PERFORMANCE MANAGEMENT:
A shared process that includes assessing, managing, planning, and improving an employee’s performance to promote development that serves both the individual and the organization.

EIGHT GUIDING PRINCIPLES

Eight guiding principles were identified from the literature review, and can be used as guidelines for constructing the framework of an effective performance management system. They are listed as follows:

1. **A system vs. point-in-time approach**
   - Performance management is an ongoing process that begins with an appropriate position description and hiring process that leads to the hiring of the person most capable to do the job. Ongoing performance management of that person includes setting goals, checking in on and monitoring the work, and evaluating the performance.

2. **Linkages to mission**
   - The visible link between organizational and individual goals, which determines what needs to get done. Tools include setting up an organization’s mission, vision, values, and expectations.

3. **Accountability and management support**
   - Organizational leaders need to regard performance management as being core to the operations of the enterprise. The amount of “buy-in” that senior managers hold in a system has a direct effect on the success or failure of the system.

4. **Credibility of system**
   - Employees must see the relationship between the coaching provided and desirable outcomes. Additionally, employees should see a positive relationship between the coaching process and other human resource systems. System credibility may be impaired by mistrust of managers and their abilities.

5. **Management training and coaching**
   - Managers must be sufficiently trained to prepare for and perform employee evaluations. If a manager is trained improperly to do performance reviews/appraisals, the likelihood of rater bias increases.

6. **Utilization of technology**
   - Technology can assist with the standardization of performance management systems and measurement of compliance. Over utilization of technology may interfere with an effective performance management system.

7. **Compliance-based versus behavioral-based appraisals**
   - Competency-based systems provide a clearly defined path toward desired goals. Behavioral-based models provide a mechanism for continuous feedback from managers, where employees understand what specific and measurable behaviors are expected within a given role.

8. **Relationship to compensation varies**
   - Although compensation is an important motivator in employee performance, it is not the only motivator. Employees are also motivated by professional development opportunities (e.g. talent management) and the ability to relate their role to the context of the organization as a whole.

SELECTED QUOTES FROM THE FOCUS GROUPS

“…I do feel connected to the mission I work so closely with students, other faculty and the public. By doing support work for the U of M, I feel connected to the U, work with students. I see where I fit in in about every project.”

“…”

“…”

“…”

RECOMMENDATIONS

Adopt a performance management system based on the eight guiding principles and administer the system using the roles identified below.

1. **Gaps in buying from senior leaders and the Board of Regents**
   - Develop and implement performance management system guidelines.
   - Establish University-wide core competencies to select employees, measure their performance, and identify growth and development opportunities.
   - Determine the set of necessary skills for Human Resource expertise within each college, department, and unit.
   - Provide adequate forms to be used across the University and tailored by units.
   - Consider technology-based tools to facilitate delivery of the system and monitor reporting (i.e., creation of tools, guidelines, information).

2. **Leaders must buy in to the system to effectively ‘lead’ the system.**
   - Continue senior leadership performance review process.
   - Decrease the emphasis on the number of people in the system; rather, the focus should be on the way the system will fail, they must be held accountable for compliance of the system.
   - Leaders must value the work of their human resource staff and supervisors and empower them to be the necessary work for the performance management process to be successful.

3. **Create Human Resource expertise within colleges, departments, and units and empower the Human Resource liaisons to be effective ‘managers’ of the system.**
   - Human Resource expertise would be determined and/or hired at the local level using the set of skills identified by OHR.
   - Human Resource staff must be adequately trained to implement and monitor the system within their colleges, departments, and units.
   - The HR liaison would interface between the Office of Human Resources, the deans/deans, supervisors, and employees to drive the system at the local levels.

4. **Supervisors must be valued for their role as ‘implementers’ of the system.**
   - Adequately train supervisors in areas including, but not limited to, general talent management, performance management guidelines, conflict resolution, coaching and feedback, etc.
   - Support and value the time that it takes to effectively conduct performance management and coach employees.
   - The role of the supervisor is to:
     - Set clear goals and expectations for each employee.
     - Value employees’ contributions through active recognition and other appropriate efforts.
   - Foster an environment of two-way communications. Employees need clear expectations, continuous communication and feedback to be effective ‘contributors’ to the system.

5. **Train employees on the benefits of the performance management process.**
   - Empower employees to be active participants in the performance management process.
   - Provide time and money so employees can utilize professional development opportunities to improve their skills and develop in new areas.

CONCLUSION

What are the benefits to a performance management system? People will better understand how they can contribute and develop as employees within the University. They become more engaged in their work by understanding the University’s mission, the expectations for their work, and what they can gain from the University’s performance management and career mobility system. This in turn benefits recruitment, hiring, and retention of the employee and creates a team atmosphere where ideas are valued and acted upon.

What are the challenges? As with any large and complex organization such as the University with its centralized and decentralized functions, it is important that the following be considered when creating a comprehensive performance management system. There must be accountability at all levels, or the buy-in and trust that is needed by faculty and staff will be difficult to gain. Policies and procedures can not be uniformly applied across employee groups, and there is uneven access to information and delivery of materials. There is little support from senior management. There is a lack of core direction and focus for the effective management of a system that requires substantial time and energy from supervisors. Supervisors must be allowed to look beyond their day-to-day activities and invest in a performance management process. Finally, and perhaps most importantly, appropriate resources are required to implement and maintain an effective performance management system and invest in professional development.

What will it take? It will take bold leadership to drive an effective performance management system. There is no lack of energy and enthusiasm by the employees of the University. Employees have a passion for the mission of the University and work here because of the creativity, innovation and knowledge generated by this great institution. The University’s goal is to keep one of the top three public research universities in the world by investing in its employees. By committing to its employees, it will be able to give much more to the University. What more could the University ask for from its employees?