ELEARNINGNEWS ARTICLE

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# Performance management: what it is and how to optimise it

***How to ensure that employee performance is aligned with the company's strategic objectives? The answer lies in performance management.***

Now more than ever, one of the biggest challenges facing any company is the management of its **human resources**: from selection and training to the assessment of skills and performance.

Regular evaluation of employees helps to assess how well their work is helping the company to achieve its goals.
In this context, performance management is essential to recognise the strengths and weaknesses of your internal resources and to define effective strategies for their development.

In this article, we will explain **what performance management is and how it works**, and provide some useful tips for making the most of it.


- Performance management: what it is
- Performance management: the benefits for companies
- How to improve performance management
- Performance management software: the case of DynDevice LMS


## What is performance management?

Performance management is a set of activities and tools designed to monitor and evaluate the work of employees and ensure that it is aligned with the strategic objectives of the company.

This process therefore makes it possible to

- set individual and team objectives
- plan performance
- review and assess progress
- receive and/or give feedback
- ensure that each employee has all the skills needed to achieve the set objectives

## Performance management: the benefits for companies

**Greater employee involvement**
Because performance management sets concrete rules, employees will have a clearer understanding of what is expected of them and this will help increase employee engagement because they will know exactly what the company expects of them and what activities they need to do to achieve the set goals.

They will no longer try to impress a manager by doing random tasks and managers will not worry about how to tell employees that they are not doing well. If the system works, they will probably already know.

But not only that. While the uninvolved or low-involved employee only lends the company his or her time and skills to perform pre-assigned tasks, the involved employee will go above and beyond, devoting innovative passion and energy to the company, transcending his or her job description to try to move the bar of success higher.

**Increased productivity**
Performance management helps employees to understand what they need to do and when, and to appreciate their role in achieving company goals. Effective performance management therefore keeps employees aligned, engaged and also

significantly influences their productivity.

According to Gallup's " **State of the Global Workplace: 2021 Report**", companies with higher levels of engagement have higher productivity and profitability than others, by 21% and 22% respectively.
Reducing turnover

Performance management helps people feel recognised and valued and improves retention. According to Gallup's research, in companies with highly engaged employees, turnover (i.e. the flow of workers in and out of the company) decreases by up to 59%.

# How to improve performance management

**Structure the process in 3 steps**
1. Planning - First, define individual goals and performance expectations for each resource. In this first step, it is very important to actively involve the employee in order to increase involvement and motivation.

2. Check-in - In order for the process to be effective and coherent, set up periodic review moments to assess any difficulties and, if necessary, revise the objectives.

3. Appraisal - Periodic reviews culminate in the performance appraisal phase, in which the employee's performance and contribution to the company's objectives are analysed according to previously established criteria. The purpose of appraisal meetings is to discuss results, challenges and possible areas for improvement.

**Involve the employee actively**
Performance management is largely a shared responsibility between the employee and his or her supervisor. Greater employee participation in the performance management process increases employee satisfaction, commitment and motivation levels, inevitably improving performance.

**Create a system of continuous feedback**
At the heart of performance management is feedback. Once the employee's work and achievements have been analysed, all that remains is to give feedback to the person concerned.

When an employee does not achieve the goals they were assigned, it is fair to point this out to them. However, make sure you judge the work and not the person and never let them think that they are the problem. Instead, focus on the employee's working method and how to improve it.

**Promote continuous learning**
Performance management allows you to map the knowledge, skills and abilities of your employees so that you can identify areas for improvement. Ensure that the results of this analysis are effectively used to plan training to fill any gaps.

**Invest in good performance management software**
A good performance management system should have a clear link between objectives, monitoring and evaluation. But that's not all. For it to be effective, there needs to be continuous and effective communication and rigorous monitoring.

With this in mind, adopting performance management software (PMS) helps to optimise all phases of performance management: from setting targets to managing periodic reviews and defining employee development paths.

# Performance management software: the DynDevice LMS case study

**DynDevice LMS** is an eLearning platform equipped with a Performance Management Tool that allows you to:

- map staff profiles;
- manage in-depth the competencies assigned to employees;
- identify areas for development;
- plan targeted training interventions;

- constantly monitor individual growth within the organisation.

More specifically, here are some of the functions it includes:

- master profile management;
- management of job descriptions and related skills;
- master management of operators;
- management of the skills dictionary;
- management of self-assessment forms to be filled in by employees;
- management of assessment forms by assessors;
- management of the logbook;
- management of the training and development plans of each employee, with a history of the courses held.

Thanks to these features, DynDevice LMS allows you to manage from a single platform not only corporate training activities (online, classroom and blended), but also all activities related to the management of the skills of their employees, including planning and monitoring the effectiveness of training interventions.
For more information, read also " **The DynDevice LMS Performance Management Tool**".

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