

2007 / 2008 Australian Performance Management Survey

(In conjunction with RMIT and La Trobe Universities)



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Executive Overview

A key finding of the survey was the difference in attitudes to Performance Management Systems (PMS) between management levels. The table below summarises the results comparing responses for those who thought the PMS was effectively linked to organisational outcomes.

How effectively is your performance management system linked to the following organisational outcomes?	Management Level			
	Executive/ Senior mgt %	Middle mgt %	Line mgt/ supervisory %	HRM Professional %
Quality of goods or service	61	12	7	20
Innovative capacity	70	7	8	15
Cost	54	15	10	21
Market share	54	12	13	21
Return on investment	52	12	15	21
Profitability	53	13	13	21
Efficiency	59	11	9	21
Quality of workforce	62	10	8	20

Commentary

More than half of executives believe that a PMS will drive strategic and operational outcomes in their organisation. However middle and line Managers strongly disagree, as do HRM professionals to a lesser degree. Our conclusions are that middle and line managers can't connect the PMS to any of the above outcomes. Possible reasons include :

- Inadequate training and change management for middle and line managers (supported by same survey results showing a low percentage of managers receiving PMS training and only 10.8% of department heads have had PMS training)
- Predominance of appraisal systems with no set objectives
- Because of the predominance of appraisal systems, there is no connection to strategy or operational outcomes