

## Handout 22

# MAJOR PITFALLS IN PERFORMANCE MANAGEMENT AND HOW TO AVOID THEM

Potential pitfall	Avoiding this pitfall
Focusing on strategic and business outcomes at the expense of individual performance	Managers often prefer dealing with the big picture, organisational goals and external issues. Spending time with individual staff working through performance issues is time consuming and emotionally draining, but critical. Big organisational objectives can only be met if individual staff meets their smaller objectives.
Not providing adequate skill development support for staff	A very important part of performance management is the development of the skills and knowledge of staff to provide them with the abilities to meet their objectives. This aspect should not be neglected.
Not monitoring performance outcomes effectively	The process of monitoring performance often requires the establishment of new monitoring and measurement techniques. Especially for non-financial outcomes. This often leads to neglect of performance monitoring and reporting. Establish methods that will lead to easy monitoring of performance outcomes.
Managing performance against a limited set of criteria. Missing out on important performance dimensions.	Make sure that your set performance criteria are balanced. Include customers, stakeholders, staff satisfaction and internal process efficiency as well as financial matters. Creating a Balanced Scorecard is a good idea.
Setting unrealistic targets	Be realistic when setting performance targets. Sometimes targets are not achievable – either the time limit is too short or the level of performance is too optimistic.