



The Importance of Performance Management

WRITTEN BY DYLAN DOWNES,
LABOUR MANAGEMENT ADVISOR

Many companies across Barbados set up processes to formally evaluate an employee's performance. This evaluation is usually conducted after an initial probationary period and then reviewed on an annual or semi-annual basis. Where employers do not take the time to train and develop management on the effectiveness and importance of a Performance Management System, managers may believe that these evaluations are time-consuming exercises that do not yield desired results.

Performance management is key to successfully growing and up scaling your company. It is necessary to note that contemporary performance management involves much more than performance reviews. Performance management is about making sure your employees are happy, engaged and working towards your company's collective goals. If your company is on the cusp of a period of

accelerated growth, performance management needs to be at the forefront of your managers' mind-set and high on your company's list of priorities.

What are the benefits of a performance management program?

Performance management, when done correctly, can ensure employees are meeting or exceeding expectations. The benefits provided by a well-run performance management program include:

- recognizing employee achievements and valuing top performers
- increased employer-employee communication and strengthen relationships
- documenting incidents of poor performance for future reference and/or validating
- layoffs or terminations in accordance to the applicable legislation
- providing employee motivation and defining structure
- establishing employee goals to align with the company's strategic direction

Choosing the right method of performance reviews for your organization can be challenging. The method that is selected should align with the company's culture. Additionally, it is helpful to use a Human Resource Information System (HRIS) System or any other comparable system that can support your preferred review method by providing transparency into the process and maintain adequate records.

Explain to your team what excellent performance is

Most employees will endeavour to do their very best in their work. However, some employees need more encouragement and motivation. Therefore, role competencies and expectations should be clearly outlined. If employees know what is expected of them, and what constitutes excellent performance by the company's standard, it becomes easier for managers and their employees to be on the same page. This does not happen fortuitously so there must be a clear and concerted effort by management to articulate the company's strategic direction and objectives.

In addition, to ensure that employees remain in tune with company objectives, strategic individual goals should be developed for each employee. SMART goals are perhaps the easiest and most common method by which to introduce attainable and achievable benchmarks that can lead to the development and success of each employee. SMART goals should conform to the following criteria: Specific, Measurable, Assignable, Relevant, and Timely.

Encourage performance improvement

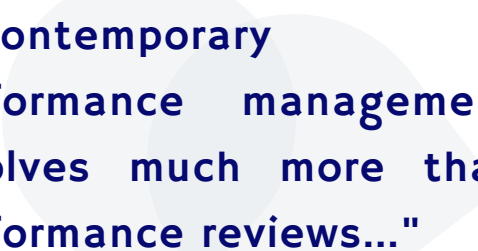
Everything about the performance management procedure should reflect the company's goal. For this reason, the organisation should be as transparent about its processes as possible. The performance management exercise should be straightforward and should add value to each party involved in the performance management process. If your performance management procedure is sub-par, it becomes an inefficient

and expensive exercise resulting wasted time and resources.

Recognize accomplishment

"You must give credit where credit is due". Even though it is an old adage; this saying still has resonance within the working environment today. While financial compensation is certainly an important factor in any benefits package, employee recognition has proven time and time again to be a much better predictor of engagement and employee retention.

Regardless of the method your organization selects, companies should keep in mind that it is critical for performance conversations to be consistent and to occur at regular intervals, not just a couple of times a year. Also be reminded that it is important to provide continuous training and development opportunities, giving both positive and negative feedback, and following established procedures strictly. This illustrates good working relations. If you believe your review management process is not achieving the required results, you may contact contact us to have it assessed to ensure it is optimal for your organisation's needs.



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