



# **BSB41015 Certificate IV in Human Resources**



## **BSBHRM403 Support Performance Management Process**

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# Learner Guide 1

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# LEARNER GUIDE

## Unit description

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### **BSBHRM403 - Support performance management process**

This unit describes the skills and knowledge required to assist in the effective implementation of a performance management system and to facilitate employee performance.

It applies to human resource officers, or people in similar roles, who work under the direction of a human resource manager.

## About this unit of study introduction

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As a worker, a trainee, or a future worker you want to enjoy your work and become known as a valuable team member. This unit of competency will help you acquire the knowledge and skills to work effectively as an individual and in groups. It will give you the basis to contribute to the goals of the organisation which employs you.

It is essential that you begin your training by becoming familiar with the industry standards to which organisations must conform.

This unit of competency introduces you to some of the key issues and responsibilities of workers and organisations in this area. The unit also provides you with opportunities to develop the competencies necessary for employees to operate as team members.

## This learner guide covers

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Support performance management processes:

- Review performance management infrastructure
- Promote performance management system
- Recommend improvements to performance management system in response to collated data

## Learning program

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As you progress through this unit of study you will develop skills in locating and understanding an organisation's policies and procedures. You will build up a sound knowledge of the industry standards within which organisations must operate. You will become more aware of the effect that your own skills in dealing with people has on your success or otherwise in the workplace. Knowledge of your skills and capabilities will help you make informed choices about your further study and career options.

## Additional learning support

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To obtain additional support you may:

- Search for other resources. You may find books, journals, videos and other materials which provide additional information about topics in this unit.
- Search for other resources in your local library. Most libraries keep information about government departments and other organisations, services and programs. The librarian should be able to help you locate such resources.
- Contact information services such as Infolink, Equal Opportunity Commission, Commissioner of Workplace Agreements, Union organisations, and public relations and information services provided by various government departments. Many of these services are listed in the telephone directory.
- Contact your facilitator.

## Facilitation

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Your training organisation will provide you with a facilitator. Your facilitator will play an active role in supporting your learning. Your facilitator will help you any time during working hours to assist with:

- How and when to make contact,
- What you need to do to complete this unit of study, and
- What support will be provided.

Here are some of the things your facilitator may do to make your study easier:

- Give you a clear visual timetable of events for the semester or term in which you are enrolled, including any deadlines for assessments.

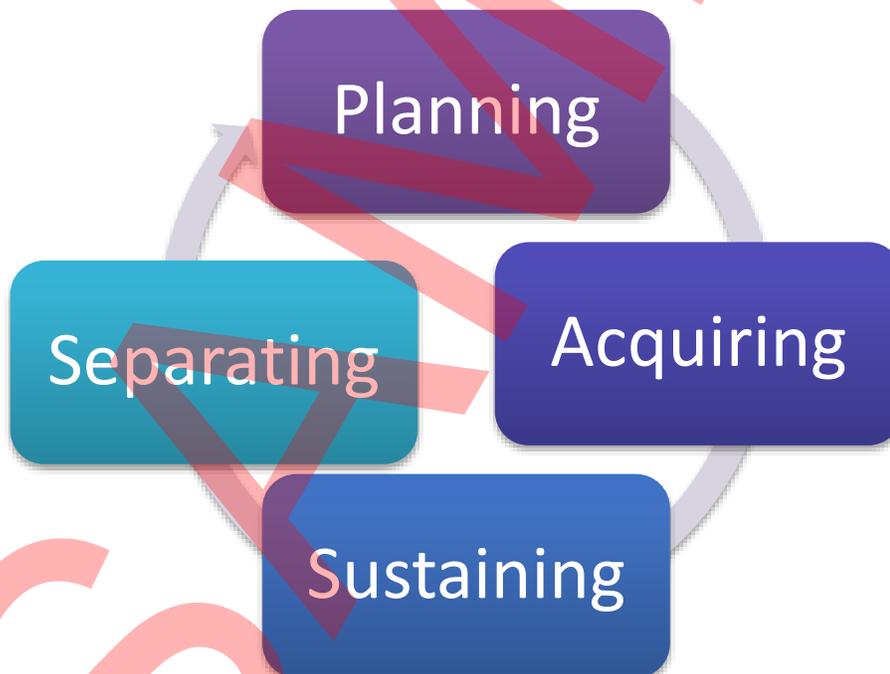
## INTRODUCTION

Performance management is a complex function of Human Resource. It encompasses activities such as goal setting, continuous progress review and regular communication, feedback, mentoring, coaching, and implementation of programs for employee development and rewarding achievements.

Performance management processes support the overall management plan of the business. They guide the staff on how to perform their roles in line with the strategies and goals of the business.

All of these processes make up the Performance – Management System (PMS) of an organisation. The purpose of the Performance – Management system is to ensure that personnel are representing the desired culture of the business and encouraged to continually improve on business processes, their individual skills, behaviour, and contributions.

To understand Performance – Management Systems better, you will need to understand first four components of the human resources life cycle:



The four (4) components of the Human Resource Life Cycle

1. **Planning** – The planning part of the human resource cycle needs to relate directly to the strategic plan of the business as the strategic plan will drive the direction of the business and human resource requirements. Planning will be revisited on a continual basis as the business grows.
2. **Acquiring** – This part of the life cycle relates directly to recruitment and selection. The process used to acquire staff will relate directly to the human resource plan of the business so that those recruited not only hold the required qualifications, but also fit within the values and philosophy of the business.
3. **Sustaining** – This part of the human resource life cycle includes all of the human resource functions that contribute to retaining staff. It includes such functions as payroll administration, performance management, training and development of staff and employee relations.
4. **Separating** – It is unrealistic to think that all staff will be retained. At some point, staff will need to move on either as part of their own life/career development or due to the needs of the business.

The performance management process supports the ‘acquiring’ and ‘sustaining’ phase of the HR Life Cycle. The process begins with the ‘acquiring’ phase wherein individual duty statements and role expectations are set. It continues to the ‘sustaining’ phase wherein performance are continuously reviewed and improved and developed.

The performance management process consists of the following key elements:



1. **Developing performance objectives** – This is achieved both initially when developing the position description and selection criteria for recruitment and carried on with goal setting and agreement of standards of work both on initial appointment and through later reviews.
2. **Monitoring and development** – This is achieved through the use of periodic performance reviews and strategies for individual professional development.
3. **Management** – This is achieved by providing feedback to individuals both formally and informally, managing poor performance and rewarding exceptional performance.

## **Learning outcomes**

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By the time you have completed this learner guide, you will have covered the following topics:

- Reviewing the performance management infrastructure
- Promoting the performance management system
- Recommending improvements to the performance management system

This learner guide will be followed by an assessment workbook where you will be answering questions and completing case studies and or practical assessments in a workplace or simulated environment.

## 1.2 Assist in reviewing the performance management system to ensure it aligns with the strategic direction of the organisation



### Strategic direction

The first thing that you will need to consider is if the performance management system aligns with the strategic direction of the organisation. So what is the strategic direction of your organisation? This relates back to the strategic plan that would have been set out by management, perhaps with contribution from employees, which

outlines the long-term goals of the organisation for 5 years, 10 years, or 20 years depending on how large and or far-thinking the organisation is.

In consultation with senior management and other relevant personnel, review the strategic direction of the organisation to ensure that you have a thorough understanding of the long-term goals of the organisation for 5 years, 10 years or 20 years. Once you understand what the organisational goals are, you are able to identify what the performance indicators for achieving those goals are.

You are now able to look at the performance management system and determine if the individual performance goals are in line with those of the organisation's strategic goals. If they are, achieving the individual goals will contribute greatly to achieving the strategic goals.

The size of the organisation will determine how many layers there are in the goal setting puzzle. To ensure that the performance management system aligns with the strategic direction, the strategic goals need to have transparency throughout the organisation. This means, all employees of the organisation are made aware of what the strategic goals are. To this end, department managers can then set department goals in line with the strategic goals and the flow down effect is then for the individual's goals to be set in line with those of their department.

### **1.3 Ensure managers have provided reports of performance indicators consistent with the position description requirements**

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It is no good setting out to run a marathon without knowing where the finish line is or where the checkpoints along the way are. Even if you have the best time, if you end up in the opposite direction, all of your effort would have been wasted!

A lot of frustration can be saved for both the employee and management if the employee is given clear directions and clear milestones to reach along the way. For this reason, it is important to start the appraisal process with an initial goal setting interview that maps a clear pathway to achieving those goals. As part of your role, you will need to ensure that managers have set performance indicators (also known as key performance indicators, KPIs) for their staff and that those performance indicators align with the requirements of the position description.

The employee's goals should then align with their responsibilities. Their goals may in fact exceed their responsibilities but must at least include them. If their goals exceed their responsibilities, then this will need to be managed to ensure they are not being too ambitious, that all goals they have set are achievable and that the goals that align with the strategic direction of the organisation are not being back seated in favour of personal goals.

The performance indicators need to be measurable, that is they need to clearly specify the objective or task that is to be completed, be realistic and obtainable and should have a specific timeline associated with them. The performance indicators also need to be in line with the team's objectives and the objectives of the organisation as a whole.

Part of your infrastructure review is to ensure that the performance indicators that have been set are in line with the job description. It is unfair to the employee to set objectives that are outside the scope of their position.

## 1.6 Provide advice and support where there is dissent about performance appraisal outcomes

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In the situation where there is a disagreement about the outcomes of the performance appraisal, you may need to offer advice and support. You will need to remain neutral in this instance and listen carefully to both sides of the story. Your organisation should have procedures in place for dealing with this situation.

Generally, organisation will work on an escalating appeals process in the form of grievance procedure. It is important that there is an appeals process in place and that an employee has the right to express their views regarding the appraisal. The signing of a performance appraisal should not be confused with agreeing to the content. The signing should only be an acknowledgement that the appraisal has taken place and the manager has discussed the content with the employee.

Where an employee appeals the performance appraisal, others may then need to become involved in the process, such as having someone else conduct a review of the appraisal and make a judgement on the decisions made. An employee has the right to refuse the signing of the appraisal, however, this will be filed under his HR employee records.

The exact procedures to be followed will depend on the organisation's policies and procedures. Below is the common process for grievance procedures:

1. **Informal discussions.** This is where the staff member verbally discusses with the supervisor the reason for appealing the performance appraisal. They will agree upon the resolution of the matter.
2. **Statement of grievance.** If the staff member still disagrees with the resolution provided during the informal discussion, a statement of grievance must be submitted through a formal letter stating the reason for grievance.
3. **The grievance meeting.** A private meeting will be set again between the employee and the supervisor where they will try to resolve the grievance.
4. **Further actions.** The grievance can be escalated if both parties still fail to resolve the matter. Usually, an investigation will occur.
5. **Appeal.** If the resolution of the matter still does not satisfy the employee, a written appeal will be sent to the employee and the supervisor. The meeting will be attended by a senior manager who was not part of the previous meetings. The decision in the appeal process is final.

**Activity 3:**

Refer to [Awesome Landscapes Performance Appraisal policies and procedures](#).

If a staff member refuses to sign their performance appraisal, what action would you take?

What action would be taken if it is determined that the staff member disagrees with the comments made by the supervisor?

Answer:

## PROMOTE PERFORMANCE MANAGEMENT SYSTEM

For the performance management system to be embraced by managers and staff of an organisation, they need to have a good understanding of the purpose, methods, and benefits of the PMS. It will often fall upon the HR practitioner to promote the PMS. In addition to providing information sessions to staff regarding the PMS, it is also important that appraisers are provided adequate training on completing appraisals and providing formal and informal feedback.

### 2.1 Clarify goals and methods of the performance management system to employees

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There are a number of reasons that an organisation will implement a Performance Management System. For the PMS to be successful, management should have a clear understanding of what they want to achieve and agree on that purpose. The following goals may apply to the PMS:

- The basis for applying salaries and readiness for promotion.
- A tool to identify training and development needs.
- A method of improving communication between managers and staff to foster cooperation and collaboration to resolve workplace issues.

The performance management policies and procedures will then be developed with the appropriate goals in mind. With clear goals in mind, it will be easier to identify the following aspects:

- The aspects of performance to be appraised.
- How performance is to be measured.
- Who is responsible for conducting the performance appraisals.
- The frequencies of performance appraisals.
- How the performance appraisals are undertaken.

Management needs to be supportive of the system to ensure that the appropriate resources are allocated for the conduct of appraisals and actions required following the conduct of an appraisal.

The system also needs to be conducted at all levels of management to be embraced by all levels of workers. If senior personnel are not subject to performance appraisals, lower-level staff may view the process with resentment.

- Effective communication is facilitated throughout the organisation.
- Harmonious relationship between individuals and supervisors is facilitated.

Performance management practices can have a positive influence on the job satisfaction and employee loyalty by:

- Regularly providing open and transparent feedback to teams and individuals on their performance.
- Establishing clear links between performance and compensation.
- Identifying learning and development requirements and/or opportunities.
- Evaluating performance and distributing incentives and rewards on a fair and equated basis.
- Establishing clear performance objectives through the use of open communication and a joint dialogue.
- Recognising and rewarding good performance in an organisation.
- Providing maximum opportunities for career growth.

Each level within the organisation may gain slightly different benefits.

### Organisational Benefits

- Improved organisational performance, employee retention and loyalty, improved productivity, overcoming the barriers to communication, clear accountabilities, and cost advantages.

### Managerial Benefits

- Saves time and reduces conflicts, ensures efficiency and consistency in performance.

### Employee Benefits

- Clarifies expectations of the employees, self-assessment opportunities clarifies the job accountabilities and contributes to improved performance, clearly defines career paths and promotes job satisfaction.

## Linking PMS to performance development

Regular performance evaluation (formal or informal) will contribute to performance development by identifying skills shortages or areas for improvement. It may also contribute by identifying individuals that excel in particular areas that may be utilised as counsellors or coaches to help development within the organisation.

Likewise, individuals that are performing well, may be selected to fulfil other positions within the organisation that further enhances the development of the organisational performance as a whole.

### 2.3 Arrange or deliver training or instruction on using the performance management system

As a HR practitioner, you may be called upon to deliver or arrange training on the use of the PMS. The training that you arrange/provide should focus on a holistic approach to the system and not just on completing the performance appraisal paperwork.

This will involve developing the skill sets of those involved in conducting appraisals such as:

Coaching and/or counselling to aid improving performance throughout the reporting period and not just appraising it during formal reviews.

Setting objectives for their staff that can be effectively used to monitor performance.

Using behaviourally anchored rating scales.

Collecting valid evidence to appraise performance.

Completing appraisal paperwork.

Conducting appraisal interviews.

Providing effective feedback to staff.

For the training to be effective, the trainer must have a good understanding of the topics to be covered and able to present information to people with varied learning styles. If you find yourself in a situation where you need to deliver the training and you are not fully conversant in the topic, ensure you research it thoroughly, consult with others that are familiar with the topic and rehearse your presentation.

## CONCLUSION

### What have we learned?

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Congratulations, you've reached the end of the learner guide!

To summarise what you have learnt in this unit:

1. Reviewing the performance management infrastructure
2. Promoting the performance management system
3. Recommending improvements to the performance management system

Please review any of the above areas that you are still not familiar with.

### What's next?

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Now that you have completed this learner guide, you are now ready to commence working through the Workbook associated with this unit.

When you have completed Workbook 1, you may progress to the next unit as designated in your welcome pack.

Good luck with your assessment!

## FEEDBACK

Well done for finishing this learner guide. We hope that what you learn will open up new path ways for success in your life. At Compliant Learning Resources, we continually strive to improve our resources and heighten the learning experience for you. One way of doing this is seeking your feedback. Your experience is important to us and we are very keen to hear any suggestions or complaints you may have. Click on the button below to let us know what you think of us and our learning resources.



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