial’ measure, the demand for 360° feedback is growing rapidly as managers realise the value of the insights which can be gained.

A good 360° feedback system requires performance data to be generated from a number of sources, which can include the person to whom the individual being assessed reports, people who report to them, peers (team colleagues or others in the organisation), and internal and external customers. It can also include self-assessment. 360° feedback is an excellent self-development and Management Development tool and is felt to provide a

more rounded view of people, with less bias than if an assessment is conducted by one individual.



Normally, eight to 10 people fill in questionnaires describing the individual's performance. Often, the individual fills in a questionnaire for themselves too, assessing their own performance. Ideally the whole process should be anonymous. On-line tools make this possible at little expense. The questionnaire usually consists of a number of statements rated on a scale, for example from one to five, and often includes the opportunity to add free text comments. The report should summarise the answers given. It often shows the actual ratings given for each question and for each competency, and any written comments.

The most helpful feedback reports:

- are concise and simple to understand
- are visual - they use graphics to make findings stand out
- are self-explanatory - they need almost no explanation
- completely avoid 'team' averages

In choosing a provider (or providing the service in-house) it is important to ask the questions that will result in a system that fits your business, and complies with regulatory requirements and best practice.

- Is it an easy, step-by-step process, with clear guidance and online help?

- How flexible is it? Can it use your competencies? Can you choose the rating scale? Can you add your branding, extra supporting information and help pages? Will it cope with the number of users anticipated?
- Is it easy for recipients to own the process, by requesting their own feedback, designing their own questionnaires, being involved in selecting, briefing and following up their respondents?
- How useful are the feedback reports?
- How much administration is involved? Does it minimise the opportunity for human error, and allow those that do occur to be quickly corrected?
- Does it run on the Internet or on an intranet? If the latter, is it compatible with existing software, how will it be affected by changes or upgrades, and what are the maintenance overheads and security implications. If on the Internet, do people have access, and if not, what is involved in setting up access.
- How responsive is the provider to requests for changes?
- How is confidentiality protected?

### **BENEFITS OF 360° FEEDBACK AT MANAGEMENT LEVEL**

- Positively challenges manager's perceptions of their skills and performance and provides the motivation to change
- Can give excellent information regarding the way managers perceive themselves and the way they are perceived by others
- Valuable input into many CPD initiatives, for example coaching, Mentoring, leadership development etc
- Gains insights into perceptions of clients, customers, and suppliers, who can add a different and valuable perspective.

## **GOOD PRACTICES**

### Standard Good Practices

- Organisational strategy clearly communicated at departmental and individual level
- Each engineer and technician has a formal review (annually at least) with their supervisor
- Individual job objectives and developmental targets set
- A Training Needs Analysis is conducted
- Individual CPD plans produced
- Individual CPD Plans “rolled up” into an overall Organisational Training Plan

### Advanced Good Practices

- Significantly incorporates I.T. e.g. on-line Appraisals; a Learning Management System
- Links with Competency Frameworks and Defined Career Paths
- 360° feedback at management level

## **THREE THOUGHTS**

- It takes as much time to prepare for an Appraisal as it does to conduct one. Never rush either.
- Ratings such as “above average”, “average” or “below average” can irritate. Try instead a Strengths-based approach such as “Opportunity to assist others”, “Correct for career level,” and “Opportunity for Development”
- Listen. Apply the 80/20 rule, as an Appraiser. If you’re doing most of the talking, something’s wrong.

## Good Practice Checklist for Performance Management

### For Managers

#### Before Appraisal

	Responsibility	Date to be completed by
Notify all staff of appraisals completion deadline		
Arrange suitable date & time with employees		
Send appraisal form to employees		
Set time aside for preparation		
Review previous appraisal evaluation form		
Evaluate objectives		
Set new		

objectives		
Develop summary comments ahead of appraisal meeting		

**CONDUCT APPRAISAL MEETING**

**After Appraisal**

	Responsibility	Date to be completed by
Merge employees comments with Managers		
Send to employee for their consideration		
Arrange meeting with employee to discuss		
Edit if required		
ensure all terms are agreed by both parties		
Sign off evaluation form		
Send to Human Resources Department		

for filing		
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## **For Employees**

### **Before Appraisal:**

1. Agree suitable meeting time & date with manager
2. Set a side time for preparation
3. Review previous appraisal form
4. Assess your own performance against objectives for previous year
5. Consider where you would like see your career progressing
6. What training would assist you achieve your objectives
7. Develop summary comments ahead of appraisal meeting

### **ATTEND APPRAISAL MEETING**

### **After Appraisal:**

1. Review Merged appraisal form sent by manager
2. Edit if required
3. Agree date for meeting with manager
4. Sign off on objectives and training for coming year

### Personal Development Plan

What are the objectives for development this cycle?

1 – Business Goals:

2 – Personal Goals:

Career Aspirations  
 What experiences, achievements and/or positions are you interested in pursuing in the future?

**CPD Plan - may include internal/external training, educational assistance, special projects or assignments, site visits, structured reading, involvement with professional institutions, attaining professional titles etc.**

Priority	Knowledge/ Skill	CURRENT PROFICIENCY 1 (low) – 5 (High)	TARGET PROFICIENCY 1 (low) – 5 (High)	TIME SCALE	Expected Outcomes	Criteria for Judging Success
1						
2						
3						
4						