



Using Performance Management to Enhance Goal Clarity

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Performance Management

- establishing a **shared understanding** between employees and supervisors of **what** is to be achieved and **how** it is to be achieved.
- Performance management is a core element of any strategic human resource management approach

Performance Management

- Individuals clearly understand how their role contributes to the organization's goals.
- Is focused on **fairness** and employee **development**.
- Represents a **two way process** where employees and supervisors discuss objectives, give and receive feedback and identify development needs.

CHALLENGES WITH PERFORMANCE MANAGEMENT

- Poor system design and limited management training on the process.
- Lack of commitment by management and employees.
- Perceptions of procedural unfairness.
- Inconsistency in performance assessments.
- Employees lack a clear understanding of organizational objectives.

Goal Clarity

- Communicating high level organizational goals to employees.
- Employees need to have a shared understanding of the strategic goals of their organization
- Employees will then be more likely to understand how their roles align with the organization's goals
- Employees understand why certain performance indicators need to be achieved and how they can contribute to achieving them.

Role Clarity

- But employees may experience a lack of clarity regarding what is expected in terms of individual performance.
- Employees may have no clear understanding of the difference between low, medium and high performance.
- ‘In 20 years, every performance management issue I’ve dealt with, with the exclusion of one or two...has been about complete lack of clarity of what they [employees] were supposed to be doing’ (Australian public service manager).

Role Clarity and Meaningful Work

- Role clarity also emerges when individual employees believe that their work is meaningful and makes a difference to society.
- ‘Clear alignment is critical for engaging the hearts and minds of the people who do the work. ... that’s why they need to see a connection between what they come to work to do every day and what the purpose of the agency is...’ (Australian public service manager)

Goal and Role Clarity and Rewards

- Once employees appreciate the importance of their role to the success of the organization they may be prepared to change their behaviour and deliver the required task performance.
- To motivate employees **rewards** may be provided - financial, recognition or **developmental rewards**.
- Limits of financial incentives
- **Recognition** rewards can reinforce goal and role clarity
- Importance of **praise** to enhance individual employee motivation.

Performance Feedback

- Information is provided to employees about how their task performance and behavior contributes to achieving organizational goals.
- Performance feedback can be formal and informal.
- Formal performance feedback involves an annual performance cycle starting with the negotiation of a **performance agreement**.
- Performance agreements outline the **key tasks and behaviours** required of individual employees.
- Important that employees have **ownership** over these tasks and behaviours.

Formal Performance Feedback

- Mid-cycle review and end of performance cycle evaluations linked to a performance assessment scale.
- But these assessments are inherently **subjective** – **leniency, harshness and central tendency errors**.
- If performance assessments are **moderated** employees may have concerns about the fairness of the process
- Employees may also be **defensive** and unwilling to accept feedback from supervisors - particularly if it is critical of their task performance.

Informal Performance Feedback

- Informal feedback involves more regular **conversations** with employees in groups or with individual employees.
- These conversations reinforce positive task performance and behaviours by groups and individuals.
- Regular conversations enabled supervisors to address unsatisfactory performance and unwanted behaviours.
- Informal conversations clarified expectations and provided role clarity on a regular basis.

CONCLUSION

- Communicating organizational goals and establishing a shared understanding is important for achieving **goal clarity**
- **Role clarity** involves employees understanding what tasks and behaviours they need to deliver and why.
- Employees will be more motivated if they understand how their tasks and behaviours help to achieve organizational goals.
- Performance Feedback can be **formal** and **informal** – involving regular conversations to clarify expectations and to minimise unwanted behaviours.
- Feedback can be supported by **rewards** – recognition rewards and social rewards.