

# **Branch Management Training for MFIs: Developing Staff Management Skills**

## **Facilitator's Manual**

**October 2006**



**Practitioner Learning Program**



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# Preface

The Practitioner Learning Program (PLP) is a SEEP Network initiative that explores key challenges facing the microenterprise field. A competitively run grants program, the SEEP PLP engages participants in a collaborative learning process to share and document findings and lessons learned, as well as to identify effective, replicable microenterprise practices and innovations to benefit the industry as a whole. The SEEP PLP is funded by the Microenterprise Development Division of the United States Agency for International Development (USAID). For more information on this and other SEEP PLP initiatives, see The SEEP Network website: [www.seepnetwork.org](http://www.seepnetwork.org).

The SEEP PLP in “Improving Efficiency – Maximizing Human and Physical Resources” was conducted from 2004 through 2006 and examined strategies, tools, and technologies that microfinance institutions (MFIs) use to maximize human and physical resources. There was a particular focus on low-technology solutions to increase staff productivity, decrease personnel or administrative costs, and increase outreach and client retention.

The “Improving Efficiency” PLP has produced a series of eleven Learning Products to share with the microfinance and microenterprise field that are explained in more detail below. All of these publications are available on-line at [www.seepnetwork.org](http://www.seepnetwork.org).

Most of the participating institutions began with a rigorous analysis of their core processes, including credit delivery, accounting, and management information systems. Process mapping proved a crucial tool in shedding light on process bottlenecks and inefficiencies. Three Learning Products produced from this PLP are devoted to process mapping: case studies of Pro Mujer Nicaragua and of MI BOSPO, Bosnia and Herzegovina, and a technical note that is an interview with MFI managers who used process mapping in their efforts to boost efficiency.

Based on their institutional assessments, most of the MFIs identified a similar set of interrelated issues that needed to be addressed in order for them to become more efficient. Decentralization emerged as an overriding theme, especially the exploration of what kinds of institutional structures and systems would support a shift in decision-making authority to branch offices for credit operations. “Decentralization of Microfinance Institutions: A Guide for Decision Making” addresses these issues in depth.

Closely related to the topic of decentralization was the need to train branch managers. Many of the participating MFIs’ branch managers had been senior loan officers and did not have many of the skills and perspectives needed to manage staff and operations. Two of our Learning Products are comprehensive training programs that address areas that were identified as key for branch management training: human resource management and financial management. The training manual on human resource management was developed in conjunction with MEDA and is entitled “Branch Management Training for MFIs: Developing Staff Management Skills.” The financial management training manual is “Principles and Practices of Financial Management.”

Based on an identified need for training materials in other topics, several of our other Learning Products have accompanying PowerPoint presentations that summarize key information in a format conducive for training.

Several other topics related to enhancing efficiency emerged during the course of this PLP. One topic was the importance of cultivating client loyalty. Loyal clients provide repeat business, contributing to both lower expenses and higher income. The second technical note, "Building Client Loyalty," explores this issue in detail. Another recurring issue was staff incentives and the dangers of implementing a system before it is thoroughly analyzed. The third technical note, "Pitfalls and Unintended Outcomes: Some Thoughts on Staff Incentive Systems," explores these issues. Another valuable tool that emerged from this PLP was a framework for mapping key operational tasks and areas of responsibility. This is explored in the fourth technical note, "Division of Responsibilities Framework: A Tool to Strengthen Operations Management of Microfinance Institutions."

Our colleagues from India in this PLP faced an inverse set of challenges to those posed to most of the other participating institutions: how to capture information from an extremely decentralized network of savers and borrowers in self-help groups and centralize it in order to create accurate, timely, consolidated financial reports. The solution they developed and implemented is explained in the learning paper, "Promoting Quality Bookkeeping in Self-Help Groups: The Mahakalasm Management Information System".

The eleven Learning Products reflect both the range of institutions and issues explored during this PLP and the consensus that emerged regarding what is needed to enhance the efficient utilization of human and physical resources while remaining responsive to client needs. The participating institutions found the PLP to be a rich learning experience and we hope the lessons learned that are distilled in this series of Learning Products prove to be of value to the field as a whole.

- Tony Sheldon, PLP facilitator and Learning Products editor

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# **MEDA Branch Management Training for MFIs: Developing Staff Management Skills Facilitator's Manual**

Welcome to the **MEDA Branch Management Training for MFIs: Developing Staff Management Skills Facilitator's Manual**. The Facilitator's Manual provides six training modules that cover most of the material provided in the Participant's Manual.

## **Audience**

The Branch Management Training for MFIs is designed for Branch Managers in MFIs, but the material is applicable to all levels of management who supervise staff. Training the staff managers of a single MFI is ideal as it allows the trainer to tailor all examples to directly address the needs of that specific MFI. This provides an opportunity for team building with staff managers participating together in a learning experience. Additionally, momentum and accountability within the MFI can be built to ensure learnings are transferred and applied in the workplace.

When training individuals from several different MFIs, it is helpful for at least two to four members of the "inner core" of the management and HR teams to attend the training. Training the key members of the team may provide an opportunity for these staff to model good staff management skills and possibly train others within the MFI. This type of training situation can provide for interesting and rich discussion between MFIs about staff management challenges. However, it is important to recognize that if the MFIs are operating in the same market, they may not share as openly about these issues. A skilled trainer should conduct this type of training and will be able to navigate these sensitive issues, respecting confidentiality while still facilitating a fruitful discussion.

## **Facilitator's Manual**

The Facilitator's Manual is very simple and designed to be adapted to the specific needs of the MFIs and/or trainers. The training material follows the flow of the Participant's Manual, separated into the same three sections. Each section is made up of one or more training modules for a total of six training modules (further details below). These training modules can be delivered separately over a series of meetings, or linked together as a two day training course. Each training module has a corresponding PowerPoint presentation to guide the training delivery.

The Facilitator's Manual includes a case study and exercises, but ideally relies on a competent trainer to deliver the material. Icebreakers, closers, and breaks are not incorporated into the material. Much of the content is lecture based, and it is advisable that trainers are skilled in using discussion and interactive methodology to keep the participants interested and engaged. It is highly recommended for the trainer to provide practical, relevant examples to complement the material wherever possible.

The Facilitator's Manual is organized by training module, and provides tips and comments on slide material, plus references to the slide number and relevant page in the Participant's

Manual. Throughout the Facilitator's Manual, tips are included for suggested discussion starters, however, we highly recommend that the trainer have additional techniques and ideas prepared to encourage dialogue about the content of the course, and to incorporate practical, real life examples.

### **Skill Transfer / Follow up**

The Facilitator's Manual does not provide content to introduce or close each training module, nor does it include material to bring closure if used as a two day training course. These components of the training will be highly dependent on the situation in which the training is used. Some general comments for wrapping up the training is provided in the last module. However, for MFIs who will be using this material for in-house training, you may consider the following suggestions to help participants transfer these skills to their work:

- Time the training close to the end of the fiscal year, with a plan to implement a Performance Management Process with the new fiscal year.
- Set deadlines for managers to meet with staff to prepare individual performance objectives.
- Consider holding a "review" workshop after a month's time to provide additional support on writing performance objectives.
- Follow up directly with managers to get feedback on how the process is working and where additional support or training may be required.
- Consider holding a "review" workshop near year-end to review the key elements of delivering a performance appraisal.

# MEDA Branch Management Training for MFIs: Developing Staff Management Skills Facilitator's Manual

## Overall Goal

To introduce staff managers (primarily Branch Managers and first time managers) to key staff management skills and a Performance Management Process.

## Overall Learning Objectives

1. Appreciate the importance of a Staff Performance Management Process (PMP)
2. Understand the critical steps of a Staff PMP
3. Know how to set performance objectives
4. Understand effective staff management skills
5. Understand basic training and staff development plans

## Materials

### Participant's Manual

All participants should be given a Branch Management Training for MFIs Participant Manual which contains all the information, materials, handouts and self-assessments used during the training modules.

### PowerPoint Slides

Each training module is guided by a separate PowerPoint presentation which may be modified to suit the training schedule and context. The PowerPoint file name includes the corresponding Training Module number, and each slide within that file is numbered, starting at 1. The Facilitator's Manual indicates the appropriate PowerPoint file and slide number that corresponds with the training material.

### Facilitator's Notes

This manual provides comments, tips, exercises and examples for presenting the materials contained in the Participant's Manual. Using the following structure, each training module is broken down into training topics, with a suggested time and process to deliver the material in that topic. The corresponding page number in the Participant's Manual is provided on the right, and beside it is a reference to the corresponding PowerPoint slide. The column on the left provides the content of the PowerPoint slide as well as additional comments and tips for the trainer. Exercises and discussions are also provided with instructions and timing.

#### Introduction to Staff Management

<b>Time:</b>	15 minutes	
<b>Process:</b>	Lecture	
<b>Content:</b>		
<b>Participant Manual</b>	<b>Slides</b>	<b>Material</b>
p.1	1.1:S1	<b>Introduction to Staff Management</b> (title slide)

### Standard Training Materials

LCD Projector, screen, Flip chart stands, flip charts, markers, masking tape, etc.

## Training Schedule

This manual has organized the Branch Management Training into six separate training modules. The total training time is 11.5 hours. These modules can be delivered separately, or organized into two days of training. Below is a review of the modules and times.

### Section 1: Introduction to Staff Management

#### Training Module: 1.1 (training time: 1 hour 15 minutes)

PowerPoint: TM 1.1 Introduction to Staff Management.ppt

<i>Time</i>	<i>Process</i>	<i>Training Content</i>	<i>Participant Manual</i>	<i>TM 1.1 PowerPoint Slides</i>
30 min	Lecture	Introduction to Staff Management	p.1 – 2	S1 – S6
45 min	Lecture	Management and Leadership	p. 2 – 5	S7 – S10

### Section 2: Staff Performance Management, Development and Training

#### Training Module: 2.1 (training time: 2 hours and 30 minutes)

PowerPoint: TM 2.1 Performance Management Process part 1.ppt

<i>Time</i>	<i>Process</i>	<i>Training Content</i>	<i>Participant Manual</i>	<i>TM 2.1 PowerPoint Slides</i>
1 hour	Lecture / Exercise	Introduction to Staff Performance Management Process	p.7 -10	S1 – S11
30 min	Lecture	Step 1: Setting Performance Objectives	p.10 - 14	S12- S23
45 min	Exercise	Writing Performance Objectives	p.13 - 14	n/a
15 min	Lecture	General Standards of Performance	p.14 - 15	S24 – S26

#### Training Module 2.2 (training time: 2 hours 30 minutes)

PowerPoint: TM 2.2 Performance Management Process part 2.ppt

<i>Time</i>	<i>Process</i>	<i>Training Content</i>	<i>Participant Manual</i>	<i>TM 2.2 PowerPoint Slides</i>
15 min	Lecture	Step 2: Interim Performance Reviews	p.15	S1 – S6
15 min	Lecture	Step 3: Performance Appraisals	p.17, Annex 2	S7 – S9
25 min	Exercise	Discussion on Performance Appraisal Experiences		n/a
35 min	Lecture	The Performance Appraisal Meeting	p.19 - 20	S10 – S14
1 hour	Exercise	Practicing the Performance Appraisal		n/a

**Training Module 2.3 (training time: 1 hour 15 minutes)**  
**PowerPoint: TM 2.3 Performance Management Process part 3.ppt**

<i>Time</i>	<i>Process</i>	<i>Training Content</i>	<i>Participant Manual</i>	<i>TM2.3 PowerPoint Slides</i>
15 min	Lecture	Closing Performance Gaps	p.21, Annex 4	S1 – S4
15 min	Lecture	Training and Staff Development	p.22 - 23	S5 – S9
45 min	Exercise	Performance Gaps – Case Study	p.25 Annex 6	S10 – S11

**Section 3: Staff Management Skills**

**Training Module 3.1 (training time: 2 hours 25 minutes)**  
**PowerPoint: TM 3.1 Staff Management Skills part 1.ppt**

<i>Time</i>	<i>Process</i>	<i>Content</i>	<i>Participant Manual</i>	<i>TM 3.1 PowerPoint Slides</i>
20 min	Lecture	Introduction to Staff Management Skills	p.15, 27	S1 – S3
30 min	Lecture	Listening	p.28 – 29	S4 – S10
30 min	Lecture	Feedback	p.29 – 31	S11 – S13
50 min	Exercise	Exercise: Practicing Feedback	p.16	n/a
15 min	Lecture	Decision Making	p.32	S14 – S16

**Training Module 3.2 (training time: 1 hour 35 minutes)**  
**PowerPoint: TM 3.2 Staff Management Skills part 2.ppt**

<i>Time</i>	<i>Process</i>	<i>Content</i>	<i>Participant Manual</i>	<i>TM 3.2 PowerPoint Slides</i>
20 min	Lecture	Empowering and Delegating	p.34 - 35	S1 – S7
30 min	Lecture	Coaching	p.33 - 34	S9 – S12
25 min	Lecture	Conflict Resolution	p.36 - 37	S13 –S14
20 min	Lecture	Team Building	p.39 - 40	S15 –S17



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# Section 1: Introduction to Staff Management

## Training Module 1.1

**Total training time: 30 minutes**

**PowerPoint File: TM 1.1: Intro to Staff Management**

### Learning Objectives:

1. Understand the importance of effective Staff Management
2. Review Admired Leadership Qualities

### Introduction to Staff Management

<b>Time:</b>	15 minutes	
<b>Process:</b>	Lecture	
<b>Content:</b>		
<b>Participant Manual</b>	<b>Slides</b>	<b>Material</b>
	<b>1.1:S1</b>	<p><b>Introduction to Staff Management</b> (title slide)</p> <p><b>Write on flip chart and review objectives:</b></p> <ol style="list-style-type: none"> <li>1. Understand the Importance of Effective Staff Management</li> <li>2. Review Admired Leadership Qualities</li> </ol>
p. 1	<b>1.1:S2</b>	<p><b>Overview of Staff Management</b></p> <ul style="list-style-type: none"> <li>• It is one of two major resources: capital and people.</li> <li>• Finance is essential, but it is only a tool in the hands of our people.</li> <li>• Staffing is the major share of a MFI's operating budget.</li> </ul> <p><b>Additional comments:</b></p> <ul style="list-style-type: none"> <li>• MFIs have two major resources they need to carry out their business: <b>capital and people.</b></li> <li>• Finance is essential, but it is only a tool in the hands of our people. Finance receives the most attention and concern. However, finance does not manage itself - people manage it.</li> <li>• Staffing is the major share of a MFI's operating budget. It only makes sense that leaders are ensuring, not assuming that people throughout their organization are being managed well and the appropriate HR systems are in place</li> </ul>
p. 1	<b>1.1:S3</b>	Microfinance Institution's top managers are beginning to recognize that organizational success depends upon careful attention to human resources not simply finances!
	<b>1.1:S4</b>	"Many MFIs are lacking staff with management skills and experience. The lack of staff capacity is restricting institutional growth for many MFIs."

p. 2	<b>1.1:S5</b>	<p><b>A successful organization</b></p> <ul style="list-style-type: none"> <li>• an interdependent network of individuals, each contributing to the success of the mission.</li> <li>• The success of an organization is significantly dependent upon the success of its individuals</li> </ul>
p. 2	<b>1.1:S6</b>	<p><b>To be successful, staff need:</b></p> <ul style="list-style-type: none"> <li>• To know their organization’s mission</li> <li>• To know their role</li> <li>• To know what is specifically expected of them</li> <li>• To have the capacity, resources, and environment which makes success possible</li> <li>• To receive encouragement, constructive feedback, and opportunities to develop and improve</li> </ul> <p><b>Additional comments:</b> The goal of a manager is to ensure their staff have these knowledge, skills and tools as noted above. As a manager it is important to remember our goal is to ensure our staff our successful! If your staff are successful it is highly likely you will be successful as well.</p> <p><b>Ask:</b> “Are there any questions on why Effective Staff Management is important to our Microfinance Institutions? Are there any points of clarification before I proceed further?”</p>

## Management and Leadership

<b>Time:</b>	15 minutes	
<b>Process:</b>	Lecture (5 min) and Exercise (10 min)	
<b>Content:</b>		
<b>Participant Manual</b>	<b>Slides</b>	<b>Material</b>
p. 1	<b>1.1:S7</b>	<b>Management and Leadership</b> (title slide)
p. 2	<b>1.1:S8</b>	<p><b>Management and Leadership</b></p> <ul style="list-style-type: none"> <li>• It is the ability to INFLUENCE</li> <li>• It is the ability to INSPIRE and ENABLE people within the organization to serve a common purpose.</li> </ul> <p><b>Additional comments:</b></p> <ul style="list-style-type: none"> <li>• Successful MFIs have exceptional Executive Directors who are committed to</li> </ul>

		<p>the mission of the organization AND understand business and finance.</p> <ul style="list-style-type: none"> <li>• Communicating and modeling this commitment to staff is KEY.</li> <li>• Maximizing the potential of human resources is directly dependent on manager’s skills and abilities to manage staff.</li> <li>• Although this training focuses on Staff Management skills we would like to briefly touch on the issue of leadership. – Leadership is a concept broader than management. It occurs whenever someone tries to influence an individual or group toward some change or goal.</li> <li>• Management is the science of how to plan and achieve organizational goals.</li> </ul>
	1.1:S9	<b>“Everything rises and falls on leadership”</b>

**Exercise: Admired Leaders (10 minutes)**

		<p><b>Instructions</b></p> <ul style="list-style-type: none"> <li>▪ Ask the participants to turn to the person sitting next to them.</li> <li>▪ Ask participants to take 3 minutes and discuss what they believe are the Characteristics of an Admired Leader. (For example, the Executive Director in a MFI or the Board Chair – the Senior Leaders in a MFI – or a company or a bank, in their country.)</li> <li>▪ Call the group back.</li> <li>▪ Ask the participants for their responses and write them on flip chart</li> <li>▪ Add to these responses with information from the next slide.</li> </ul>
p. 3 - 4	1.1:S10	<p><b>Characteristics of Admired Leaders</b> (chart of characteristics) Review the other top characteristics from the study as well; refer participants to their manual for further information on page 3.</p> <p><b><i>Additional comments:</i></b> Kouzes and Posner have studied leadership for over 20 years. They have conducted three surveys (1987,1995 and 2002) from thousands of businesses over four continents. The single most important characteristic of leaders is HONESTY.</p> <p>The good news for all of us sitting in this room is that this is a characteristic we are all capable of having! Please do not ask your staff to follow you or respect you if you do not lead with integrity!</p>



## Section 2: Staff Performance Management, Development and Training

### Training Module 2.1

**Total training time: 2 hours and 15 minutes**

**PowerPoint File: TM 2.1: Staff Performance Mgt part 1**

#### Learning Objectives:

1. Appreciate the importance of a Staff Performance Management Process (PMP)
2. Understand the critical steps of a Staff PMP
3. Know how to set performance objectives

#### Introduction to Staff Performance Management Process

<b>Time:</b>	1 hour	
<b>Process:</b>	Lecture (40 min) and Discussion (20 min)	
<b>Content:</b>		
<b>Participant Manual</b>	<b>Slides</b>	<b>Material</b>
p. 5	<b>2.1:S1</b>	<p><b>Staff Performance Management Process</b> (title slide)</p> <p><b><i>Additional comments:</i></b> Highlight that this section is designed to help staff managers understand the importance of an effective Performance Management Process.</p> <p><b>Review the three Learning Objectives</b></p> <ol style="list-style-type: none"> <li>1. Appreciate the importance of a Staff Performance Management Process</li> <li>2. Understand the critical steps of a Staff PMP</li> <li>3. Know how to set performance objectives</li> </ol>
p. 5	<b>2.1:S2</b>	<p><b>Staff Performance Management</b> <b>What is it?</b></p> <p>“Performance Management” is the method by which managers delegate responsibility to achieve specific results, and the effort they make to ensure the success of those to whom it is delegated.</p> <p><b><i>Additional comments:</i></b> Repeat the above definition phrase again – it is essential this concept is understood.</p> <p><b>Emphasize that “PEOPLE ARE OUR MOST IMPORTANT ASSET”.</b></p>
p. 5	<b>2.1:S3</b>	<p><b>Staff Performance Management</b> <b>Why is it important?</b></p> <ul style="list-style-type: none"> <li>• Helps employees reach higher levels of performance and be successful; as managers we are only successful if our staff our successful.</li> </ul>

		<ul style="list-style-type: none"> <li>• Often, the major share of an organization's operating budget is spent on staff. It only makes sense that leaders actively ensure that people throughout their organization are being managed well.</li> <li>• This means that <u>ALL STAFF</u> - from senior managers to security guards - have a critical role to play. We are interdependent on each other's success and therefore the ultimate success of our MFI.</li> </ul>
p. 5	<b>2.1:S4</b>	<p><b>Purpose and goal of PMP</b> All staff need</p> <ul style="list-style-type: none"> <li>▪ To know their organization's mission</li> <li>▪ To know their role</li> <li>▪ To know what is specifically expected of them</li> <li>▪ To have the capacity, resources, and environment which makes success possible</li> <li>▪ To receive encouragement, constructive feedback, and opportunities to develop and improve</li> </ul> <p><b>Additional comments:</b> An organization can only reach its maximum potential if each employee develops and achieves goals that support personal and organizational success.</p>

### Group Discussion: Benefits of a Structured PMP (20 minutes)

p. 6 - 7		<p><b>Instructions</b> Ask participants to reflect on how a structured process for staff performance could be beneficial to their MFI. Write answers on flip chart. Potential answers might include:</p> <ul style="list-style-type: none"> <li>• Staff are better able to meet overall organizational goals (linking individual goals with organizational objectives)</li> <li>• It ensures staff are being well managed – good use of financial resources</li> <li>• Communicates general standards of performance: conveys the knowledge, qualities and skills valued by the organization – reinforces corporate culture</li> <li>• Provides a tool to address performance problems</li> <li>• Facilitates staff development and training plans at both the individual and organizational level</li> <li>• Increases the quality of staffing / organizational decisions salary increases, promotional opportunities; selection system validation</li> <li>• Increases the quality of individual's decisions: how time and effort should be directed on the job – to career goals</li> <li>• Enhances the attachment between the employees and the organization. When done well it demonstrates commitment (i.e. time spent with employees) and increases satisfaction; motivation etc.</li> <li>• Provides a foundation for organizational diagnosis and change</li> <li>• Legal requirements in some countries</li> <li>• Helps employees reach higher level of performance</li> <li>• Increase morale</li> </ul>
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		<p><b>Additional comments:</b>  ** A study of US and European companies conducted by the Conference Board of New York identified poor or insufficient job performance feedback as the No#1 cause of individual performance problems in 60% of the companies surveyed (Training Magazine Dec 98)  Additional comments: our experience with high performing MFIs also supports this study.</p>
p. 6	<b>2.1:S5</b>	<p><b>Well-Designed Performance Management Process</b></p> <ul style="list-style-type: none"> <li>• Consistent and systematic</li> <li>• Ensures goals of MFI are accomplished</li> <li>• Promotes and supports successful performance</li> <li>• Good one-on-one communication</li> <li>• Staff participate in planning and monitoring their own work</li> </ul>
p. 7	<b>2.1:S6</b>	<p><b>Performance Management Process</b>  (picture of flow chart)</p> <p><b>Additional Comments:</b>  Review the flow chart with the participants.  We will walk through each of these steps in more detail in the following slides.</p>
p. 7	<b>2.1:S7</b>	<p><b>Staff Performance Management Cycle</b>  (picture with arrows in a circle)</p> <p><b>Additional comments:</b>  Review the cycle with participants.</p> <p>Emphasize it is a continual process. The beginning of the process is just as important as third step. We cannot do step 3 (appraisal); if we did not complete step one. We will review each step in more detail. This is simply to provide you with an overview.</p>
p. 8	<b>2.1:S8</b>	<p><b>Employee responsibilities</b></p> <ul style="list-style-type: none"> <li>• Focus on organizational results and their contribution</li> <li>• Set annual performance objectives</li> <li>• Actively participate</li> <li>• Ask for and listen to feedback</li> <li>• Take responsibility for professional development</li> <li>• Stay focused on individual goals</li> </ul>
p. 8	<b>2.1:S9</b>	<p><b>Manager responsibilities</b></p> <ul style="list-style-type: none"> <li>• Set clear, measurable, and attainable objectives</li> <li>• Provide constructive and timely feedback to employees</li> <li>• Recommend and support training and development</li> <li>• Semi-annual and annual performance reviews</li> </ul>

p. 8	<b>2.1:S10</b>	<b>HR responsibilities</b> <ul style="list-style-type: none"> <li>• Help managers setting objectives</li> <li>• Provide training to staff</li> <li>• Ensure new staff receive training on the process</li> <li>• Monitor the use of the process</li> <li>• Review completed year-end performance appraisals</li> <li>• Monitor and adapt PMP as required</li> </ul>
p. 8	<b>2.1:S11</b>	<b>MI-BOSPO: Continuous Improvement</b> MI-BOSPO in Bosnia implemented a Performance Management Process that included quarterly work plans for teams and each team member. However, quarterly work plans seemed like extra work rather than good planning. After one year, we decided to adjust the process to require a six-month work plan (instead of quarterly) along with ongoing monitoring and annual performance appraisals. This adjustment was responsive to staff feedback and the process is now widely accepted within the institution. - Alma Bijedic, Human Resource Manager  <b>Important: IF WE DO NOT HAVE “BUY IN” FROM YOU THAT PERFORMANCE MANAGEMENT IS IMPORTANT, THIS TRAINING WILL NOT BE EFFECTIVE!</b>  I would rather spend the whole day convincing each of you, why this is important by giving you stats and examples from organizations. This process has to be more than a paper exercise!

### Step 1: Setting Performance Objectives

<b>Time:</b>	1 hour	
<b>Process:</b>	Lecture (30 min) and Exercise (45 min)	
<b>Content:</b>		
<b>Participant Manual</b>	<b>Slides</b>	<b>Material</b>
p. 9	<b>2.1:S12</b>	<b>Setting Performance Objectives</b> (intro slide)
p. 9 - 10	<b>2.1:S13</b>	<b>Step 1: Setting Performance Objectives</b> <ul style="list-style-type: none"> <li>• Describe what the employee will be accountable for</li> <li>• Defines important outcomes</li> <li>• Derived from job descriptions and annual goals</li> <li>• 5-8 objectives are sufficient</li> </ul> <b>Additional comments:</b> This is the first step in the process and it is to clearly define performance objectives for each important job task.
p. 9	<b>2.1:S14</b>	<b>Linking Individual Performance Objectives to MFI goals</b>

		<p>(picture of flow chart)</p> <p><b>Additional Comments:</b> Review the flow chart:</p> <ul style="list-style-type: none"> <li>• Overall Organizational Objectives</li> <li>• Regional and/or Divisional Objectives</li> <li>• Departmental or Team Objectives</li> <li>• Individual Objectives</li> </ul>
p. 10	<b>2.1:S15</b>	<p><b>Revenue Target within a MFI:</b> (picture of flow chart)</p> <p><b>Additional Comments:</b> Review the example of setting revenue targets found on the slide.</p> <p>The organizational objectives must translate into individual plans – other examples may be: (next slide).</p>
p. 10	<b>2.1:S16</b>	<p><b>Customer Service Target</b> (picture of flow chart)</p> <p><b>Additional Comments:</b> This is another example of setting organizational goal of better customer service and how that translates to the receptionist performance objective.</p> <p>Organizational Goal: 20% growth Individual Goal: HR Manager recruits 3 new Credit Officers this year</p>
p. 11	<b>2.1:S17</b>	<p><b>Performance Objectives Help Managers</b></p> <ul style="list-style-type: none"> <li>• Communicate specific performance expectations.</li> <li>• Provide feedback that compares performance with an objective standard.</li> <li>• Identify performance that should be rewarded.</li> <li>• Make decisions regarding resources, plans, policies, schedules, and organization structures.</li> <li>• Identify performance gaps that need attention.</li> </ul>
p. 11	<b>2.1:S18</b>	<p><b>Performance Objectives Help Staff</b></p> <ul style="list-style-type: none"> <li>• Know specifically what is expected.</li> <li>• Make informed decisions and take creative initiative.</li> <li>• Monitor their own performance and generate their own feedback.</li> <li>• Identify performance improvement areas.</li> </ul> <p><b>Additional comments:</b> <b>Without annual performance plans...</b></p> <ul style="list-style-type: none"> <li>• performance isn't being managed.</li> <li>• one cannot specifically identify, describe, and set priorities on problems.</li> <li>• people cannot fully understand what is expected of them.</li> <li>• people cannot be sure whether their performance is on or off track.</li> <li>• there cannot be an objective, equitable basis for review (positive or negative).</li> </ul>

		<ul style="list-style-type: none"> <li>• there are no triggers for performance improvement actions.</li> <li>• management is a set of uneducated guesses.</li> </ul> <p><b>Ask:</b> Before we continue on the specifics of how to write effective performance objectives are there any questions on “why” they are important?</p>
p. 13	<b>2.1:S19</b>	<p><b>Setting Individual Performance Objectives</b>  <b>Managers and staff set objectives together</b></p> <ul style="list-style-type: none"> <li>▪ To ensure mutual understanding of priorities and objectives.</li> <li>▪ To improve staff performance</li> <li>▪ To share of ideas</li> <li>▪ To discuss problems and concerns</li> <li>▪ To plan for growth and development</li> </ul>
	<b>2.1:S20</b>	<p><b>Setting Individual Performance Objectives</b>  Objectives should be SMART:  Specific  Measurable  Achievable  Realistic  Time-bound</p>
p. 12	<b>2.1:S21</b>	<p><b>Measuring Individual Performance</b></p> <p>Quantity      Quality  Time            Cost</p> <p><b>Additional Comments:</b>  Quantity –Add 20 new clients each month  Quality – Customer service (no documented complaints)  Time – Follow-up on late loans within 3 days  Cost, or revenue –Decrease expenses by 15%</p>
p. 11	<b>2.1:S22</b>	<p><b>Summary of Individual Performance Objectives</b></p> <ul style="list-style-type: none"> <li>• Developed at the beginning of the year</li> <li>• Focus on the specific targets to be achieved for the fiscal year and important ongoing tasks</li> <li>• Limit to 5 to 8 objectives in total</li> <li>• Clearly worded: Task and Standards</li> </ul> <p><b>Additional comments:</b>  A performance objective must have a standard or a measure as identified in the examples. To assist you in defining standards a good question to ask yourself/manager is : “How does the job look when it is done right?”</p> <p>Performance objectives are derived from a combination of the job description and the priorities and organizational goals set for the specific year. Lets look at a couple of examples and then we will try and practice some ourselves.</p> <p>Review the Performance Objectives for a Credit Officer on page 13 in manual.</p>

	<p><b>Ask: “When would a Manager create objectives with their employee?”</b> Potential answers are:</p> <ul style="list-style-type: none"> <li>• starting a new fiscal year</li> <li>• new employee</li> <li>• starting a new project</li> <li>• performance problem area (employee on probation)</li> </ul>
2.1:S23	<p><b>All Manager’s PMP Objectives must include...</b> <b>Effective Staff Management:</b></p> <ul style="list-style-type: none"> <li>• Implementation of PMP with all subordinates</li> <li>• Majority of subordinates achieve their performance objectives</li> <li>• Staff turnover in branch of less than 10%</li> <li>• High staff morale in branch as indicated by 0 staff grievances, and an average rating of “4” on the employee opinion survey.</li> </ul> <p><b>Additional Comments:</b> To help managers develop their staff management skills it is imperative for staff managers to be measured on their staff management skills through the PMP. An essential performance objective for all staff managers might be: “Effective Staff Management”. This slide provides an example of an annual objective that might be used for a Branch Manager.</p>

**Exercise: Writing Performance Objectives (45 minutes)**

	<p><b>Instructions</b></p> <ul style="list-style-type: none"> <li>▪ Ask the participants to divide into groups of three.</li> <li>▪ Instruct each person to write two complete performance objectives, including a task and performance standards, related to their current position.</li> <li>▪ Suggest that group members may discuss and help other each if needed.</li> <li>▪ Each person writes their objectives on flip chart paper and tapes it to the wall.</li> <li>▪ Give 20 minutes to complete this task.</li> <li>▪ Walk around the room to help.</li> <li>▪ Once they are finished they can take 20 minutes and review other participant’s objectives which are taped up to the wall – for learning.</li> </ul> <p><b>Note to trainer:</b> These objectives can be used for the feedback exercise in Training Module 3.1. It is helpful to let participants know that you will be coming back to these objectives later during the training.</p>
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## General Standards of Performance

<b>Time:</b>	15 minutes	
<b>Process:</b>	Lecture	
<b>Content:</b>		
<b>Participant Manual</b>	<b>Slides</b>	<b>Material</b>
p. 13	2.1:S24	<p><b>General Standards of Performance</b> (title slide)</p> <p><b>Comments:</b> Setting Performance Objectives is the first step in the PMP process. Performance Objectives are specific to an individual staff member and it “objectively” assesses that individual’s performance based on defined outputs.</p> <p>The other component of an effective PMP process is referred to as the “General Standards of Performance”</p>
p. 13	2.1:S25	<p><b>General Standards of Performance</b></p> <ul style="list-style-type: none"> <li>• Common to all employees;</li> <li>• Focus on the “how” of performance;</li> <li>• Tend to be more subjective than objective;</li> <li>• Focus on the organization’s valued knowledge, qualities and skills.</li> </ul> <p><b>Additional comments:</b> This is an excellent tool to reinforce a positive “institutional culture” within your organization. It is important to emphasize the critical role managers play in reinforcing institutional culture.</p>
p. 13	2.1:S26	<p><b>General Standards of Performance</b> <b>“VALUED KNOWLEDGE, QUALITIES AND SKILLS”</b> <b>For example:</b></p> <ul style="list-style-type: none"> <li>• Commitment to the Organization’s Mission</li> <li>• Interpersonal Skills and Teamwork</li> <li>• Initiative and Problem Solving Ability</li> <li>• Professionalism</li> </ul> <p><b>Additional Comments:</b> Examples of the above general standards of performance could include:</p> <ol style="list-style-type: none"> <li>1. <b>Commitment to the MFI’s Mission.</b> The employee demonstrates understanding of the mission and commitment to our clients.</li> <li>2. <b>Interpersonal Skills and Teamwork.</b> The employee is able to interact effectively with all levels of staff, and is open and straightforward in dealing with others. The employee demonstrates a positive attitude and works well as a team member.</li> <li>3. <b>Initiative and Problem Solving Ability.</b> Uses good judgment and</li> </ol>

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		<p>makes sound decisions. Assumes responsibility without being asked, and is able to identify ways to constructively and creatively deal with problems.</p> <p><b>4. Professionalism.</b> The employee is a professional representative of the organization and conducts him/herself with the highest level of integrity. Is able to deal with confidential matters and goes the extra distance to complete a project/task. Is punctual and has low absenteeism.</p> <p><b>Ask:</b> Can you think of other examples of general standards of performance?</p> <p><b>Ask:</b> Are there any questions or points of clarification on this part of the PMP?</p>
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## Section 2: Staff Performance Management, Development and Training

### Training Module 2.2

**Total training time: 2 hours and 30 minutes**

**PowerPoint File: TM 2.2 Staff Performance Mgt part 2**

#### Learning Objectives:

1. Understand how the importance of ongoing feedback
2. Understand how to conduct Performance Appraisal discussions
3. Understand how to closing Performance Gaps
4. Review Training and Development as a tool in staff performance management

#### Step 2: Interim Performance Reviews

<b>Time:</b>	15 minutes	
<b>Process:</b>	Lecture	
<b>Content:</b>		
<b>Participant Manual</b>	<b>Slides</b>	<b>Material</b>
	<b>2.2:S1</b>	<b>Staff Performance Management Process Continued</b> (title slide)
p. 14	<b>2.2:S2</b>	<b>Step 2: Interim Performance Reviews</b> (title slide)
	<b>2.2:S3</b>	<b>Performance Management Cycle</b> (picture with arrows)  <b><i>Additional comments:</i></b> This is the second stage in the process  <b>This is a critical step in the PMP.</b> Although an employee will receive a written annual review, it is critical that regular <i>informal</i> sessions be conducted throughout the year. This step cannot be emphasized enough. Depending upon the position this may be weekly, monthly or quarterly meetings. By the time the formal year-end performance appraisal is conducted there should be "no surprises". If objectives are not being met during the year, this should be assessed and discussed in a timely manner. A plan should be put in place to address the performance deficit. Throughout the year, objectives can be reviewed and revised if changing conditions necessitate a modification.
p. 14	<b>2.2:S4</b>	<b>Ongoing Performance Monitoring</b> <ul style="list-style-type: none"> <li>• Interim performance reviews</li> <li>• Listening and providing feedback</li> <li>• Coaching</li> <li>• General guidelines for communications</li> </ul>

p. 14	<b>2.2:S5</b>	<b>Frequency of Interim Reviews</b> <ul style="list-style-type: none"> <li>Quarterly meetings are ideal</li> <li>More frequently if: <ul style="list-style-type: none"> <li>Employee is new</li> <li>Project is new</li> <li>Performance gap is identified</li> </ul> </li> </ul>
	<b>2.2:S6</b>	<b>Interim Performance Reviews</b> Ongoing Feedback focuses exclusively on each individual staff member's performance and related issues. It involves: <ul style="list-style-type: none"> <li>Monitoring</li> <li>Planning</li> <li>Personal support and coaching</li> </ul>

### Step 3: Performance Appraisals

<b>Time:</b>	1 hour 15 minutes				
<b>Process:</b>	Lecture (50 min) and Exercise (25 min)				
<b>Content:</b>					
<b>Participant Manual</b>	<table border="1"> <thead> <tr> <th>Slides</th> <th>Material</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> </tr> </tbody> </table>	Slides	Material		
Slides	Material				

p. 15	<b>2.2:S7</b>	<b>Step 3: Year-End Performance Appraisal</b> (title slide)  <b>Review Learning Objectives:</b> <ol style="list-style-type: none"> <li>Review how to conduct Performance Appraisal discussions</li> <li>Understand how to closing Performance Gaps</li> <li>Review issues of HIV/AIDS in staff performance management</li> <li>Review Training and Development as a tool in staff performance management</li> </ol>
	<b>2.2:S8</b>	<b>Performance Management Process Cycle</b> (picture with arrows)  <b>Additional comments:</b> This is the last step in the Performance Management Process <ul style="list-style-type: none"> <li>Remember that performance feedback is a crucial element for individuals in the work setting. Absence of feedback provokes anxiety</li> <li>It is a tool to motivate, direct and develop subordinates.</li> <li>"My experience indicates that the resistance in delivering a performance appraisal tends to be on the manager's side and not on the employees'. Most often employees want to know how they are performing!" Kim Pityn, VP, MEDA</li> </ul>

p. 16	2.2:S9	<p><b>Annual Performance Appraisal</b></p> <ul style="list-style-type: none"> <li>• Third step in Performance Monitoring Process</li> <li>• The appraisal is based on the employee's: <ul style="list-style-type: none"> <li>– Performance relative to their objectives</li> <li>– General standards of performance relative to MFIs</li> <li>– Additional achievements</li> </ul> </li> <li>• The year-end appraisal usually occurs at the end of the fiscal year.</li> <li>• The process/form should be easy to use. Not an administrative burden.</li> </ul> <p><b>Additional comments:</b></p> <ul style="list-style-type: none"> <li>• It is the third step in the overall PMP. For the year-end appraisal to be effective, Steps 1 and 2 <b>MUST BE FOLLOWED</b> prior to this step!</li> <li>• The overall purpose of the year-end performance appraisal is to agree on a development plan for an employee.</li> <li>• It is a <b>forward-looking process</b> which is action oriented. <b>The past is only used in terms of what the manager and employee can learn from it.</b></li> <li>• The year-end appraisal usually occurs at the end of the fiscal year.</li> <li>• The process/form should be easy to use. Not an administrative burden.</li> </ul> <p><b>Annex 2: Performance Appraisal Form</b> Review the form with participants:</p> <ul style="list-style-type: none"> <li>• Section 1 – Performance Objectives</li> <li>• Section 2 – General Standards of Performance</li> <li>• Section 3 – Training and Personal Development Plans</li> <li>• Section 4 – Employee Comments</li> </ul> <p>This form is familiar as we have already worked with sections 1 and 2. The content will not be not new to the employee, if you have followed Steps 1 and 2 of the process. Again it should not be an administrative nightmare or burden for staff.</p>
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**Discussion: Performance Appraisal Experiences (25 minutes)**

		<p><b>Instructions</b></p> <ul style="list-style-type: none"> <li>▪ Ask participants to divide into four groups.</li> <li>▪ Identify two groups to reflect on a specific past performance appraisal that was effective: a positive experience. How was that appraisal done well? What were the positive and effective techniques in delivering a performance appraisal?</li> <li>▪ Instruct the other two groups to reflect on a performance appraisal that was not done well: a negative experience. What were the negative and non-effective techniques in delivering performance appraisal?</li> <li>▪ Instruct groups to list on a flip chart the qualities, characteristics or reasons why it was a positive or negative experience.</li> <li>▪ Ask each group to assign a “scribe” to write their answers on a flip chart.</li> <li>▪ Give groups 10 minutes to complete this task.</li> <li>▪ Call the whole group back together.</li> <li>▪ Ask one person from each group to present their flip chart. (10 minutes)</li> <li>▪ <b>Ask:</b> Anything else to add? Any other questions?</li> </ul>
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p. 18 - 19	2.2:S10	<p><b>The Performance Appraisal Discussion</b></p> <ol style="list-style-type: none"> <li>1. Come prepared!</li> <li>2. Confidential and quiet setting</li> <li>3. Put the staff member at ease</li> <li>4. Explain purpose and procedure for the discussion</li> <li>5. Ask staff member to appraise their performance</li> </ol> <p><b>Additional comments:</b> This information is on page 18 of the Participant’s Manual. Elaborate on each step; provide practical examples, experiences.</p> <ol style="list-style-type: none"> <li><b>1. Come prepared!</b> <ul style="list-style-type: none"> <li>➤ Review the employee’s file</li> <li>➤ Make notes</li> <li>➤ Gather relevant data</li> </ul> <p>Before the appraisal meeting, the manager and the employee need to reaffirm the objectives. The manager should give a copy of the uncompleted appraisal form to the employee in order to prepare a self-evaluation in preparation for the meeting.</p> </li> <li><b>2. Arrange a mutually convenient time in a private area where you will not be interrupted.</b></li> <li><b>3. Put the staff member at ease</b> Help the employee feel comfortable. Review the purpose and the format of the meeting and discussion. Set the tone. Start with a general discussion and take the time to make a human-to-human connection.</li> <li><b>4. Explain the purpose and procedure for the discussion.</b></li> <li><b>5. Ask your staff member to give an appraisal of his/her performance. Listen carefully.</b></li> </ol>
	2.2:S11	<ol style="list-style-type: none"> <li>6. Give your appraisal</li> <li>7. Discuss and reach agreement</li> <li>8. Note unresolved disputes and next steps</li> <li>9. Staff development plan</li> <li>10. Set date to develop next year’s objectives</li> <li>11. Close meeting</li> </ol> <p><b>Additional Comments:</b></p> <ol style="list-style-type: none"> <li><b>6. Give your appraisal.</b> Support your written statements with further examples and explanations. Seek input from the employee throughout the discussion. Ask open-ended questions. Deal specifically with previously agreed upon job tasks and objectives. Do not make vague personal statements, e.g.: “I am not happy with your performance”. Support your statements with specific data and examples. Identify points of agreement between the two evaluations. Present a rating for the objectives.</li> <li><b>7. Discuss and reach agreement:</b></li> </ol>

		<ul style="list-style-type: none"> <li>➤ Ask for reactions to your appraisal</li> <li>➤ Focus on areas of agreement</li> <li>➤ Pinpoint specific disagreements</li> <li>➤ Ask for their data</li> <li>➤ Re-enforce your data and support your assessment</li> <li>➤ Ask for agreement</li> </ul> <p><b>8. Note unresolved disputes and next steps.</b></p> <p>If the employee strongly disagrees with or challenges a rating, consider arranging another meeting for further discussions to focus on specific performance areas. This will allow time for emotions to diffuse and for each party to gather further data to validate their assessment.</p> <ul style="list-style-type: none"> <li>➤ Take unresolved disputes to next level of management for appeal.</li> <li>➤ Do not ask your staff member to agree against their will.</li> <li>➤ Document disagreements in the employee’s file.</li> </ul> <p><b>9. Staff Development Plan</b></p> <p>Agree on a staff development plan. A staff development plan addresses performance weaknesses and plans for professional development and career opportunities. This step can also be conducted at a separate meeting.</p> <p><b>10. Set a date to develop the next year’s annual performance objectives (soon after) and discuss preparation.</b></p> <p>Think about any new performance objectives for the next fiscal year and make revisions to job descriptions in preparation for this meeting. Review and analyze performance gaps and weaknesses, and develop ideas for actions to improve specific skills.</p> <p><b>11. Close the meeting.</b></p> <ul style="list-style-type: none"> <li>➤ Express appreciation for his/her participation and confidence in the employee</li> <li>➤ Ask for any last questions</li> <li>➤ Give the employee a copy of the final evaluation (or if there are changes/updates to make, inform the employee that you will forward him/her a final copy in the next couple of days)</li> <li>➤ Remind the employee that they can add any personal comments on the form before they sign it</li> <li>➤ Thank them</li> </ul>
	2.2:S12	<p><b>Performance Appraisals</b></p> <p><b>Remember:</b> the overall purpose of the year-end performance appraisal is to agree on a development plan for an employee. It is a forward looking process which is action oriented!</p>
p. 19	2.2:S13	<p><b>The Eight Most Common Appraisal Errors</b></p> <ul style="list-style-type: none"> <li>• Inadequately defined standards of performance</li> </ul>

		<ul style="list-style-type: none"> <li>• Over-emphasis on recent performance</li> <li>• Reliance on gut feelings</li> <li>• Misunderstanding of performance standards by employee</li> <li>• Insufficient or unclear performance documentation</li> <li>• Inadequate time allotment for the discussion</li> <li>• Too much talking by the manager</li> <li>• Lack of a follow-up plan</li> </ul>
p. 20	<b>2.2:S14</b>	<p><b>No Surprises</b></p> <ul style="list-style-type: none"> <li>• There should be no major surprises in the annual review discussion, and there won't be if... <ul style="list-style-type: none"> <li>• Performance expectations have been clear, and clearly communicated.</li> <li>• Performance monitoring has taken place regularly throughout the year.</li> </ul> </li> </ul>

### Exercise: Practicing the Performance Appraisal (1 hour)

		<p><b>Instructions</b></p> <ul style="list-style-type: none"> <li>▪ For this exercise, participants will practice conducting a performance appraisal meeting. The emphasis should be on role-playing the entire meeting, from setting the tone through to closing the meeting (as reviewed above). However, participants will only have time to review one or two objectives. This exercise should be more than how to give feedback, and should incorporate all elements of the performance appraisal meeting.</li> <li>▪ Instruct participants that they will each take turns role playing a Branch Manager doing a performance appraisal with a Credit Officer. The appraisal is based on the following information (put on a flip chart for reference): <ul style="list-style-type: none"> <li>Credit officer objectives: <ul style="list-style-type: none"> <li>• Increase volume of loans to a total of \$50,000 for the year</li> <li>• Increase number of new clients by 5%</li> </ul> </li> <li>Credit officer's actual performance: <ul style="list-style-type: none"> <li>• Volume of loans for year was \$65,000</li> <li>• New clients for year increased by 3%</li> </ul> </li> </ul> </li> <li>▪ Ask the participants to divide into groups of three. Each will take a turn being the Branch Manager, Credit Officer, and Observer. At the end of each role play, the Observer gives feedback to the Branch Manager on how well she or he conducted the performance meeting. Then participants switch roles until all three have role played the Branch Manager.</li> <li>▪ If the group is small, you may consider having groups of two, with the Credit Officer providing feedback to the Branch Manager on how the performance meeting felt from their perspective.</li> <li>▪ Give groups 45 minutes to complete this task.</li> <li>▪ Walk around the room to help.</li> <li>▪ Call the group back and ask if they have any comments or questions from the experience.</li> </ul>
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## Section 2: Staff Performance Management, Development and Training

### Training Module 2.3

Total training time: 1 hour and 15 minutes

PowerPoint File: TM 2.3 Staff Performance Mgt part 3

#### Learning Objectives:

4. Appreciate the importance of a Staff Performance Management Process (PMP)
5. Understand the critical steps of a Staff PMP
6. Know how to set performance objectives

#### Closing Performance Gaps

<b>Time:</b>	15 minutes	
<b>Process:</b>	Lecture	
<b>Content:</b>		
<b>Participant Manual</b>	<b>Slides</b>	<b>Material</b>
	<b>2.3:S1</b>	<b>Staff Performance Management Process Continued</b> (title slide)
p. 20	<b>2.3:S2</b>	<b>Closing Performance Gaps</b> (title slide)
p. 20	<b>2.3:S3</b>	<p><b>Closing Performance Gaps</b></p> <ul style="list-style-type: none"> <li>• Identify the gap</li> <li>• Analyze why the gap exists</li> <li>• Create a plan on how to fill the gap</li> <li>• Discuss plans with Human Resources or Training Department</li> </ul> <p><b>Additional Comments:</b> Briefly review Annex 4 with participants. Ensure the problem can be solved through training – that is it a real need. For example the issue could be lack of time – the person is simply too busy to complete the task (and this problem is not a problem that can be solved by training); or it is an issue of inadequate technology for the job (can't perform the necessary transactions); or it is an issue of attitude-will.</p> <p><b>Ask:</b> Can you think of other examples?</p> <p>With training, it is also important to consider the costs: to attend the course, and probably more importantly time away from the job.</p>

p. 20 - 21	<b>2.3:S4</b>	<p><b>Personal Development Plan</b></p> <ul style="list-style-type: none"> <li>• Review Job description</li> <li>• Review Position requirements</li> <li>• Determine Personal competencies</li> <li>• Review Most recent performance review</li> <li>• Set long-term career objectives and goals</li> </ul> <p><b>Additional Comments:</b> An important tool in staff development! The plan consists of the following components:</p> <ul style="list-style-type: none"> <li>• Development Objectives</li> <li>• Action Items</li> <li>• Target Date</li> <li>• Comments</li> </ul> <p>Each individual staff member has accountability for their own personal development!</p>
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## Training and Staff Development

<b>Time:</b>	15 minutes	
<b>Process:</b>	Lecture (10 min) and Discussion (5 min)	
<b>Content:</b>		
<b>Participant Manual</b>	<b>Slides</b>	<b>Material</b>
p. 22	<b>2.3:S5</b>	<p><b>Training and Staff Development</b> (title slide)</p> <p><b>Additional comments:</b> The issue of training and development (increasing staff capacity) is a serious challenge for many MFIs. This is especially true in countries where the general population has low levels of education and/or limited work experience -- especially limited financial experience. Training and staff development can be used to close performance gaps and provide professional development</p>
p. 22	<b>2.3:S6</b>	<p><b>Training</b></p> <ul style="list-style-type: none"> <li>• Acquisition of knowledge, skills and attitudes that improve performance in the current job.</li> <li>• Focus on specific tools and short-term requirements.</li> </ul> <p><b>Additional comments:</b> In general, this is the typical type of training and capacity building most MFIs and managers know about. Training could mean acquiring computer skills, interviewing skills, business analysis skills, etc.</p>
p. 23	<b>2.3:S7</b>	<p><b>Staff Development</b></p> <ul style="list-style-type: none"> <li>• Focus on knowledge and attitudes for the long-term achievement of an individual's career goals as well as the organization's objectives.</li> <li>• Develops staff for future opportunities.</li> </ul>

		<p><b>Additional comments:</b> Examples of staff development could include: Management Training, Strategic Planning Skills, Leadership Training, Financial Management Training</p>
<b>Group Discussion: Benefits of Training and Development (5 minutes)</b>		
p. 23		<p><b>Instructions</b></p> <ul style="list-style-type: none"> <li>▪ <b>Ask:</b> What are the benefits of training and self development – for both the individual and the MFI?</li> <li>▪ Write potential answers on a flip chart (below).</li> </ul> <p><b>Benefits for the Organization</b></p> <ul style="list-style-type: none"> <li>• Improves the effectiveness of staff</li> <li>• Increases adaptability</li> <li>• Can ease the introduction of new technologies or methodologies</li> <li>• Instructs on organizational policies, regulations and procedures</li> <li>• Can standardize work processes to increase efficiency</li> <li>• Cost-effective (decreased turn-over; increased efficiency)</li> <li>• Retains employees who understand organization’s mission and culture (builds organizational memory and loyalty)</li> </ul> <p><b>Benefits for the Individual</b></p> <ul style="list-style-type: none"> <li>• Increases interest in the job because of a more thorough understanding of the tasks to be performed</li> <li>• Improves self confidence</li> <li>• Increases loyalty and commitment</li> <li>• Creates a desirable work environment and strengthens morale</li> </ul> <p><b>Ask:</b> Any questions or points of clarification?  <b>Ask:</b> What are examples of training and development options?  <b>Ask:</b> Are there any additional options?</p>
p. 23	<b>2.3:S8</b>	<p><b>Training and Staff Development Options</b></p> <ul style="list-style-type: none"> <li>• Workshops and courses</li> <li>• On-site visits</li> <li>• Coaching</li> <li>• Resources – reading</li> <li>• On the job – simply time to learn</li> <li>• Other...</li> </ul> <p><b>Additional Comments:</b></p> <ul style="list-style-type: none"> <li>• Staff development does not require special programs and training materials.</li> <li>• 55% of development occurs through on-the-job experience, and 15% through job relationships and feedback.</li> <li>• Equipping our staff and managers to recognize and take advantage of on-the-job learning opportunities is an important piece of staff development.</li> </ul>
	<b>2.3:S9</b>	<p><b>Remember:</b> Perhaps the best Return-On-Investment a MFI will realize is the investment in their</p>

		staff.
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### Performance Gaps – Case Study

<b>Time:</b>	45 minutes	
<b>Process:</b>	Lecture (15 min) and Exercise (30 min)	
<b>Content:</b>		
<b>Participant Manual</b>	<b>Slides</b>	<b>Material</b>

### Exercise: Analyzing Performance Gaps (30 minutes)

Annex 6	<p><b>Instructions</b> Divide participants into groups of four. Ask participants to turn to Annex 6 in the Participant's Manual: Analyzing a Performance Gap. Ask each group to discuss the scenario and Answer the following questions:</p> <ol style="list-style-type: none"> <li>1. What are 3 possible reasons for Chiko's poor performance in the last 3 months?</li> <li>2. What suggestion would you give Moses to address each of these 3 possibilities?</li> </ol> <p>Allow for 15 minutes of discussion then ask each group to report back. Plan on 15 minutes for report back and discussion. Answer:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><i>Possible causes of poor performance:</i></th> <th style="text-align: left;"><i>How to address</i></th> </tr> </thead> <tbody> <tr> <td>Lack of knowledge in rural lending</td> <td>Training Coaching with other credit officers PMP process</td> </tr> <tr> <td>Inexperience in rural lending</td> <td>Needs more time PMP process</td> </tr> <tr> <td>Personality conflicts with staff in new satellite office</td> <td>Meeting to discuss with staff Team building training</td> </tr> <tr> <td>Commute – too far</td> <td>Relocate back to urban branch Move to rural setting (if possible)</td> </tr> </tbody> </table>	<i>Possible causes of poor performance:</i>	<i>How to address</i>	Lack of knowledge in rural lending	Training Coaching with other credit officers PMP process	Inexperience in rural lending	Needs more time PMP process	Personality conflicts with staff in new satellite office	Meeting to discuss with staff Team building training	Commute – too far	Relocate back to urban branch Move to rural setting (if possible)
<i>Possible causes of poor performance:</i>	<i>How to address</i>										
Lack of knowledge in rural lending	Training Coaching with other credit officers PMP process										
Inexperience in rural lending	Needs more time PMP process										
Personality conflicts with staff in new satellite office	Meeting to discuss with staff Team building training										
Commute – too far	Relocate back to urban branch Move to rural setting (if possible)										

p. 25	<p><b>2.3:S10 What if performance gaps are not closed?</b></p> <ul style="list-style-type: none"> <li>▪ Look at internal positions</li> <li>▪ Terminate</li> </ul> <p><b>Additional Comments:</b> If the performance gap is related to a specific skill set (and not attitude) look for another position within the MFI that matches the individual's ability. Please ensure you are not transferring a problem employee to another department.</p> <p>However, if there are not other positions, and after implementing plans to improve gaps in performance the employee is still not able to perform the job, the appropriate written warnings and probationary periods must be provided to the employee.</p>
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		<p>As a last resort, you may be faced with the tough decision of termination. Although this is never an easy decision, it is often the best solution for both the MFI and the employee. It can be very frustrating for an employee to be in a position that is beyond their capabilities and, of course, keeping that employee can negatively affect productivity and staff morale with other employees. Terminations must be handled very carefully and HRM should be involved to help support the manager and the employee in the termination decision and process.</p>
p. 25	<b>2.3:S1</b>	<p><b>How do we handle terminations?</b></p> <ul style="list-style-type: none"> <li>• Prepare a plan and deal with the issues in a step-by-step manner, together with the HR Manager</li> <li>• Be sure the situation is clearly communicated to the employee in a compassionate manner</li> <li>• Be direct while maintaining the person's dignity</li> <li>• Give guidance</li> <li>• Be a listening ear to the person without losing focus of the purpose</li> <li>• Be sure appropriate supports are in place to relieve the transition</li> </ul> <p><b><i>Additional Comments:</i></b></p> <p>Terminating is a very difficult process; therefore, it is best to prepare a plan and deal with the issues in a step-by-step manner together with the HR Manager. Further information and materials to guide the termination process are available in MEDA's Human Resource Management Toolkit, developed in conjunction with MicroSave Africa (<a href="http://www.microsave.org">www.microsave.org</a>). Not all terminations will be the result of poor performance. Mergers, closing a branch, technological changes, or other factors within your MFI may force you to terminate/lay off employees.</p>



## Section 3: Staff Management Skills

### Training Module 3.1

Total training time: 2 hours and 5 minutes

PowerPoint File” TM 3.1 Staff Management Skills part 1

#### Learning Objectives:

1. Appreciate the importance of effective Staff Management Skills
2. Review the following skills:
  - Listening
  - Feedback
  - Decision Making

#### Introduction to Staff Management Skills

<b>Time:</b>	20 minutes	
<b>Process:</b>	Lecture (5 min) and Discussion (15 min)	
<b>Content:</b>		
<b>Participant Manual</b>	<b>Slides</b>	<b>Material</b>
p. 27	3.1:S1	<p><b>Staff Management Skills</b> (title slide)</p> <p><b>Review the three Learning Objectives:</b></p> <ol style="list-style-type: none"> <li>1. Appreciate the importance of effective Staff Management Skills</li> <li>2. Review the following skills:                             <ul style="list-style-type: none"> <li>▪ Listening</li> <li>▪ Feedback</li> <li>▪ Decision Making</li> </ul> </li> </ol> <p><b>Additional Comments:</b></p> <ul style="list-style-type: none"> <li>• It is helpful to enhance an effective Staff Performance Management Process if staff managers have effective management skills.</li> <li>• “In my 20 years of experience, I have found that <i>time and time again</i> – even though many companies, organizations and MFIs will have the resources and the right product mix... one is more successful than another. Why? A significant contributing factor is the manager and how they motivate staff!!!!!!” Kim Pityn, VP of MEDA</li> </ul>

#### Discussion in Pairs: What makes a good staff manager? (15 minutes)

		<p><b>Instructions</b></p> <ul style="list-style-type: none"> <li>▪ Ask each person join another person sitting close to them.</li> <li>▪ Instruct the participants to take 5 minutes and talk and with their partner about a good manager they experienced. List on paper some of the qualities and characteristics of this manager, and how they managed (particularly their</li> </ul>
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		<p>management style).</p> <ul style="list-style-type: none"> <li>▪ Ask each pair to take another 5 minutes and reflect on a poor manager they had and list the qualities of this poor manager.</li> <li>▪ Instruct participants to return to their seat and ask for feedback on characteristics of a good manager.</li> <li>▪ Write responses on flip chart.</li> <li>▪ Ask for feedback on characteristics of a poor manager</li> <li>▪ Write responses on flip chart.</li> <li>▪ Top up both lists with the information provided on the next two slides.</li> </ul>
p. 14	<b>3.1:S2</b>	<p><b>Good Management: Primary Attitudes</b></p> <ul style="list-style-type: none"> <li>• “I delegate responsibilities and tasks, but I retain accountability.”</li> <li>• “I will be successful if my staff are successful.”</li> <li>• “My staff are adults who want to succeed.”</li> <li>• “I am an enabler, not a dictator.”</li> <li>• “I practice trust and use agreements.”</li> </ul>
p. 14	<b>3.1:S3</b>	<p><b>Good Management: Primary Knowledge/Skills</b></p> <ul style="list-style-type: none"> <li>• Know the work, what specific results are needed for success, and how to get those results.</li> <li>• Know how to collaborate with others.</li> <li>• Know how to listen carefully; communicate clearly.</li> <li>• Know how to encourage and support; to coach and give feed-back.</li> <li>• Know how to monitor and assess performance; assess and develop capacity.</li> </ul>

## Listening

<b>Time:</b>	30 minutes	
<b>Process:</b>	Lecture (15 min) and Exercise (15 min)	
<b>Content:</b>		
<b>Participant Manual</b>	<b>Slides</b>	<b>Material</b>

p. 28	<b>3.1:S4</b>	<p><b>Listening</b> (title slide)</p> <p><b>Additional Comments:</b> We will review the concepts of effective listening and feedback skills. I am sure these are not new concepts or issues. Each one of these skills could involve a full-day workshop. However for the purposes of this workshop, we will highlight a few critical elements.</p>
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## Exercise: Self Assessment – Listening Skills (15 minutes)

p. 28 - 29		<p><b>Instructions</b></p> <ul style="list-style-type: none"> <li>▪ Before starting this exercise, review why self-assessment is important (see additional comments below and the material in the Participant’s Manual)</li> <li>▪ Before we discuss listening, please take a few minutes to assess your own listening skills.</li> <li>▪ As a reminder this is for your eyes only. I will not be asking you to share your results with anyone. Please be as honest as possible.</li> <li>▪ Turn to page 29 in the Participant’s Manual.</li> <li>▪ Please complete the assessment and score yourself.</li> <li>▪ Take 10 minutes.</li> </ul> <p><b>Additional Comments:</b></p> <p>Self assessment is a critical skill for a good manager. It is extremely valuable as a manager to understand your current strengths and weaknesses. This will help to understand how your own strengths and weaknesses as a manager can affect the performance of your staff.</p> <p>If anyone scored below 22 then you might want to pay attention or listen to my presentation on effective listening. Please note there is additional information found in the manual.</p>
p. 28	3.1:S5	<p><b>What is Listening?</b></p> <ul style="list-style-type: none"> <li>• Makes sense of what we hear</li> <li>• Paying attention to what we hear</li> <li>• Interpreting what we hear</li> <li>• Remembering what we hear</li> </ul>
p. 28	3.1:S6	<p><b>Facts about Listening</b></p> <ul style="list-style-type: none"> <li>• Studies have shown that we spend 80% of our waking hours communicating – 45% of this time is spent listening.</li> <li>• In business, listening has been cited as being the most critical management skill.</li> <li>• After 48 hours the average adult remembers only 25% of what was heard.</li> <li>• Among the primary communication skills of speaking, reading, writing and listening, listening is the communication skill we use the most, but are taught the least about.</li> </ul>
p. 29	3.1:S7	<p><b>Active Listening Skills</b></p> <ul style="list-style-type: none"> <li>• <b>STOP!</b> Stop what you are doing and make <b>eye contact</b>.</li> <li>• Demonstrate the situation is important through non-verbal communication.</li> <li>• Listen with <b>INTENSITY</b></li> <li>• Tune into what the speaker is saying and tune out the thousands of miscellaneous thoughts that create distractions</li> </ul>

p. 29	<b>3.1:S8</b>	<b>THINK!</b> <ul style="list-style-type: none"> <li>• Ask yourself questions about what you are hearing</li> <li>• Stay focused and alert by asking mental questions, i.e., "What does she/he mean?"</li> <li>• Do whatever it takes to get the full intended meaning of what the speaker wants to say.</li> <li>• Take responsibility for understanding the meaning of the message.</li> </ul>
p. 29	<b>3.1:S9</b>	<b>Be Empathetic</b> <ul style="list-style-type: none"> <li>• Ask questions to ensure understanding of other person's point of view</li> <li>• Try to understand what the speaker wants to communicate rather than what you want to understand</li> <li>• Acceptance –listen objectively without judging</li> </ul>
p. 29	<b>3.1:S10</b>	<b>Learn to Listen</b> Opportunity sometimes knocks very softly.  <b>Ask:</b> Any other questions or points of clarification on listening skills?

## Providing Feedback

<b>Time:</b>	30 minutes	
<b>Process:</b>	Lecture (15 min) and Exercise (15 min)	
<b>Content:</b>		
<b>Participant Manual</b>	<b>Slides</b>	<b>Material</b>

p. 30	<b>3.1:S11</b>	<b>Providing Feedback</b> (title page)
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## Exercise: Self Assessment – Feedback Skills (15 minutes)

p. 32		<b>Instructions</b> <ul style="list-style-type: none"> <li>▪ Turn to page 32 in the Participant's Manual.</li> <li>▪ Please complete the form, score yourself and remember this is for your own self-development and not for anyone else here – it is confidential.</li> <li>▪ Please take 5-10 minutes.</li> </ul> <b>Ask:</b> Is everyone rated highly in their ability to provide feedback? Just in case everyone did not score higher than 16 points, we will just take a few minutes to highlight effective feedback techniques.
p. 30	<b>3.1:S12</b>	<b>Providing Feedback</b> Feedback is <u>any communication</u> to a person that gives her/him information about

		<p>some aspect of her/his behavior and its effect on you/organization.</p> <p><b>Providing feedback assists in:</b></p> <ul style="list-style-type: none"> <li>• Motivation</li> <li>• Conveying to employees that others care about them</li> </ul> <p><b>Additional comments:</b></p> <ul style="list-style-type: none"> <li>• Positive feedback provides motivation through reinforcement.</li> <li>• Negative feedback can pinpoint areas requiring improved performance.</li> <li>• Feedback conveys to employees that others care about them.</li> <li>• An indirect form of recognition can motivate people to higher levels of performance.</li> </ul>
p. 30 - 31	3.1:S13	<p><b>Providing Feedback Techniques</b></p> <ul style="list-style-type: none"> <li>• Focus on specific behaviors</li> <li>• Keep it impersonal, yet relevant</li> <li>• Make it well timed</li> <li>• Ensure understanding</li> <li>• Tailor the feedback to fit the person</li> </ul> <p>Remember: “who is this feedback suppose to help?”</p> <p><b>Additional comments:</b></p> <ol style="list-style-type: none"> <li><b>1. Focus on Specific Behaviors</b> <ul style="list-style-type: none"> <li>• Tell the recipient <i>why</i> you are being complimentary or critical</li> <li>• Use examples that demonstrate your feedback, specifically when giving negative feedback use hard data</li> </ul> </li> <li><b>2. Keep it impersonal</b> <ul style="list-style-type: none"> <li>• Examples in negative feedback should be descriptive not judgmental or evaluative</li> <li>• Examples should be <i>job related</i> not personal</li> </ul> </li> <li><b>3. Make it well timed</b> <ul style="list-style-type: none"> <li>• Feedback is most meaningful to a recipient when there is a short interval between her/his behavior and the receipt of feedback of the behavior</li> </ul> </li> <li><b>4. Ensure Understanding</b> <ul style="list-style-type: none"> <li>• Feedback needs to be concise and complete</li> <li>• Recipient needs to clearly and fully understand your communication</li> <li>• Successful communication requires both transference and understanding of meaning:</li> <li>• To ensure recipient understands meaning in feedback – recipient needs to re-phrase the content of your feedback in their own words</li> </ul> </li> <li><b>5. Tailor the feedback to fit the person.</b> <ul style="list-style-type: none"> <li>• high performers may thrive on positive feedback</li> <li>• others may feel too much feedback is overly controlling</li> <li>• feedback should be geared to personality style</li> </ul> </li> </ol> <p><b>Remember “Who is this feedback suppose to help”?</b></p> <p><b>Ask:</b> Are there any additional questions on providing feedback?</p>

## Exercise: Practicing Feedback (30 minutes)

		<p><b>Instructions</b></p> <ul style="list-style-type: none"> <li>▪ To practice giving feedback to each other, it is helpful to have an object or topic on which to provide feedback. The performance objectives written in the Training Module 2.1 are an excellent tool for this purpose. If you do not use these, find some other topic on which participants can practice giving feedback.</li> <li>▪ Have participants review the principles of feedback on pages 30 – 31 of the Participant Manual.</li> <li>▪ Ask participants to divide into pairs.</li> <li>▪ One person in each pair will practice giving feedback to the other on the performance objectives or topic you have chosen.</li> <li>▪ Participants will change roles until everyone has had a chance to give and receive feedback.</li> <li>▪ Allow 20 minutes for practicing of feedback (10 minutes for each person).</li> <li>▪ Call the group back.</li> <li>▪ <b>Ask:</b> How did you find this exercise? Any further comments or questions providing feedback?</li> </ul>
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## Decision Making

<b>Time:</b>	15 minutes	
<b>Process:</b>	Lecture	
<b>Content:</b>		
<b>Participant Manual</b>	<b>Slides</b>	<b>Material</b>
p. 32	<b>3.1:S14</b>	<p><b>Decision Making</b> (title slide)</p> <p><b>Additional Comments:</b> Decision making is a very complicated process. We are not going to explore how to make decisions, but want to emphasize that <b>ultimately, managers must take the responsibility to make a final decision.</b> It can be hard to make a difficult or unpopular decision but this is a part of the realm of effective management. However, involving your staff in a meaningful decision making process is a critical step to ensuring staff support of the decision taken. Although it is preferable to reach a consensus with your staff on a particular decision, it is not always possible. Here are a few suggested guidelines.</p>

p. 32	3.1:S15	<p><b>Guidelines for Effective Decision Making</b></p> <ul style="list-style-type: none"> <li>• Discuss decision with all who will be impacted; make proposals; ask for critique.</li> <li>• Get adequate information promptly.</li> <li>• Consider options: pros and cons.</li> <li>• Do not intrude into other people’s delegated realm of authority and responsibility without their involvement.</li> <li>• Quickly and clearly communicate the decision.</li> <li>• Follow-through.</li> </ul> <p><b>Additional Comments:</b> This is a brief review of some of the important steps in making decisions – especially as a staff manager. An excellent example of how staff participation in decision-making can be effective is described through the following illustration: Let me close this topic by reading the 70/100 principle.</p>
p. 32	3.1:S16	<p><b>Reaching Consensus:</b></p> <ul style="list-style-type: none"> <li>• “I was given the opportunity to express my ideas, opinions, feelings.”</li> <li>• “I believe I was listened to and understood.”</li> <li>• “Even though I understand the logic of the decision taken, I am still only 70% in agreement with it.”</li> <li>• “However, I have had the chance to have input and influence.”</li> <li>• “I will be 100% committed to the choice that was made.”</li> </ul> <p><b>Additional Comments:</b> Emphasize staff will have commitment to a decision if they are sincerely brought into the process.</p>



## Section 3: Staff Management Skills

### Training Module 3.2

**Total training time: 1 hour and 35 minutes**

**PowerPoint File: TM 3.2 Staff Management Skills part 2**

#### Learning Objectives:

1. Review the following skills:
  - Empowering and Delegating
  - Coaching
  - Conflict Resolution
  - Team Building

#### Empowering and Delegating

<b>Time:</b>	30 minutes	
<b>Process:</b>	Lecture (20 min) and Exercise (10 min)	
<b>Content:</b>		
<b>Participant Manual</b>	<b>Slides</b>	<b>Material</b>
	<b>3.2:S1</b>	<b>Staff Management Skills</b> (title slide)
p. 33	<b>3.2:S2</b>	<b>Empowering and Delegating:</b> (title slide)  <i><b>Additional Comments:</b></i> This is simply to emphasize that empowering our staff is what the Performance Management Process is all about!!
p. 33	<b>3.2:S3</b>	<b>Empowerment</b> <ul style="list-style-type: none"> <li>• Empowerment is bestowing power and control to others.</li> <li>• It is increasing your employees' involvement in their work through greater participation in decision making.</li> <li>• Someone who empowers others has a high level of self-confidence and self-esteem.</li> </ul> <i><b>Additional Comments:</b></i> The results of effective empowerment (or an effective PMP process) can be the following: (next slide)
p. 33	<b>3.2:S4</b>	<b>Empowering Staff:</b> <ul style="list-style-type: none"> <li>• Reduces operating costs</li> <li>• Increases productivity</li> <li>• Improves product quality</li> <li>• Enhances customer service</li> </ul>

		<ul style="list-style-type: none"> <li>Increases market share</li> </ul> <p><b>Additional Comments:</b> These are essentially the benefits of an effective PMP process!!</p>
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**Exercise: Self-Assessment: Delegation Skills (10 minutes)**

p. 35		<p><b>Instructions</b></p> <ul style="list-style-type: none"> <li>Instruct participants to turn to page 35 in the Participant's Manual.</li> <li>Complete the self assessment and tabulate the score and analyze the result; remember this is for your use only and we will not ask you to share with the group; it is for your own self development.</li> <li>Give them 5 - 10 minutes for this exercise.</li> </ul>
p. 34	<b>3.2:S5</b>	<p><b>Effective Delegation</b> Team members must have:</p> <ul style="list-style-type: none"> <li>Tools to do the job</li> <li>Clear directions; defined outcomes and expectations</li> <li>Feedback and reporting structure</li> </ul>
p. 34	<b>3.2:S6</b>	<p><b>Effective Delegation allows Managers to:</b></p> <ul style="list-style-type: none"> <li>Free time for more complex problems</li> <li>Empower employees</li> <li>Create accountability</li> <li>Challenge and develop staff</li> <li>Improve manager-subordinate relations</li> <li>Ease decision making</li> <li>Create a sense of ownership and commitment among staff</li> </ul> <p><b>Additional Comments:</b> Delegation is the act of assigning tasks to an employee with the primary objective to free up the manager's time to concentrate on more complex projects. In addition to gaining more time, delegating work will also increase your employees' involvement in their work through greater participation in decisions and control over work-related responsibilities. This increased participation and ownership of work issues is known as empowerment.</p>
p. 34	<b>3.2:S7</b>	<p><b>Guidelines for Effective Delegation</b> Effective delegation results in a mutual understanding, and mutual agreement as to:</p> <ul style="list-style-type: none"> <li>The task.</li> <li>The desired outcomes.</li> <li>The timeline.</li> <li>The authority and responsibility to do the task.</li> <li>The resources needed to do the task.</li> <li>The plan for coaching and monitoring task design and implementation.</li> </ul>

- Ensure understanding of recipient.

## Coaching

<b>Time:</b>	20 minutes	
<b>Process:</b>	Lecture (10 min) and Exercise (10 min)	
<b>Content:</b>		
<b>Participant Manual</b>	<b>Slides</b>	<b>Material</b>
p. 35	<b>3.2:S8</b>	<b>Coaching</b> (title slide)
p. 35	<b>3.2:S9</b>	<b>Coaching</b> <ul style="list-style-type: none"> <li>• Coaching is a day-to-day, hand-on process of helping employees recognize opportunities to improve their work performance.</li> <li>• It is one of the most effective ways to enhance growth and change in staff.</li> </ul>
p. 35 - 36	<b>3.2:S10</b>	<p><b>Coaching Skills and Behaviors</b></p> <ul style="list-style-type: none"> <li>• Analyze ways to improve an employee's performance and capabilities.</li> <li>• Create a supportive climate.</li> <li>• Influence employees to change their behavior.</li> </ul> <p><b>Additional Comments:</b> Ask participants to turn to page 35 in the Participant's Manual.</p> <p>Three general skills can help managers empower their help to employees breakthrough in performance. These general skills and the specific behaviors associated with each of them are:</p> <p><b>1. Ability to analyze ways to improve an employee's performance and capabilities.</b></p> <ul style="list-style-type: none"> <li>• observe employee's day-to-day activities</li> <li>• ask questions</li> <li>• listen</li> <li>• demonstrate genuine interest in the person</li> </ul> <p><b>2. Ability to create a supportive climate.</b></p> <ul style="list-style-type: none"> <li>• reduce barriers to development</li> <li>• through active listening and empowering</li> <li>• by being positive and upbeat</li> <li>• focus on mistakes as learning opportunities</li> </ul> <p><b>3. Ability to influence employees to change their behavior.</b></p> <ul style="list-style-type: none"> <li>• concern is for on-going growth and development (not static)</li> <li>• recognizing and rewarding small improvements</li> <li>• collaborative style</li> <li>• break complex projects into a series of simpler tasks</li> <li>• model the qualities you expect</li> </ul>

p. 36	<b>3.2:S11</b>	<p><b>Encourage Staff Initiative</b></p> <ul style="list-style-type: none"> <li>• Train your staff to come to you with <b>solutions</b>, not the problem.</li> <li>• Don't respond to the issues, ask <b>questions</b> to assist the person to come to some conclusions.</li> </ul> <p><b>Additional comments:</b> A coach is a manager who seeks to develop the capacity of their staff to perform at higher levels. Coaches do not do everything and solve all problems for their staff. Rather, they help their staff learn how to identify and solve their own problems.</p>
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**Exercise: Self Assessment – Coaching Skills (10 minutes)**

p. 37		<p><b>Instructions</b></p> <ul style="list-style-type: none"> <li>▪ Instruct participants to turn page 37 in the Participant's Manual.</li> <li>▪ Complete the Self-Assessment on your ability to coach and then please tabulate the score. Remember, this is confidential.</li> <li>▪ Give participants 5 to 10 minutes to complete.</li> </ul>
	<b>3.2:S12</b>	<b>Expect the Best: believe in your staff and create high standards</b>

**Conflict Resolution**

<b>Time:</b>	25 minutes	
<b>Process:</b>	Lecture (15) and Exercise (10 min)	
<b>Content:</b>		
<b>Participant Manual</b>	<b>Slides</b>	<b>Material</b>

p. 37 -39	<b>3.2:S13</b>	<p><b>Conflict Resolution</b> (title slide)</p> <p><b>Additional comments:</b> Every organization experiences conflict, it is a healthy, normal part of daily interactions. However, many times conflict is unnecessary, or can escalate if not handled appropriately. In some cases conflict can cause irreversible damage to people, relationships, and the organization. Successful conflict resolution requires awareness, planning and preparation.</p> <p>An important component of handling conflict within an organization is to ensure a strong corporate culture and value statement are communicated and modeled. An environment where employees treat each other with respect and trust is critical in minimizing conflict. This expectation can also be established through general standards of performance in a Performance Management Process. Staff should be encouraged to deal with conflict directly and avoid gossip or inappropriately</p>
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		including those who are not directly involved in the issue.
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**Exercise: Self-Assessment – Conflict Resolution Skills (10 minutes)**

p. 40		<p><b>Instructions</b></p> <ul style="list-style-type: none"> <li>▪ Instruct participants to turn page 40 in the Participant’s Manual.</li> <li>▪ Complete the Self-Assessment and then please tabulate the score. Remember, this is confidential.</li> <li>▪ Give participants 5 to 10 minutes to complete.</li> </ul>
p. 39	<b>3.2:S14</b>	<p><b>Manager-Staff Communications</b></p> <ul style="list-style-type: none"> <li>• Maintain the self esteem of the employee.</li> <li>• Don’t attack the person. Focus on the problem, not the person.</li> <li>• Don’t assume an offence has been committed.</li> <li>• Ask for the employee’s opinion and suggestions.</li> <li>• Allow the employee adequate time to think through the problem and to come up with solutions.</li> <li>• Help the employee to develop a suitable ACTION program.</li> <li>• Always set a specific follow-up date.</li> </ul> <p><b>Additional comments:</b>  Many MFIs have a policy on handling grievances. Managers should ensure that they are following these policies. Human Resources should also be included in the process particularly when the conflict involves sensitive issues such as fraud, sexual harassment, or concerns about an employee’s direct supervisor.</p>

**Team Building**

<b>Time:</b>	20 minutes	
<b>Process:</b>	Lecture (10 min) and Exercise (10 min)	
<b>Content:</b>		
<b>Participant Manual</b>	<b>Slides</b>	<b>Material</b>

p. 41	<p><b>3.2:S15 Team Building</b> (title slide)</p> <p><b>Additional Comments:</b> A working team is more than just a group of employees. A team shares a common purpose and operates on the belief that collective efforts have better results than individual efforts. Ownership and responsibility for performance results of these collective efforts are shared among all members of the team – where each individual often has a specific role to play. Managers who are able to identify themselves as team leaders, not just managers, are often most successful. Many of the leadership qualities outlined in Section 1 characterize effective team leaders.</p>
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**Exercise: Self Assessment – Teambuilding Skills (10 minutes)**

p. 42	<p><b>Instructions</b></p> <ul style="list-style-type: none"> <li>▪ Instruct participants to turn page 42 in the Participant’s Manual.</li> <li>▪ Complete the Self-Assessment then please tabulate the score. Remember, this is confidential.</li> <li>▪ Give participants 5 to 10 minutes to complete.</li> </ul>
p. 41	<p><b>3.2:S16 Characteristics of Effective Teams</b></p> <ul style="list-style-type: none"> <li>• Small Size</li> <li>• Complementary Skills</li> <li>• Common Purpose</li> <li>• Specific Goals</li> <li>• Common Approach</li> <li>• Mutual Accountability</li> <li>• High Level of Trust</li> <li>• Encouragement</li> </ul> <p><b>Additional comments:</b> Quote: “I believe in smaller teams, up to 8 people, as there is much more space for people’s potential to get released and captured with the right facilitation, with the attitude .... and of demonstrating through example” Nejira Nalic, MI-BOSPO</p>
	<p><b>3.2:S17 Encourage with your heart:</b> recognize individual contributions; celebrate team accomplishments – often!</p> <p><b>Additional comments:</b> Emphasize this point strongly!!!</p>
Annex 5	<p><b>3.2:S18</b> Where do we go from here?</p> <ul style="list-style-type: none"> <li>• Continually learn</li> <li>• Create an action plan for yourself to: <ul style="list-style-type: none"> <li>– Model the way</li> <li>– Implement the PMP system</li> <li>– Expect the best</li> <li>– Encourage with your heart</li> </ul> </li> </ul>

		<p><b>Additional comments:</b> Remind the participants that becoming an effective staff manager takes time, dedication and practice. Approach this important job with the highest level of integrity and honesty. Staff Management is not easy and will require continual development and learning.</p> <p>Encourage participants to:</p> <ul style="list-style-type: none"> <li>▪ Continually learn: read and develop your management and leadership skills (Refer to the Leadership Challenge, in additional resource list)</li> <li>▪ Create an action plan to implement some of what they have learned</li> <li>▪ MODEL THE WAY; lead by example with the highest level of integrity</li> <li>▪ IMPLEMENT THE PERFORMANCE MANAGEMENT SYSTEM with all your employees; focus on providing effective feedback; include “effective staff management” as one of your own performance objectives</li> <li>▪ EXPECT THE BEST – create high standards; believe in your staff</li> <li>▪ ENCOURAGE WITH YOUR HEART – recognize individual contributions; celebrate team accomplishments – often!</li> </ul>
p. 43	<b>3.2:S19</b>	<p>FINAL WORD:</p> <p><b><i>One of your most important tasks is helping your staff to be successful.</i></b></p>