

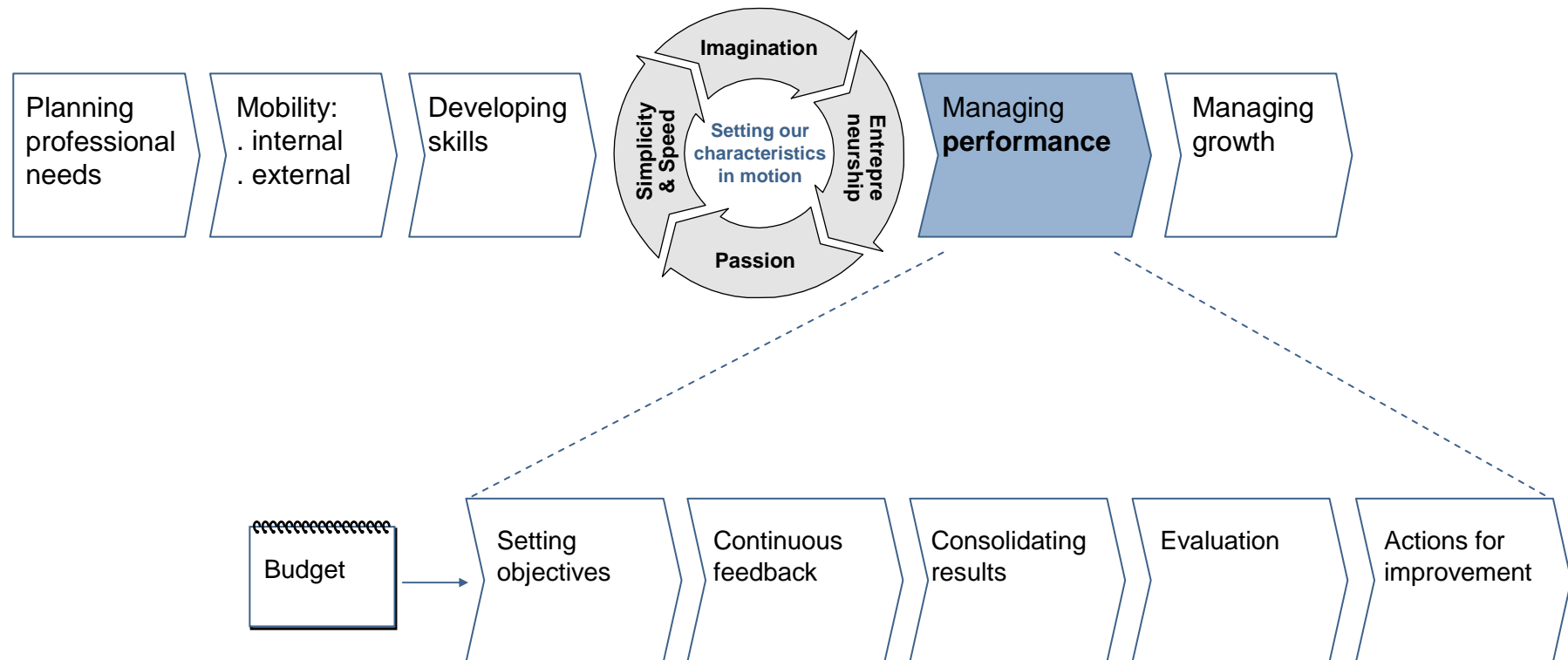


Performance Management

- **Performance Management Process**

- Performance appraisal tools
- Preparing and conducting the performance appraisal meeting
- Frequently Asked Questions
- Check lists

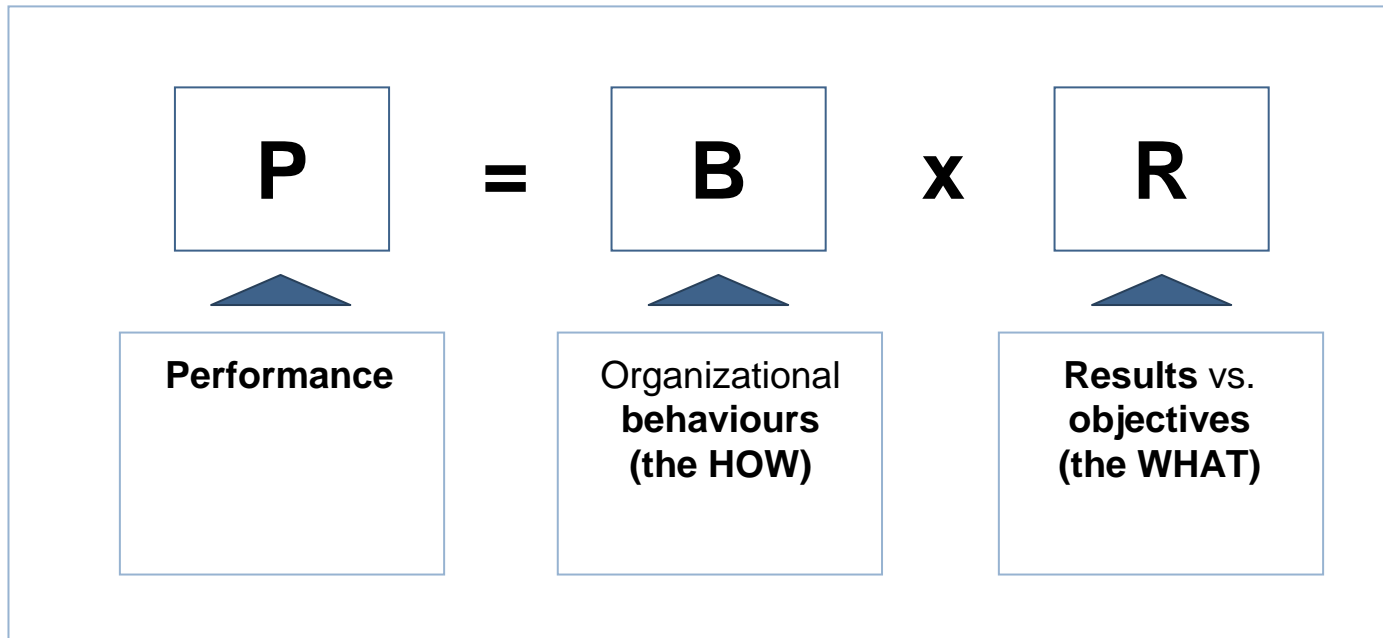
Performance management is part of a wider Human Capital management system



Why carrying out the appraisal?

①	Alignment	- Ensuring alignment and full coherence of general and individual objectives
②	Meritocracy	- Recognizing the uniqueness of each individual's qualities and achievements
③	Development	- Stressing that performance and organizational behaviours are the pillars of potential and career management and growth opportunity

Performance Management drivers



Organizational Behaviours (the How)

$$P = B \times R$$

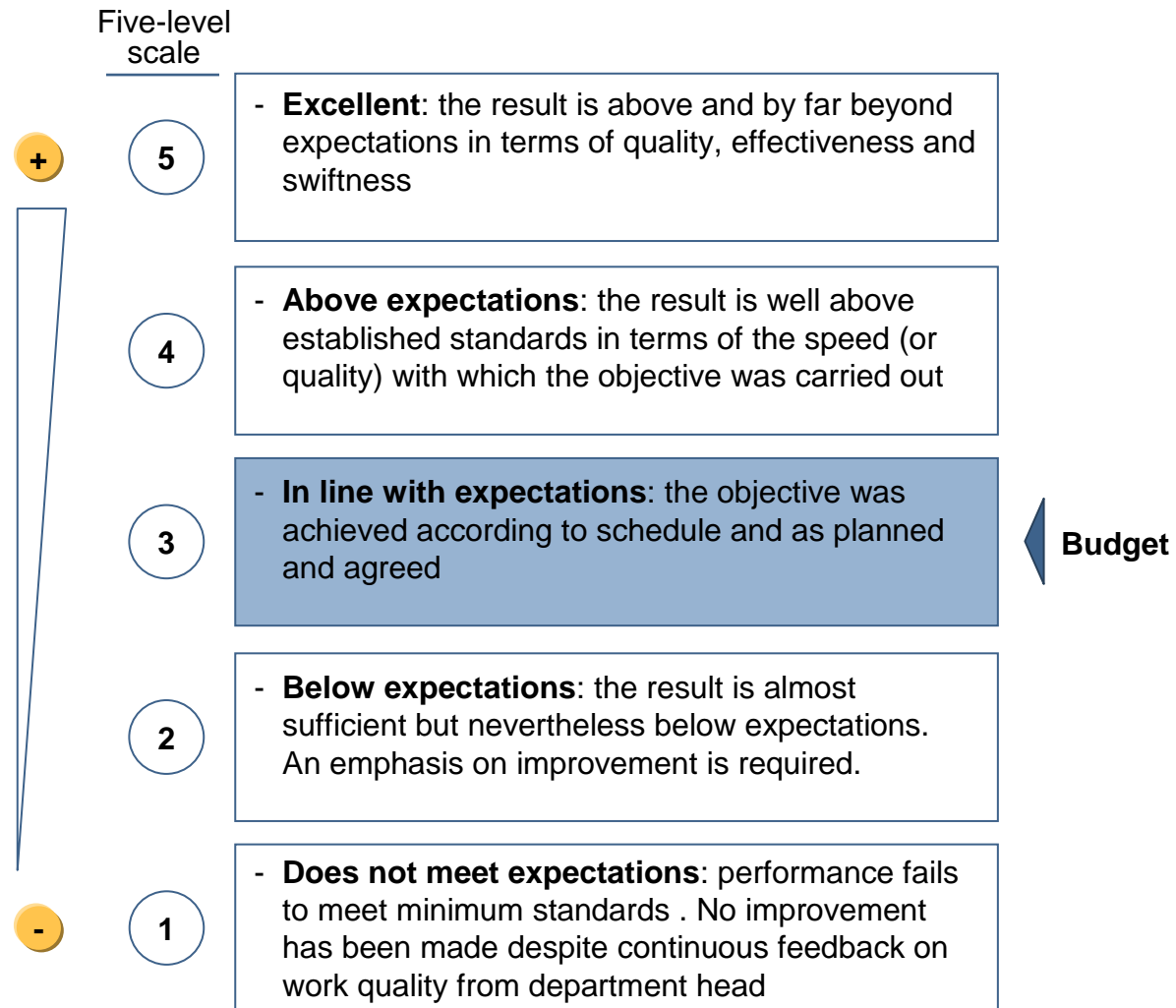
The organizational behaviours are a projections of **Luxottica characteristics**:

Organizational behaviour	Strength	Opportunity for growth
<p>1 <i>IMAGINATION</i></p> <ul style="list-style-type: none"> • Is curious and interested in new and different experiences within and outside his/her areas of expertise • Understands the external context and sees how multiple scenarios would play out if implemented • Sees the values of the differences and really enjoys others' ideas and opinions, proving him/herself to be able to change mind • Is able to look at things in new ways and to experiment new solutions 		
<p>2 <i>ENTREPRENEURSHIP</i></p> <ul style="list-style-type: none"> • Challenges status quo • Sets ambitious goals • Takes steady steps to solve problems • Assumes accountability for results 		
<p>3 <i>PASSION</i></p> <ul style="list-style-type: none"> • Shows a 'can do' approach • Seeks for personal improvement • Shows enthusiasm and energy in the work he/she does and for the Company • Encourages a trustful and positive working environment 		
<p>4 <i>SIMPLICITY & SPEED</i></p> <ul style="list-style-type: none"> • Acts in an open and straightforward way • Strives to communicate clearly • Can get to the heart of the matter • Drives out complexity 		

Results (the What)

$$P = B \times R$$

How to determine the **different degrees of performance effectiveness** with a **rating scale**:



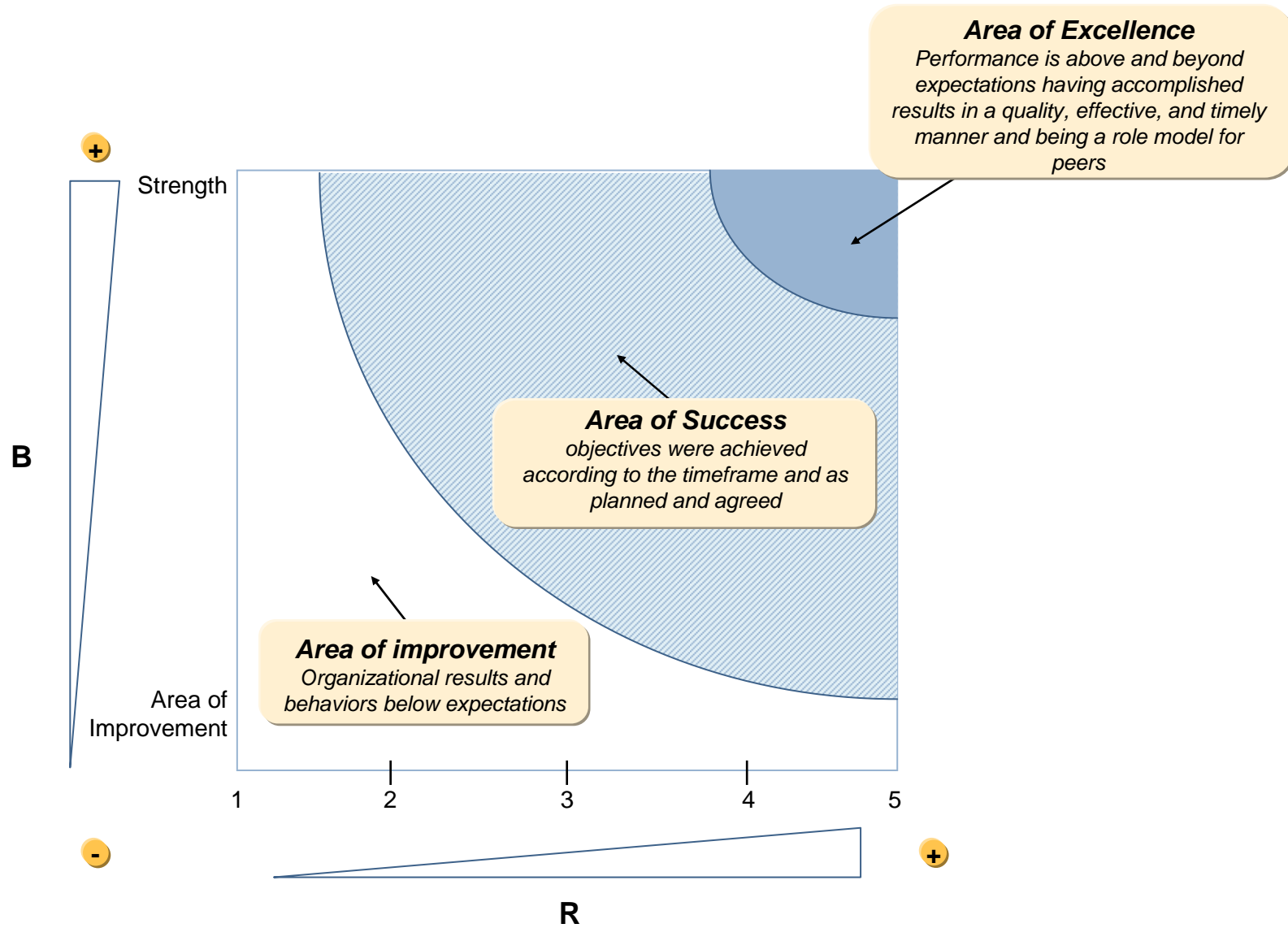
Characteristics and nature of the objectives

$$P = B \times R$$

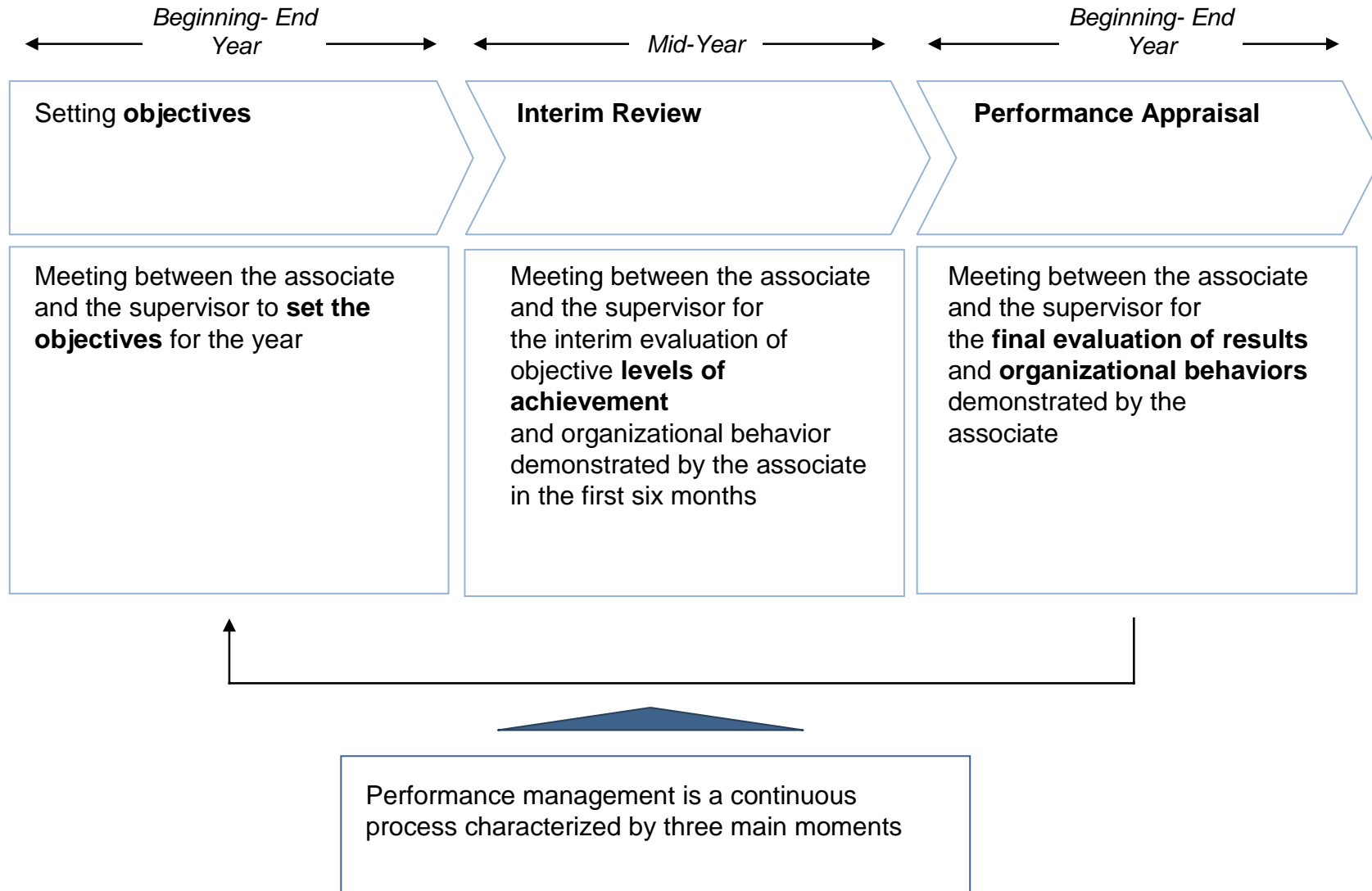
Characteristics	Nature														
<p>Objectives must be:</p> <table border="1"><tr><td data-bbox="241 571 465 703">- Specific</td><td data-bbox="474 571 1048 703">- Limited to few number of objectives in order to focus the performance</td></tr><tr><td data-bbox="241 710 465 842">- Measurable</td><td data-bbox="474 710 1048 842">- Quantifiable (in time, value, quantity, ...) and measurable by indicators</td></tr><tr><td data-bbox="241 849 465 981">- Achievable</td><td data-bbox="474 849 1048 981">- Assigned according to available resources, but challenging</td></tr><tr><td data-bbox="241 987 465 1120">- Results oriented</td><td data-bbox="474 987 1048 1120">- Assigned in order to focus individual performance on achieving results with high return for the company</td></tr><tr><td data-bbox="241 1126 465 1259">- Time Based</td><td data-bbox="474 1126 1048 1259">- Limited to a timeframe which enables full evaluation by the end of the financial year</td></tr></table>	- Specific	- Limited to few number of objectives in order to focus the performance	- Measurable	- Quantifiable (in time, value, quantity, ...) and measurable by indicators	- Achievable	- Assigned according to available resources, but challenging	- Results oriented	- Assigned in order to focus individual performance on achieving results with high return for the company	- Time Based	- Limited to a timeframe which enables full evaluation by the end of the financial year	<p>Objectives could be:</p> <table border="1"><tr><td data-bbox="1164 571 1388 895">Business related</td><td data-bbox="1397 571 2024 895"><ul style="list-style-type: none">- Processes- Projects</td></tr><tr><td data-bbox="1164 901 1388 1259">Organization related</td><td data-bbox="1397 901 2024 1259"><ul style="list-style-type: none">- Organization- Capabilities</td></tr></table>	Business related	<ul style="list-style-type: none">- Processes- Projects	Organization related	<ul style="list-style-type: none">- Organization- Capabilities
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How to sum up performance

$$P = B \times R$$




Performance Management Calendar



Performance management

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The S.I.S. template

		S.I.S. (Start, Improve, Stop)		Appraisee: Position:		Professionals		
Type of action	Actions	Expected result	Final result	Evaluation				
START New projects	1.			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				1	2	3	4	5
	2.			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				1	2	3	4	5
IMPROVE Improvement initiatives	1.			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				1	2	3	4	5
	2.			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				1	2	3	4	5
STOP Low value added activities	1.			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				1	2	3	4	5
	2.			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				1	2	3	4	5
Comments:								Legend: 1 Inadequate 2 Below expectations 3 In line with expectations 4 Above expectations 5 Outstanding
Date of target setting:		Date of intermediate check:		Date of results evaluation:				

The Performance Appraisal template

	OVERALL PERFORMANCE APPRAISAL 2009	Appraisee: <input type="text"/> Position: <input type="text"/>	PROFESSIONALS															
Evaluation of Key Performance Drivers																		
A. What = results																		
Express a summarized appraisal based on the analytical evaluation of results																		
<div style="text-align: center;"> <p>Budget</p> <p>▼</p> <table style="margin: auto;"> <tr> <td style="text-align: center;">□</td> <td style="text-align: center;">□</td> <td style="text-align: center;">□</td> <td style="text-align: center;">□</td> <td style="text-align: center;">□</td> </tr> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> <td style="text-align: center;">3</td> <td style="text-align: center;">4</td> <td style="text-align: center;">5</td> </tr> <tr> <td style="text-align: center;">Inadequate</td> <td style="text-align: center;">Below expectations</td> <td style="text-align: center;">In line with expectations</td> <td style="text-align: center;">Above expectations</td> <td style="text-align: center;">Outstanding</td> </tr> </table> </div>				□	□	□	□	□	1	2	3	4	5	Inadequate	Below expectations	In line with expectations	Above expectations	Outstanding
□	□	□	□	□														
1	2	3	4	5														
Inadequate	Below expectations	In line with expectations	Above expectations	Outstanding														
B. How = organizational behaviours																		
Indicate the organizational behaviours that characterized the performance of the associate in previous year Also indicate areas of potential improvement. (Mark with an X as it applies)																		
Areas of strength	Organizational behaviour	Areas with potential of improvement																
<input type="text"/>	IMAGINATION <ul style="list-style-type: none"> • Is curious and interested in new and different experiences within and outside his/her areas of expertise • Understands the external context and sees how multiple scenarios would play out if implemented • Sees the values of the differences and really enjoys others' ideas and opinions, proving him/herself to be able to change mind • Is able to look at things in new ways and to experiment new solutions 	<input type="text"/>																
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Summary of Performance Appraisal																		
Overall Performance (AxB)																		
Assess the collaborator's overall performance by combining the appraisals of sections A and B (mark with an X as it applies)																		
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1	2	3	4	5														
Inadequate	Below expectations	In line with expect.	Above expectations	Outstanding														
Comments: <input style="width: 100%; height: 150px;" type="text"/>																		
Appraisee: <input type="text"/>	Appraisors: <input type="text"/>	Date: <input type="text"/>																

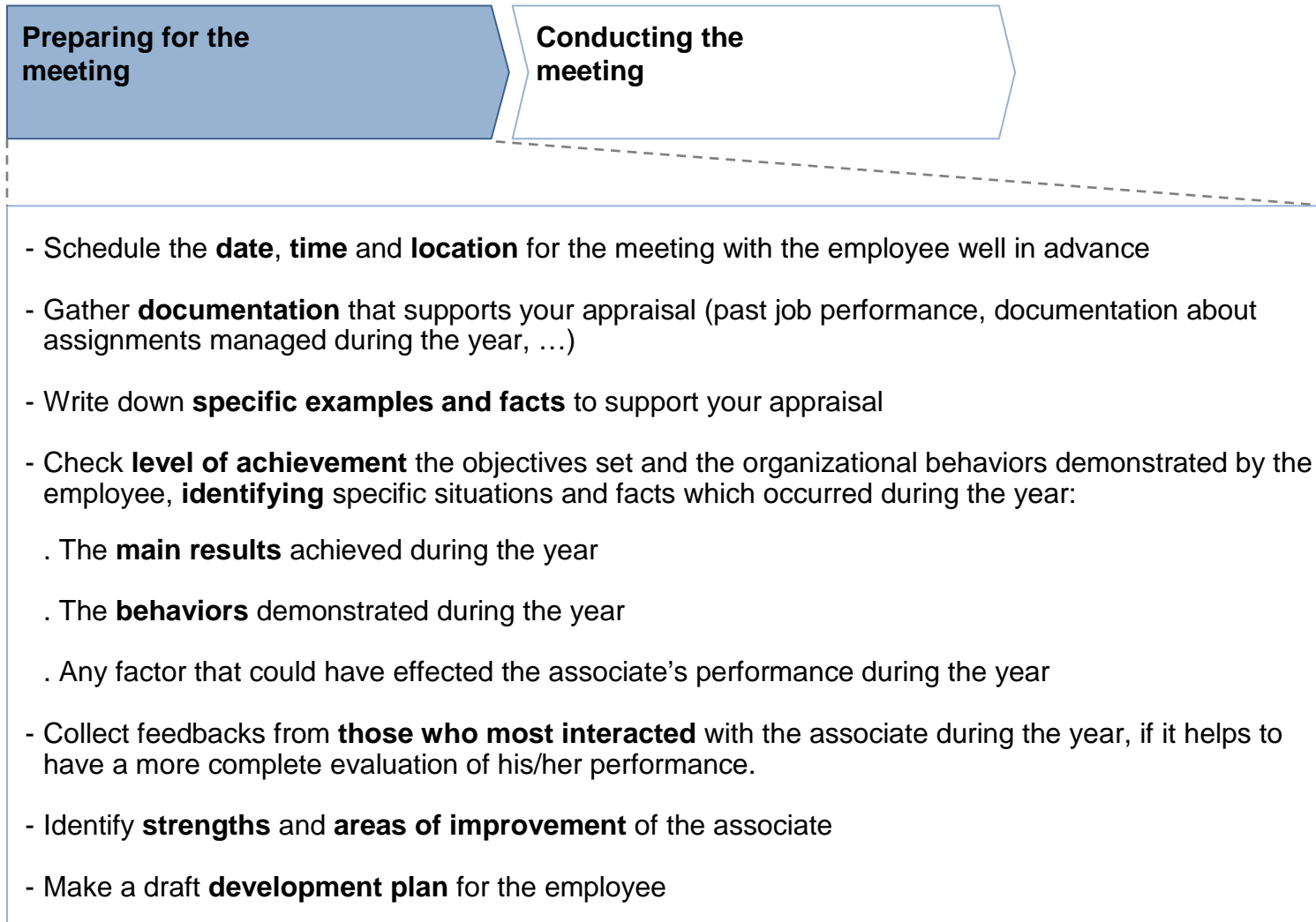
Performance management 2009

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5 “golden rules” about performance appraisal

- Schedule the meeting well in advance with the associate
- Determine the most appropriate setting to conduct an evaluation to help establish open communication
- Make appraisal a two-way process
- The appraisal is the result of an objective analysis of the facts. It is not about the “person”
- Positive results should be underlined and celebrated. In the same way a performance which doesn't meet the expectations should be supported by a development plan

Preparing for the performance appraisal meeting



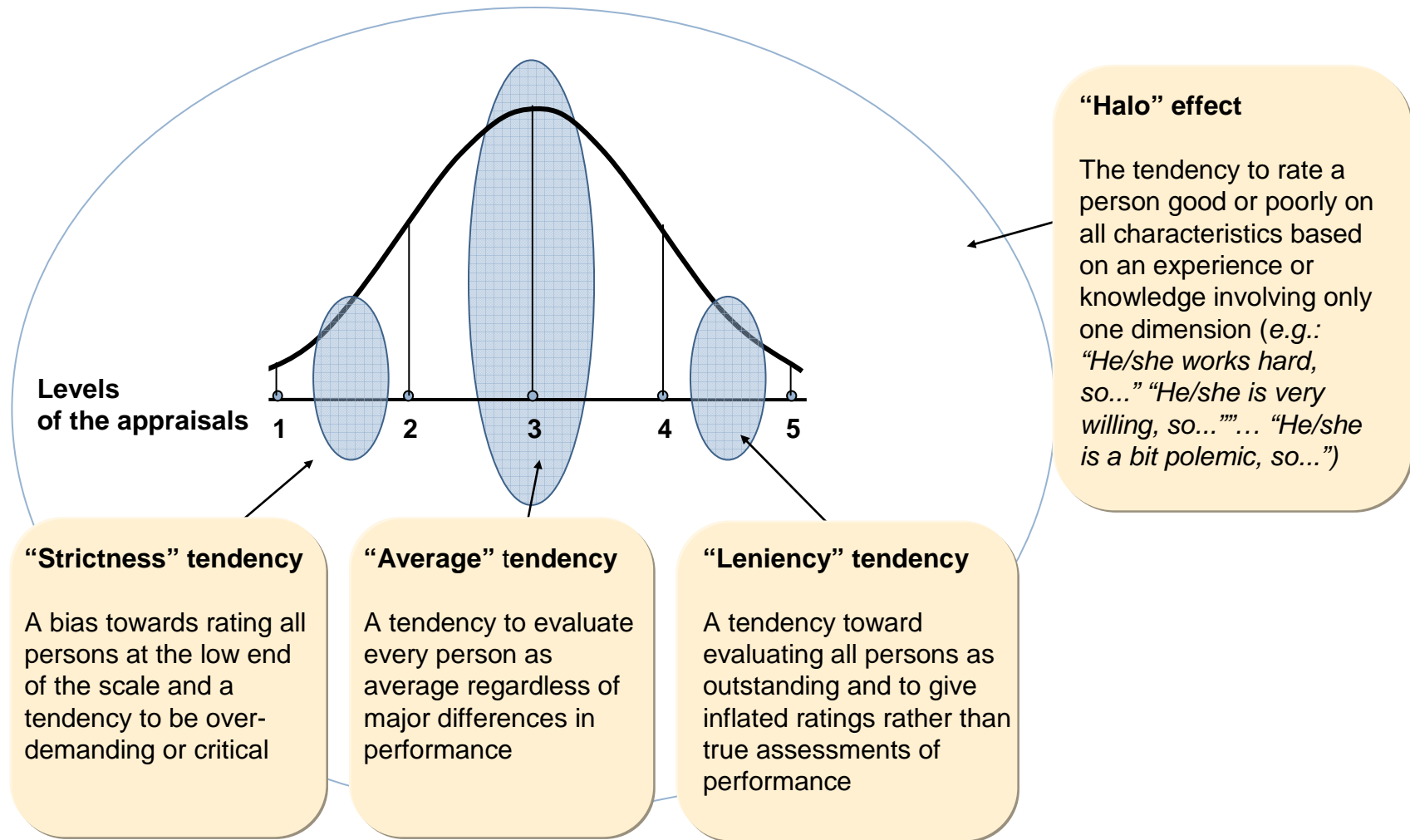
Conducting the performance appraisal meeting

Preparing for the meeting

Conducting the meeting

- **Get off to a good start**, review the purpose and objectives of the performance appraisal meeting and make the associate feel comfortable
- Share with the associate the **level of achievement** of the objectives set at the beginning of the year
- Discuss the **evaluation of the organizational behaviors** expected and those actually implemented during the year
Give specific examples to support your appraisal
- Make a **synthetic global appraisal** of the associate's performance
- If the **performance is positive**
 - Reinforce the associate's positive contributions
 - Understand the associate's expectations for professional growth and consider what development actions may allow him/her to enhance their competencies and/or achieve a higher performance level
- If the **performance** is not meeting the expectations:
 - Inform the associate in an objective and transparent manner of his/her partially or totally inadequate level of performance
 - Help the associate identify the underlying reasons and discuss areas of improvement
Restate the engagement on the part of the organization and agree to actions needed for the associate to offer a better performance the next year
- Check if the performance appraisal form has been fully filled out and **append the supervisor's and the employees' signature**

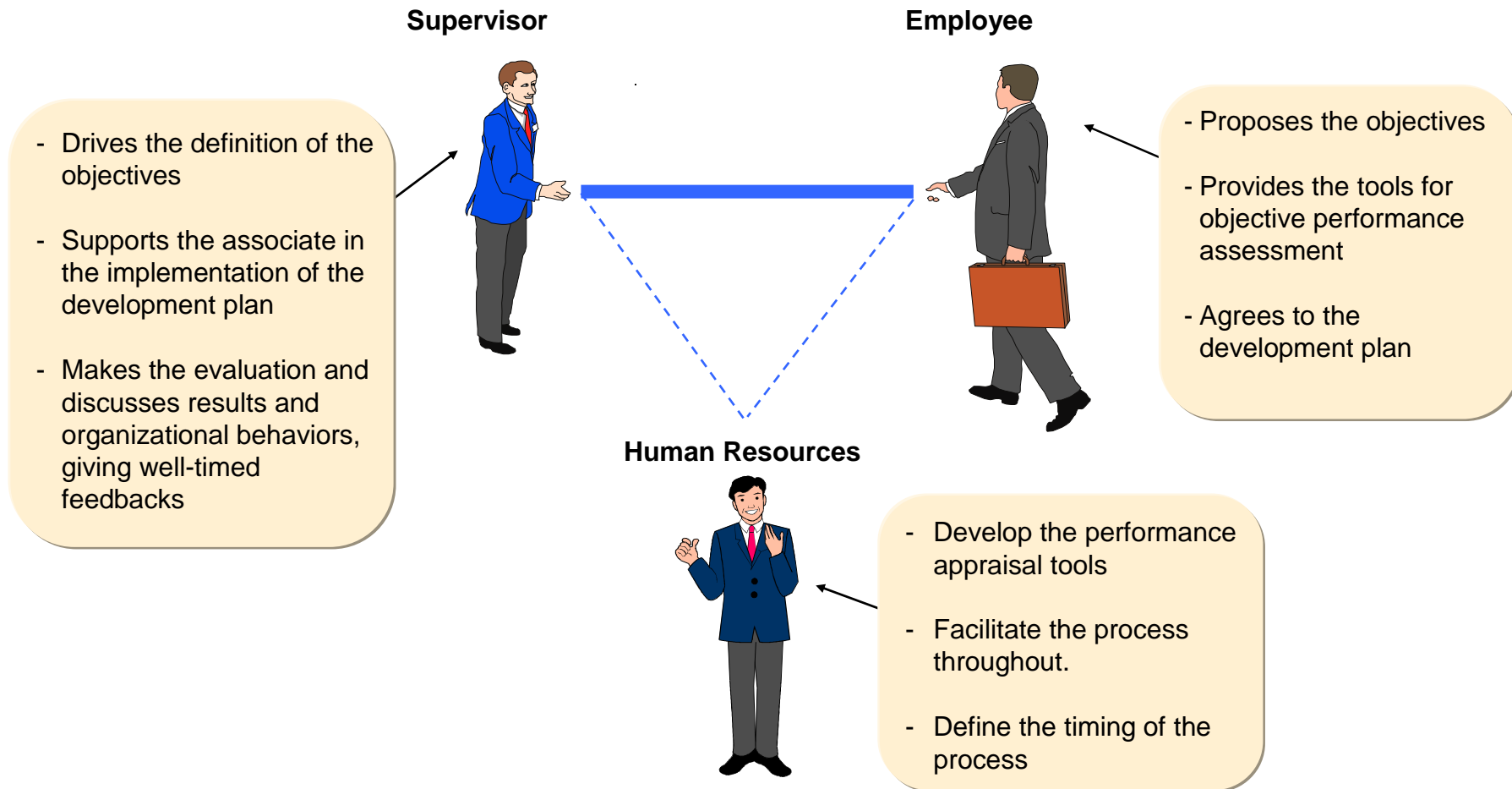
The main risks about performance appraisal



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Which roles within the performance management process ?



What if ...

Main suggested actions	
I moved to a new position during the year	<ul style="list-style-type: none"> - If you moved within the first 6 months of the year, meet your supervisor to: <ul style="list-style-type: none"> · Review the level of accomplishment of your objectives related to your previous position · Develop a new set of objectives linked to the new job - If you moved after the first 6 months of the year, at year end the performance appraisal will be based on results you achieved your previous position
I had a new supervisor during the year	<ul style="list-style-type: none"> - Meet your new supervisor and share the objectives set at the beginning of the year and their level of accomplishment in order to inform him/her of the actions required to achieve the pre-set objectives
An objective is no longer relevant for measuring my performance	<ul style="list-style-type: none"> - Meet your supervisor to discuss whether to: <ul style="list-style-type: none"> · Maintain the objective and set a new target (involvement of the Control Department is required) · Cancel the objective and allot its weight to the remaining objectives · Define and agree to a new objective with the same weight as the previous one

Why are people's performance levels sometimes lower-than-expected?

The associates....	
Communication between dept. head and associate	<ul style="list-style-type: none"> - They don't know why they should achieve certain objectives - They don't know what they are supposed to do - They think there is no reward for performing the task
Coaching and feedback for the associate	<ul style="list-style-type: none"> - They don't know how to perform the task - They think they are performing the task
Associate's prejudices	<ul style="list-style-type: none"> - They think your way will not work - They think their way is better - They think something else is more important - There are no negative consequences for poor performance
Process of defining and reviewing objectives	<ul style="list-style-type: none"> - They don't have set objectives - There are obstacles beyond their control - The objectives are too ambitious (no one could perform as expected)
Personal aspects	<ul style="list-style-type: none"> - Their personal capabilities prevents them from performing the task - They have personal problems

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Preparing for the performance appraisal meeting

	YES	NO
I scheduled the date, time and location for the meeting well in advance		
I gathered documentation that supports my appraisal (ex. Associate's goals for the appraisal period)		
I collected feedbacks from those who most interacted with the associate during the year		
I checked the levels of achievement of the objectives and the organizational behaviors demonstrated by the associate		
I considered any factor that could have effected the associate's performance during the year		
I took note of specific examples and facts to support my appraisal		
I identified the associate's strengths and areas of improvement		
I drafted a development plan for the associate		

Conducting the performance appraisal meeting

	YES	NO
I started the appraisal meeting by defining it's objectives and making the associate feel comfortable		
Together with the employee I discussed the level of achievement of the objectives set at the beginning of the year		
I shared with the associate the evaluation of his/her expected and actual organizational behaviors		
I gave the associate accurate feedback, making specific examples and referring to precise situations and episodes		
We agreed on the final performance evaluation		
We defined and agreed a development plan for next year		
I checked whether the performance appraisal form has been fully filled		
Both my associate and I signed the form		

Performance management

Giving and receiving appraisals might not be the easiest part of our job but for sure it is the most important one!