PERFORMANCE MANAGEMENT: MONITORING AND EVALUATION FOR WORKERS' COMMITMENT TO SERVICE

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ABSTRACT

A business is nothing more than an idea without people in place to take action and make the business happen. How well a business runs is a direct reflection of its employees' performance. Over time, a practice known as performance management has been put in place in most businesses to ensure that employees not only do the jobs they were hired to do, but do them well and are proud of the work they get done. True performance management where it is practiced today is unique and distinguishable from its predecessors. It does contain elements of all previous systems, from the merit scale to the cascade to the annual review meeting. It differs in the sense that performance management is continuously working for all participants in a partnership. Performance management is primarily concerned with what needs to be done both in terms of objectives to be achieved and the individual's development needs to achieve them. Hence, this topic is conducted to assess the roles of performance management as regards monitoring and evaluation for workers' commitment to service.

Key Words: Performance management, Monitoring Performance Delivery, Career development, Feedback.

INTRODUCTION

Performance management is an approach to managing and developing people. Ultimately, performance management is about the success of individuals in their jobs, making the best use of their abilities, realizing their full potentials and ensuring their alignment to the corporate agenda, therefore maximizing their contributions to the success of the organization. Performance management emerged in the late 1980s with the arrival of Strategic Human Resource Management (HRM) as an integrated approach to the management and development of people which saw the decentralization of this critical function to line management. HRM recognized that the management of performance was something to be carried out on a continuous basis, not a yearly event controlled centrally by HRM and could only be done by the line manager. It paralleled the new thinking on corporate culture, driven by core values and the need for processes that would help to change behaviour and align employees to corporate values and goals.

Management by objectives was popular in the 1960s and 1970s, the term being coined by Drucker in 1955. Management by objectives was in essence the principle of the cascade (from corporate objectives to unit objectives to individual objectives to review of individual objectives, review of unit objectives and back to review of corporate objectives). It was a feedback loop characterized by extensive paperwork and adherence to rules and methods of the system as opposed to a process of working. Furthermore, it concerned itself primarily with the managers of the organization and the employees invariably subjected to the pre-existing merit system. It was a top down process which did not engage employees and paid little attention to core values or their communication.

Recognition of the need for employees' participation and engagement in any process regarding their performance, brought about by the expansion on motivational theory beyond previous experts to include more integrated accounts.

Statement of the Problem

Over the years, some employees in the selected oil companies operating in Nigeria have been known to be remiss in their duties. They also show indolence, non-chalant attitude, apparent indifference and apathy to work which is tantamount to inefficiency, despite the efforts of the management to improve their standard of living. On the other hand, many oil companies are generally known for high motivation of workers and the resultant effect is that the workers pay back by way of high productivity which brings about tremendous organizational growth. This is not so in all cases as some workers cannot remain faithful and committed to their work. Hence, this study seeks to identify the extent to which performance management contributes to the development of an efficient workforce in the Nigerian oil industry.

Literature Review

Elements of Performance Management

Oshagbemi (2003:144) submits that the five elements of performance management.

a) Measurement: Assessing results against agreed targets and standards.
b) Feedback: Giving people information on how they are doing.
c) Positive re-enforcement: Emphasizing what has been done well so that it will be done even better in the future. Only making constructive criticisms (that is, those that point the way towards improvement). Exchange of views: Ensuring that discussions involve full, free and frank exchange of views about what has been achieved, what needs to be done to achieve more and what individuals think about their work, the way they are guided and managed as well as their aspirations. Performance and development reviews provide the opportunity to reflect on past performance as a premise for making development and improvement. Obtaining historical perspective through analysis is a necessary part of the review but reaching agreement about what should be done in the future is what it is all about.
d) Agreement on action plans: Action plans to be implemented by individuals with the support of their managers.

Performance Management Principles

Essien (2006) shows performance management as the process by which objectives are agreed upon, processes towards achieving the objectives are reviewed and individuals are supported as well as developed. These principles include:

1. **Aligned objectives**- individual, department and team objectives are cascaded and aligned with current business objectives so that everyone is working towards the same overall objectives in the most effective manner. This enables everyone to know what is expected of them and how this helps to deliver the overall business objectives. Individual, department and team objectives are regularly reviewed and updated as business needs or individual circumstances change. Managers are accountable for ensuring that individual department and team objectives are clear, relevant, measurable and documented. The way in which performance delivery is measured against objectives will be reviewed throughout the year. Managers would be encouraged and supported to manage risk-taking, creativity, innovation and challenges when agreeing on individual's objectives with organizational objectives.

2. Joint Responsibility – individuals, managers and project leaders are jointly responsible for the effectiveness of the performance process. Asua (2004) proposes managers to be responsible for creating a challenging and supportive environment in which all individuals are able to give their best performances. They also ensure a reasonable total workload for individuals. Individuals, managers and project leaders must have an equal commitment to the objectives set, including agreeing on the ways and means of achieving them. In addition to meeting their own objectives, individuals are expected to support others in delivering outstanding team performance.

3. Constructive conversations- there is open and honest dialogue between individuals, managers and project leaders who need to have frequent, clear, open and fair conversations with each other about the level of performance they are achieving and also, how they work together. There should be clear, open and honest conversation about learning needs, aspirations, opportunities for growth and development as well as agreed plans. Where an individual's performance or behavior are not to the required standards, the managers should discuss this promptly with the individual and should work with him/her to address this.

4. Reviewing and Rewarding Performance- everyone should be given an opportunity to understand the link between their performance and their reward as well as their recognition. Managers will communicate openly performance management and global remuneration principles. Managers and project leaders should demonstrate compatibility to carry out their performance management and reward responsibilities. There should be a demonstrable link between an individual's performance and the level of reward and recognition they achieve. Essien (2006:84) maintains that organizations should deliver high rewards to high performance individuals and also reward contributions to team performance.

Performance Management System

Performance management system is increasingly seen as the way to manage employees' performance. Mabey and Slaman (2005:189) provide a useful definition when they stated the essence of performance management as: establishing framework in which performance by individuals can be directed, mentioned, motivated and rewarded. The system also represents a more holistic view of performance. Performance appraised or reviewed is almost always a key part of the system but is integrated with performance planning by linking an individual's objective to the business objective to ensure that employee's effort is directed towards organizational priorities which support performance delivery through development plans, coaching and ongoing review. This is to enable employee's effort to be successful and performance assessed. Successful performance is rewarded and therefore, re-inforced according to Bery (2006).

The conceptual foundation of performance management relies on a view that performance is not forced but is agreed upon. The clarity of goals is the key in enabling the employees to understand what is expected and the order of priorities. In addition, goals themselves are seen to provide motivation and this is based on goal setting theory originally developed by Locke (1968:165) and further developed with practical applicability by Latham and Locke (1990: 128). Many researches to date have shown that for goals to be motivating, they must be sufficiently specific, challenging but not impossible and set anticipatively. Also, the person appraised needs a feedback on future progress confirming expectancy theory which states that the individuals will be motivated to act, provided they are enabled to achieve the goal set believing that to achieve the goal will lead to other rewards and believe that the reward on offer has value.

Monitoring Performance Delivery

Williams (2007) proposes that the manager retrains the key enabling roles in ensuring that the employee is working to achieve the performance agreed upon. Organizing the resource and off job training is clearly essential as well as accessible. There may well be unforeseen barriers to the agreed performance which the manager needs to revise. The employee may want to sound out possible courses of action to the manager before proceeding or may require further information sharing or inside information that will affect the employee's performance as a key need, although it is also something that the manager finds difficult to do especially with sensitive information. Managers can identify information sources and other people who may be helpful during ongoing coaching and during the task. Managers can guide the employees through the discussion and by giving constructive feedback, they are in a position to provide practical job experience to develop the critical skills and competencies that the employee needs and can provide job-related opportunity for practice. Managers can identify potential role models to employees. Consequently, they can help to explain how and why high achievers perform so well. Although it is the employee's responsibilities to achieve the performance agreed upon, the manager still has the continuous role of providing support, guidance and oiling the organizational wheel.

Questions about Performance Management

Why?

Performance management supports two objectives:

(i) To evaluate the past; document the quality of employees' performance results and communicate decisions regarding salary increases, promotions etcetera.

(ii) To plan the future; discuss employee performance results and set plans for improvement. Many of organizations formally review employee performance once a year. Managers try to achieve both objectives in one meeting. When performance management is an annual event, it becomes an annual failure. Why? It is because in spite of best intentions to discuss past performance and plan the future, managers find themselves delivering the annual report card and defending the scores that employees object to. Furthermore, the 360-degree feedback method in which employees receive feedback from not only their own bosses but also co-workers, customers and staff, are already being questioned because they overwhelm employees with scores.

Solution:

Employees, team members and supervisors discuss the quality of recent performance and then set plans to develop the employee and improve his or her performance as an essential, natural part of their jobs. Informal performance management takes place during the day-to-day feedback loaded with discussions as supervisors and team members review work in progress.

Performance management can also be done in semi-formal reviews conducted every few months or at the end of a project. However, when these discussions take place with rating forms, they become too formal and ineffective. One secret to effective performance management therefore, is to conduct formal and semi-informal discussions as often as necessary – no forms and no scores. In addition, annual salary review interviews are necessary to sum up the year's performance and discuss administrative decisions based on employee performance.

What?

Performance evaluation forms are typically created by human resources departments or consultants and supervisors often have difficulty applying them to their employees. Problems arise when evaluation forms ask supervisors to rate employees on personal traits such as maturity, attitude, personality, initiative, dependability or on competences like interpersonal skill, job knowledge and organizational skill. Firstly, employees often become defensive when they receive general personal comments like, "you rate only 3 on a 5-point scale of maturity," or "you have poor interpersonal skills. Secondly, employees often disagree with the supervisor's ratings because the characteristic being evaluated wasn't directly observed. Thirdly, evaluations of employees in vague, subjective terms like personal traits and competencies may lead to charges of discrimination.

Solution:

One key to effective performance management is to discuss information that employees understand and can use to develop themselves and improve their performance. Therefore, employees, team members and supervisors should participate in creating the evaluation form. Useful feedback is behavioural (not personal traits), specific (not general competencies), directly observable and clearly job related. Results and performance meet these standards as supervisors and employees are aware of the results employees achieve. For example, exceeding or failing to meet sales quotas or producing or failing to achieve quality assurance standards. Employees, team members and supervisors can discuss specific results achieved and set targets for the future.

Most supervisors and team members also observe how employees perform specific job responsibilities that enable them to achieve results. For example, employees may manage time poorly, communicate well, object to changes in procedures and argue with team members. During feedback and planning discussions, the appropriate parties can discuss how well the employee performed these responsibilities and make plans to improve performance in each of them.

How?

Many supervisors dislike performance management because they feel like a punitive parent sitting in judgement. Unfortunately, annual review meetings force them into this role as they work in with completed evaluation forms and begin the discussions. Furthermore, 360-degree feedback reports delivered in hard copy or electronically are top-down.

Solution:

A business is nothing more than an idea without people in place to take action and make the business happen. How well a business runs is a direct reflection of its employees' performance. Over time, a practice known as performance management has been put in place in most businesses to ensure that employees not only do the jobs they were hired to do, but do them well and are proud of the work they get done.

Monitoring and Evaluating Performance Management

Bacal (2001:168) declares that it is important to continue to monitor and evaluate performance management regularly especially after its first year of operation. The best method of monitoring and evaluating is to ask those involved (that is employees, managers and teams) how they worked. It is also desirable to scrutinize the sample of completed forms to check on how well they have been completed. The evaluation can be carried out by:

i. The Human resource department
ii. Members of the project team
iii. An independent consultant or an adviser

Individual and group discussions can be supplemented by a special survey of reactions to performance management which could be completed anonymously by all managers and staff . The result should be fed back to all concerned and analyzed to assess the need for any amendments to the process or further training requirements. The ultimate test, of course, is analyzing organizational performance to establish the extent to which improvements can be attributed to performance management. It may be difficult to establish a direct connection but more detailed assessment with managers and staff on impact of the process can reveal specific areas in which performance has been improved which could be linked to all overall performance management measures.

Career Development as Part of Performance Management Programme

One of the fundamental factors for bringing about an effective performance management programme is often the one that is most forgotten. Beer and Ruh (1996:45) submit that often a supervisor could mistakenly focus all of his or her resources entirely on rating and ranking workforce. While these steps are essential elements of performance management, they fall short in the long run. To begin with, employees are left to feel as though their company has neglected their individual career needs. This ultimately leads to retaining top quality talents which is why effective performance management incorporates the worker's needs with that of the company according to Beer and Ruh (1996:47). When engaging an employee based on the level of their performance, the successful manager will work to align the company's goals with those of the individualized career paths to make sure a high level of worker- loyalty and long term productivity is achieved.

Performance Management System That Makes A Difference

Asuquo (2004:83) declares that performance management begins when a job is defined and ends when an employee leaves the company. Between these points, the following must occur for a working performance management system:

1. **Development of clear description:** Job description is the first step in selecting the right person for the job and setting that person up to succeed. This does not mean the traditional job description that ended with "and whatever else you are assigned by the manager". Job descriptions provide a framework for the applicant and new employee to understand the expectations for the position, expressed as outcomes.

2. **Select appropriate people with an appropriate selection process:** Wheras people have different skills and interests jobs have different requirements. Selection is the process of matching the skills and interests of a person to the requirements of a job. Finding a good job "fit" is exceptionally important. Use a selection process that maximizes input from potential co-workers and the person to whom the position will report.

3. **Negotiate requirements and accomplishment-based performance standards, outcomes and measures:** Fornies (2007:188) explains that "employees do not know what they are supposed to do" as the first reason why people sometimes fail to meet expectations.

4. **Provide effective orientation, education and training:** For a person to do a job in the best way, he or she must have the information necessary to perform. This includes job related, position–related and company related information. An excellent understanding a product's process or use and complete knowledge about customers' needs and requirements is essential.

5. **Provide on going coaching and feedback:** Employees need on going build on their strengths. Feedback is a two-way process that encourages the employee to seek help. Feedback is usually more effective when requested. Create a work environment in which people feel comfortable asking "How do you think I am doing?"

6. **Conduct quarterly performance development discussions:** If supervisors are giving employees frequent feedback and coaching, performance reviews can change from negative, evaluative, one-sided presentations to positive planned meetings held quarterly. Employees would always know how they are performing their next goals and challenges.

7. **Design effective compensation and recognition system that reward people for their contributions:** Fornies (2007:189) argues that the power of an effective compensation system is frequently overlooked and downplayed in some employee motivation-related literature. He thinks this is a mistake. It is often not so much about the money as it is about the message any reward or recognition sends to an individual about his value. Money has become a metaphor for value.

8. **Provide promotional/career development opportunities for staff:** The supervisor plays a key role in helping staff to develop their potentials. Growth goals, changing and challenging

job assignments, responsibilities and cross training contribute to the development of a more effective staff member.

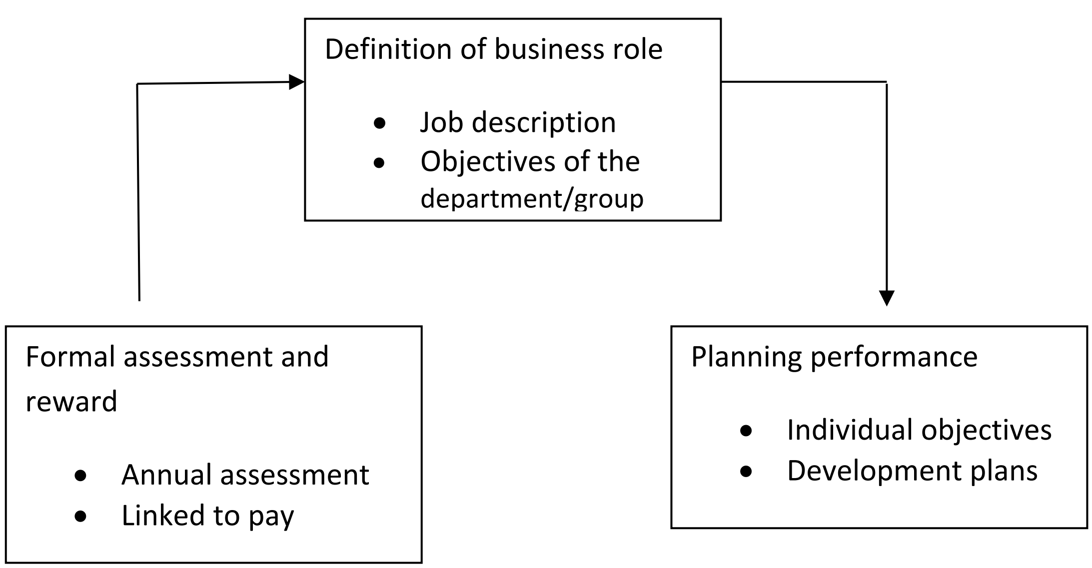
The Nature of 360 - Degree Feedback

This approach to feedback refers to the use of whole range of sources from which feedback can be collected about any employee. Thus feedback is collected from every angle in the way that the individuals carry out their jobs. This begins from the immediate line manager, external customers and employees themselves. It is argued that this breadth of feedback provides superior feedback to the feedback from the line manager's perspective only, since the latter will only be able to observe the employee in a limited range of situations. Atwater and Others (2002:196) suggest that 360-degree feedback provides a better way to capture the complexities of performance.

Hogetts and Others (1999:7) report that more than 70 percent of United parcels services employees found that feedback from multiple sources were more useful developing self-insight than feedback from a single source. Individuals it is argued will find feedback from peers and subordinates compelling and more valid. This was the impression given by Borman (1998:313), Atwater and Others (2002:206), Edwards and Ewen (1996:4) maintaining that no organizational action has more power for motivating employees' behavioral change than feedback from credible work associates. Such all round feedback enables the employees to understand how they may be seen differently (or similarly) by different organizational groups and how this may counteract with their own views of their strengths and weaknesses. This provides powerful information for the development of self-awareness.

Business Mission, Values, Objectives and Competencies

There is an assumption that before an organization is able to plan and manage employees' performance, the organization would have made significant steps in identifying the performance required of the organization as a whole. In most cases, this is within the context of an overriding theme. Bevan and Thompson (1992:66) maintain that performance management organizations were more likely than others to have an organizational mission statement and to communicate this to employees. Again, many organizations will identify the strategic business objectives and competences that are required within the current business context to be competitive and therefore aligns them with the organizations' mission statement.



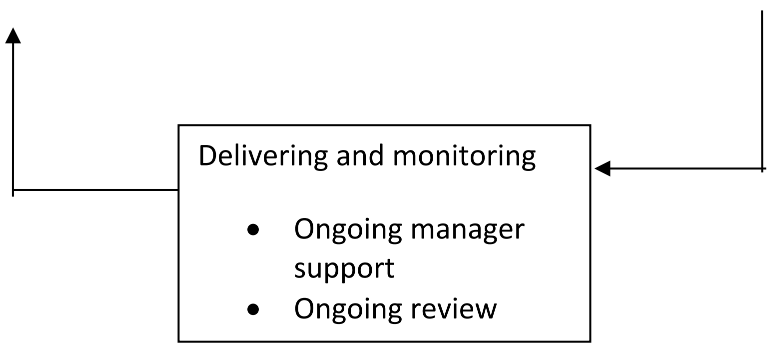


Figure 2.1: Stages of a Typical Performance Management System

Source: D. Torrington, L. Hall and S. Taylor (2005), *Human Resource Management,* England: Pearson Education Limited p. 263.

Conclusion

In conclusion, many organizations have over time failed to justify the economic criteria of efficiency and profitability due to the use of performance appraisal for the formal assessment and rating of employees by their managers at usually annual review meeting rating rather than the use of performance management which is a continuous and much wider, more comprehensive process of management that clarifies mutual expectations. Hence, organizations have been experimenting on how best to make these enterprises result oriented and performance management serves as an unknown capstone for improving individual and team performance as well as enhancing organizational efficiency and profitability.

Recommendations

Based on the findings of the research, the following recommendations are deemed necessary:

1. Employees should be made to appreciate the philosophy of performance management by making sure that it is both developmental and reward-driven in nature.
2. Performance management should be practiced by all levels of management in order to quickly fast track and meet up with the objectives of the organization.

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