PERFORMANCE MANAGEMENT
A practical guide
Performance management and learning are closely related. Performance management involves constructive feedback so that individuals can learn and improve. Learning, when relevant to an individual’s goals and context, should improve performance.

This guide takes a quick look at good practices in performance management and how the LMS can support them.

**It’s for:**
Those responsible for performance management

**It’s about:**
Best practices in performance management, and how Totara LMS can help you apply them:

1: Setting goals
2: Preparing for the review
3: Conducting reviews
4: Development plans
5: Documenting outcomes
Overview

An individual’s goals will relate to the overall organisational goals and the competences they require will relate to their job role. A learner’s progress towards their performance goals can be assessed in many ways but typically there is a performance management process which involves feedback from their managers, peers and others identified as part of the process.

Key to improving an individual’s performance is a development plan which is informed by the review process. The best review processes are ongoing, provide regular feedback and input into the individual’s development. For the development plan to be effective, it should connect to the LMS, where at least the formal elements of learning will reside. Totara LMS and Totara Social provide tools to ensure there is tight integration between performance management and an individual’s ongoing development.

Performance management has a number of key benefits such as:

- Setting and measuring meaningful goals
- Clarifying job responsibilities
- Discussing career development options
- Motivating and engaging employees in their development
- Identifying employees in need of support
1. Setting Performance Goals

The key of performance management is setting clear goals. The individual’s goals should connect with the individual’s performance to the overall business.

**IN PRACTICE:** WITH TOTARA YOU CAN RECORD AND DOCUMENT BOTH COMPANY GOALS AND PERSONAL GOALS.

“Company Goals” represent the aims of the organization as a whole. Typically an administrator or HR Manager would enter these into the system. They can be structured as one or more hierarchical trees, allowing for high-level goals to be broken down into sub goals. Company goals are visible across the organization and can be assigned to teams and individuals to achieve.

“Personal Goals” represent more targeted, specific goals for an individual user to achieve. These goals are specific to the individual they are created for, and do not form part of the overall company goals hierarchy. However, it is good for staff to understand how their actions contribute to the company’s success and developing individual goals should be a collaborative effort between the individual and his or her manager.
A SMART APPROACH TO GOALS

When establishing performance goals, it is considered good practice for them to be:

**SPECIFIC** – include the who, what, when, where and how

**MEASURABLE** – a numeric or descriptive measure defining quantity, quality, cost, etc.

**ACHIEVABLE** – within the employee’s control and influence; challenging, but not impossible

**RELEVANT** – tied to the mission of the department and company

**TIME-BOUND** – target date for completion or frequency of specific action steps that are important for achieving the goal
Aligning development goals to competencies

Competencies are the skills, technical knowledge and personal attributes that enable a person to be successful in a particular position. There is a benefit in having standard competencies across an organisation. Competencies are used and developed in meeting goals, for example to reach a sales target growth of 10% I may need to develop my presentation, influencing and negotiation competencies to a new level.

Productive performance management conversations involve discussing SMART goals and the competencies needed to achieve them.

This will usually lead to identification of learning needs or opportunities to support the competencies. This is where having access to the LMS to create a learning plan becomes relevant.

In Totara you can

- Create multiple competency frame works, with and without hierarchies.
- Map competencies to positions, organizations, and courses.
- Competencies automatically appear in learning plans for users assigned to those positions and organizations.
- You can then link courses to competencies to automatically populate learning plans, if as part of a development discussion you identify a competency gap or opportunity.

So for example, you could agree that an individual should aim to become a supervisor. You can review the competencies associated with the role as part of the performance development discussion. You can then create a learning plan with the goal of reaching this position. Totara LMS will pull in the competencies and associated learning with being a supervisor into the individual’s plan. You can then have regular discussions to review how learning is progressing.
IN PRACTICE: SETTING UP GOALS AND REVIEW FORMS IN TOTARA

An individual can view and manage their goals via a My Goals page. Managers can access an overview or details of their staff’s goals via the My Team page. Administrators can update the Company goals and report on the overall progress towards achieving them.

The performance management requirements of different organizations vary, so Totara LMS provides a flexible system which can be tailored to meet a wide range of needs. The appraisal form builder enables an administrator to create custom performance appraisal forms and assign the forms to groups of people within their organization, and map to your appraisal process. The Appraisals module includes workflow and deadlines, so you don’t fall behind in the overall process.
2. Preparing for a performance review

Typically an appraisal process takes place over a period of time. Using Totara LMS you can define separate stages during which certain actions must be completed.

The system automatically notifies participants that actions are required or are overdue. You can set up tasks that need to take place before a review takes place.

Here are some tips on how to prepare for a review.

- Actively seek feedback from others and review anything provided over the course of the review period from managers, co-workers or customers. You can use the Totara LMS 360 feedback tool to gather feedback.
- Review any documented feedback on their achievements.
- Ensure any relevant forms are completed in advance.

Your company’s performance management process may also include an employee self-assessment. This gives the employee the opportunity to identify their accomplishments, evaluate their own performance and share their goals and interests. Reviewing a self-assessment before a review gives you a good idea of the employee’s frame of mind regarding his performance and issues to focus on.

- Don’t leave it to the last minute. Performance feedback should be an ongoing process year round. You should record notes from performance discussions in the previous cycle.
- Review the employee’s job description to remind you of the responsibilities, expectations and competencies tied to that role.
- Review previous performance evaluations.
- Review your own coaching/communication notes on what you have discussed throughout the review period.
IN PRACTICE: GATHERING 360 FEEDBACK WITH TOTARA LMS

Totara LMS enables you to gather feedback from peers using a 360 degree feedback tool. Administrators can create a custom 360 report specifying the questions / categories you want to seek feedback on, and which who will be involved. You can then distribute this to a set group - they don’t have to be inside your organization - for example customers or suppliers can be included.

The individual can also use the feedback request tool, enabling them to seek feedback from their peers. Managers and individuals can keep track of who has responded.
3. Conducting The Performance Review

**PREPARE:** Managers are learners too! Conducting performance reviews can be one of the more challenging aspects of managing people. Your organization should provide ample performance management training and support. The most effective methods are typically blended learning designs, with short process overviews, more in-depth practice, and refresher elements that can be accessed on demand.

**CREATE THE RIGHT ENVIRONMENT:** Set up a time and place for the review meeting that is comfortable for both parties and allows sufficient time without interruptions to have a thorough discussion about performance, future plans, performance expectations, development needs, career growth aspirations and options. Try not to conduct the review conversation across a desk with the parties on opposite sides.

**TAKE CONTROL**
Start by explaining what you want to accomplish during the review.

**OFFER THE EMPLOYEE THE CHANCE TO REFLECT**
Ask them how they think the last period has gone for them. Listen to their answer until they are finished, without interrupting or contradicting. Then agree with whatever you can and reframe anything they have said that is overly self-critical. People can be their own worst critics.
**GIVE EFFECTIVE FEEDBACK**
Ideally you will have been giving regular, ongoing feedback so the performance review conversation should just be a summary of the key points from the year. There should be no surprises in a performance review conversation, unless they are nice ones. All feedback where improvements are required should be delivered as close in time to the event as practical.

**LEAD WITH POSITIVE FEEDBACK**
Be specific with your feedback and give examples as this will make the review more meaningful.

- Where did performance exceed expectations?
- Where did performance fail to meet expectations?
- Where did performance meet expectations?

**BE DIRECT**
Don’t make excuses for having to provide negative feedback; if you’ve been effectively coaching the employee during the review period there won’t be any surprises. Bear in mind, the employee may have a different perception of the impact because they may have been paying attention to different priorities. Be prepared to explore different perceptions.
PROBLEM SOLVING

• Use a problem solving approach to focus on areas that are not going as well as the organization requires.

• Outline the gap between the results achieved and the results required.

• Ask the employee to reflect on where the obstacles have been that led to the gap and what their contribution has been.

• Acknowledge external factors outside the employee’s control and make a commitment to doing what you can about them.

• Encourage the employee to identify how they could do things differently that would help close the gap.

• Don’t dwell too much on the past other than to take the necessary learning from it – focus most attention on what needs to happen in the future.

LISTEN CAREFULLY

Use active listening skills (reflecting, paraphrasing, summarizing) and open-ended questions to explore the employee’s perception of their performance, priorities, personal goals and career aspirations, and to help them set performance goals for the coming year. Silence is a very good tool for encouraging people to talk further about something you think needs more reflection.

LOOKING FORWARD

Work together with them to establish new performance goals. It’s good practice to get the individual to set their own draft SMART goals, and for the manager to review and agree them.

Summarize and restate the outcomes of the meeting so things are clear. End the discussion on a positive note.
4. Creating a Development Plan

Increasingly the performance review is called the Performance & Development Review. Make sure that sufficient time is given to development needs to achieve objectives. Identify the learning that will enable the objectives to be met - it’ll likely be a mix of formal learning, blended programmes, on the job experience e.g. assignments, shadowing and specific projects.

A development plan is a key part of the performance management process. Development plans are designed to help individuals get to the next level regarding workplace performance. They map out opportunities for employees to develop their skills and advance their careers. In the discussion you can get a better understanding of their career goals, how they think they can accomplish them, and their current challenges.

The development plan is a balance as it needs to align with your company’s needs. Development plans can include a combination of activities such as formal training, reading, work projects, coaching and mentoring.

Applying new skills in the workplace is important so you need to discuss opportunities where staff can quickly apply the new skills and get feedback. This will help them reinforce and refine their new skills.
Writing and documenting reviews and plans

In the written review, summarize performance against the goals and what will happen moving forward.

**IN PRACTICE: KEEPING TRACK IN TOTARA LMS**

In Totara LMS, you can create a personal learning plan that ties directly to the goals set and agreed in the performance review. If you are targeting specific competencies as part of development, it will pull in the relevant learning associated with those competencies. Both the individual and manager can then monitor progress through the cycle. You could also use Totara Social as a way of keeping the performance discussion live.
Ongoing support

Learning technology now plays a central role in enabling individuals to flexibly meet their goals.

- Ensure learning opportunities are easily accessible through using personalized learning plans within the LMS.

- Make sure learning is available at the right moment. If an individual needs support for a specific project or activity, does your learning approach provide performance support? Is short form content easily accessible to answer specific questions?

- Consider the role of social learning: Are you being clear about goals? Is your organizational culture conducive to staff seeking help from others? Platforms like Totara Social help individuals build a personal learning network to support their development and their work.

- Make it easy to monitor and discuss performance. Setting goals and objectives via Totara LMS makes this possible - team managers have a dashboard view of team and individual performance against plans, and custom reporting can roll this up to unit and organizational levels.

- Make it easy to adjust as goals can change. LMS makes it simple to update and change learning plans on the fly.
Takeaway

Totara LMS has a range of flexible features to support your performance management process although remember that effective performance management is more about honest dialogue than technology.

Use the tools available to support your process by:

- Aligning a range of learning to align to the goals, skills and competencies in your organization
- Creating forms and workflow that match your step-by-step process
- Getting the full picture through 360 degree reviews
- Setting a clear path through goal setting and learning plan creation
- Supporting the learner through ongoing communication
- Making progress visible to managers via dashboards and reports
GET IN TOUCH:

Contact Totara Learning or your Totara Partner to see the performance management module in action

www.totaralms.com