

MODULE 4

Performance Management

Week 4 · 4 lessons · ~40 min

Lessons in this module:

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LESSON 4.1

What is Performance Management?

Performance management is the ongoing process of setting expectations, monitoring progress, providing feedback, and developing employees to achieve organizational goals.

It is not a once-a-year appraisal - it is a continuous cycle.

The performance management cycle:

1. Plan - set clear objectives and expectations at the start of the period
2. Monitor - track progress through regular 1-to-1 meetings
3. Review - formal mid-year and year-end performance reviews
4. Develop - identify strengths, address gaps, create development plans
5. Reward - recognize and reward high performance appropriately

Common mistake: Treating performance management as an annual paperwork exercise. Research consistently shows that ongoing feedback and regular 1-to-1s are far more effective than a single annual review.

LESSON 4.2

Setting Objectives — SMART Goals

Clear, measurable objectives are the foundation of effective performance management. The SMART framework ensures objectives are well-defined and achievable.

SMART stands for:

- S - Specific - clearly defined, not vague
- M - Measurable - has a metric or target that can be tracked
- A - Achievable - stretching but realistic given resources and time
- R - Relevant - aligned to the team and organization's goals
- T - Time-bound - has a clear deadline or review date

EXAMPLE

Poor: "Improve customer service." SMART: "Achieve a customer satisfaction score of 90% or above by Q3, measured through the monthly post-call survey."

Objectives should cascade from the organization's strategy to team goals to individual goals. Every employee should be able to see a clear line between what they do every day and what the company is trying to achieve.

LESSON 4.3

Giving Effective Feedback

Feedback is one of the most powerful tools a manager has. Given well, it accelerates development and strengthens the relationship. Given poorly, it damages trust and motivation.

Principles of effective feedback:

- Be specific - refer to specific behaviors, not personality traits
- Be timely - give feedback as close to the event as possible
- Be balanced - acknowledge what is working, not just what needs to improve
- Be actionable - tell the employee what to do differently, not just what went wrong
- Be private - never give critical feedback in front of others

The SBI Feedback Model:

- S - Situation : describe the specific situation
- B - Behavior : describe the observable behavior (not the person's character)
- I - Impact : explain the impact that behavior had

SBI EXAMPLE

"In yesterday's client meeting (Situation), you interrupted the client three times while they were speaking (Behavior). This made them visibly uncomfortable and may have affected their confidence in us (Impact)."

LESSON 4.4

Managing Underperformance

Managing underperformance is one of the most challenging aspects of HR. Handled correctly, it gives employees a fair chance to improve. Handled poorly, it creates legal risk and destroys team morale.

The performance improvement process:

1. Identify the gap - be clear on exactly what is not meeting the standard
2. Explore the cause - is it a skills gap, a personal issue, or a management problem?
3. Have an honest conversation - early, private, and supportive
4. Create a Performance Improvement Plan (PIP) - clear targets, support, and timeline
5. Monitor and support - regular check-ins, coaching, and training if needed
6. Review and decide - if targets are met, close the PIP; if not, escalate formally

Always document every step of the performance management process. Without documentation, disciplinary action becomes very difficult to defend legally - and unfair to the employee.

KNOWLEDGE CHECK

What does the "M" in SMART objectives stand for?

- A) Manageable
- B) Meaningful
- C) Measurable
- D) Motivating

✓ **Answer: C - Measurable. Every objective needs a metric or target that allows you to track whether it has been achieved.**