Chapter 6
Internet-Age Performance Management

Overview
• What is it?
• Real world applications
• Why automate?
• Trends supporting change
• What does automation look like?
• Real world automation

Performance Mgmt; what is it?
• The ongoing process of planning and use of performance measures to help set agreed-upon performance goals, allocate and prioritize resources, provide managers with information need to make direction changes to meet those goals, and report on the success in meeting those goals
• It creates a clear path to achieve an organization’s, team’s or individual’s mission.
Performance Mgmt; what is it?

- The performance management process involves:
  - creating a vision
  - identifying outcomes, expectations and goals
  - providing regular, constructive feedback
  - coaching and counseling to reach those expectations
  - reviewing, recognizing and rewarding performance results.

Performance Mgmt; what is it?

- The four major dimensions are:
  - Planning
  - Coaching and counseling
  - Evaluating
  - Recognizing and rewarding

Performance Mgmt; benefits

- Improvement in both the way people work and the outcomes they produce
- Recognition and reward for contributions to the organization's objectives
- Increased employee morale resulting from on-time performance appraisals and rewards commensurate with employee contributions
Performance Mgmt; benefits cont’d

• Enhanced workforce “buy-in” when employees contribute to the development of the performance management system
• Attraction and retention of top performers

Performance Mgmt, why?

To answer these questions:
– How can we identify our best performers and keep them?
– How can we improve performance and productivity?
– How can we make sure that managers develop employees so they can meet the needs of the organization?

Performance Mgmt; real world

• Fundamental design considerations
  – Business strategy link
  – Measurement
  – Involvement
  – Development
  – Reinforcement
  – Process
  – Link to other systems
Automation; why?

• Help managers move away from administrative burdens
• Provide more information for more sound decisions
• Provide standards across organization and industry
• Facilitate surveys
• Facilitate full circle evaluations
• Standardize workflow, provide guidelines and reminders

Trends

• Measure how in addition to why
• Informal compilation of input
• Increased focus on performance objective to business objectives
• Increased participation from line managers
• Increased attention from senior managers

Automation; how it is done

• The web
  – Online appraisal forms
  – Full circle feedback
  – Self-paced learning programs
  – Individual scorecards
Automation: how it is done, cont’d

• Third party vendors
  -- Administration of competency and skills databases
  -- Tracking completion of performance appraisals
  -- Databases of objectives and language

• ERP modules
  -- Automated tools within an organization-wide system

A question...

• Does the key to success lie in using the performance management system as the springboard to creating and sustaining an organizational climate and culture that values and sustains performance?