

South African Payroll Association
17 March 2020

Why Performance Management is crucial for employee development

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Over the past year we have had many discussions with organisations as to where they see their performance management processes going in the future, in light of all the new advanced HCM technologies brought about by the various cloud solutions available.

The good news is that many of these organisations are starting to take a serious look at their current processes and how these can be redefined into more value adding processes for both the organisation and the employee.

A clear result of these discussions is that having two performance review sessions over a twelve-month period is just nowhere near sufficient enough to have an effective or positive performance management process.

Organisations are finally starting to both look at what their overall goal is for conducting performance reviews and what benefits this process has actually realised the organisation, as for too many years now all it has ever really been is a salary increase indicator.

And therein lies the problem. Both employees and managers only really looked at the respective objectives and related scores with only one goal in mind – *what increase will I give and what increase will I receive* – without any real focus on the ongoing improvement of performance, continual employee development or even career and succession planning.

Staff members need a solid career plan to give them stability and confidence in their future in the organisation.

Although some managers can often be threatened by hard headed or stubborn people, strong independent thinkers are required at all levels in life, and an environment and culture need to be created, where these attributes are encouraged and grown, as this helps many people to grow and thrive.

Innovation is the name of the game today. With technology starting to run riot in our lives, people who seek out innovation will become very successful, whether at work or at home.

With cloud based applications now becoming one of the preferred options for HCM solutions, they bring with them a whole host of new and exciting innovations.

One good example is having an integrated social forum as part and parcel of the solution, enabling employees to both request and provide feedback as and when required. Employees and managers are thus able to build up portfolios of evidence on a regular basis, ensuring that the regular performance discussions become more relevant and meaningful.

And of course, having a connected workforce, employees' performance agreements become a living document.

Objectives are no longer set and measured over a fixed period, normally the financial year, but rather objective can be loaded and assessed each with their own start and end dates, breaking the traditional link with the meaningless financial period.

In addition, as and when the employees' work circumstances change so too can their performance agreements be updated, there and then, affording both the employee and the manager the opportunity of continually reviewing objectives, thus ensuring that they are 100% relevant to the actual tasks the employees have been assigned.

As mentioned earlier, there is a total inadequacy in having the normal mid-year and full year review for a staff member.

The employee's performance contract should be a living document, with the management and accountability equally shared between both parties.

Both employee and manager should be equal partners in the creation of goals as well as all the resultant processes that lie therein, such as planning and execution of ongoing skills development, forward focusing career planning and of course how reward and recognition will be measured and awarded.

In summary, employees thrive in an environment where they feel they are appreciated and valued for the contributions they make towards the overall success of the organisation. When the focus of performance is centred around the development of skills and competencies towards their future, a healthy environment is created for managing performance as opposed to those dreaded reviews whose sole purpose is for determining what increase percentage will be awarded.

ENDS

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