

Performance Management Systems

Non-Instructional Intervention

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As we've learned in Mod 3 and 4, non-instructional interventions are those solutions offered instead of training. One example provided was feedback and communication systems. Another was organizational communication. Another was a performance support tool. What if you merge these together to form a blended solution that was a small piece of a big picture?

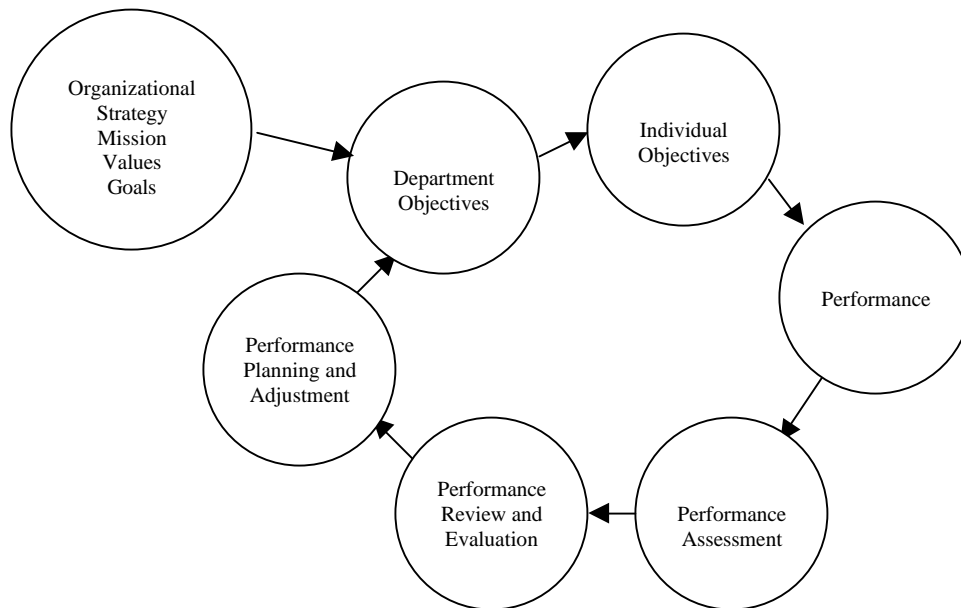
Most companies have a mission statement and values defined. These may be offered on signs, business cards, an Intranet, or bulletin boards. However, most employees don't know the company mission statement. They might be able to find it on the Intranet, but they probably don't know it by heart. In addition, most company's executive leaders toil to create worthy goals for a specific time period, whether it is for the year, quarter, or month. At the operations level of most large companies, most employees have little knowledge of the company's direction.

One president shared the need to communicate with employees in an article by saying "You are not a leader because of your corporate title. You are a leader because people are willing to follow you." This leader of Kraft Search Associates, LLC, specifically indicated that communication was the way to achieve being a great leader. "Offer updates in the business, inform them of their progress in relation to the short-term goal and repeat how this short-term goal will positively affect the long-term goal. This information will add clarity and drive the employees as they see progress." He continues to support this idea in his emphasis that leaders should communicate with key leaders and managers to ensure they understand strategy, current status, future plans, and ensure they know *how* to communicate this message to their staff (Frankenberg, 2001).

Some companies take the time to integrate some common tools to both communicate to employees and receive communication from employees. Integration of setting individual and departmental goals to align with corporate goals is one way of communicating those goals to all employees, in addition to the signs, bulletin boards, and business cards. In addition, integration of these defined goals with departmental and individual periodic objective creation can be effective in aligning the tasks the employee performs with the larger goals sought by the company leaders. As an example, one CEO of a previous employer of mine had a rule, "If any task you [an employee] are doing on a daily basis does not directly support a corporate goal, start asking questions." He desired employees to question the validity of the task or the way it was defined in writing to ensure that there was no confusion.

Once measurable department and individual objectives are set, these should be integrated with some performance evaluation process that offers feedback to employees as to what they are doing well, or what isn't working well.

Valid feedback, delivered in a good, open environment, can drive the success of an individual. One last addition might be a process by which the performance of an individual which has been defined in objectives, assessed by others, and evaluated periodically, is rewarded or consequences of failure are offered. What I've just defined allows a company to comfortably feel that all employees are working toward common goals.



This system is not training; however, training will probably is required to support the system. Managers need to learn to set measurable departmental objectives. Employees need to learn to set individual objectives to support departmental objectives. Managers need to learn how to review and document performance, over time not just once a year. Employees need to learn to ask for feedback throughout the year, without fear, not just once a year. Managers need to learn how to conduct constructive reviews, including providing well-defined, evaluation statements to direct the employees future performance. Employees need to learn to receive well-intended feedback by accepting the information and analyze his or her performance and behavior.

Brigham and Women’s Hospital uses a strategic performance management system to collect data regarding approximately 50,000 annual patient issues, hospital functions, 650 employees, environmental issues, patient needs, and community needs. This data allows them to integrate “performance measures from the provider and business

organizations to forge a single strategy for delivering the right set of services to the public” (SAS, 2001). Even employees benefit through motivation as “staff at all levels can see how their actions, individually and as a whole, affect the bottom line and patient satisfaction” (SAS, 2001). Brigham is using this system to communicate their direction, define roles and accountability for staff, define skills that can be developed, and align the individual and departmental goals to reinforce the desired behaviors that support the success of the organization.

There are numerous consultants and software companies that offer performance management systems or solutions. The solutions are vastly named and arranged. A newer, trendier term recently has been a balanced scorecard. A balanced scorecard is yet another way to define a strategy, communicate that strategy, and measure the outcomes allowing the organization to reassess their strategy or the resulting performance. No one solution is better than another. The best aspect of any company that offers these services is the proof that the company is capable of performing an adequate needs analysis and interviews with executive management to determine the true needs of the company before applying any intervention.

Equally important to the decision to implement some sort of performance management system is to analyze what is best for the organization. If you are a small organization, weekly meetings to communicate successes and direction and identify individual goals on a quarterly basis might be best to respond to the rapid changes that occur within a smaller company. Larger companies can work within an annual management system, as long as analysis is performed as to what management expects this system to accomplish. In 1990, Ford implemented a performance evaluation system

without careful consideration of its effects and caused a \$10.5 million settlement of two class action suits. By implementing another company's performance management system "without a clear understanding or building the foundation for implementation, ... Ford experienced unintended consequences that sent the company reeling" (Agno, 2003).

Fujitsu implemented a performance management system with the intent to improve performance and impact success. Successfully, Fujitsu increased communication, allowed them to manage better their employee performance and improvements of that performance, and created a database of skills allowing them to use the people and talents within the organization as they needed to do so (Fujitsu, 2001). Again, showing that the combination of communication and performance evaluation make a good combination in a work environment.

Simply performing a "performance management system" or "balanced scorecard" search on any number of search engines in the WWW results in pages of companies offering their services in this area. The references used to support this document are a small slice of possible references to review for more information. A good place to start is the review of existing articles to which we, as students, have access such as our class textbook. On pages 461 through 463 of the Handbook of HPT (1999) is a list of references used by Villachia and Stone to create their chapter on Performance Support Systems. Finding information on performance management systems is not difficult; sifting through the myriad of information available might be.

Within Handbook of HPT, Lineberry and Carleton (1999) defines organizational culture to include two behavior patterns, group wide and "values-driven" behavior. This is where the company as a whole has a set direction and the employees have bought into

that direction. The figure 17.1 on page 338 identifies an organization alignment model that visually pulls the corporate strategy process in with the cultural process. Using this blended combination of communication and performance management where the company communicates direction, evaluates performance, adjusts direction or performance based on the results can produce a successful business.

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