

Lesson 9

LO3.4 Examine the methods organizations use to monitor employee performance

Objectives – students should be able to :

1. Assess the importance of monitoring relative to the functioning of the organization.
2. List methods of monitoring employee performance
3. Identify reasons and methods to aid with non-performance

Why is it important to monitor performance

- It has long been suggested and proven by research that effective and clear objectives can result in the improvement of employee performance by as much as 30%. All successful organizations know that effective performing employees means a successful business. Hence ensuring that employees are performing at their best is vital for any organization in a competitive market place.
- It is therefore critical that the performance of employees be monitored to ensure consistently high quality.

Benchmarking

- It is impossible to monitor or measure employees' performance if there is lack of clarity as it concerns what to measure , to what degree and against what standards.
- Benchmarks are standards of work of each employee set by the company. Benchmarks may be different across organisations. They can sometimes be similar across organisations which are in similar markets. Especially for direct competitors.

Quantifiable objectives

- The easiest methods of monitoring are those which are aligned to quantifiable objectives.

eg. Achieving a target of \$1.2 million in sales every week.

The organization can measure all components necessary to achieve such an objective and thereby monitor and measure the effectiveness of each. Assessing the shortfall in each and thereby determining whether employee performance was the factor.

Tools used

The following are a list of some tools which can be used to assisting monitoring employees.

- Sales reports
- Budget targets
- Accuracy reports
- Deadlines
- Evaluations

For some organizations the tools listed above would be ineffective largely due to the service oriented nature of the job. So for some organizations it is scarcely about the “what” but rather about the “how”. Hence other methods which assess the following will have to be employed:

- How well the employee works in teams
- How well the employee works with customers
- How does the employee cope with change
- To what degree does the deal with problems successfully

Monitoring for Behavioral Objectives

Step one- Observe

The aim here is simply to watch. Look for key behavioral traits that are deemed critical to the achievement of the desired objectives. So how well the employees cope with issues involving team work might be one thing to look for.

Step two- Report back

- In this stage the employee reports back to you . Yes !! They report on their performance, giving a self diagnosis of the behaviors they exhibited as it relates to the set objectives agreed upon before work began.
- They have a chance to state how well they have managed to meets objectives and to give specifics as to when and how this was achieved.

Step Three- Feedback and analysis

In this stage feedback will be gathered from other employees and key stakeholders as it relates to the objectives in question. These stakeholders may include

- Clients
- Team members
- Other departments etc

Hence a key objective to be met by a customer care agent may be client satisfaction. Hence tools may be put in place to gather such information from clients, coworkers may also be questioned and members of other closely related departments.

Measuring Performance

Key factors in measuring performance must include:

- Quality

The degree of satisfaction of the work produced as it relates to established industry and company standards.

Quantity

- – the number of units produced or the number of satisfied customers are usually an acceptable measure of quantity.
- Quantity is important as it usually indicates effectiveness, however quantity should not be over-emphasized as it can negatively affect quality.

Cost-effectiveness-

- Refers to the lack of waste in a plant or a department. However this should only be used as a measure of performance if employees possess a large degree of control over waste.
- Eg. For a tele-sale rep the method of effectiveness is measured by the call to sale ratio for a period.

Absenteeism/Tardiness

- This maybe the most blatant means of measuring employee performance. It goes without saying that if an employee is being tardy then he obviously isn't working. Therefore a simply check to see whether or not work is being done will suffice.

Personal Appearance/Grooming

- In most organization there is usually at least one individual who doesn't see a link between performance and personal appearance. However there is a link and when this occurs the employee must be made to see that his work is affected. Organizations must also incorporate dress codes in their list of rules for the organization.

Self-Appraisal

- - Self appraisal often produces surprising gaps in the differences between how the management views issues and the views of the employee. This can often be the catalysis for the formation of solution and the pathway of a mutually beneficial solution.

- Gossip and Other Personal Habits
- - more often than not employees do not see the damage that habits such as gossiping poses to performance. They view personal bad habits as just that “personal”. However these habits tend to affect others than the ones involved directly. They disrupt company harmony of the organization especially those which function best through effective team work.

- **MBO (Management by Objectives):**

Managing Poor performance

- Poor performance is seen as work standards which far below established expected organizational performance. Poor performance is said to be caused by two main factors.
 1. Ability
 2. Motivation

Ability

- Is defined as the aptitude of the individual as well as his limitations based on the resources and instructions supplied by the organization.

Motivation

- a force or influence that causes someone to do something
- Performance = ability + motivation

Determining low ability

Limited ability is often associated with:

- Overly-difficult tasks.
- Low individual aptitude, skill, and (or) knowledge.
- Evidence effort but still resulting in poor performance.
- Lack of improvement even over time

Improving ability

Resupply

- Assess the tools needs to do the job versus those available and make the necessary improvements.

Retrain

- Provide the necessary training to employees to have them competent to do the job.

Refit

- If the two methods prescribed earlier are not effective it may mean that the tasks involved in the job may need to be looked at. It may mean that tasks will have to be shared and the job redesigned.

Reassign

- Moving the poor performer to a job for which he is better suited

- Release
- Finally when all the methods prescribed earlier there is no choice but to let the employee go.

Improving motivation

- **Setting Performance goals –**
set measurable targets
- **Providing performance assistance-**
provide tools assistance and training where necessary
- **Providing incentives-**
use creative methods to tie incentives to job performance
- **Providing feedback.**