

Devising performance agreements together improves work

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Employees can improve their performance at work by agreeing on performance indicators in consultation with their managers. Research carried out by PhD student Bianca Groen at the University of Twente shows that both employees and managers consider the quality of the performance indicators they develop together to be higher. This is partly because employees can identify better with jointly made performance indicators. Managers are pleased with this effect, as it gives employees more room to apply their specific knowledge.

A performance indicator is an instrument used to measure performance at [work](#). Employees perform better if they have high-quality performance indicators. The indicators highlight the areas where there is most room for improvement. "They help people to set priorities, thereby enabling them to work more effectively while investing the same amount of effort", says Bianca Groen.

Performance indicators are particularly useful to managers wishing to monitor staff performance and give rewards for improvement. The higher the quality of the performance indicators, the more effectively they can be used to appraise and [reward](#) employees. Surprisingly, it appears that concrete rewards do not guarantee better performance. Groen's research found no link between performance and concrete rewards (such as bonuses, pay rises and promotion). There was, however, a link between non-concrete rewards (such as discussions and compliments) and better performance. The indicators were not used for formal appraisals or concrete rewards in the company where Groen

conducted her research into devising performance indicators together with employees. Even so, performance improved considerably after the indicators were implemented. The [employees](#) noticed more support and compliments from their [managers](#). The indicators gave them the chance to show how well they did their work.

Provided by University of Twente

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