



INTRODUCING PERFORMANCE MANAGEMENT TO ACCOSCA IN BOTSWANA

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What is a SACCO or CFI, or Credit Union?

- A credit union is a customer/member owned financial cooperative, democratically controlled by its members, and **operated for the purpose of maximizing the economic benefit of its members** by providing financial services at competitive and fair rates (Woccu)



Understanding performance

- Performance is understood as achievement of the organization in relation with its set goals.
- It includes outcomes achieved or accomplished through contribution of individuals or teams to the organisation's strategic goals.



Performance dimensions

Contextual behaviour;

- *behaviours that contribute to the organisation's effectiveness by providing a good environment in which task performance can occur referred to as **pro-social and organisational citizenship behaviour***
- they support broader organisational , social and psychological environment in which the technical core must function
- **Influenced mainly by personality (conscientiousness)**
- Task performance
 - activities that directly transform resources into goods or services or maintains the technical core
 - **Influenced mainly by abilities and skills**



Determinants of performance

- **Declarative Knowledge** (what to do)
 - Is knowledge about facts & things including information about a given task's requirements e.g. keeping SACCO finances, appraising a loan, recruiting members
- **Procedural Knowledge and skills is a combination of what and how to do it**
 - includes cognitive, physical, perceptual, motor and interpersonal skills
- **Motivation**
 - Independent variables of choice
 - Choice to expend effort
 - Choice of level of effort
 - Choice to persist in that level of effort



Performance Management as a process

- It is a “**continuous process of identifying, measuring and developing** the performance of individuals and teams and aligning performance with strategic goals of the organisation.” (Aguinis, 2009)
 - **Continuous**; *PM is ever ongoing. Involves goal & objective setting, observing performance, giving and receiving coaching and feedback*
 - **Alignment**: *managers ensure congruence between employee activities and organisation’s goals creating a direct link between employees and strategic goals.*
- *Can employees alone make a SACCO perform?*



What are the indicators of a performing SACCO or CFI, or Credit Union?



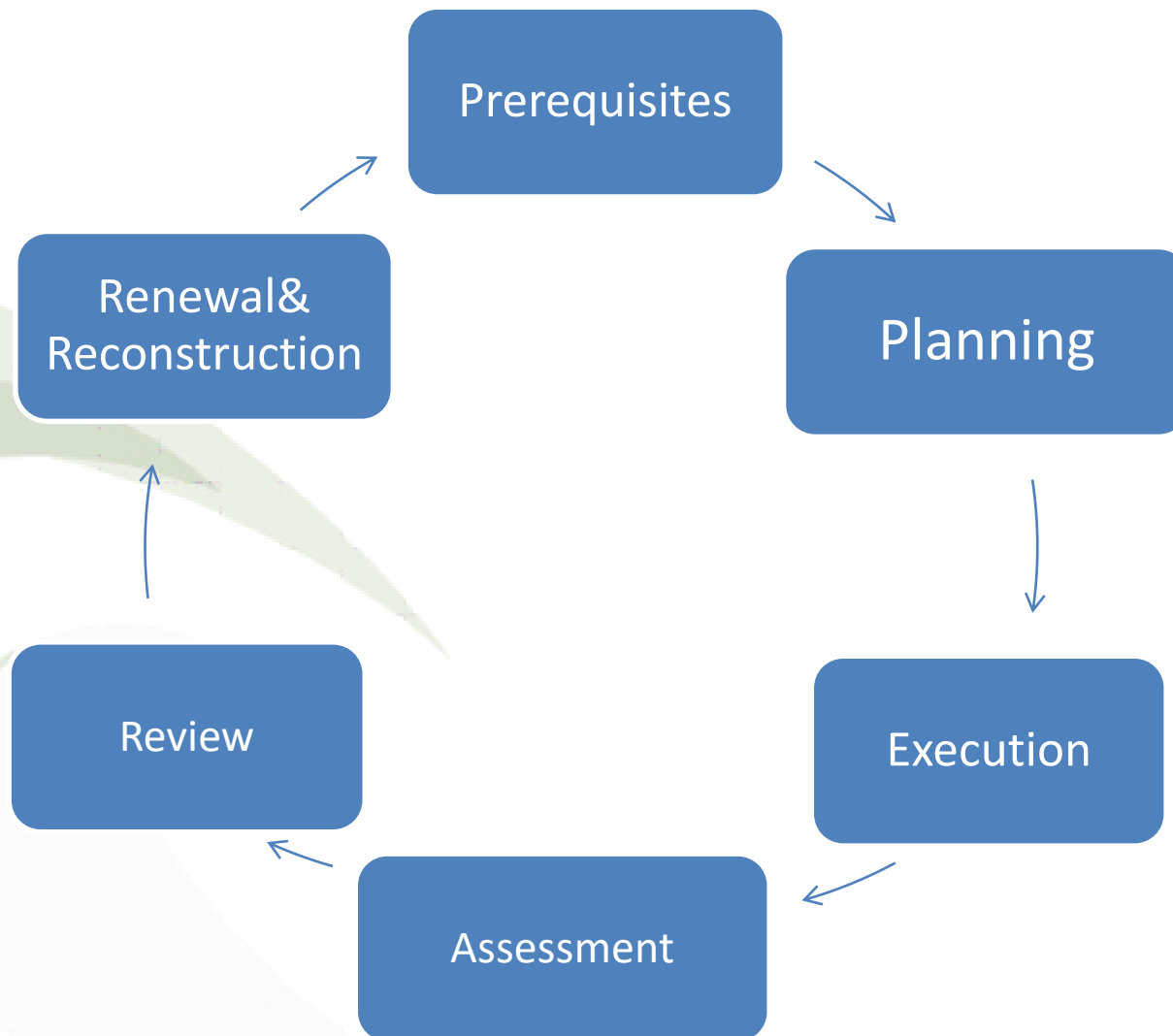
Who are the drivers of this agenda
in our SACCOs?

A) Members & Board

B) Staff-CEO



Performance Management Process





Stage 1: Prerequisites

Knowledge of the organisation's mission and strategic goals

- Strategic planning takes place after Vision and Mission statements have been developed
- Goals cascade downwards with departments setting objectives to support overall mission

• Knowledge of the job in question

- Job analysis- process of determining the key components of a particular job, including activities , tasks, products, services and processes.
- Without job analysis it will be difficult to understand what constitutes the required duties for a job



Job Analysis

- **Knowledge:**

- Includes having the information needed to perform the work but not necessarily having done it.

- **Skills:** Refer to required attributes that are usually acquired by having done the work in the past

- **Ability:**

- Refers to having the physical, emotional, intellectual and psychological aptitude to perform the work but neither having done it or trained to do it required(Clifford, J.P. 1994)



Stage 2: Performance Planning

- At the beginning of each year supervisors and staff must meet to agree what needs to be done, how it should be done, considering Results, Behaviours and Development Planning.
- Objectives are the desired level of performance
- Or statements of important and measurable outcomes



Results

What needs to be done or

- The outcome an employee must produce
- Includes accountabilities or broad areas the person is responsible for
- Specific objectives that the employee will achieve as part of each accountability
- Includes special objectives of staff
- Includes **performance standards** –a yardstick used to evaluate how well employees have achieved each objective
- *Results should be **produced***



Behaviours:

How a job is done.

- An exclusive emphasis on results can give a skewed or incomplete picture of an employee's performance
- Include measurable competencies which are clusters of KSAs that are critical in determining how results will be achieved.
- **Examples of competencies are:** customer service, written and oral communication, creative thinking and dependability
- Performance of a salesperson could be affected by the assigned territory rather than his KSA
- *Behaviours should be **displayed***



CFI Development Planning:-

- An important step before the review cycle begins is for the employee and supervisor to agree a development plan which should include:
 - Areas requiring improvement and setting goals to be achieved in each area
 - Setting goals for individuals,
 - Setting goals for units, departments
 - Should include both results and behaviours



Personal development plans

- They specify courses of action to be taken to improve performance
- Achieving the goals stated in this plan allows employees to keep abreast of changes in their field
- They should highlight employee strengths and areas needing improvement
- Information to into the plan comes from the appraisal form-each performance dimension
- Employees are more likely to be satisfied with the system(Boswell,W.R &Boudreau,JW(2000)



Stage 3; Performance Execution

- **Supervisor has primary responsibility for the following:**
 - Observation and documentation-daily,good/bad
 - Updates- initial objectives and standards
 - Feedback- towards goals and coaching to improve performance
 - Resources- ensure requisite training, classes supplies and funding to perform properly
 - Reinforcement- performance problems must be diagnosed early and appropriate, timely steps taken



Stage 3: Performance Execution

- **The employee has primary responsibility for and ownership of this stage.**
 - Commitment to goal achievement –active participation
 - Ongoing performance feedback and coaching-solicit it
 - Communication with supervisor- supervisors are busy
 - Collecting and sharing performance data-with supervisor
 - Preparing for performance reviews(ongoing, realistic self appraisal)



Stage 4: Performance Assessment(Appraisal)

- Both employee and supervisor are responsible for evaluating the extent to which desired behaviour have been displayed and results achieved
- Extent to which goals set have been achieved should also be evaluated.
- Direct supervisor provides information to be used- peers and subordinates can also be asked
- Both should take ownership and sincerely fill assessment forms



Benefits of self Assessment

- Reduces employee defensiveness during appraisal meeting
- Increases employee perception/satisfaction with PMS
- Enhances perception of accuracy and fairness and acceptance of PMS (Shore, et al. 1998)
- Self rating helps emphasize possible discrepancies between the two views
- These discrepancies are likely to trigger developmental needs particularly when supervisor's views are more negative than the self (Brutus et al., 1999)



Stage 5: Performance Review

- Usually called appraisal meeting or discussion, it avails the employee feedback on her performance
 - ‘Achilles’ heel of the entire process’ (Kikoski,1999)
 - Managers are usually uncomfortable providing performance **feedback** especially when performance is deficient (Ghorpade and Chen, 1995)
 - The fact that people are apprehensive about giving and receiving **feedback** reinforces the need to have performance reviews (London,2003)
 - Avoiding giving negative **feedback** suggests mediocrity is acceptable thereby damaging morale



Feedback





What is covered in Performance Review?

- The Past. Discuss developmental progress (what has been done and how)
- The present. Information on new compensation packages, (what has been received or denied)
- The future. Individual Plans (Goals expected to be achieved over the period to the next review by the individual)



Recommended steps to conducting PRs

- Identify what employee has done well and poorly by citing specific positive and negative behaviour
- Solicit feedback from your employee about these behaviours. Listen for reactions and explanations
- Discuss the implications of changing , or not changing, the behaviours,. Positive feedback is best to explain what may happen if negative behaviour continues.



Recommended steps to conducting PRs cont.

- Explain to employee how skills used in past achievements can help him/her overcome any current performance problems
- Agree on an action plan. Encourage the employee to invest in improving his performance by asking questions such as : what ideas do you have for.....? What suggestions do you have for...?
- Set up a meeting to agree behaviours, actions and attitudes to be evaluated



Typical PR meeting (kirkpatrick,1982-55-57)

- Explain the purpose of the meeting
- Conduct self-appraisal
- Share ratings and explain rationale-
- Discuss development- , steps that should be taken to improve performance
- Ask employee to summarize the main conclusions- what dimensions are satisfactory and which are not.
- Discuss rewards- if any rewards are allocated discuss them including the rules used.
- Hold follow-up meetings-schedule another one before dispersing



Stage 6: Performance Renewal and Re-contracting

- Identical to performance planning
- This stage uses insights and information gained from other phases,
 - Unrealistic goals eg economic downturn or booms resulting from discovery of oil and gas may have been set but failed to start. This is a chance to remove those in the subsequent plan.
- The process starts all over again after this
- Continuously monitor to ensure consistence with changes in market and work environment



Conclusion

- All stages of the process must be judiciously followed to ensure effectiveness.
- Performance Managers must not consider the process an opportunity to punish dissent or as a vendetta against perceived enemies.
- The process should instead lead to efficiency and effectiveness in job performance culminating in improved overall performance ultimately, increased productivity, attainment of strategic goals.