*CHAPTER 8*

*Encouraging Employee Development in Reviewing Performance*

# Chapter objectives (C.O.)

This chapter will help you respond to the following learning objectives:

C.O.1: Review the strategic relevance of performance management in focusing an organization on strategic themes and objectives.

C.O.2: Assess approaches that have been used in assessing different aspects of performance.

C.O.3: Apply formative review processes in encouraging employee development.

C.O.4: Implement a goal setting approach in linking to strategic themes and objectives.

C.O.5: Implementing disciplinary procedures.

**C.O.1: The purpose of performance reviews.** Performance reviews serve different purposes: (i) linking organizational goals to employee goals, (ii) facilitating feedback and career development, (iii) encouraging managers and employees to engage in mutual problem solving, and (iv) providing legal justification for administrative actions (promotions, layoffs, termination, and compensation).

**C.O.2: Designing a performance review process.** There are various performance review perspectives including: goals and objectives, attitudes and interpersonal characteristics and behaviours, competencies, and outputs. Different performance management approaches make unique assumptions about how to encourage performance and might be appropriate for different jobs or organizational needs. Goals and objectives can describe targets which the person might seek to accomplish over the next period of time, while attitudes and interpersonal characteristics and behaviours, describe competencies like conscientiousness, reliability, customer orientation, leadership ability, and team attitude. For some organizations, it is also important to recognize a person's competencies in doing the job, especially if it is difficult to measure outputs or outcomes. Outputs, outcomes, and satisfied customers are useful dimensions for measuring performance. Each of these performance dimensions offers a partial perspective on performance, and some perspectives are more useful for different jobs. Performance management, in an ideal world, would recognize each aspect of performance rather than focusing on a single dimension. Goals and objectives can be a key integrating mechanism in helping an organization be more strategic in achieving their strategic themes.

**C.O.3: Formative approaches for encouraging feedback.** Formative approaches focus on providing feedback to encourage change and employee development and are less concerned evaluating performance in a summative sense. They are based on the assumption that feedback encourages learning and change. This will, in the long run, improve actual performance. Different approaches include involving peers, subordinates, customers, self-appraisals, and multiple raters in 360-degree feedback process. The different perspectives are valuable in that they encourage a more balanced process, one which employees can be more involved in.

**C.O.4: Using a performance planning and review process.** Research over the last four decades has supported the hypothesis that specific and challenging goals lead to higher levels of performance than easy, unclear (e.g., do your best) or no goals. Goals direct attention and energize people. When goals are set, people are more likely to be persistent in trying to accomplish them and will likely be more creative in drawing on a larger repertoire of skills. Maier’s problem solving process is helpful in linking goal setting in performance review process in reviewing rather than evaluating performance by helping employees solve problems and motivating them to take action. The guiding ‘mantra’ is ‘how do we (supervisors and employees) resolve the work and career issues we face in positively meeting work and career goals?’

**C.O.5: Implementing disciplinary procedures.** Most employees are performers but occasionally, managers will face problems they will have to deal with relating to poor work performance, absenteeism, or behavior that is not acceptable. The best approach to discipline is a form of **self-discipline,** where managers encourage people to take responsibility for problems or unproductive work behaviours. Several organizations follow two approaches to disciple; positive discipline and progressive discipline. **Positive discipline** is a participatory process which encourages the employee to recognize his or her deficiencies and take responsibility for improving and recommit the organization’s goals and mission. **Progressive discipline** follows a four-step progression of: verbal warning, written warning, suspension and dismissal. It is a process where increasingly severe disciplinary measures are applied with the objective of ensuring