Performance Plans Create Results, Maximize Performance

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A performance plan differs from a conventional plan in that it is a proactive document. It is designed for continuous use throughout the year as a guide and reference tool to direct the leader and his or her unit's activities. The primary purpose of a performance plan is to create results and maximize performance.

Managers often produce an annual performance plan only to give senior management what they want to see. Leaders view performance planning as an opportunity to review and analyze actual past performance. It gives them the means to identify ways to improve their personal and organizational unit's overall performance and productivity.

Managers as leaders actively use their performance plan to drive the unit's as well as their own performance. They continually reference their performance plan as a roadmap throughout the year to guide and direct their activities and courses of action as well as those of their subordinates.

Leaders work and plan under the direction of senior management. They define overall strategic company goals and plans. Senior management also forms operational and tactical strategies directing the company's activities during the year. Typically leaders are responsible for specific aspects of the operational and tactical plans. Their performance plans are directly linked to their assigned goals and objectives. How leaders accomplish these goals and objectives is self-defined. This is where they are given an opportunity to shine.

As was discussed in the previous lesson, leaders are driven by a vision of what is possible, not expected. In formulating a performance plan, leaders begin with an initial preparation before it is formally written and executed. This preliminary process includes:

Collecting and Correlating Data

Leaders collect and correlate the information and data they developed during a review of their organizational unit's prior performance. This provides a complete picture of the unit's successes and weaknesses. It helps pinpoint how successes can be capitalized on, and identifies the problems and issues that must be resolved to maximize the unit's performance.

Leaders ensure their plans coincide with their vision. This is necessary if their vision is to be attained. They analyze and make sure plans can be incorporated into their overall goals and objectives.

The information collected from these two planning activities provides reliable insight and direction. It shapes how performance plans are to be formulated and becomes the foundation for all future performance plans.

Brainstorming

Leaders obtain input and feedback from all members of their unit. This strategy works to bring individual members "on board." It greatly increases the probability they will accept the plan and implement the necessary strategies to make it successful.

Leaders use brainstorming to get reliable feedback. They use this feedback to creatively approach the development of their performance plan. They need to "think outside of the box" to view their goals and objectives creatively and without bias. Brainstorming accomplishes this by encouraging entrepreneurial thinking. Then leaders can easily define the issues concerning maximizing unit performance from various perspectives.

The purpose of brainstorming is not only to identify ways to achieve goals and complete tasks. It is used as a method to seek out information and ideas for exceeding normal expectations. Leaders always look for ways to optimize performance and results. Effective brainstorming also helps them improve budgetary performance as it maximizes the use of assigned resources.

Formulating Plans

Throughout the preparation and brainstorming phases of planning, the performance plan begins to take shape. Senior management has assigned the overall goals and objectives. The feedback and the analysis of the organizational unit details what needs to be accomplished. From this information, assumptions can be made that will form the basis of the plan.

Leaders clarify the specific direction the organizational unit will take. The steps needed to achieve this direction are carefully outlined and detailed. Each step is then formulated into specific objectives along with the activities required to attain the chosen course of direction.

From this information, leaders assign specific tasks and responsibilities to each individual unit member. These assignments become part of the performance plan, assuring that all objectives will be accomplished.

Leaders make sure each subordinate assigned to a task or responsibility has the necessary resources to be successful. Additionally, each task and responsibility includes established milestones so subordinates understand exactly what they need to do, by when. Milestones provide leaders with performance standards to ensure assigned tasks and responsibilities are accomplished in a timely fashion. This allows for effective managing of the performance plan as well as making modifications when needed.

Formalizing Plans

The final step of performance planning is to formalize a written plan. This becomes the actual management tool that guides and directs the organizational unit in the accomplishment of its goals and objectives.

The degree to which plans need to be refined will vary according to company standards. However, leaders make sure their plan clearly and precisely details the goals and objectives of the entire organizational unit. They write these in clear, easily understood language. Plans also include a timeline plotting each task, responsibility and milestone. Each time segment details the individual(s) responsible for specific tasks and their accomplishment and defines the resources to be allocated. All supporting data collected throughout the planning process is included to substantiate the plan, as well as the list of assumptions the plan is based upon.

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