

Performance Management, Performance Appraisal, Recruiting, Selection and Company Strategy

Three recent Compensation discussion groups addressed similar issues on the role of performance management, performance appraisal, recruiting & selection and the integration of these into company values and goals.

One focused on the purpose of performance management programs in the first place. First came agreement that the program was not just the form, or the interview. The concept of performance management had the following key goals:

1. Convey the values of the business...what do we expect and how do we want to run our business.
2. Promote excellence...communicating to employees that the business values high performance
3. Clarifies Expectations...by going through the process deliverables, expectations, timetables and even barriers to success can be discovered.
4. Documentation...has a component of documentation which is mutually agreed to and eliminates surprises as to what the company really wanted.
5. Communication...the entire process is communication
6. Motivator...the entire process allows the employee to see the desired end result of their effort
7. Models behavior...focuses employee efforts on what the company values and sees as important
8. Defines Barriers to success...allows managers and employees to discuss the obstacles that may prevent goal achievement
9. Identifies Resources and Strengths...as above, the discussion allows for the identification of resources to achieve these goals.
10. Identifies interactions and inter-relationships...which jobs are dependent on which other jobs for the achievement of success

At a subsequent meeting, these were presented and discussed. Most agreed that the purpose of such performance management programs were right and useful, but that companies failed in the following ways:

1. Failure to train supervisors and managers to set goals.
2. Failure to train supervisors and managers to give real feedback to employees.

3. Failure of top management to believe that this applies to them as well.
4. Failure of communication about what good performance means to the employee. Many employees tie good performance only to pay increase size. In limited budgets, even the best performers don't get much, so why all the fuss. Management fails to communicate other uses such as promotion, training and development opportunities, recognition programs and the like

In that meeting several conclusions were:

1. Communicate the performance management process.
2. Train Managers and supervisors
3. Hold Managers accountable for performance
4. Hold second level managers accountable for development

At a third meeting, the above was linked to the recruiting and selection process. The general agreement was that the same principles of communicating goals with employees in their jobs applied to communicating the "new Job" to an outside candidate, or to an internal candidate for promotion within the company.

The basis for the success of many of the above concepts is in the clear statement of the job expressed in a job description or similar document. Job expectations, well documented, can assist a company in establishing minimum qualifications for the jobs, needed skills and competencies, and experiential levels as well.

The also serve as the basis for legal documentation under ADA, FLSA and certain EEO guidelines.

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