



# Employee Performance Management

Corporate Governance for Micro, Small and  
Medium Sized Enterprises (MSMEs)

Part of the Pearl Initiative's  
**Corporate Governance Fundamentals**



# Employee Performance Management

The primary goal of employee performance management is to promote and improve an employee's overall effectiveness and hence improve the value they bring to the business. It is a continuous process where managers and employees work together to plan, monitor and review an employee's objectives, goals and his or her overall contribution to the business.

## How to Use this Document

This guide is part of Pearl Initiative's Corporate Governance in MSMEs programme. The goal of the programme is to provide the Micro, Small and Medium Sized Enterprises (MSME) community with tools and references that will help them implement practical and effective corporate governance capabilities commensurate with their specific internal requirements. Structured and cost-effective internal corporate governance capabilities will often enhance the efficiency, productivity, and resilience of any business, and allow leadership to maintain control yet focus on key business requirements such as strategy and growth.

We recommend that each business adopting this template independently evaluates and adjusts specific details in line with their business, operational, strategic and industry needs.

For more information on this programme please visit: [www.pearlinitiative.org](http://www.pearlinitiative.org).



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## The Performance Management Tool

One of a manager’s key responsibilities is to monitor and encourage the growth of employees. By setting measurable and attainable goals, the manager not only guides improvement in employee performance, but can actively help strengthen the business and enhance its reputation as an employer of choice.

Other benefits of setting goals for employees can include: helping employees focus more closely on the company’s short-term and long-term success, establishing guidelines and criteria for a successful employee performance review and/or company bonus program, and driving deeper employee engagement.



Scan, tap or click on the QR Code to the right to download a free copy of the Pearl Initiative Business Procedure Template.



Employee Details				
Employee Name				
Employee ID				
Position Held				
Department				
Performance Summary				Score
Reviewers Name				
Reviewers Title				
Review Date				
Goals Score				100%
Characteristics Score				100%
Goals	Mesurement Criteria	Worth	End Year	Comments
Goal 1	How will you measure success / failure	20%	100%	
Goal 2		20%	100%	
Goal 3		20%	100%	
Goal 4		10%	100%	
Goal 5		10%	100%	
Goal 6		10%	100%	
Goal 7		10%	100%	
		100%	100%	
Other Traits	Description	Worth	End Year	Comments
Quality of work		10%	100%	
Consistency of work		10%	100%	
Communications Abilities		10%	100%	
Works well Independently		10%	100%	
Takes Initiative		10%	100%	
Creativity		10%	100%	
Productivity / Efficiency		10%	100%	
Honestly / Integrity		10%	100%	
Team working skills		5%	100%	
Job Specific Technical skills		5%	100%	
Dependability		5%	100%	
Punctuality & Attendance		5%	100%	
		100%	100%	



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## Instructions

A key aspect of performance measurement will be to consistently and objectively evaluate employee performance across the business. This process needs to be fair, transparent, and objective in order for it to drive true value to both the employee and the business.

The following table provides an overview of the main parts of the Pearl Initiative Employee Performance Tools and what needs to be captured within each to allow for a clear and objective evaluation of employee performance.

Field	Description
Employee Name	Employee Name
Employee ID	Unique employee number
Position Held	Formal title of the employee
Department	Name of the department employee works in
Reviewers Name	Reviewers name – often the employee’s direct manager
Reviewers Title	Formal title of the reviewer

## Tips on identifying objectives

- a) **Set Goals That Align with Company Objectives:**  
Each employee’s goals should be aligned with the company’s overall growth strategy. This will help employees understand how their role and responsibilities contribute to organizational growth.
- b) **Invite Employees to Identify Job-Specific Goals:**  
While you may have goals in mind for each employee, you will often receive insightful answers if you ask employees to identify goals specifically related to their individual jobs. This will encourage encouraging employees to take ownership of their goals.
- c) **Set SMART Goals:**  
Telling an employee to “work harder” doesn’t constitute an effective goal. Every goal should be set within the SMART framework. The framework stipulates that all objectives should be Specific, Measurable, Attainable, Relevant and Timely.
- d) **Set Consistent Goals for Employees with Similar Responsibilities:**  
Goal-setting is usually unsuccessful when it results in unhealthy competition among employees. Avoid setting different goals for employees with similar responsibilities, and refrain from encouraging internal rivalries as this may reduce overall morale.
- e) **Reward Employees Who Achieve Their Goals:**  
It is critically important to recognize employees who set goals and then achieve (or exceed) them. Not only does such a reward (a bonus, certificate, public acknowledgment at a staff meeting, etc.) honour that employee’s efforts, it demonstrates clearly to his or her co-workers that the company values this type of commitment and hard work.
- f) **Work Closely with Employees Who Fall Short of the Mark:**  
Not every employee will successfully attain their goals, regardless of how hard they try. When the agreed-upon deadline arrives, and goals haven’t been met, there should be an in-depth discussion about why the

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goal was not achieved, what can be done to address the issue or issues identified and to improve performance.