

Performance enhancement through performance management

BY LYNDA ZUGEC

Interested in assessing the performance of a property manager fairly and accurately? Developing employee performance plans that are aligned with the goals defined by the condo board or management company? Motivating and engaging employees, teams, and contractors to perform at their maximum capacity? Providing effective performance feedback and coaching for those who oversee staff? If so, it is worthwhile to consider developing a performance management system.

The performance management process involves setting clear and specific performance expectations for each employee and team and providing periodic informal and formal feedback on performance relative to stated goals. For most organizations, performance reviews are used to support decisions related to training and career development, compensation, transfers, promotions and reductions-in-force or employment termination.

The business case

Organizations rely heavily on their employees to build value. Consequently, performance management at the individual employee level is essential to success. Research studies have consistently shown that employers with performance-enhancing cultures significantly outperformed those that did not focus on setting performance goals and holding employees accountable for meeting those objectives. The payoff in terms of increased performance, productivity, employee morale and quality of work, plus a reduction in both turnover and employee relations problems, is well worth the investment in a performance management system.

Well-developed performance management programs benefit organizations by: aligning employee performance with the

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organization's strategic goals; ensuring that employees receive fair, consistent, and accurate performance feedback that clearly outlines expectations; increasing employee motivation and engagement through developmental coaching and feedback discussions; and ensuring performance appraisal processes are legally defensible.

Setting goals and objectives

In addition to focusing on a few major goals during a single year, the goals an organization sets should be SMART:

- · Specific, clear and understandable
- Measurable, verifiable and result-oriented
- Attainable, yet sufficiently challenging
- Relevant to the mission of the department or organization
- Time-bound with a schedule and specific milestones

Examples of effective goals include statements such as these: establish accurate rental rate(s) after surveying local rental rates, calculating overhead costs, depreciation, taxes, and profit goals; attract a 20-per-cent increase in interested tenants by advertising vacancies, obtaining referrals from current tenants, explaining advantages of location and services, and showing units; and meet agreed upon financial objectives by preparing an annual budget and forecasting requirements.

Providing regular feedback

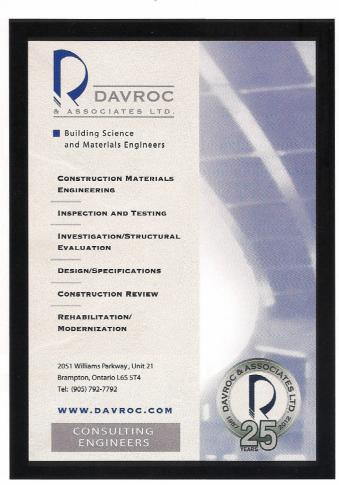
In addition to the formal annual review process, performance feedback is often most effective when it occurs at the same time, or soon after, the inadequate or exemplary performance. Regular coaching and counseling of employees allow a manager to deal with issues and problems quickly. This method should help avoid more serious performance issues or surprises for the employee at the next formal review. Similarly, regular recognition and reinforcement of valued behaviours contribute to employee engagement and continued high performance.

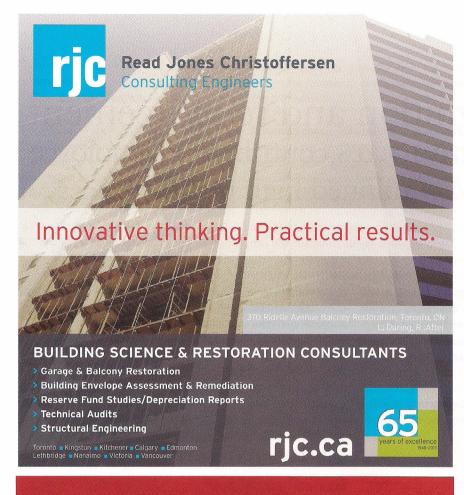
Employees are usually less defensive and more likely to respond favourably to feedback when it is helpful, specific, descriptive, work-oriented and constructive. Performance goals for individual employees should ideally align with organizational goals.

Organizations can prevent or remedy the majority of performance problems by ensuring that two-way conversations

occur between managers and employees, resulting in a complete understanding of what is required, when it is required, and how everyone's contribution measures up.

The employee, manager, and organization all benefit. The employee knows exactly where he or she stands in relation to achieving goals and reaching performance milestones that contribute to career development and promotions. The manager gains insights into the motivations of the people working for him or her. The organization retains motivated employees who understand their role and the roles of others in contributing to the overall success of the organization.







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Improving performance

- 1. Develop performance-appraisal tools. Analyze jobs and develop performance appraisal tools that ensure all employees have the same understanding of how poor, average, and above average performance is identified
- 2. Develop structured rating processes. Develop performance management systems that facilitate ongoing performance monitoring and incentivize regular feedback to employees.
- 3. Train performance raters. Train managers and supervisors to identify and avoid common ratings biases so that ratings are as fair and accurate as possible. Also train managers and supervisors on how to provide coaching and feedback to employees in ways that increase motivation and facilitate performance enhancement
- 4. Set performance objectives. Set specific performance objectives and goals for employees that map to strategic goals and maximize employee motivation.
- 5. Develop compensation systems. Create and implement compensation systems that are aligned with strategic goals and are supportive of certain values and a desired culture (e.g., pay-for-performance systems). Also identify other types of incentives that are valued by employees.
- 7. Develop and administer 360 surveys. Develop and administer 360-degree feedback surveys that provide participants with detailed feedback on how their performance is viewed by supervisors, peers, direct reports, and/or clients and customers.

A well-designed performance management process sets the platform for rewarding excellence by aligning individual accomplishments with the organization's mission, goals, and objectives. By establishing clear performance expectations, individuals understand what exactly is expected of them and can simultaneously work toward their own, and the organization's, success.

Lynda Zugec is a performance management consultant and human resource expert at The Workforce Consultants (http://www. theworkforceconsultants.com/). She has designed and implemented performance management systems for organizations across industries and develops unique and sustainable approaches in her efforts to maximize productivity. She can be reached at lynda.zugec@theworkforceconsultants.com.

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