

# FACT SHEET



**PERFORMANCE MANAGEMENT  
IN BLENDED WORK ENVIRONMENTS**

## INTRODUCTION

Managing performance in relatively stable times is tough enough. When a pandemic intrudes into the equation, managing performance, which includes setting goals, ensuring fairness in application, aligning processes, and directing monetary and non-monetary incentives and rewards, becomes even more complex and, for most organisations, chaotic. The SABPP Performance Management Survey which was distributed in August 2020 explored performance management and areas of concern related to managing performance during the pandemic. In this Fact Sheet, we present the results of the survey, and discuss how the results relate to the Performance Management Standard and the Professional Practice Standard on Performance Appraisals.

## CONTEXT

The world over has been battered by the challenges created by Covid-19. Organisations have had to deal with varied issues, from having to radically change work patterns to managing health and wellness crises to pivoting their core business to survive. In some organisations, different departments or teams are experiencing different realities – while some are doing extremely well, others are busy but running at a loss, while yet others are stuck without work. In such a context, performance management, both in the short term and in the long term, has been discussed broadly and half-heartedly. As HR professionals attempt to focus on the short to medium-term future of how employee performance is managed, one cannot ignore that sooner or later, there will be an expectation from employees to receive performance feedback, promotion and re-training opportunities and, of course, rewards for their contribution during these unbelievable times.

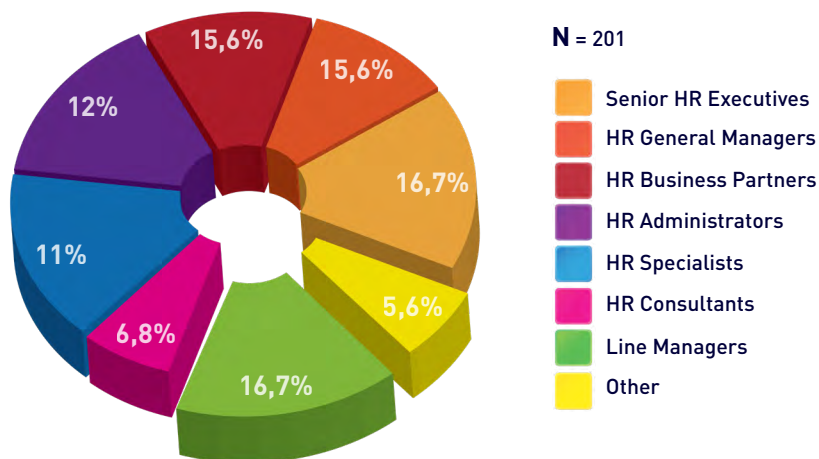
It is within this context that the SABPP invited HR professionals and members of the SABPP to participate in a short survey was undertaken to understand the needs of HR practitioners in terms of employee performance management. The results of this survey are presented in this fact sheet.



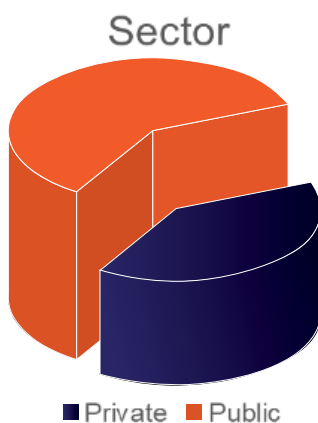
## SURVEY INFORMATION

### DEMOGRAPHICS

The demographic information obtained from the survey indicate that responses were obtained from a good mix of HR professionals in different levels of the profession. Out of the 201 responses that were collected, 16.7% of respondents were line managers, while another 16.7% were senior HR executive. 15.6% of the respondents were HR general managers, while another 15.6% identified themselves as HR business partners. 5.6% of the respondents identified themselves as Other.



While 61% of the respondents were from the private sector, a significant number of respondents were from the public sector (39%). 40% of the participants have less than 10% unionised staff, which imply that the chances of private firms experiencing union related complexities related to implementing changes in their performance management process are small.



**34%** from large organisations (over 1000 employees)

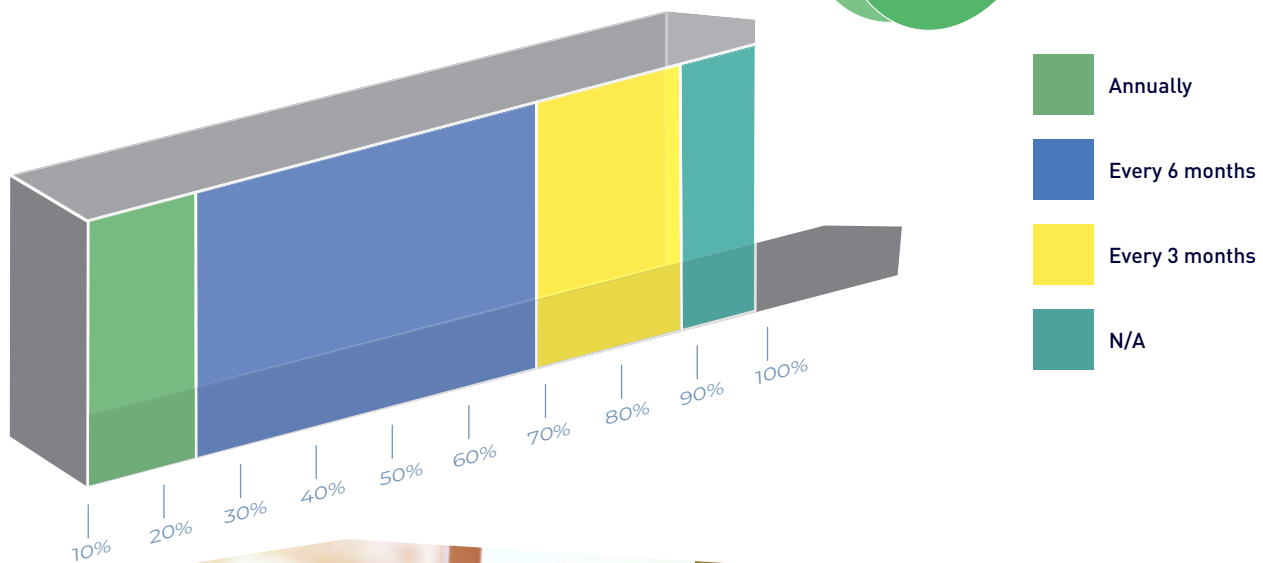
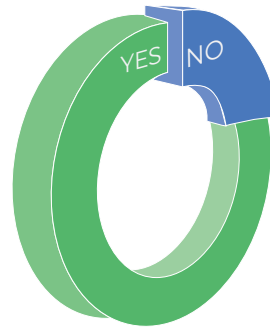
40% of the participating private firm will likely experience fewer barriers to implementing any changes



34% of the respondents were from large organisations with over 1000 employees. This suggests that any changes to performance management will have a substantial impact on the organisation and the practice of performance management as a whole.

## PERFORMANCE MANAGEMENT SYSTEM

Surprisingly, given the centrality of performance management to good HR management practice, 12.5% of respondents indicated that they do not have a performance management system in place. From a frequency perspective, of the 87.5% that do have a system in place to manage performance, 50% review employee performance every 6 months and 22% review performance every 3 months.



## SURVEY RESULTS

Results provided valuable indicators of 1) the reasons for reviewing employee performance in a systematic way, 2) how frequently these reviews should take place, 3) the key performance management challenges that lie ahead and 4) important insights from survey respondents as to how performance should be managed in the new 'blended' work environment.

### 1.

#### REASONS FOR REVIEWING EMPLOYEE PERFORMANCE

Performance reviews are currently used by respondents to achieve all the primary goals of performance management, as indicated in the results. Unsurprisingly, reviewing employee performance against objectives and setting new objectives for the next cycle are cited as the most frequent reasons. The survey results further indicate that performance reviews are also being used to identify training and development needs. This reason may be further highlighted due to changes in expectations on individuals due to the pandemic as discussed below.

#### CURRENT REASONS FOR REVIEWING EMPLOYEE PERFORMANCE



### 2.

#### FREQUENCY OF EMPLOYEE PERFORMANCE REVIEWS

87% of the respondents indicated that there is a need for increased frequency of performance reviews post COVID19. The comments made by respondents of the survey indicated that objectives need to be redesigned such that performance can be monitored and reviewed on a more regular basis.

“More short term evaluation and reporting on targets met.”

“We need new strategic measures to monitor and review performance on a quarterly basis”

“Should have clear objectives for a specific period”

“Performance evaluation should become part of daily interaction and issues addressed as they arise – not only at the formal evaluation stage”

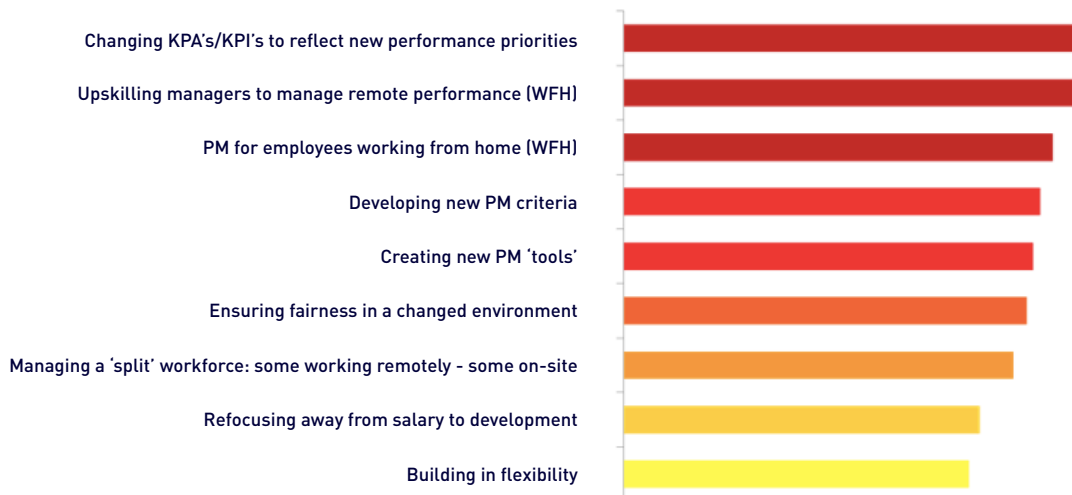
“Performance must be measured incrementally and outcomes evaluated monthly, as opposed to yearly ‘big’ targets”

Interestingly, nearly half of the respondents (47%) want performance reviews every 3 months. Quarterly reviews are considered good practice as it is sufficient time to achieve progress and, at the same time, is short enough to avoid recency biases in the performance review process.

### 3.

#### KEY PERFORMANCE MANAGEMENT CHALLENGES THAT LIE AHEAD

##### KEY PM CHALLENGES IN THE ‘NEW NORMAL’



Responses indicated that, although there were several priorities, all the top nine future challenges identified were seen as relatively important. Strong links emerged between the need to review and adapt existing KPI's and performance criteria to effectively manage remote work – specifically that of employees working from home (WFH). This leads directly to the need for upskilling managers to effectively manage this WFH performance as well as providing them with new or adapted performance management 'tools' to achieve this. Finally, responses indicate the need to consistently integrate the principles of 'fairness' and 'flexibility' into any performance management system. Crucially this is based on the impact of:

- external factors such as health, sanitisation, social distancing rules and transport limitations on the ability of employees to perform at optimum level, and
- a new *blended work environment* that many organisations have to adapt to going forward – where part of the workforce is required to perform their functions on site and the remainder remotely

## EMERGING THEMES

Various themes emerged from the comments made by the respondents, pointing to the various levels at which change occurred in the organisation. Many of the themes correlate with the numerical results. Respondents indicate that the changes in priorities and objectives and adjusting the KPIs to reflect these changes are a major consideration for them. Along with this change in the process, respondents also indicated that there is need for a change in mindset such that employees exhibit greater self-awareness, especially when WFH. HR professionals can assist line managers in developing self-awareness in their teams.

From a process perspective, respondents indicated that digital performance management was a point of concern. The processes and systems to ensure that performance management happens remotely was a concern to some respondents. However, more than the technical aspects, procedural aspects seem to disturb respondents. Many commented on issues associated with ensuring fairness, managing non-performance when employees are working remotely, and managing productivity in a split workforce. Another theme that arose was the aspect of getting line managers involved. Other comments were associated with the need for ongoing and more frequent performance discussions, as discussed above.

Emerging Themes		
Changes in priorities and objectives/ Adjusting KPI's	Mind shift and greater self-awareness	Digital performance management
Ensuring fairness	Managing remote work and non-performance	Managing productivity in a split workforce
Getting line managers involved	Providing resources and equipping (training on technology)	Ongoing (more frequent) performance discussions



## CHANGES IN REQUIRED PERFORMANCE AT VARIOUS LEVELS

The pandemic and the associated economic climate change have caused changes at several levels within the organisation from a performance management perspective. This includes:

- **Changes in organisational goals**

With reduced budgets and cost cutting initiatives, organisations as a whole have had to revisit their strategies and associated long-term goals as the pandemic hit. Such changes have obvious consequences for the performance management process in the organisation.

- **Changes in organisational strategy leading to possible changes in departmental goals**

A change in organisational goals would cause a change in departmental goals, as the goals are cascaded within the organisation. However, with the pandemic, not all organisations revised their long-term goals. In fact, some organisations found that their broader goals remained pretty much the same, while their short-term (and perhaps their long-term) strategy may have been revisited.

The retail sector, for example, remained operational during the lockdown. However, the fact that there were no changes in the broader organisational goals did not mean that departmental goals remained the same. While things remained the same for some departments, other departments were completely redundant, while a third category saw a major change in the way they performed their activities. In the grocery retail sector, as consumers showed preference for home delivery of goods during lockdown and as there was limited foot traffic in the stores, the surplus employees in stores were utilised as delivery agents. External delivery agents like Mr D and Uber were also being utilised as delivery mechanisms.

So, while the organisation may not have made many changes in their broader goals, specific departments may have had to revisit their goals and review the performance objectives of their employees. HR professionals in such organisations would play the role of change agents in identifying the changes and creating interim performance management tools, such as goal reviews, more frequent and informal performance conversations, identification of new competencies required and communicating such changes to employees and senior management.

- **Changes in individual goals**

The changes at organisational levels and at departmental levels will obviously have an impact on individual levels. These need to be clarified with each individual employee by their line manager so that they are clear about any altered expectations and also, the new outcomes and outputs expected of them. Such changes will be unique to each individual, and an understanding of their competencies that may be beneficial to the new organisational context will be useful when having performance discussions.





- **Changes in ways of working**

A specific aspect that must be considered relate to the changes in the ways of work. While the lockdown may have forced many to work remotely, organisations find themselves facing a different problem – blended working environments. Blended work environments consist of the following:

1. Employees continuing to work remotely as both their employer and they themselves have realised that their work can be done from home.
2. Employees coming back to work premises as their work can only be done at their work premises.
3. Employees choosing to work remotely on some days of the week, as they find themselves being more productive working from home on specific tasks or projects.

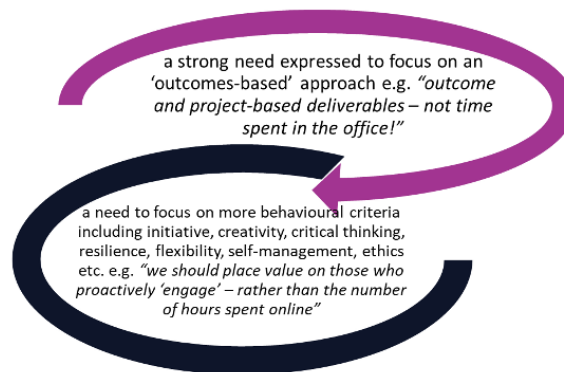
Many organisations find that they have a combination of the different types of employees mentioned above. The performance of the above types of employees may need to be managed differently and thoroughly. The combination can make such performance management initiatives more complex than previously.

Thus, organisations and HR practitioners must consider the several factors mentioned above when clarifying performance goals and objectives.

The example of the grocery retail sector, discussed in the previous section, elucidates the trend in the survey whereby identifying learning and development needs ranked ahead of salary increases and 'personal development', the traditional reasons for conducting performance reviews. These findings could be utilised by HR practitioners in future to reinforce the value of performance management as a critical tool to identify key people development needs.

## PERFORMANCE CRITERIA

An interesting dichotomy that was identified with relation to performance criteria was that while on one side, a strong need was expressed to focus on an 'outcomes-based' approach, the need to focus on more behavioural criteria was also expressed. This contrast is characteristic of the performance management process and while there is room for both, more importantly, there is need for both aspects to be considered when managing performance (de Waal, 2004). This dichotomy is becoming even more relevant in the post COVID19 environment.



### SABPP response:

**"There's both room and a need for both!"**

## ROLE OF THE LINE MANAGER

Respondents have highlighted the role of the line manager in ensuring an effective performance management process in the blended work environment. Comments made by the respondents in this regard are indicated below:



The role of the line manager has always been critical in successful performance management. Specifically, with the pandemic and the associated economic crisis, objectives are changing quite quickly and thus, the line manager plays an even more significant role in performance management. It may perhaps be considered that performance management of subordinates is made a performance indicator for line managers.

## DIGITAL PERFORMANCE MANAGEMENT

The technical system utilised for performance management becomes an important factor especially when performance management must be done remotely. Some comments related to this matter are as follows:

“Introduce ways to evaluate performance of staff WFH using an online system to monitor daily performance”

“Effective, quick & easy to use electronic online tools to measure performance are crucial”

While online tools facilitate response times, interaction remains key to effective performance management. Hence, the line managers' role and the role of the HR professional in ensuring that such interaction takes place are both essential.

## ON FAIRNESS AND FLEXIBILITY

Fairness and flexibility of the performance management process and the way it is executed were also concerns that were raised. Some comments in this regard were as follows:

“PM must be applicable to specific responsibilities – not one size fits all”

“Employees must be trained & prepared for virtual meetings”

“It's important to accommodate home – work-life balance”

“Accommodate factors beyond the control of employees”

“Obviously the challenge is with blue collar workers who have to be at the workstation to get things done”

“Covid-19 means employees working different shifts and more time spent sanitizing etc. PM should be adapted according to new work schedules”

While online tools facilitate response times, interaction remains key to effective performance management. Hence, the line managers' role and the role of the HR professional in ensuring that such interaction takes place are both essential.

## LINK TO THE PERFORMANCE MANAGEMENT STANDARD

The Performance Management Standard, one of the 13 National HR Management Standards, is an excellent point of departure to ensure effective performance management in organisations. The objectives and the key principles incorporated in the Standard can be used as first principles to check that your performance management process is effective and takes into consideration the various aspects of performance management. These principles remain relevant in the COVID19 context.

### Objectives of the Performance Management Standard:

1. To translate and cascade broad organisational performance drivers into team and individual performance targets.
2. To establish an appropriate performance management system, process, and methodology relevant to the needs, size, scope and complexity of the organisation which will support the development of a performance culture.
3. To link performance management to other HR processes to align appropriate performance consequences (reward, recognition and development opportunities) that attract, retain and motivate employees and to address poor performance.
4. To ensure fair, ethical and organisation culture practices focusing on the achievement of performance targets (that is, a high-performance culture) in a sustainable way.
5. To measure progress against agreed individual and team objectives that enable attainment of organisational objectives.

The SABPP notes that performance management is a line management responsibility, supported by HR through providing processes, procedures and systems.

Key principles incorporate:

- Performance expectations
- Performance feedback
- Consistency
- Leadership

While it is acknowledged that performance management is highly contextual and complex, the Performance Management Standard provides pointers regarding the following:

- performance management approach and policy,
- supporting the improvement or development of performance at individual, team and organisational levels
- developing performance management capability across the organisation
- evaluating the effectiveness of the performance management system.

## CONCLUSION

While the performance of employees is managed by line managers, the HR professionals in the organisation have an important role of providing line managers with the support they require with regard to processes, procedures and systems and to develop their competence in using these effectively to lead their teams. In a blended work environment post-COVID19 and its impact, the fundamental principles offered by the Performance Management Standard still remain imperative. The Standard provides a sound framework for the HR practitioner to understand and engage with the changing context, the issues arising therefrom including blended work environments, and the required adaptations in managing the workforce and their performance.

SABPP members have the opportunity to earn 1 CPD point for reading the factsheet and answering 3 simple questions by following the [link](#). We hope that you enjoy the read!

EARN 1 CPD POINT



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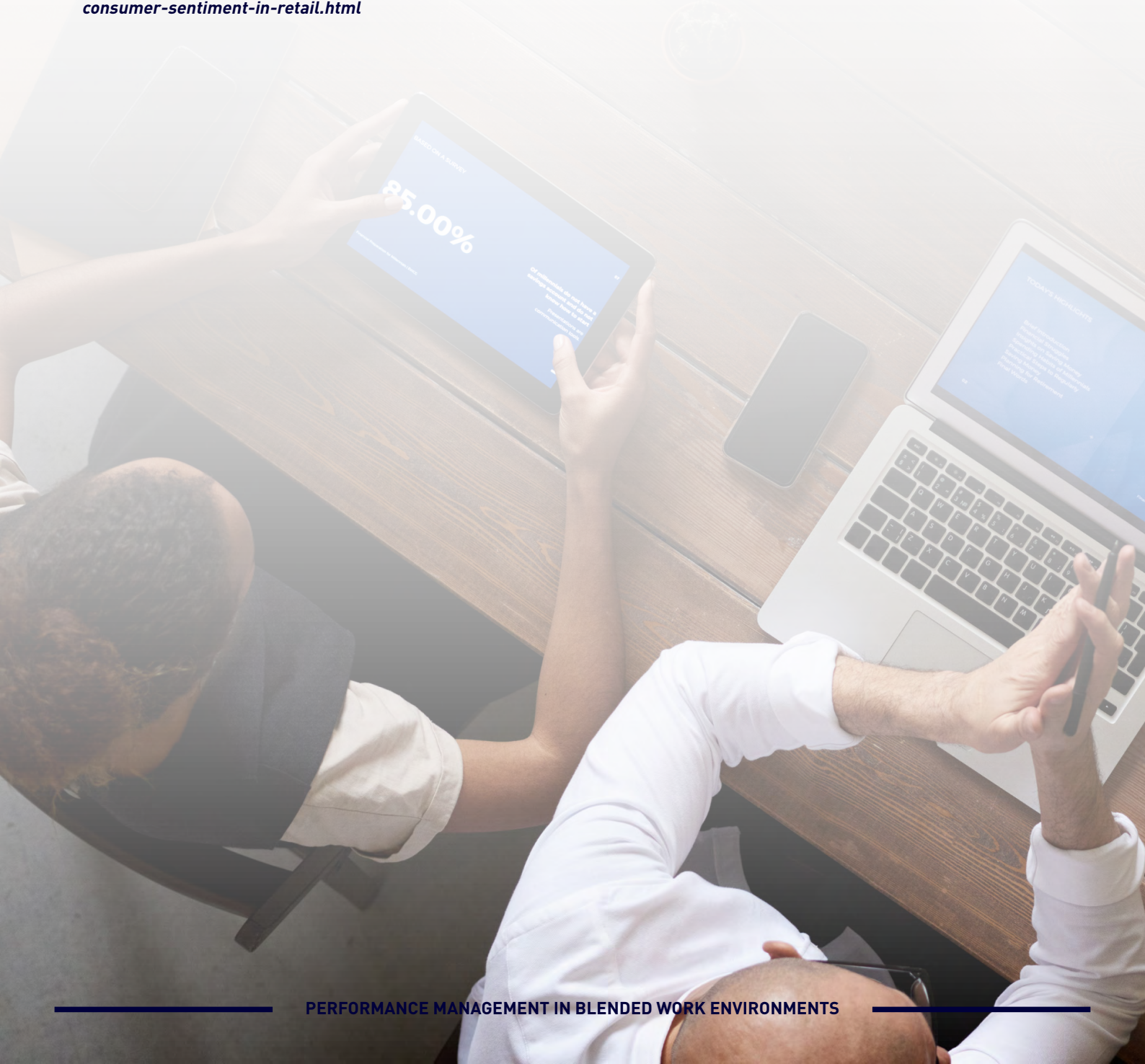
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## REFERENCES

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# PREVIOUS EDITIONS OF THE FACT SHEET

## 2019

February	EMPLOYER VALUE PROPOSITION
March	QUALITY COUNCIL FOR TRADES AND OCCUPATIONS
April	RECENT TRENDS ON REMUNERATION GOVERNANCE
May	THE PROTECTED DISCLOSURES ACT
June	HR SERVICE DELIVERY MODELS
July	CREATING A SPEAK UP CULTURE AT WORK
August	JOB PROFILES
September	ETHICS HOTLINE MANAGEMENT: BEST PRACTICE GUIDE FOR SOUTH AFRICAN EMPLOYERS
October	DISABILITY AND EMPLOYMENT: THE SABPP DISABILITY PROFESSIONAL PRACTICE STANDARD
November	FACING THE FOURTH INDUSTRIAL REVOLUTION: WHAT ARE SOUTH AFRICA'S CONSTRAINTS?
December	NATIONAL QUALIFICATIONS FRAMEWORK ACT AND THE 2019 AMENDMENT ACT

## 2020

February	HR'S PLACE IN THE FOURTH INDUSTRIAL REVOLUTION
March	INNOVATION AND DISRUPTION DILEMMAS FOR FIRMS AND THEIR HR FUNCTIONS
April	CORONAVIRUS AND COVID-19
May	WORKFORCE TRANSITION ISSUES FOR THE DIGITAL, GREEN AND CRISIS-LED TRANSFORMATIONS
June	HR'S ROLE IN SHAPING LEADERSHIP IN THE NEW NORMAL
July	THE ROLE OF ALGORITHMS, AUTOMATION AND ARTIFICIAL INTELLIGENCE IN HUMAN RESOURCES MANAGEMENT
August	CHANGING TALENT ASSESSMENT LANDSCAPE
September	DIGITAL LEARNING: SOUTH AFRICA'S EVOLVING INSTITUTIONAL FRAMEWORK
October	ASSIMILATING DIGITAL LEARNING INTO YOUR ORGANISATION