Performance And Reward Management
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Lecture - 13
Implementation of a performance management system, defining performance and choosing a measurement approach and understanding the meaning of results (Contd.)

Welcome to this week's topic on Implementation of a performance management system, defining performance and choosing a measurement approach and understanding the meaning of results.

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The concepts that will be covered in today's discussion are preparing to implement a performance management system, communication plan and overcoming the biases.

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So, let us begin. The way we prepare to implement a performance management system it is very important that we understand it is not a one man's job. So; and implementing a performance management system as we understand performance management as we have already told it means aligning the performance of the individuals with the goals of the department and that also of the organization. We can understand this is not a one man's job.

And, it indeed requires the involvement of people at many layers in the organization. So, all the people need to be involved, they need to be aligned, they need to understand like what is happening, what is their contribution, what they need to do, how their contribution will be evaluated and how it is linked with the other systems of the organization. So, implementing a performance management system requires a lot of preparation beforehand, before we start implementing a performance management system.

The first thing which we need to do over here is to share a system of common beliefs regarding as how the system works and its expected benefits for employees. And organization that is why we see like when we talk of performance management system, the organizational culture, the communication of the organization become the communication system in the organization is very important.

So, before any performance management system is implemented the sharing of the common beliefs is very very important. Everybody should be in tune with what it is believed to be like this is what will make our organization progress and this is how we can contribute towards that progress and in that contribution itself we will get a sense of self fulfillment.

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So, to be very precise to without an organization's total support for a performance management system it is not going to work properly we cannot implement it properly. The wholehearted support of the organizations, employees, its structures, its system like everything should be well aligned together for the success of the performance management system.

Though it calls for identification of a few employees in various units of the organization who can work as champions like they are going to be like brand ambassadors for speaking about the benefits of performance management system, how to do it and they may help people understand.

It like make people like facilitate people doing certain things help them as mentors, but who will like who will service advocates and resources for the system, but eventually every employee should be made a part of the performance management system. Because if we are not able to accept the things wholeheartedly they maybe we will not get motivated enough to work in the system and accepted.

So, like everyone's involvement and like being a part of the system is very important for implementing a proper performance management system.

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So, before we like think of like launching a performance management system a communication plan must be implemented to gain acceptance. Appeals process must be in place to handle disagreements this is very important like people may have different viewpoints because people have different perceptions about the same thing. So, an appeal process must be in place to handle disagreements. Proper training of employees must be done for observing and evaluating the performance.

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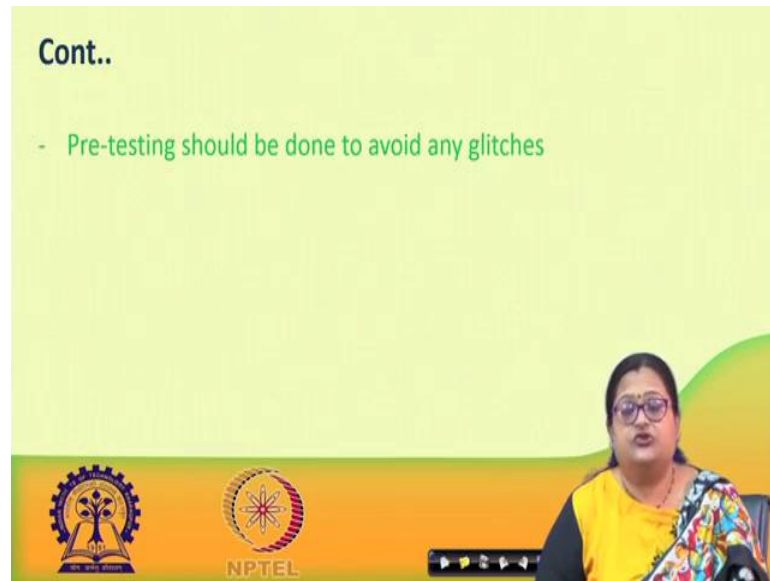
And, pre-testing should be done to avoid any glitches. It is very important may be to do a pilot run after a whole system that we want to implement, so that we can understand what are the hurdles that we are facing and like what are the improvements in communication or in the process we need to make.

So, before implementing the whole system throughout the organization in a very large scale we try to do a pilot study a pilot run with one of the small areas in maybe a particular department and try out and find how things are working. And if it becomes; it will help in understanding where we need to improve for the system because we may plan in many ways, but when truly it is implemented some practical execution problems may arise.

So, we can do this small testing in one area, understand the different issues that we are facing, take feedback from the users and the beneficiaries, based on that improve it and then implement it throughout the organization.

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In communication plans; so, if a proper communication is made with all the employees at all levels of an organizations and then a shared beliefs are established, then implementing a performance management system can be a very smooth process. So, but developing this shared beliefs is a real important task and we have to be very careful about it. So, how to do it, because when we talk of a shared believe; we developing a shared belief it is not that only the top people are just putting their own views on the people and the other employees are going to accept it without questioning it.

When we talk of shared beliefs we understand like both the parties are open in communication about giving their views about certain topic and based on a common discussion about the pros and cons of implementing a particular system they arrive at a common point where they share that whatever has been discussed about.

So, it is not only like it is trusted on the employees from the top, but we take, we take the views of the other people also and it is a both top down and a bottom up approach where all give their views and then we arrive at a common understanding of the how to implement the performance management system, what we can do, what we cannot do, what we must do, what we should avoid doing. And, that is the developing of a shared belief will takes time, but it is the most important point which needs to be focused on.

So, organization must for this the organization must make sure that the information regarding performance management system is widely disseminated amongst all the people in the organization.

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What are the imperatives for a good communication plan? A good communication plan should be ready to answer the questions like what is performance management because people are generally aware of performance appraisal and people do sometimes have of negative feeling, fear about performance appraisal the use of the performance appraisal generally may be it is connect like we will we will get appraisal and then we do not know what people are going to do with that feedback.

So, somewhere a negative feeling a fear is resides in the mind of people with regarding performance appraisal. But when we talk of performance management it is a very wider broader concept and performance appraisal is only just a very small part of it, but if people do not understand the philosophical differences between these two terms they there may be different apprehensions in the mind of people regarding this.

So, the first thing which needs to be made clear is that employees should be made to understand what is a performance management system and how it will be implemented in organization and for that the two important things which needs to be developed are trust and faith of the employees on the organization, the team members on the team leads on the system of the organization and a common understanding is developed. So, it is

very important to give a clear idea of the philosophy of performance management, how it is be implemented and to develop trust and faith with the employees and a clear understanding.

Next the communication plan should make the employees understand the benefits of performance management system. So, it should describe to the employees what are the benefits of a good performance management system and because generally people have the idea some people may be oriented towards only increase in salary because that is what motivates them. But, what we understand as the growth and development of the employees is not just the salary which may be the monetary motivation is just a divine part.

But, developing the people, the developing the competencies level of the people and making them as better equipped as employees is also a part of the objective of the good performance management system and it is ultimately add value to the employees it increases the worth of the employee.

So, when we talk of benefits of the performance management system a good communication plan must describe the benefits of a performance management system to the employees.

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Next the communication plan should answer the question, is there a place for performance management system in our strategy? So, the relationship between performance management system and the strategic planning of the organization and their role together should be explain to the employees properly. Because, if they are not able to connect how they are contributing to the big picture, what is that important contribution that they are making. So, in developing that big picture or like improving on it people may not understand the importance of the system.
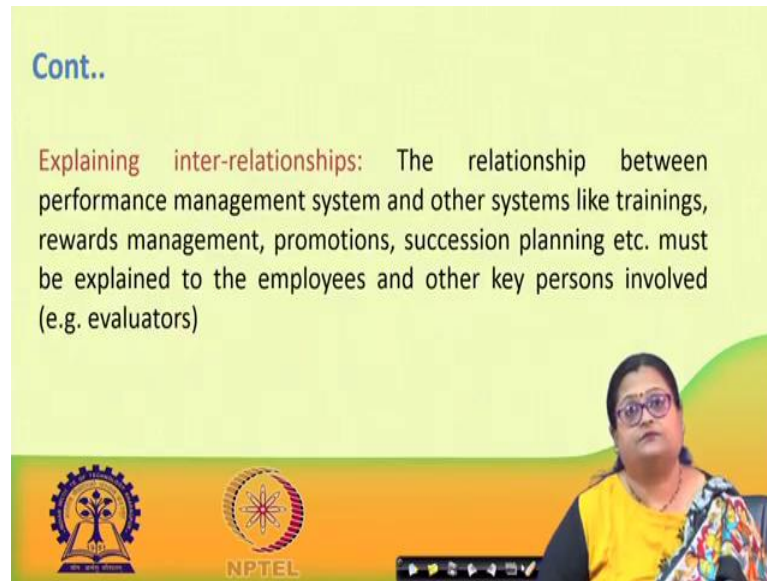
So, what is the importance of performance management system; why the employees goals should be aligned with the departmental goals and that of the organization goals; how individuals can make very very important contribution to the whole planning of the organization, should be communicated properly to the employees.

Next it should tell the employees about their roles. Employees must clearly understand their role in the implementation of a performance management system, so that the your conflicts are avoided at a later stage. So, what happens like you know in at each stage what we are repeating again and again like the individual's goals should be well aligned with the objectives of the organization, because the employees do have a role to play in the organization. They are joining a particular job role in the organization and accordingly, they should frame their aspirations and growth aspirations around that job role and how it the career planning through the levels of the organization.

So, it is very important that the employees must clearly understand their role in the implementation of a performance management system, so that the conflicts are at later stage avoided. Now, this is possible only when and start we give proper time in developing a shared values in developing a shared beliefs where employees are also involved in the process of this goal setting.

Because when we get involved in the process of goal setting there is a sense of ownership of the goal and we know like this is what we have said doing our SWOT analysis. This is what we know like we can do based on our strengths and weaknesses and we are coming generally based on that a sense of affective commitment develops towards the goal.

Explaining the inter-relationship this is very very important, to tell the employees about the relationship between performance management system and other systems like trainings, reward management, promotion, succession planning et cetera and the things to the employees and to the other key persons also involved mainly the evaluators.

Because we understand all the systems and processes of the organizations are interlinked to each other and each gets affected and affects the functioning of the other systems. We have to take a problem like if we do our vision like in 5 years of time, we want to be like this that is a dream and this is the nature of organization, which is a basic values of our organization which is a mission statement and then based on that we do our goal setting.

Now, if we are doing our vision, mission and goal setting that is; in that strategic planning and goal setting then what happens and based on that. We do an internal skill audit like what type of employees do we have now, what is the demography of that employees, what is the time frame because we have already discussed like performance management system is based on a timeline. The deliverables are expected from us, the changes are expected from us within what time frame.

Now, maybe the competency that we are expecting to perform a particular job which may give which is critical for the strategic advantage of the organization; now, we have to understand like can we get this by training? is a trainable? Are the employees trainable? Do training will show its result immediately or it will need take time to
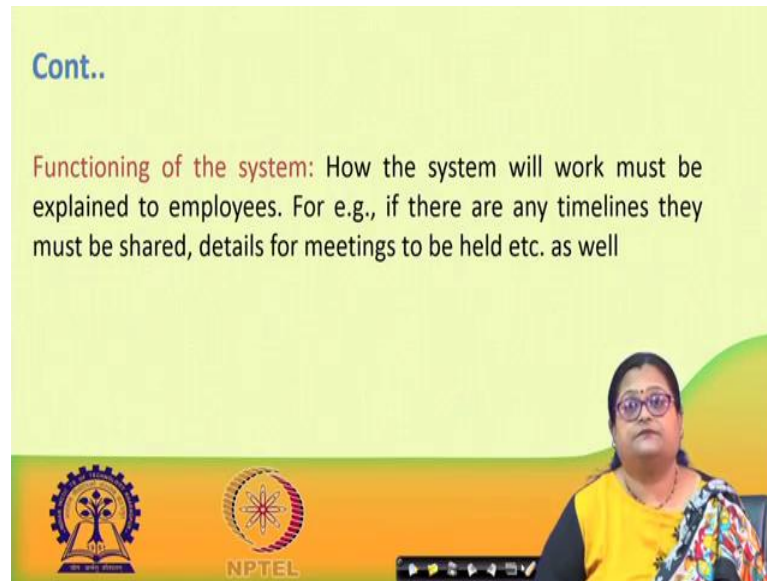
develop? Do we get people from outside which is again like your recruitment and selection? Do we outsource and like or do we transfer people from one department to the other department?

So, for a particular question that we may have in mind one answer may not be the like correct solution. We have to see the whole circumstances in which situations are placed. We have to do a proper environment analysis, we have to do understand within what time frame the changes are expected, what is the timeline; is it possible to deliver to those things with the present system that is there in place and based on all these judgments only then we can understand from the HR perspective like what is the correct move to be taken. So, maybe we think training is an answer for this.

But, training may not be a correct panacea for all types of problems we may have to do a mix and match of maybe training something which we like so that which is prepare for the future people, but for the time being to make our problem solve we may think of getting people from outside or even outsourcing. So, a combination of two – three techniques may be going on, so that together we can answer our present problem and also get us prepared for future.

So, this is possible only when we understand that all of systems are interlinked with each other and the relationship of performance management system with the other systems in the organization. And, this needs to be like clearly explained to the employees and the other key persons who are involved in the process.

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Functioning of the system; so, how the performance management system is going to function is needs to be clearly explained to the employees. Because at the start if you remember we have discussed, it is a continuous process and of which communication is very important, sharing our goals is very important, taking continuous feedback is very important, helping people to develop on the gap is important like what is actually done and what is the expected thing and what is a gap between these two things. So, and it is very important also to be reading the timeline.

So, how the system is going to function like if there are any timelines like details for the meetings to be held and then what kind of feedback requires to be taken, what type of training are we going to undergo if any, then how will the feedback be used every details and when do you expect to get a feedback every details must be shared with the employees.

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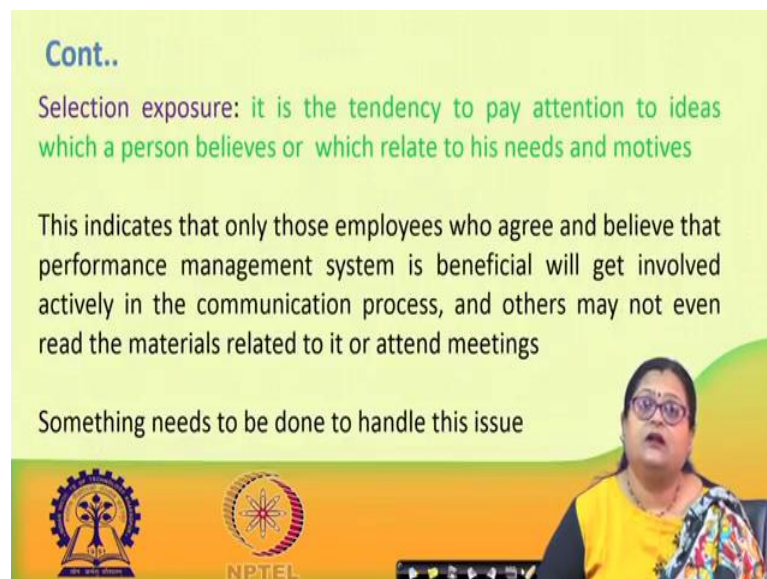
Now, what happens even if we try hard while implementing the communication we find like it may or may not become effective plan is to establish a shared beliefs. However we try hard sometimes we find like we have not been able to reach out to the people properly. So, some of the issues that may hinder the success of a communication plan are like selective exposure, selective perception and selective retention of the, by the people.

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Now, what is selective exposure? It is the tendency of people to pay attention to ideas which a person believes or to which relate to his means and motives. This indicates that

only those employees who agrees and believe that performance management system will get involved actively in the communication process, and the others may not even read the materials that are related to it or attend the meetings.

Now, something needs to be done to handle this issue. One thing that we can do over here is repeated you know information sharing. So, if you go on with like sensitizing within repeated terms with that repetition it may help to get the attraction or the attention of the people repetition about the message and also like showcasing about the benefits of the performance appraisal management system and how maybe example cases of how it has benefited some employees.

So, we should try to gain the attention of the people through these different types of communication.

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Selective perception: drawing meaning from information in such a way that we want to see it, although it may mean completely opposite or anything else. Sometimes people have a tendency to believe in thing, to understand thing as they want to understand it; however communication is done they will try to create a meaning in a way that they understand it.

Sometimes it may happen like a few employees may perceive performance management system to be a process to control or merely reward or a punishment mechanism and we

completely ignore the benefits of receiving timely feedback for improving their performance. What happens they are very likely they stick to their own beliefs like whatever said and done at the end they try to prove like whatever they believe is correct, and this happens due to the selective perception.

Because they will try to pick up those facts which are going to like give support which will try to prove that belief is correct like performance management maybe is a very sweet covering terms that were using for what is actually a performance appraisal. And it is a very new management technique to control them or reward or punish mechanism, but it has nothing to do with the timely feedback and improving their performance.

To correct these type of behaviors a lot of effort is required on the part of the HR, a lot of effort is required on the part of the champions or advocates of performance management to try to slowly give a feedback to the employees. First accepting yes, yes we understand like it is a reward and it is a reward mechanism, we will try to avoid the negative terms because actually by philosophy performance management is a positive term which leads to the development and growth of the employees and that of the organization.
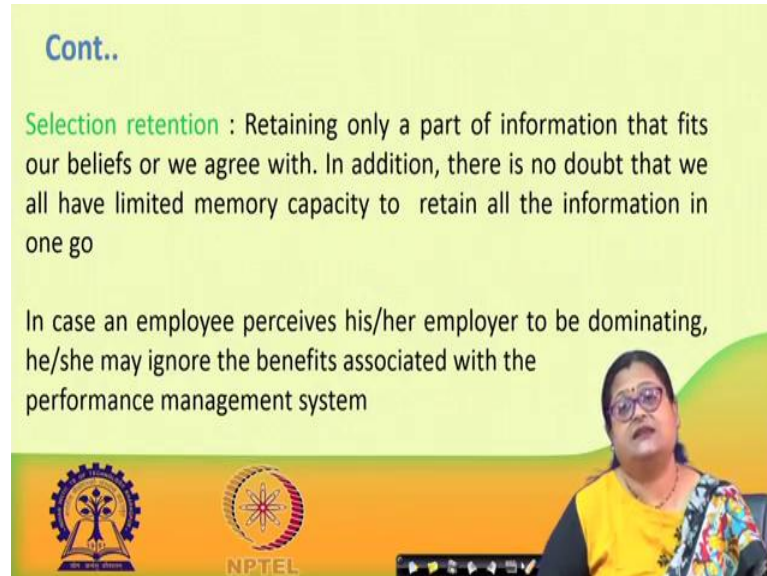
So, we will also have to prepare first accept what the person is telling once you accept it gives, makes that person an active listener to you. After accepting what the person is telling then we have to slowly introduce our examples of like what are the benefits like the performance management system can give in terms of like if you get a feedback try to ask the people to narrate examples, like when he was maybe stuck with something.

And maybe his peers gave him a small way of solving that problem or his your team will give him some showed him some ways to overcome that problem, how he felt at that point of time, how it helped them that person. So, these kind of sharing of facts story telling may help the person to understand the broader picture of performance management.

But, we have to first tell that yes we accept whatever you are telling and there is this is totally you know true that what you are telling we understand it, but can you narrate something in your life and when we done this and how your friends helped you, how your team lead helps you, what you felt at that point of time then if that is so when you are contributing towards when your boss asked for your suggestion and how it was implemented. So, creating these type of communication you know bonding with the

employees sharing their views, respecting their views will make them open to accepting the facts about performance management.

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So, next is that of selective retention. In selective retention what happens it is retaining only a part of information that fits our beliefs or we agree with. In addition, there is no doubt that we have all have limited memory capacity to retain all the information's in one go.

So, what happens like in case an employee perceives his or her employer to be dominating, he or she may ignore the benefits associated with the performance management system. So, we have to deal with these things in a very like careful way, so that we get to narrate examples, share experiences of the people. Experience sharing is very very important like how many cases that you found that this person have been dominating or can you narrate from your memory when you went and this person helped you or asked for your help to cure suggestions and all.

Sometimes what happens at with we have to be behaving like a counselor who is like a friend who is with whom we can share our mind, we can share our feelings. So, if that type of communication approach is taken where just like a friend we are sharing our experiences with the employee and the employee's experiences and expectations with us. So, then many of these like blocks of selective exposure, selective perception, selective retention problems can be dealt with properly.

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How we can overcome this biases is what, involve employees. For a successful communication as well as implementation it is very important to involve employees from the very start efforts must be made to win their trust. So, trust and trustworthiness, being open to communication being ready to hear to the criticism that the people who are higher in power hierarchy they should be in an open type of communication situation. In a trust building type of exercise where we want people to be more efficient, we were to gain more self efficacy become more like self confident then so that they can contribute well.
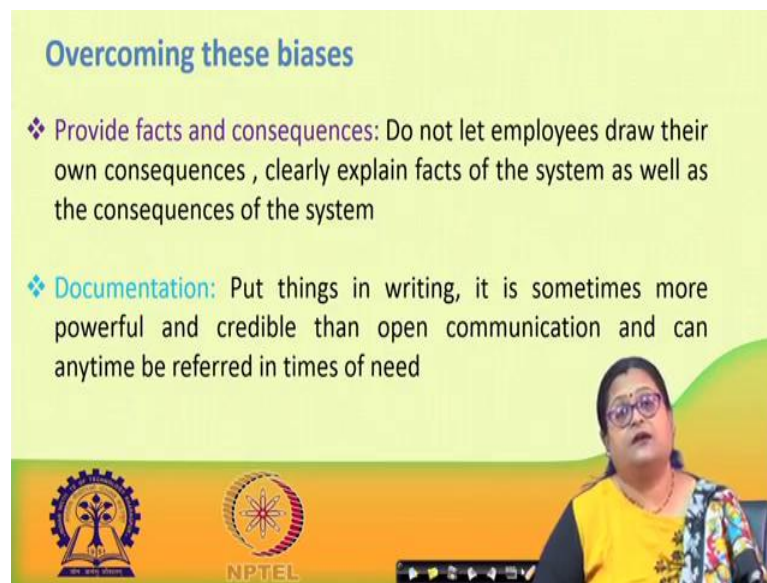
So, from them we should prepare our here also to hear no, may be to hear no to the to the process that we are suggesting because they may suggest better ways of doing things also, and we has the seniors may not think like we are the best and we are the people who can always because we are in hiring the hierarchy or have seen many things of life, we are always right that may not be so.

So, it requires a preparation from both the seniors and juniors, the seniors maybe should make themselves open to hear criticism to you are know from others and then also accept the suggestions of the other employees. And try to like see what are the good points in their suggestions; whether those things can be incorporated in the bigger plan or not.

Next is positive attitudes. In positive attitudes it is very important to make efforts to create positive attitude in employees by holding meetings for explaining behind the

benefits of a performance management system. So, if we try to involve employees, if we try to share with the employees through the different examples. Experiences that has happened about the benefits of the particular system that will help to develop a like effective commitment towards the whole system and the like intend to work towards it.

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The providing facts and consequences; so, sometimes what happens like left to themselves people go, may go on imagining some of the consequences if this would happen this would have been the result in certain things. So, we should be explaining the facts of the system as well as the consequences of the system to the employees.

If any gap in communication is there so, in that gap maybe rumors will develop and like some other people will try to sway the employee against the organization. So, those type of things may errors may happen. So, whatever are the facts of the system and the consequences of the system should be clearly explained by the people introducers of the performance management system to the employees at large.

Documentation, everything we should try to put in writing so that it is more like evidence based and we can refer to it at any times that when it is needed.

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We need to understand the employees' needs also. We need to understand how employees needs can be best addressed through performance management system. The communicators should be credible in nature only those people should be involved in communication who are looked upon with respect and trust by others.

The information time and gain should be shared with the employee's time and gain like we should go on repeating because we understand like there has been retention bias. So, which is important like it what are the information, what is the time required for your performance and what do we get the benefit from it. It should be repeated to the employees' time and gain to overcome the retention bias.

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So, if we can come to the some of the checklist which the manager should remember with respect to the performance are always communicate to the employees what is expected of them, this is very very important. Make sure that the definition of performance is clear to the employees. Outcomes should always be articulated in terms of behaviors and results. There must be clear communication about the outcomes.

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And, with that we come to the end of this chapter now and this is where the two references that we have for this you can go through it again. In the next module we will further elaborate on other issues about the concepts.

Thank you.