

Facilities Management from A to Z



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Performance Management

Performance management is the activity of tracking performance against targets and identifying opportunities for improvement. In FM this may relate to the performance of an individual, a department or a contract. The principles are exactly the same.

Performance Management should not just focus on past performance. The focus of performance management should be the future. Identifying what needs to be achieved and how things can be done better. Managing performance is about managing for results. Performance-based management systems should demonstrate that goals are understood, responsibilities are clear and that progress can be measured. An effective performance management system should detect performance problems and enable their resolution.

The identification of corporate goals and objectives enables the facilities organisation to develop a Vision, Mission and Departmental objectives of its own. In order to ensure that these activities actually deliver the required outcomes it is important to identify Critical Success Factors. These will help to focus attention on major concerns, are easy to understand, communicate and monitor and can be used to incentivise performance of staff and contractors. Using Critical Success Factors on an isolated project does not represent critical strategic thinking. But when used in conjunction with a performance management protocol they are extremely powerful.

Each Critical Success Factor needs to be measurable and these measures become the Key Performance Indicators. Every facility organisation measures a large number of transactions, processes and activities but only a handful of these are the really key measures of progress against the Critical Success Factors. A great deal of care must be applied when selecting Key Performance Indicators as the wrong measure used to drive performance will inevitably deliver the wrong outcome.

Having selected the appropriate performance measurement tool service levels need to be set at an appropriate level. It is unrealistic to expect major change overnight so improvement targets should be challenging but within reach. Target service levels represent an implicit promise to the customer and come at a price. It is unwise to set service expectations at a five star level when corporate funding can only support three star activity. The use of incentives in this area while powerful must also be handled carefully. Often higher levels of service are simply not required. No organisation will want to pay bonuses for achieving an unnecessarily good standard.

The Chartered Institute of Personnel and Development CIPD has a useful factsheet on performance management at <http://www.cipd.co.uk/subjects/perfmangmt/general/perfman.htm>