

Work models are evolving - is performance management keeping up?

By [Lindiwe Sebesho](#)

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Today, we cannot read an article that does not refer to work from home, hybrid working, four-day work week, or the impact of artificial intelligence on work and what employers should be doing differently to attract, engage, and retain talent in a highly competitive skills market.



Image source: nappy from [Pexels](#)

But when it comes to the fundamental principles of performance management, which is a critical part of any organisation's people strategy, has anything really changed?

The rapid shift to working from home and virtually was an essential strategy for keeping businesses and people working when the global Covid-19 pandemic hit. Whilst some organisations have since recalled their workforce back to the traditional physical office, many employers have normalised hybrid working models as a means of enhancing their employee value proposition.

Hybrid working models that rely on virtual ways of work have become part of most organisation's workplace strategy with ongoing efforts to ensure that such are designed to improve productivity while 'humanising' work life and particularly performance management, which plays a crucial role in enabling focus towards the execution of organisational strategies and/or the achievement of set objectives.

Whilst the above work models continue to embed clear shifts on where, how, and when performance or outcomes are delivered, what performance management should be about seems to have remained unchanged for those organisations who subscribe to performance management being about:

- Focused processes and conversations that optimise individual and team contribution towards delivering the strategy through clearly defined objectives and outcomes;
- Fostering a continuous improvement ethic driven through quality conversations throughout the year; and
- Deriving fair and objective evaluations that inform business aligned development, reward, and other long term talent decisions.



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The changes on the where, how, and when have contributed to most managers and leaders realisation of the importance of managing people by their outcomes rather than their physical presence at work, and hence the following practices continue to emerge:

- There continues to be movement towards approaches that incorporate team performance and endeavor to better understand what motivates discretionary effort instead of micro-managing employees;
- In line with the above, leaders and managers in more mature organisations seem to be putting more effort towards defining clear outcomes linked to business plans and goals for their teams and individuals and trusting that employees will do what is required to deliver the right outcomes, subject to the right enablement and support;
- There is also a lot more investment in real-time, simple-to-use processes and technology which reduce the administrative burden that came with more traditional performance management practices. This is imperative in a world that continues to evolve through technology, AI and has more tech-savvy and younger employees; and
- There is also more focus on proactive delivery management and the outcomes achieved through appropriate performance-based rewards and/or more rigorous processes to manage under-performance proactively.

Following on from the above changes, the following areas of performance management seem to be strengthening:

- The business context of performance management is being emphasised through clearly communicated purpose, growth ambition and strategy statements where there is also reasonable freedom to cascade and translate such into team and individuals' goals and targets, subject to relevant guidelines;
- Team and individual alignment processes are used to capture the essential outcomes of both financial/non-financial objectives and key results (OKRs) or even key performance indicators (KPI) with targets.
- Real-time feed-forward and regular check-in conversations are encouraged to enable development and continuous improvement before results are finally evaluated;
- Ratings may be conducted regularly and enabled by technology. These may lead up to the annual performance review to ensure no surprises at year end.
- Rating outcomes continue being used as input for making reward and other talent related decisions by most organisations.
- Calibration: Some organisations continue to calibrate ratings to manage the impact of unconscious bias on perceived fairness.
- Given skills shortages, performance management outcomes are also used as a reference for making investment in

priority skills training, etc.



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As we move forward in this new world of work, performance management needs to come alive in an organisation. The critical success factors to make this happen include, but are not limited to:

- Having a clearly defined performance management policy/processes which are normally executed as part of both the business planning and people management processes;
- Capacitating leaders, managers, and employees on how to effectively manage performance with due regard to the principles of the framework, business strategy and employer/employee relations. In this regard, the empowerment of the employee and holding them accountable for their contribution is more important in a work environment where people are expected to work more independently than before;
- Enabling the processes through appropriate technology to reduce process overburden; and
- Using the outcomes thereof to effectively and fairly recognise desired behaviours and results, continuously improve, invest in skills, and deal decisively with under-performance.

Following the above principles should convince line managers that performance management is worthwhile, and that their human resources functions are there to define the processes that enable business leaders and employees to perform optimally, not execute on such processes as this should be a management responsibility.

Performance management in the main, used to be an annual appraisal but has now evolved to a holistic, agile, ongoing process that informs the quality of relationships between employers and employees.

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