Introduction
Performance Management establishes a uniform and equitable basis for appraising the performance of employees, as well as helps to pull up performance that falls below sanctioned standards. It provides managers and members of staff with a fair and equitable managerial tool that identifies individual expectations, monitors progress and reviews performance. The article introduces Methode Malta, and goes on to develop the background to performance management practice within the organisation. It is the policy of Methode Malta to maintain a system that maximises utilisation of the knowledge, skills and abilities of its employees through a clear understanding of the relationship between an employee’s work assignments and the goals of the organisation.

The first section considers a number of aspects related to the thinking behind performance management. The second section then looks at performance management within this enterprise and assesses a number of related features; these are then integrated into one frame that helps the reader acquire a better understanding of the review process. All through, it is maintained that performance management ensures that employees are aware of what is expected of them, are provided with continuous feedback about their performance, and are presented with opportunities for education, training and development. It is emphasized that reviews
also present an interactive forum wherein feedback, coaching, and positive reinforcement can be made available. Another consideration is that performance, like other managerial tools, is influenced by a number of aspects; these include the macro industrial context, the socio-cultural ethos of the organisation as well as personal circumstances.

**Performance Management at Methode Malta**

Performance management is to be understood in the background of theories and practices relating to management, the organisational set-up of an enterprise, as well as the macro socio-historical context. Within this milieu, it is then useful to note an important management paradigm pertaining to the human relations school, which focuses on the human being as part of an enterprise, which in turn is viewed as a biological system, rather than as a machine (Gordon, 1983). Performance Management is built around these premises, wherein good human relations, trust and delegation of authority are considered to be elementary features. As put by McGregor (1985), the dependence of all managers on subordinates, and the potential of people to be developed to match organisational goals, is recognised. It is thus a basic philosophy to view workers as associates and therefore as having the potential to be developed and to shoulder responsibility. As such, within a firm, Management’s main task is to organise business in such a way as to match people’s goals with organisational ones. It is believed that the dynamism for organisational growth is found in the employees of the organisation. To put it in McGregor’s terms, it is a belief in ‘Theory Y’ in which the essence of human-oriented management and workplace industrial relations systems is to be found (*ibid.*).

Methode Malta is subject to a hierarchy built on the classic ‘three Ss’ - the strategy, structure and systems model - wherein structure follows strategy and systems support the structure within the
overall pursuit of quality (Crosby, 1996). Not only does this influence the set-up within the firm but also defines the role that senior managers play. Top level managers are themselves the designers of strategy, the architects of structure and the managers of systems which emphasise a disciplined focus on knowledge, creativity and the skills of all of the employees. This ‘three S’ model is then complemented by the organic ‘three P’ model of purpose, process and people (Covey, 1992). Within the firm it is recognised that the information necessary to formulate strategy is with the frontline people who know what is actually going on, whether on the shop-floor or with the team of designers. This philosophy has a direct impact on the performance programme in that it heightens the importance of the basic concepts of information sharing, consultation and two-way communication. The effectiveness of the procedures and systems that are operating for better information flow, understanding and - where possible - consensus building, is critical for the Management at Methode Malta and for achieving competitiveness in the global market. This of course has an impact on ways of motivating workers, and on the organisational hierarchy with its lean layers of management that do facilitate improved communication. At Methode Malta, management is more an activity rather than a badge of status or class within the firm. The inclination in human resource management is to place greater emphasis on employee involvement, harmonious relations and mechanisms, as well as on a number of practices which promote this rapport. This also aides the organisation on a macro level. In fact, one of the important consequences of globalisation and intense competition has been the pressure on Methode Malta to be flexible. The firm has sought to achieve this in two ways. First, through technology and a much wider worker skills base than before, in order to enhance capacity to adapt to market changes. Secondly, by introducing a range of employee empowerment schemes with a view to increasing synergy at many organisational levels, necessary to achieve product and process innovation.
In view of this, traditional assumptions that efficiency is achieved through managerial control, technology and allocation of resources have given way to the view that efficiency is the result of greater involvement of employees in their jobs (Hofer & Schendel, 1978). Across the years, the organisation has evolved into one that has few hierarchical levels; wide spans of control; continuous staff development; self-managing work teams; commitment to quality; information sharing; pay systems which cater for performance rewards and not only payment for the job; generation of high performance expectations; a common corporate vision; and participative leadership styles. This ethos also infused the performance management programme which has been re-designed and enhanced so as to involve individuals in the formulation of their own work process. Accordingly, performance appraisal is subordinated under a notion of the 'individual as resource to be empowered' (Hill, 1997). In fact, the programme stresses that both supervisor and employee focus on the complementary purpose of the personal and organisational furtherance. Reviews serve many purposes, including setting of individual performance objectives relating to the operating units' target within the overall organisation; a formal review of progress towards these targets, and/or the identification of training needs; as well as the creation of a shared vision of the organisation's objectives (ibid.).

All of this has evolved over a number of years and has been directly affected by the Maltese industrial relations scenario, and as such, this managerial philosophy has to be understood within such a backdrop. From a comparative perspective, Malta's post-war system of industrial relations emerged within the broader context of an industrializing competitive market economy; and a British colonial political system that granted freedom to workers to organize unions. Given these two conditions, Malta's industrial relations have evolved towards a system characterised by a growing volume of procedural and substantive rules governing labour market transactions as an outcome of institutionalised bargaining among
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organisations representing employees and employers at factory, industry and national level (Zammit, 1993). Within this scenario it is also recognised that Malta’s natural resource are its people, and having them active is vital to economic growth (Baldacchino 1999: 34).

**Introducing Methode Malta**

Methode Malta is a supplier of electrical switches to the automotive industry world-wide, with prestigious customers such as General Motors, Ford, Jaguar, Mazda, BMW, Rover, VW, SAAB and Fiat-Alfa. The firm is dedicated to the development and production of first-rate automotive electric controls and endeavours to be the highest value electrical product automotive supplier in the world by continually exceeding customer expectations. Methode Malta excels in design, applied research and creative achievement, and integrates these activities and accomplishments into cutting edge technology. In pursuing excellence, a commitment to quality service, and ongoing improvement, the company promotes the sense of contribution to projects that are important and valuable. Methode Malta encourages innovation and puts effort into being a responsible employer by empowering its 600 associates to accept responsibility, to lead and provide direction. Each and every associate at the firm is coached to demonstrate excellence in accomplishing assigned responsibilities, so as to best achieve company goals.

The management of people within the enterprise is promoted by means of structures that essentially focus on the individual whilst adding value to the business. The main impetus is to manage human resources in a strategic as well as an operational level, by setting qualitative and quantitative goals that enable the employee to create a ‘can do it / go get it’ frame of mind. In delivering results, Management defines the deliverables and objectives that work, thus guaranteeing outcomes in the short and long run. The
overall aim is to develop a strong collaborative relationship with each and every employee where Management coaches, guides, and facilitates - thus enabling all of the associates to address the issues created by an environment of continuous and rapid change.

The Appraisal Process
In essence, performance appraisals attempt to involve individuals in the regular clarification of their work tasks, goals, and achievements, at the same time making them more accountable for them (Richards, 1978). This also reinforces psychological ownership and adoption of 'shared meanings' and 'strong culture' which translate into the internalisation of corporate morals, values and attitudes. At Methode Malta, this is then strengthened by a salary progression scheme that pays increments according to a satisfactory level of performance. Within the organisation the performance appraisal process has been structured to help associates outline objectives and delineate activities so as to achieve the latter - this in the light of the internal and external business environment. Throughout the reviews, supervisors are encouraged to adopt a 'person in the organisation' perspective and help employees assess their own strengths and weaknesses and endorse a number of specific, realistic objectives - determined with reference to their function or role within the organisation. These objectives are intended to specify outcomes in quantitative terms – such as in terms of profit, or volume or turnover; or on qualitative grounds – such as level of service or quality of service. It is a rigorous procedure which concentrates on establishing the extent to which objectives are clearly defined, understood and relevant to the 'employee within the organisation' viewpoint (Hill, 1997).

This goal setting process is also juxtaposed to a broad outlook wherein the direct supervisor, together with the employee, look to what extent does the 'work' involve planning, development, administration, leadership or communication, whether it is goal,
project or case based and how the process effectively establishes who will be doing what, where and how (Covey, 1994). All this is then linked to a critical review, wherein appraisers act as evaluators and assess subordinates over a number of criteria on a scale from 1 (needs considerable improvement) to 10 (superlative). Space is also provided for the appraiser to make written comments and explain how, when and where these criteria have been met or will be met. Thus, the full and final appraisal consists of a combination of comments and ratings from the direct supervisor and from own feedback about personal performance. An important consideration made by the evaluator and the associate being reviewed is how many evaluation criteria to include in the appraisal form. At this point, a carefully thought out trade-off is made between the varied evaluation criteria, so as to afford a greater validity to the process. Since each and every employee is rated on an individual basis, it is recognised that the appraisal can entail a major time commitment. The review process is far from being a knee-jerk judgement but requires thoughtful consideration. It is recognised that facts have to be gathered, analysed and summarised over a number of commented criteria intended to portray final judgement.

At Methode Malta, each employee's direct Manager is responsible for determining the final performance rating which is linked to the company's reward and recognition systems that are set out to provide added motivation for employees. Of course, in achieving this, the company took time to orient the appraisal program to its particular needs and culture, and provides time and effort to its execution. This is because it is acknowledged that when implemented properly, performance appraisal enables the company to obtain better performance results and accountability.

**Evaluating Achievement Criteria**

The review process has been planned to include a delicate assessment of activities, tasks and decisions so as to establish how
'work' is being delegated, interrelated and completed. This analysis is a very powerful tool since it helps the appraiser and employee cut across vertical and horizontal boundaries: vertical between levels of management in the departmental hierarchy and horizontal between individuals in different functions who jointly contribute to the achievement of goals. Inherently then, the process focuses on accountability in that it establishes who ultimately has the authority to make the operating decision and shows who is responsible for formulating the guidelines, determining the boundaries within which the goals are to be achieved and contributing to the achievement by providing resources, information and advice. Complementary to this, is the identification of the information flows, areas where co-operation is required, and the clarification of responsibilities related to specific outcomes. In the process, the Departmental Manager acts as a mentor who concentrates on the extent to which decisions are being made in the right place and on the degree to which there is adequate information, communication and consultation. The Manager is thus also in a position to assess departmental structural aspects, considering how work activities and responsibilities are grouped together; the span of control of different employees, as well as the level of required supervision.

The process of filling up the appraisal form also clarifies the extent to which responsibilities are logically grouped together, and whether or not there is any unnecessary duplication of activities: this is done with the overall intent to avoid problems of coordination and communication. The process also enables those responsible for the 'work objective' to have adequate control of all the resources they require. These criteria offer employees a high degree of control, in that they are empowered to set own goals and define the paths towards these goals. Thus, whilst choosing different appraisal criteria, the employee is allowed more influence in setting targets and standards of performance; this, in turn, encourages participation in the planning of work, and the adoption
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of new work techniques. This may also lead to the introduction of new and more difficult tasks not previously handled, since it becomes clear that when employees are assigned individual projects which give them more responsibility, they do increase their expertise.

**Evaluating Social Criteria**

I turn next to explain the evaluation of social criteria. The performance review considers ‘social’ criteria which assess how social skills – here understood in the widest sense - are deployed between different employees and different departmental units in the organisation. Social criteria assess how employees are making contacts with individuals inside and outside the company, such as customers and outside agencies. The process provides information which can be used to assess whether the grouping of activities, lines of communication, information system and organisational climate are conducive to effective goal achievement, co-operation and decision-taking. The set of social criteria also provides insights about the ‘power’ structure within the different departments such as who exerts influence or who gets things done. This intrinsically pushes employees to exhibit ‘charismatic’ rather than ‘bureaucratic’ personalities. As with all social criteria, these require one individual making subjective judgements of another, and as such, dependability, flexibility, initiative, leadership and personal contact became critical aspects of performance. Though introspective criteria may create and breed conflicting opinions, they are also a reflection of the norms and values of the department and constitute criteria under which the ‘climate’ can be assessed. This information can also help managers balance teams with individuals who complement each other.

**The Review Relationship**

Appraisals can be extremely effective, fair and useful at their best,
but may evoke potential weaknesses and disadvantages. For one thing, receiving ‘negative’ performance feedback can be intimidating, apart from being difficult to give. Experience within Methode shows that while employees may have trouble receiving feedback, providing feedback is troublesome for some appraisers. It must also be acknowledged that work is experienced differently by different people (Deguara, 2002: 34). It is hard for people to give constructive feedback when they have to, as this requires the right mindset and skills to do it well. Critique takes time to internalise and for these reasons it is important for the appraiser to create a non-threatening atmosphere by emphasising that the major purpose of appraisals is to facilitate the employee's development and performance improvement. This requires great skill, understanding, maturity and trust. Basically, it needs to be understood that ‘social’ criteria centre on personal meaning. After all, employees are creators of their ‘working world’; they are not merely its disinterested, detached and objective observers (Zammit 1994: 491). In view of its importance, the appraiser has to assist individuals to clarify various aspects of their working worlds. No matter whether in career progression, interpersonal relations, learning or leadership, individuals nearly always benefit when clarification of issues, feelings, and contexts is provided. For employees it is really helpful to find out what is going on. A clarification performs such functions as alerting individuals as to how they are being influenced by the field of power in which they are embedded. Identifying the pros and cons of any coping strategy, reduces doubt - thus laying the ground for decision making to become more firm - and enabling a forum of ‘self-encounter’. All these processes help the employee to make important, often essential distinctions about self and others, and self and working world, thus strengthening the person's contact and understanding of one’s own personal reality and life experiences in context.

Good reviews also provide recognition and encouragement to individuals. Such a process may be a fundamental one in
overcoming obstacles. A reassuring comment can furnish the extra push in order to enable employees to consolidate their achievements. Another element of reviews is that they offer 'support' (Caruana, 1997: 291), which stands out to be a deep human need. Employees do need supportive supervisors, perhaps more than anything else. In understanding that many problems which they face in daily working life cannot be solved, but must be lived through, the appraiser would be in a position to offer the temporary 'shelter'. To be listened to, to be regarded with care, to be included in trust during the review, are of enormous value.

**On Being an Appraiser**

Appraising is not for everyone. In order to be a successful appraiser, one needs to possess certain qualities – patience, care, commitment, consideration and good listening skills. The appraiser should also be responsible and have a good track record of employment. Experience has also shown that appraisers benefit as much from the experience as their subordinates. They experience greater job satisfaction; they work longer hours and feel better for having impacted an employee's life; they are more loyal to their workplace and return to work happier. They learn more about themselves, improve their morale, increase their sense of responsibility, become better listeners, are more patient and get along better with their colleagues, in a nutshell acknowledge that employees are emotional beings (Cassar, 2000: 59). Appraisers should not expect dramatic changes overnight. Progress takes time to develop, sometimes even years. Performance reviews are all about taking the employee seriously and understanding that the supervisors do not have all the solutions to work problems. As with any other sphere of working life, the appraiser should never make false promises or discourage employees. The supervisor is to listen well and try to understand, be honest with feelings and thoughts and reinforce the employee's successes.
Praise and recognition are also very important. More than at any other time, employees should be put first during reviews, with action being based upon an understanding of the objectives, activities, decision-making processes and relationships within the department and the organisation. This must be developed against the backdrop and the understanding of the historical background and the ethos of the organisation: how it got to where it is; the personalities involved; who exerts influence; the power relationships between people; the reward system; the economic and cultural environment; the dynamics of the organisation; what is happening to it and where it is going.

It should also be clear that today's workers increasingly refuse authoritarian management (Abela, 2000: 107). The process of Performance Appraisal indicates clearly that when subordinates are treated by their managers as talented, they try to live up to that image and do what they know their superiors do. This, in part, seems to be related to what some supervisors also think about themselves: about their own ability to select, train and motivate their subordinates. What managers believe about themselves subtly influences what they think about their subordinates, what they expect of them and how they treat them. If they have confidence in their own ability to develop and stimulate them to high levels of performance, they will expect much of them and will treat them with confidence that their expectations will be met. But if they have doubts about their ability to stimulate their staff, they will expect less of them and will treat them with less confidence (Miner, 1975). Put differently, the superior managers' record of success and confidence in their own ability, lends credibility to their high expectations. As a consequence, their subordinates accept these expectations as realistic and try hard to achieve them.

*Helping the Individual with Personal Development*

At Methode Malta, performance appraisal is also an experience
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through which to help individuals improve work skills and help instil positive attitudes. During the review, appraisers are instructed to show that the immediate supervisor and the whole of the organisation believe in the employee's potential. The Human Resources Department encourages appraisers to look with positive light at the employee and highlight the employee's potential whilst setting clearly defined expectations. In view of this, appraisers have been trained in how to impart a positive motivating attitude that fosters a belief in the employee's ability to perform. Training opportunities are then provided to employees so as to bring out their best potential. Methode Malta recognises that employees are its most valuable resource and is committed to investing in the development of its employees by providing educational opportunities that enhance job skills and knowledge, and maximise job performance in its diverse environment. It has also been found that such opportunities are crucial to the successful development and growth of the company and the fulfilment of its mission. Within the firm, the training function is delegated to the Human Resources Department which supports continuous learning by delivering courses and training services that enhance employees' contributions to the company as well as provide opportunities for advancement within the organisation. It is also understood that the employees do gain experience and 'learn the ropes' on their jobs, as they more fully develop their abilities and potential.

Performance Management: Legacy & Commitment

Methode Malta has a legacy of commitment to its human resources. Its top officials are seen to have championed the understanding of the critical processes of change that every business must go through. In view of this, the Performance Management Programme strives to build employee commitment towards the necessary changes that are needed in order to strive in today's competitive markets. The process has entailed a two way development, wherein management
honours the past by appreciating and respecting the tradition and history of the business, whilst leading the business towards a solid future. This is a process that requires on-going dialogue between management and associates, through which problems are identified and a relationship of trust fostered.

The performance management programme helps to foster a trusting relationship wherein management and associates lay the foundations for effective communication and contribution. Experience has shown that when trust exists in a relationship, almost everything else is easier and more comfortable to achieve. Performance reviews do crystallise the fact that managers have a special role in setting the example and coaching their subordinates. It is clear that managers do influence the power differentials within the organisation. In so developing supportive practices, the programme helps to build appropriate social norms leading to internal social capital.

Furthermore, performance management helps employees remain motivated to add value, because it clarifies that the organisation's belief in its employees is a fact. This means having an effective leadership team that sets the right examples, working with exciting and positive associates, and sharing accountability for delivering meaningful results by doing challenging and interesting work. Overall, it means creating an atmosphere of commitment which is based on total involvement and keeps employees at the centre of things (MacMillan, 1978). This is done through individual growth, because believing and investing in employees gives the company lasting advantage by supporting a vision of the future, a vision within which employees are an essential element. Hence through reviews, employees are made effective stakeholders who want the company to prosper, and endeavour to create a work environment that provides 'win-win' opportunities. This translates into a Methode Malta that employees can be proud of both internally and in public. A business organisation that is growing profitably; and an enterprise which dynamically empowers people.
References


