Unit title	**Supporting Good Practice in Performance and Reward Management**
Level	**3[1]**
Credit value	**6**
Unit code	**3PRM**
Unit review date	**Sept. 2011**

Purpose and aim of unit

This unit provides an introduction to the purpose and processes of performance and reward management and the role of human resources (HR) in promoting and supporting good practice. Studying this unit will enable learners to develop their understanding of how motivational theories and associated tools can be used within the context of performance and reward management and how these can have a positive impact on an organisation's business objectives. It also provides an overview of appropriate skills and good practice associated with performance management reviews and follow-up and the data management aspects. Additionally learners will understand the role of financial and non-financial benefits and important determinants of reward decisions. On completion, learners should feel more confident in providing first-line support to managers and employees on the subject of performance and reward management.

This unit is suitable for persons who:

- are aspiring to, or embarking on, a career in HR/L&D
- are working in the field of HR/L&D in a support role and wish to develop their knowledge and skills
- have responsibility for HR/L&D activities and decisions within an organisation without a specialist function
- are wishing to develop knowledge, skills and capabilities in performance and reward management.

Learning outcomes

On completion of this unit, learners will:

1 Be able to explain the link between organisational success, performance management and motivation.
2 Be able to explain the relationship between performance management and reward.
3 Be able to contribute to effective performance and reward management in the workplace.
4 Be able to conduct and reflect upon a performance review.

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[1] Equivalents in Ireland = 5; Scotland = 6

Unit content

Indicative content is provided for each of the learning outcomes of the unit. The content is neither prescriptive nor exhaustive but should enable achievement of the learning outcomes.

1 **Be able to explain the link between organisational success, performance management and motivation.**

   The purposes of performance management: appraisal and review and the link with business objectives and organisational success; contextual issues; environment, sector, culture.

   Components of a performance management system: productivity and performance management including factors affecting individual and team performance; the place of job descriptions in performance reviews; training and development plans; informal and formal reviews; workplace policies and procedures; performance management data.

   Motivational theories and their relevance for performance management: links between theories and workplace productivity; theories may include needs theory, motivation–hygiene theory, hierarchy theory.

2 **Be able to explain the relationship between performance management and reward.**

   The connection between reward, resourcing and performance: awareness of the rationale behind different reward systems, their role in recruitment and retention, motivation, satisfaction; links between theories and workplace productivity; role of reward in being an employer of choice.

   Components of total reward system: the role of financial and non-financial benefits; pensions and other additional elements; financial incentives; bonuses; opportunities for personal and career growth; verbal appreciation.

3 **Be able to contribute to effective performance and reward management in the workplace.**

   Understanding performance and reward policies in organisations: understanding and advising on good practice in ensuring performance and reward policies are applied in an equitable, transparent, fair and meritocratic way and in accordance with regulatory and legal frameworks.

   Managing performance: examples of good practice in dealing with good performance, plateaued or poor performance; specific capability issues.

   Collection of information: performance management data; identifying useful sources of benchmarking data on reward; awareness of the use and rationale of job evaluation.

4 **Be able to conduct and reflect upon a performance review.**

   Frequency, purpose and process of performance management; good practice before, during and after performance management; using a range of interviewing skills, for example paraphrasing, summarising, responding to non-verbal cues, body language; the role of giving and receiving feedback in performance reviews; the range of effective questions, for example open, closed, probing, leading, hypothetical; types of review, for example 360-degree, peer review – the context in which these might be used, including advantages and disadvantages; using appropriate interpersonal skills during performance review; developing skills and confidence in having 'difficult' conversations.

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Unit assessment

To achieve this unit, the evidence the learner presents for assessment must demonstrate that they have met all the learning outcomes and assessment criteria.

Learning outcomes The learner will:	Assessment criteria The learner can:
1 Be able to explain the link between organisational success, performance management and motivation.	1.1 Describe the purpose of performance management and its relationship to business objectives. 1.2 Explain the components of performance management systems. 1.3 Explain the relationship between motivation and performance management.
2 Be able to explain the relationship between performance management and reward.	2.1 Explain the purpose of reward within a performance management system 2.2 Identify and explain the components of an effective total reward system.
3 Be able to contribute to effective performance and reward management in the workplace.	3.1 Identify and explain the factors that need to be considered when managing performance. 3.2 Describe the data required by individuals involved in performance and reward management processes.
4 Be able to conduct and reflect upon a performance review.	4.1 Explain the frequency, purpose and process of performance review. 4.2 Conduct a performance review meeting. 4.3 Reflect on the outcomes of the performance review.

Assessment guidance 3PRM

Unit title and No: Supporting Good Practice in Performance and Reward Management – 3PRM	
Credit value: 6 credits	
Generic Guidance	The assessment activities for this unit should equate to approximately 2,000 words. LO4 can be done in the context of the learners' own organisation, or using a case study and role play.
AC 1.1	Learners should include at least 2 purposes of performance management and their relationship to business objectives.
AC 1.2	Learners should include at least 3 components.
AC 1.3	Learners provide an explanation with reference to at least 2 motivational theories.
AC 2.1	Learners should include at least 2 purposes of reward.
AC 2.2	Learners should include 3 components 1 of which should be non financial.
AC 3.1	Learners should include both good and poor performance.
AC 3.2	Learners should include a minimum of 2 sources of data, 1 of which should be external to the organisation.
AC 4.1 & 4.3	Learners should conduct a reflective review that explores the frequency, purpose and process of a review and then reflect on a review that they have conducted.
AC 4.2	This could be from the learner's workplace but must be supported by relevant documentation. An observed role play may also be used.