chapter

2

Performance Management Process

One bad day from one member of my staff doesn't mean they are not really good at their jobs the rest of the time. I play a long game in terms of management.

—Helen McCabe

Learning Objectives

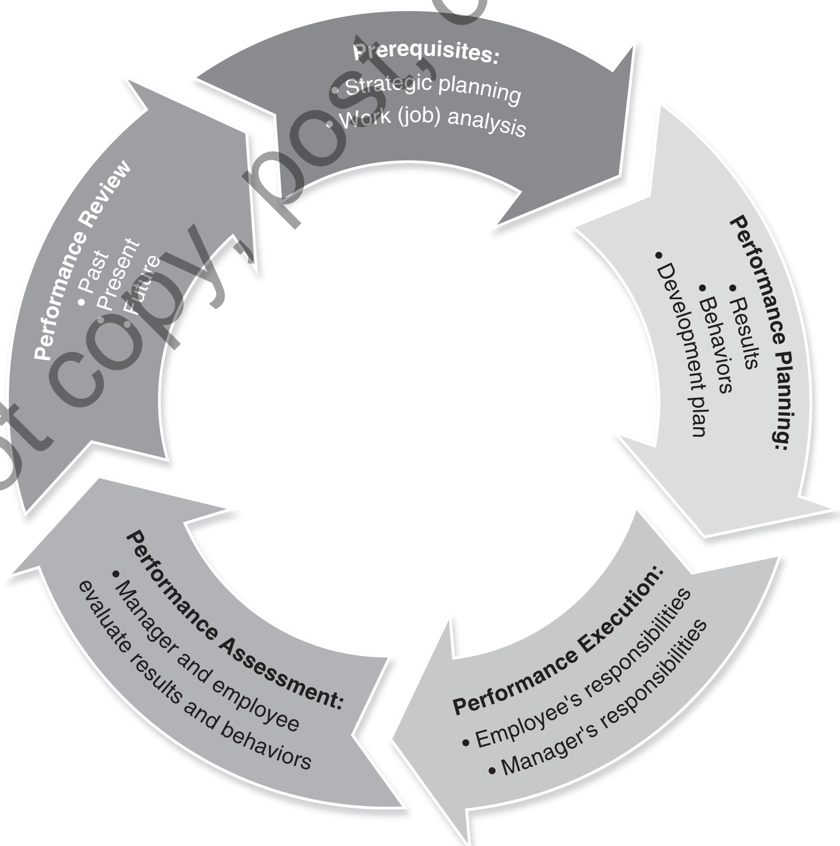
By the end of this chapter, you will be able to do the following:

1. Articulate that performance management is an ongoing and circular process that includes the interrelated components of prerequisites, performance planning, performance execution, performance assessment, and performance review.
2. Argue that the poor implementation of any of the performance management process components has a negative impact on the system as a whole and that a dysfunctional or disrupted link between any two of the components also has a negative impact on the entire system.
3. Assemble important prerequisites needed before a performance management system is implemented, including knowledge of the organization's mission and strategic goals through strategic planning and knowledge of the job in question through work analysis.
4. Conduct work analysis to determine the tasks; knowledge, technology and other skills, and abilities (KSAs); work activities, work context and working conditions of a particular job; and produce a job description that incorporates the KSAs of the job and information on the organization and unit mission and strategic goals.
5. Distinguish results from behaviors and understand the need to consider both as well as development plans in the performance planning stage of performance management.
6. Critique the employee's role in performance execution and distinguish areas over which the employee has primary responsibility from areas over which the manager has primary responsibility.
7. Recommend the employee's and the manager's responsibility in the performance assessment phase.
8. Be prepared to participate in appraisal meetings that involve the past, the present, and the future.

As described in Chapter 1, performance management is an ongoing process. It certainly does not take place just once a year. Also, performance management is a continuous process and includes several components.[1] Moreover, performance management is not "owned" by the HR function. Clearly, the HR function plays a critical role in terms of offering support and resources such as in-person and online training opportunities and online tools that can be used to measure performance and share feedback. But performance management must be owned and managed by each unit, and supervisors play a critical role. After all, the principal responsibility of managers is to manage, right?

The components of a performance management system are closely related to each other and the poor implementation of any of them has a negative impact on the performance management system as a whole. The components in the performance management process are shown in Figure 2-1. But here is an important clarification about this chapter: It is a sort of preview because it provides an overview and brief description of each of these components. So, when appropriate, the various sections in this chapter refer to which subsequent chapters include more detailed information on various topics. Let us start with the prerequisites.

FIGURE 2-1
Overview of Performance Management Process and its Components



2-1 PREREQUISITES

There are two important prerequisites that are required before a performance management system is implemented. First, knowledge of the organization's mission and strategic goals. Second, knowledge of the job in question.[2]

2-1-1 Strategic Planning

Chapter 3 will address the strategic planning process in detail. For now, please consider that knowledge of the organization's mission and strategic goals is a result of strategic planning. Also, as will be discussed in detail in Chapter 3, the strategic planning process may actually take place *after* the mission and vision statements are created. In other words, there is a constant back and forth between mission and vision and strategic planning.

Strategic planning allows an organization to clearly define its purpose and reasons for existing, where it wants to be in the future, the goals it wants to achieve, and the strategies it will use to attain these goals. Once the goals for the entire organization have been established, similar goals cascade downward, with units setting objectives to support the organization's overall mission and objectives. The cascading continues downward until each employee has a set of goals compatible with those of the entire organization. The same process applies to large, small, and medium-size organizations.

Unfortunately, it is often the case that many organizational units are not in tune with the organization's strategic direction. However, there seems to be a trend in the positive direction. For example, a study including public sector organizations in Queensland, Australia, showed a fairly high level of strategic integration of the human resources (HR) function. Specifically, approximately 80% of the organizations that participated in the study were categorized as having achieved the highest level of strategic integration. This level is characterized by a dynamic and multifaceted linkage based on an "integrative relationship between people management and strategic management process."[3] Recall that an important objective of any performance management system is to enhance each employee's contribution to the goals of the organization. If there is a lack of clarity regarding where the organization wants to go, or if the relationship between the organization's mission and strategies and the unit's mission and strategies is not clear, there will be a lack of clarity regarding what each employee needs to do and achieve to help the organization get there.

2-1-2 Work (Job) Analysis

The second important prerequisite before a performance management system is implemented is to understand the job in question. Although, traditionally, the literature has used the term "job," the use of "work" is more appropriate today because job seems to convey the notion that there is a static, constant, and even rigid set of tasks and responsibilities.[4] In fact, given changes in the nature of work and organizations (as discussed in Chapter 1), jobs are anything but static. Because people are asked to work on new projects, participate in different teams, and use new apps and technologies on an ongoing basis, jobs also change on an ongoing basis. So, because new tasks and responsibilities are created all the time, new "jobs" are also created all the time and old ones are redesigned on an ongoing basis.[5] From this point onward, we will still use the term "job," but make sure you keep in mind this dynamic point of view.

Understanding employees' tasks and responsibilities is done through work analysis. Work analysis is a process of determining the key components of a particular job, including activities, tasks, products, services, and processes. A work analysis is a fundamental prerequisite of any performance management system because without a work analysis, it is difficult to understand what constitutes the required duties for a particular position. If we do not know what an employee is supposed to do on the job, we will not know what needs to be evaluated and how to do so.

As a result of a work analysis, we obtain information regarding the tasks to be carried out and the knowledge, skills, and abilities (KSAs) required of a particular job. Knowledge includes having the information needed to perform the work, but not necessarily having done it earlier. Skills refer to required attributes that are usually acquired by having done the work in the past. Ability refers to having the physical, emotional, intellectual, and psychological aptitude to perform the work, though neither having done the job nor having been trained to do the work is required.[6]

The tasks and KSAs needed for the various jobs are typically presented in the form of a job description, which summarizes the job duties, required KSAs, and working conditions for a particular position. As an illustration, see Figure 2-2. This job description includes information about what tasks are performed (e.g., operation of a specific type of truck). It also includes information about the required knowledge (e.g., manifests, bills of lading), skills (e.g., keeping truck and trailer under control, particularly in difficult weather conditions), and abilities (e.g., physical and spatial abilities needed to turn narrow corners).

Work Analysis Methods Work analysis can be conducted using observation, off-the-shelf questionnaires, or interviews.[7] Data are collected from job incumbents (i.e., those doing the job at present) and their supervisors. Alternatively, if the job is yet to be created, data can be gathered from the individual(s) responsible for creating the new position and those who will supervise individuals in the new position. Observation methods include job analysts watching incumbents do the job, or even trying to do the work themselves, and then, producing a description of what they have observed. This method can be subject to biases because job analysts may not be able to distinguish important from unimportant tasks. Such analysis may not be suitable for many jobs. For example, a job analyst could not do the work of a police officer for safety reasons, or the work of a software programmer for lack of knowledge and skills to do the work. Off-the-shelf methods involve distributing questionnaires, including a common list of tasks or KSAs, and asking individuals to fill them out, indicating the extent to which each task or KSA is required for a particular job in question. These generic off-the-shelf tools can be practical, but they might not capture the nuances and idiosyncrasies of jobs out of the mainstream or jobs that involve novel technologies.

FIGURE 2-2

Job Description for Trailer Truck Driver: Civilian Personnel Management Service, U.S. Department of Defense

Operates gasoline- or diesel-powered truck or truck tractor equipped with two or more driving wheels and with four or more forward speed transmissions, which may include two or more gear ranges. These vehicles are coupled to a trailer or semitrailer by use of a turntable (fifth wheel) or pintle (pivot) hook. Drives over public roads to transport materials, merchandise, or equipment. Performs difficult driving tasks such as backing truck to loading platform, turning narrow corners, negotiating narrow passageways, and keeping truck and trailer under control, particularly on wet or icy highways. May assist in loading and unloading truck. May also handle manifest, bills of lading, expense accounts, and other papers pertinent to the shipment.

Interviews are a very popular work analysis method. During a work analysis interview, the job analyst asks the interviewee to describe what he or she does (or what individuals in the position do) during a typical day at the job from start to finish (i.e., in chronological order). Alternatively, the job analyst can ask the interviewee to describe the major duties involved in the job, and then, ask him or her to break down these duties into specific tasks. Once a list of tasks has been compiled, all incumbents should have an opportunity to review the information and rate each task in terms of frequency and criticality. The frequency and criticality scales may be the following[8]:

Frequency	Criticality
0: not performed	0: not critical
1: every few months to yearly	1: low level of criticality
2: every few weeks to monthly	2: below average level of criticality
3: every few days to weekly	3: average level of criticality
4: every few hours to daily	4: above average level of criticality
5: hourly to many times each hour	5: extremely critical

Rating both frequency and criticality is necessary because some tasks may be performed regularly (e.g., making coffee several times a day), but may not be very critical. The job analyst can then multiply the frequency scores by the criticality scores to obtain an overall score for each task. So, if making coffee receives a frequency score of 4 (i.e., "every few hours to daily") and a criticality score of 0 (i.e., "not critical"), the overall score would be $4 \times 0 = 0$. Considering frequency scores alone would have given us the wrong impression that making coffee is a task that deserved a prominent role in the job description. Overall scores for all tasks can be ranked from highest to lowest to obtain a final list of tasks.

Numerous work analysis questionnaires are available online. These questionnaires, which can be administered online, with a paper survey, or in interview format, can be used for a variety of positions. For example, the state of Delaware uses a work analysis questionnaire available at http://www.delawarepersonnel.com/class/forms/jaq/jaq.shtml. This questionnaire includes 18 multiple choice job content questions. Job content information is assessed through three factors (1) knowledge and skills, (2) problem solving, and (3) accountability and end results. For example, consider the following question about problem solving:

Which one statement most accurately describes your freedom to consider alternatives when addressing issues or problems? Select only one choice below.

- I follow detailed task lists or instructions from my supervisor or lead worker to get my work done. I refer problems immediately to my supervisor or others.
- I follow detailed standard procedures or instructions from my supervisor to get my work done. Occasionally, I change the work procedures or the order of the tasks (for example, filing records, sorting mail, cleaning floors).
- I follow standard work routines and well-understood tasks. Problems are alike from day-to-day. When problems arise, I can often respond by changing the order in which tasks are done (for example, typing, record

keeping, supply delivery, telephone console operation, technical assistance on a survey crew).

- Due to changing work situations, I solve problems by considering different options with the guidance of my supervisor or within well-defined principles and procedures. I often consider the most appropriate procedure or example to follow (for example, deciding the layout of bridge designs, counseling clients on social services options, or investigating and interpreting State and Federal laws in response to a complaint, and recommending an appropriate course of action).
- I solve problems by considering many different principles, procedures, and standards. Because of changing priorities and work situations, I may consider which among several procedures to follow, and in what order to achieve the proper results (for example, administering State support services, considering family counseling or foster care options for a family in crisis, or how to organize health screening clinics).
- I solve problems by considering courses of action within the framework of existing policies, principles, and standards. I know what needs to be accomplished, but must decide how to accomplish it. I may consider whether new methods need to be developed to achieve the proper results (for example, reengineering the way work is done and organized to improve the delivery of State services).
- I solve problems by considering courses of action within broad State or Department policies and immediate objectives. I may determine that new Department policies are needed. Although general goals are in place, I must set the plan and determine the priorities and processes to achieve State or Department objectives (for example, considering efficient organization of the largest Divisions in the State; developing new principles and practices affecting services to citizens).

As a second example, consider the following question about "external contacts:"

Which one statement best describes the degree that your job is accountable for establishing or maintaining relationships with external contacts? (External contacts may include the Federal Government, the legislature, the media, community service and action groups, vendors, contractors, other government Departments, the general public, etc.). Select only one choice below.

- Most job contacts are with other Department employees; external contacts sometimes occur (for example, food service and laundry work, or custodial work).
- Collecting or exchanging information, making or responding to inquiries (for example, clerical work, laboratory work, collecting tolls or groundskeeping).
- Providing Department or State services requiring explanation of somewhat complicated but standard procedures (for example, explaining how to get a State permit or license.)
- Ensuring or controlling the delivery of complex and somewhat controversial Department or State services to the public (for example, explaining child support payment schedules to a non-custodial parent, explaining environmental conservation laws).

- Persuading or influencing others within the framework of existing Department or State policies and practices and/or Federal law (for example, problem resolution in an environmental crisis or negotiating right-of-way for the State).
- Initiating new leads and contacts, building and improving external contact networks for the primary purpose of establishing new and substantial long-term strategic relationships and alliances for the Department or the State (for example, developing collaborative efforts with the Federal Government, negotiating union contracts).

Conducting a Google search for the phrase "job analysis questionnaire template" leads to several other instruments offered free of charge by the following organizations, among many others:

- Society for Human Resources Management
- University of Houston
- University of Toledo
- WorldatWork

Be aware that some of these instruments may have been created for specific types of positions and industries (e.g., service jobs, nonsupervisory jobs). Make sure you check the suitability of the instrument before using it in a different organizational and industry context. Combining items and formats from various instruments already available may be the most effective way to proceed.

An important component of a good work analysis is rater training. Such training helps mitigate several biases that can affect the accuracy of the information provided by individuals regarding KSAs needed for a job.[9] Consider the following biasing factors:

1. *Self-serving bias*. This bias leads people to report that *their own* behaviors and personality traits are more needed for successful job performance compared to behaviors and personality traits of others. This is because people tend to attribute success to themselves and failure to external causes (i.e., factors outside of their control).
2. *Social projection and false consensus bias*. Social projection bias leads people to believe that others behave similarly to themselves, and hence to think about themselves when reporting KSAs for their job, instead of people in general. False consensus bias is similar in that it leads people to believe that others share the same beliefs and attitudes as themselves.
3. *Carelessness bias*. Participants in job analysis differ in how carefully they attend to the job analysis rating task.[10] For example, they differ regarding how closely they read items, how appropriately they answer a specific question, and the extent to which they make needed distinctions between items. This bias is related to how people process information. Specifically, people rely on automatic (i.e., fast, effortless) and controlled (i.e., slow, effortful) information processing modes. So, they represent a potential trade-off between accuracy and quality (controlled processing) versus speed and efficiency (automatic processing). Careless bias results from the use of automatic versus controlled processes.

Taken together, self-serving, social projection, false consensus, and carelessness biases affect work analysis ratings because they lead people to believe that their own KSAs are those driving success on their jobs. So, these lead to an exaggerated view regarding the KSAs needed—and this exaggeration is based on precisely the KSAs that job incumbents have.

How do we address these biases? An experimental study involving two independent samples of 96 administrative support assistants and 95 supervisors working for a large city government implemented a successful Web-based training program that was able to mitigate some of these biases.[11] Specifically, across the five job characteristics rated in that study, individuals who did not participate in the Web-based training program were 62% (administrative support assistants) and 68% (supervisors) more likely to provide a higher rating than if the same individual provided the work analysis ratings after participating in the training program. The Web-based training program, which takes about 15 minutes to administer, provides a common frame of reference for all raters, and includes the following five steps:

1. provides raters with a definition of each rating dimension
2. defines the scale anchors
3. describes what behaviors were indicative of each dimension
4. allows raters to practice their rating skills, and
5. provides feedback on the practice

Job Descriptions The information obtained from a work analysis is used for writing a job description. Writing a job description may seem like a daunting task; however, it does not have to be difficult. Generic job descriptions can be obtained online from the Occupational Informational Network (O*NET), (https://www.onetonline.org). O*NET is a comprehensive database of worker attributes and job characteristics that provides a common language for defining and describing occupations. The information available via O*NET can serve as a foundation for a job description. For each job, O*NET provides information on tasks, knowledge, technology skills, abilities, work activities, work context, job zone, education, interests, work styles, work values, and credentials. Specifically:

- Personal requirements: the skills and knowledge required to perform the work
- Personal characteristics: the abilities, interests, and values needed to perform the work
- Experience requirements: the training and level of licensing and experience needed for the work
- Job requirements: the work activities and context, including the physical, social, and organizational factors involved in the work
- Labor market: the occupational outlook and the pay scale for the work

O*NET descriptions can be easily adapted and changed to accommodate specific local characteristics of a given organization. For example, see O*NET's description for truck drivers in Figure 2-3. This figure includes only some of the categories, and only the top five topics (you can see the full information online). First, the summary description can be checked for accuracy and relevance by supervisors. Then, the list of KSAs provided by O*NET can be readily rated by incumbents (and additional KSAs may be added, if needed). Clearly, this is a more detailed and useful job description compared to the generic description of truck driver in Figure 2-2.

FIGURE 2-3

Summary Report for Heavy and Tractor-trailer Truck Drivers (from O*NET)[a]

DESCRIPTION

- Drive a tractor-trailer combination or a truck with a capacity of at least 26,000 pounds Gross Vehicle Weight (GVW). May be required to unload truck. Requires commercial drivers' license.
- TASKS
- Check vehicles to ensure that mechanical, safety, and emergency equipment is in good working order.
- Follow appropriate safety procedures for transporting dangerous goods.
- Inspect loads to ensure that cargo is secure.
- Maintain logs of working hours or of vehicle service or repair status, following applicable State and Federal regulations.
- Secure cargo for transport, using ropes, blocks, chain, binders, or covers.

TECHNOLOGY SKILLS

- Database user interface and query software—ddlsoftware.com drivers daily log program DDL; Easy Trucking Software; Fog Line Software Truckn2004; TruckersHelper
- Office suite software—Microsoft Office
- Operating system software—Microsoft Windows
- Route navigation software—ALK Technologies PC Miler; MarcoSoft Quo Vadis
- Spreadsheet software—Microsoft Excel Hot technology.

KNOWLEDGE

- Transportation—Knowledge of principles and methods for moving people or goods by air, rail, sea, or road, including the relative costs and benefits.
- Public Safety and Security—Knowledge of relevant equipment, policies, procedures, and strategies to promote effective local, state, or national security operations for the protection of people, data, property, and institutions.
- Customer and Personal Service—Knowledge of principles and processes for providing customer and personal services. This includes customer needs assessment, meeting quality standards for services, and evaluation of customer satisfaction.
- English Language—Knowledge of the structure and content of the English language, including the meaning and spelling of words, rules of composition, and grammar.
- Mechanical—Knowledge of machines and tools, including their designs, uses, repair, and maintenance.

SKILLS

- Operation and Control—Controlling operations of equipment or systems.
- Operation Monitoring—Watching gauges, dials, or other indicators to make sure a machine is working properly.
- Time Management—Managing one's own time and the time of others.
- Critical Thinking—Using logic and reasoning to identify the strengths and weaknesses of alternative solutions, conclusions, or approaches to problems.
- Monitoring—Monitoring/Assessing performance of yourself, other individuals, or organizations to make improvements or take corrective action.

ABILITIES

- Control Precision—The ability to quickly and repeatedly adjust the controls of a machine or a vehicle to exact positions.
- Far Vision—The ability to see details at a distance.
- Multilimb Coordination—The ability to coordinate two or more limbs (for example, two arms, two legs, or one leg and one arm) while sitting, standing, or lying down. It does not involve performing the activities while the whole body is in motion.
- Near Vision—The ability to see details at close range (within a few feet of the observer).
- Reaction Time—The ability to quickly respond (with the hand, finger, or foot) to a signal (sound, light, picture) when it appears.

(*Continued*)

FIGURE 2-3

Summary Report for Heavy and Tractor-trailer Truck Drivers (from O*NET)[a] (*Continued*)

WORK ACTIVITIES

- Operating Vehicles, Mechanized Devices, or Equipment—Running, maneuvering, navigating, or driving vehicles or mechanized equipment, such as forklifts, passenger vehicles, aircraft, or water craft.
- Inspecting Equipment, Structures, or Material—Inspecting equipment, structures, or materials to identify the cause of errors or other problems or defects.
- Getting Information—Observing, receiving, and otherwise obtaining information from all relevant sources.
- Identifying Objects, Actions, and Events—Identifying information by categorizing, estimating, recognizing differences or similarities, and detecting changes in circumstances or events.
- Controlling Machines and Processes—Using either control mechanisms or direct physical activity to operate machines or processes (not including computers or vehicles).

DETAILED WORK ACTIVITIES

- Inspect motor vehicles.
- Follow safety procedures for vehicle operation.
- Inspect cargo to ensure it is properly loaded or secured.
- Record operational or production data.
- Record service or repair activities.

WORK CONTEXT

- In an Enclosed Vehicle or Equipment—88% responded "Every day."
- Duration of Typical Work Week—84% responded "More than 40 hours."
- Outdoors, Exposed to Weather—76% responded "Every day."
- Time Pressure—69% responded "Every day."
- Very Hot or Cold Temperatures—60% responded "Every day."

EDUCATION

- High school diploma or equivalent (56% of respondents)
- Less than high school diploma (19% of respondents)
- Post-secondary certificate (15% of respondents)

WORK STYLES

- Dependability—Job requires being reliable, responsible, and dependable, and fulfilling obligations.
- Self-control—Job requires maintaining composure, keeping emotions in check, controlling anger, and avoiding aggressive behavior, even in very difficult situations.
- Attention to Detail—Job requires being careful about detail and thorough in completing work tasks.
- Integrity—Job requires being honest and ethical.
- Stress Tolerance—Job requires accepting criticism and dealing calmly and effectively with high-stress situations.

WORK VALUES

- Support—Occupations that satisfy this work value offer supportive management that stands behind employees. Corresponding needs are Company Policies, Supervision: Human Relations, and Supervision: Technical.
- Independence—Occupations that satisfy this work value allow employees to work on their own and make decisions. Corresponding needs are Creativity, Responsibility, and Autonomy.
- Working Conditions—Occupations that satisfy this work value offer job security and good working conditions. Corresponding needs are Activity, Compensation, Independence, Security, Variety and Working Conditions.

[a]This description includes the top five in each category only.

O*NET is a particularly useful resource for small businesses because for most of them, conducting a work analysis may not be feasible simply because there are not sufficient numbers of people in any particular position from whom to collect data. In addition, O*NET can be used when organizations expand and new positions are created. Again, one thing needs to be clear, however: jobs change. Thus, job descriptions must be checked for accuracy and updated on an ongoing basis.

Job descriptions are a key prerequisite for any performance management system because they provide the criteria (i.e., yardsticks) that will be used in measuring performance. Such criteria may concern behaviors (i.e., how to perform) or results (i.e., what outcomes should result from performance). In our truck driver example, a behavioral criterion could involve the skill "equipment maintenance." For example, a supervisor may rate the extent to which the employee "performs routine maintenance on equipment and determines when and what kind of maintenance is needed." Regarding results, these criteria usually fall into one of the following categories (1) quality, (2) quantity, (3) cost-effectiveness, and (4) timeliness.[12] In the truck driver example, results-oriented criteria can include number of accidents (i.e., quality) and amount of load transported over a specific period of time (i.e., quantity).

Some organizations are becoming aware of the importance of considering prerequisites before implementing a performance management system. Take the case of AllianceHealth Deaconess Hospital in Oklahoma City, Oklahoma, which includes a workforce of more than 500 healthcare professionals, who maintain a 291-bed facility offering cancer care, cardiac care, orthopedic care, and wound care and rehabilitation. AllianceHealth Deaconess Hospital has been able to effectively integrate employees' job descriptions within their performance management system. The need for this integration was reinforced by results from an employee survey revealing that employees did not know what they were being evaluated on. Therefore, with the input of employees, the hospital updated each of the 260 job descriptions. At present, each employee's job description is part of the performance review form. The new forms incorporate task performance standards as well as behaviors specific to individual jobs. For example, a nurse may be evaluated on "how well he or she safely, timely, and respectfully administers patient medication and on his or her planning and organization skills." In addition, Deaconess Hospital has been able to link each employee's performance to the strategic goals of the organization. Specifically, all employees are rated on the following core behaviors considered to be of top strategic importance: (1) adaptability, (2) building customer loyalty, (3) building trust, and (4) contributing to team success.[13]

In summary, there are two important prerequisites that must exist before the implementation of a successful performance management system. First, there is a need to have good knowledge of the organization's mission and strategic goals. This knowledge, combined with knowledge regarding the mission and strategic goals of their unit, allows employees to make contributions that will have a positive impact on the unit and on the organization as a whole. Second, there is a need to have good knowledge of the position in question: what tasks need to be done, how they should be done, and what KSAs are needed. Such knowledge is obtained through a work analysis. If we have good information regarding a job, then it is easier to establish criteria for job success.

2-2 PERFORMANCE PLANNING

Armed with knowledge of the organization's strategic goals and information about the position, the supervisor and the employee formally meet to discuss, and agree upon, what needs to be done and how it should be done. This performance planning discussion includes a consideration of both results and behaviors (described in greater detail in Chapter 4), as well as a development plan (described in greater detail in Chapter 8).

2-2-1 Results

Results refer to what needs to be done or the outcomes an employee must produce. A consideration of results needs to include the *key accountabilities*, or broad areas of a job for which the employee is responsible for producing results. This information is typically obtained from the job description. A discussion of results also includes specific *objectives* that the employee will achieve as part of each accountability. Objectives are statements of important and measurable outcomes. Finally, discussing results also means discussing *performance standards.* A performance standard is a yardstick used to evaluate how well employees have achieved each objective. Performance standards provide information about acceptable and unacceptable performance (e.g., quality, quantity, cost, and time).

Consider the job of a university professor. Two key accountabilities are (1) teaching (preparation and delivery of instructional materials to students), and (2) research (creation and dissemination of new knowledge). An objective for teaching could be "to obtain a student evaluation of teaching performance of 3 on a 4-point scale." An objective for research could be "to publish two articles in scholarly refereed journals per year." Performance standards could be "to obtain a student evaluation of teaching performance of at least 2 on a 4-point scale" and "to publish at least one article in scholarly referred journals per year." Thus, the objective is the desired level of performance, whereas the standard is usually a minimum acceptable level of performance.

2-2-2 Behaviors

Although it is important to measure results, an exclusive emphasis on results can give a skewed or incomplete picture of employee performance. For example, for some jobs, it may be difficult to establish precise objectives and standards. For other jobs, employees may have control over how they do their jobs, but not over the results of their behaviors. For example, the sales figures of a salesperson could be affected more by the assigned sales territory than by the salesperson's ability and performance. Behaviors, or how a job is done, thus constitute an important component of the planning phase. This is probably why results from a survey indicated that in addition to sales figures, salespeople would like to be appraised on such behavioral criteria as communications skills and product knowledge.[14]

A consideration of behaviors includes discussing *competencies*, which are measurable clusters of KSAs that are critical in determining how results will be achieved. Examples of competencies are customer service, written or oral communication, creative thinking, and dependability. Returning to the example of the professor, assume that teaching is done online and numerous technology-related problems exist, so that the resulting teaching evaluations are deficient (i.e., lower than the standard of 2). This is an example of a situation in which behaviors should be given more importance than results. In this situation, the evaluation could include competencies such as online communication skills (e.g., in the chat room).

2-2-3 Development Plan

An important step before the review cycle begins is for the supervisor and employee to agree on a development plan. At a minimum, this plan should include identifying areas that need improvement and setting goals to be achieved in each area. Development plans usually include both results and behaviors.

In summary, performance planning includes the consideration of results and behaviors and the development plan. A discussion of results needs to include key accountabilities (i.e., broad areas for which an employee is responsible), specific objectives for each key accountability (i.e., goals to be reached), and performance standards (i.e., what constitutes acceptable and unacceptable levels of performance). A discussion of behaviors needs to include competencies (i.e., clusters of KSAs). Finally, the development plan includes a description of areas that need improving and goals to be achieved in each area. Box 2-1 includes a description of how performance planning is implemented at Discover.

Once the prerequisites are met and the planning phase has been completed, we are ready to begin the actual implementation of the performance management system. This includes performance execution, assessment, and review.

Box 2-1

Company Spotlight: Performance Planning at Discover

The Discover credit card was launched in 1986 and offered an important innovation that no other credit card company was doing at that time: cash back. But today, Discover offers direct bank and electronic payment services. Their direct bank issues the company's flagship credit card business and offers numerous banking products such as private student loans, personal loans, home equity loans, checking and savings accounts, certificates of deposit, and money market accounts. Also, Discover operates PULSE, one of the nation's leading ATM/debit networks; Discover Network, with millions of merchant and cash access locations; and Diners Club International, a global payments network with acceptance in more than 185 countries and territories. Discover is taking several steps to ensure that performance planning and employee development support the organization's business goals. Discover has initiated an approach that addresses the development needs of specific business units by assigning HR professionals to attend business meetings regularly to gain an understanding of what knowledge, skills, and abilities are required. The company asks managers to go through the same curriculum with classroom and online learning opportunities. These managers form discussion groups to talk about what they have learned and how it applies to the challenges of their specific role. In addition, part of the strategy includes meeting with employees to agree upon metrics in the performance planning stage, creating an action plan, and following up with evaluations and ratings to determine to what degree the learning experience was successful. In summary, Discover utilizes the various stages of the performance management process to ensure that employee development is a focus that matches the mission of providing a workplace that supports high performance.[15]

2-3 PERFORMANCE EXECUTION

Once the review cycle begins, the employee strives to produce the results and display the behaviors agreed upon earlier as well as to work on developmental needs. The employee has primary responsibility and ownership of this process. Employee participation does not begin at the performance execution stage, however. As noted earlier, employees need to have active input in the creation of job descriptions, performance standards, and the rating form. In addition, at later stages, employees are active participants in the evaluation process in that they provide a self-assessment, and the performance review interview is a two-way communication process. At the performance execution stage, the following factors must be present[16]:

1. *Commitment to goal achievement.* The employee must be committed to the goals that were set. One way to enhance commitment is to allow the employee to be an active participant in the process of setting the goals.
2. *Check-ins and performance touchpoints.* The employee has performance "touchpoints" with many people inside and outside of the organization on an ongoing basis. So, he should not wait until the review cycle is over to solicit performance feedback in the form of "check-ins." Also, the employee should not wait until a serious problem develops to ask for coaching. The employee needs to take a proactive role in soliciting performance feedback and coaching from her supervisor.[17] Supervisors and others with whom the employee has performance touchpoints (e.g., team members) can provide performance feedback, but are generally busy with multiple obligations. The burden is on the employee to communicate openly and regularly via ongoing check-ins with her performance touchpoints.
3. *Collecting and sharing performance data.* The employee should provide the supervisor with regular updates on progress toward goal achievement, in terms of both behaviors and results.
4. *Preparing for performance reviews.* The employee should not wait until the end of the review cycle approaches to prepare for the review. On the contrary, the employee should engage in an ongoing and realistic self-appraisal, so immediate corrective action can be taken, if necessary. The usefulness of the self-appraisal process can be enhanced by gathering informal performance information from peers and customers (both internal and external).

Although the employee has primary responsibilities for performance execution, the supervisor also needs to do her share of the work. Supervisors have primary responsibility over the following issues[18]:

1. *Observation and documentation.* Supervisors must observe and document performance on a daily basis. It is important to keep track of examples of both good and poor performance.
2. *Updates.* As the organization's goals may change, it is important to update and revise initial objectives, standards, and key accountabilities (in the case of results) and competency areas (in the case of behaviors).

3. *Feedback.* Feedback on progression toward goals and coaching to improve performance should be provided on a regular basis, and certainly before the review cycle is over.
4. *Resources.* Supervisors should provide employees with resources and opportunities to participate in development activities. Thus, they should encourage (and sponsor) participation in training, classes, and special assignments. Overall, supervisors have a responsibility to ensure that the employee has the necessary supplies and funding to perform the job properly.
5. *Reinforcement.* Supervisors must let employees know that their outstanding performance is noticed by reinforcing effective behaviors and progress toward goals. Also, supervisors should provide feedback regarding negative performance and how to remedy the observed problem. Observation and communication are not sufficient. Performance problems must be diagnosed early, and appropriate steps must be taken as soon as the problem is discovered.

The summary list included in Table 2-1 makes it clear that both the employee and the manager are responsible for performance execution. As an example of this shared responsibility, consider the case of International Business Machines (IBM). IBM is one the world's largest multinational technology companies, with more than 400,000 employees in 170 countries. IBM recently transitioned from the previous once-a-year "stack ranking" review that compared employees to a more frequent and personalized review focusing on the employee's own goals. Before deciding on a new performance management system, IBM's HR department asked for employees' input through its internal social media site. Employees reported they wanted more frequent feedback and the ability to change their goals as the year progressed. IBM recognized that the fast-paced business environment meant that new things come along, leading to employees experimenting and iterating. This meant that employees are often not working on what they originally proposed at the beginning of the year. Accordingly, a new system was designed that allows employees to set annual goals and short-term milestones. Based on continuous feedback from managers, employees are able to update their goals and milestones throughout the year. By allowing employees to change and develop their own goals throughout the year, IBM's managers can now avoid irrelevant year-end discussions, and have richer dialogue through frequent check-ins with employees.[19]

TABLE 2-1
Performance Execution Stage: Areas for Which Employees and Managers Have Primary Responsibility

Employees	Managers
Commitment to goal achievement	Observation and documentation
Check-ins and performance touchpoints	Updates
Collecting and sharing performance data	Feedback
Preparing for performance reviews	Resources
	Reinforcement

2-4 PERFORMANCE ASSESSMENT

In the assessment phase, both the employee and the manager are responsible for evaluating the extent to which the desired behaviors have been displayed, and whether the desired results have been achieved. Although many sources can be used to collect performance information (e.g., supervisors, other team members), in most cases, the direct supervisor provides the information. This also includes an evaluation of the extent to which the goals stated in the development plan have been achieved.

It is important that both the employee and the manager take ownership of the assessment process. The employee evaluates his own performance, and so does the manager. The fact that both parties are involved in the assessment provides good information to be used in the review phase. When both the employee and the supervisor are active participants in the evaluation process, there is a greater likelihood that the information will be used productively in the future. Specifically, the inclusion of self-ratings helps emphasize possible discrepancies between self-views and the views that important others (i.e., supervisors, other team members, customers) have of what we are doing, how we are doing it, and what results we are producing. It is the discrepancy between these views that is most likely to trigger development efforts, particularly when feedback from the supervisor and others is more negative than are employee self-evaluations.[20]

The inclusion of self-appraisals is also beneficial regarding important additional factors. Self-appraisals can reduce an employee's defensiveness during an appraisal meeting and increase the employee's satisfaction with the performance management system, as well as enhance perceptions of accuracy and fairness, and therefore, acceptance of the system.[21] Box 2-2 describes how this process is implemented at Google.

In sum, both the employee and the supervisor must evaluate employee performance. As will be described in detail in Chapter 6, employee involvement in the process increases employee ownership and commitment to the system. In addition, it provides important information to be discussed during the performance review, which is discussed next.

Box 2-2

Company Spotlight: Performance Assessment at Google

Google is consistently ranked at the top of Fortune's 100 Best Companies to Work For. Google uses a 360-degree review process, conducted semi-annually. Managers take two things into account when evaluating employees: results (what the employee accomplished), and behaviors (how the employee attained these results). The self-assessment, peer reviews, and manager reviews are based on a five-point scale (1 = needs improvement; 5 = superb) and use the following six criteria (1) "Googleyness"—adherence to Google values, (2) Problem solving—analytical skills applied to work, (3) Execution—delivering great work with great autonomy, (4) Thought leadership—how much an employee is seen as a reference for a specific area of expertise, (5) Leadership—displaying leadership skills such as being proactive and taking the lead on projects, and (6) Presence—the ability to make yourself known in a large organization. To reduce bias, managers meet and review all employee's ratings together. In summary, Google utilizes their performance assessment process to provide a clear link between each individual and team activity and the strategic objectives of the organization.[22]

2-5 PERFORMANCE REVIEW

The performance review stage involves the formal meeting between the employee and the manager to review their assessments. This meeting is usually called the *appraisal meeting* or *discussion.* Although good performance management systems include ongoing check-ins, the formal appraisal meeting is important because it provides a formal setting in which the employee receives feedback on her performance.

In spite of its importance in performance management, the appraisal meeting is often regarded as the "Achilles' heel of the entire process."[23] This is because many managers are uncomfortable providing performance feedback, particularly when performance is deficient.[24] This high level of discomfort, which often translates into anxiety and the avoidance of the appraisal interview, can be mitigated through training those responsible for providing feedback. As will be discussed in detail in Chapters 6 and 9, providing feedback in an effective manner is extremely important because it leads not only to performance improvement, but also to employee satisfaction with the system. For example, a study involving more than 200 teachers in Malaysia, including individuals with distinct Chinese, Malay, and Indian cultural backgrounds, found that when they received effective feedback, they reported greater satisfaction with the system even when they received low performance ratings.[25] At this point, however, let us emphasize that people are apprehensive about both receiving *and* giving performance information, and this apprehension reinforces the importance of a formal performance review as part of any performance management system.[26]

Remember Jack Welch, the famed former chairman and CEO of General Electric (GE)? Although his leadership style was unique, colorful, and often controversial, during his 20-year tenure at GE (1981–2000), the company's value rose about 4,000%. He has addressed the issue of giving honest feedback in many of his public appearances since he retired.[27] At an appearance in front of an audience of about 2,000 managers, he asked them if their organizations had integrity. As was expected, a vast majority of managers, about 95%, raised their hands. Then, he asked the same audience if their organization's leaders provide direct reports with honest and straightforward performance feedback. Only about 5% of the people raised their hands. Avoiding giving negative feedback is very dangerous because it conveys the message that mediocrity is acceptable and damages the morale of the top performers, who can be about four times as productive as the poor performers.[28]

In most cases, the appraisal meeting is regarded as a review of the past, that is, what was done (i.e., results) and how it was done (i.e., behaviors). For example, a survey including more than 150 organizations in Scotland showed that performance management systems in more than 80% of organizations emphasize the past.[29] But the appraisal meeting should also include a discussion of the employee's developmental progress as well as plans for the future. The conversation should include a discussion of goals and development plans that the employee will be expected to achieve over the period before the next formal review session. In addition, a good appraisal meeting includes information on what new compensation and rewards, if any, the employee could receive as a result of her performance. In short, the appraisal discussion focuses on the past (what has been done and how), the present (what compensation is received or denied as a result), and the future (goals to be attained before the upcoming review session).

As noted earlier, the discussion about past performance can be challenging, particularly when performance levels have not reached acceptable levels. Following is a script reflecting what the first few seconds of the appraisal meeting can be like.[30]

> Good afternoon, Lucy, please have a seat. As you know, we take performance very seriously and we scheduled our meeting today to talk about the work you have done over the past year. Because we believe in the importance of talking about performance issues, I blocked an hour of my time during which I won't take any phone calls and I also won't be texting or emailing with anyone. I want to be able to focus 100% on our conversation because talking about performance will be helpful to both of us. There should be no surprises, given that we have been communicating about your performance on an ongoing basis. You have also received feedback not only from me, but also from your peers. Let's go through this process step by step. First, I would like you to tell me about your own views about your performance during the past year. Specifically, please share with me what are the things you believe you did particularly well and areas in which you think you may have been able to do better. As a second step, I will tell you about the performance evaluation I prepared. As a third step, we will talk about the issues on which you and I agree. As a fourth step, we can talk about issues for which we may have different perspectives. I will explain the reasoning behind my views and I want to hear the reasoning behind yours. In terms of my evaluation of your work, I want to first make sure we agree on what are the specific goals and objectives of your job. Then, we will talk about the results you achieved this year and the section on the evaluation form about job skills and competencies. After we talk about that, I will tell you what my overall rating is and why I believe this is an appropriate score. Ok, let's go ahead and start. Please tell me about how things went this past year.

We will discuss performance reviews in more detail in Chapter 9. For now, however, consider the following six recommended steps for conducting productive performance reviews[31]:

1. Identify what the employee has done well and poorly by citing specific positive and negative behaviors.
2. Solicit feedback from your employee about these behaviors. Listen for reactions and explanations.
3. Discuss the implications of changing, or not changing, the behaviors. Positive feedback is best, but an employee must be made aware of what will happen if any poor performance continues.
4. Explain to the employee how skills used in past achievements can help him overcome any current performance problems.
5. Agree on an action plan. Encourage the employee to invest in improving his performance by asking questions such as "What ideas do you have for ______ ?" and "What suggestions do you have for ______ ?"
6. Set up a meeting to follow up and agree on the behaviors, actions, and attitudes to be evaluated.

In closing, the performance management process includes a cycle, which starts with prerequisites and ends with the formal performance review. However, the cycle is not over after the formal review. In fact, the process starts all over again: there needs to be a discussion of prerequisites, including the updated organization's mission and strategic goals and the updated job's KSAs. Because markets change, customers' preferences and needs change, and products change, there is a need to continuously monitor the prerequisites so that performance planning, and all the subsequent stages, are consistent with the organization's strategic objectives. Recall that, in the end, one of the main goals of any performance management system is to promote the achievement of organization-wide goals. Obviously, if managers and employees are not aware of what these strategic goals are, it is unlikely that the performance management system will be instrumental in accomplishing the strategic goals.

SUMMARY POINTS

- Performance management is an ongoing and circular process. It never ends. Once established in an organization, it becomes part of an organization's culture. The performance management process includes five closely related components (1) prerequisites, (2) performance planning, (3) performance execution, (4) performance assessment, and (5) performance review.
- Each of the five components of the performance management process plays an important role. If any of these components is implemented poorly, then the entire performance management system suffers. For example, lack of knowledge of the organization's mission and strategic goals and the job in question (i.e., prerequisites) will not allow performance planning (i.e., performance road map) to be aligned with organizational goals, which in turn, will lead to poor performance execution. In short, a performance management system is only as good as its weakest component.
- The links between the various components must be clearly established. For example, performance planning needs to be closely related to performance execution. Performance planning is a futile exercise if execution does not follow from it. The same applies to all the arrows linking the various components, as shown in Figure 2-1.
- The first component of the performance management process involves two prerequisites. First, there is a need to have good knowledge of the organization's mission and strategic goals. This knowledge, combined with knowledge regarding the mission and strategic goals of one's unit, allows employees to make contributions that will have a positive impact on their units and on the organization as a whole. Second, there is a need to have good knowledge of the job in question. A work analysis allows for the determination of the key components of a particular job: what tasks need to be done, how they should be done, and what KSAs are needed. If we have good information regarding a job, then it is easier to establish criteria for job success.
- Work analysis is a technique used to understand employees' tasks and responsibilities and can be implemented using interviews, observation, or off-the-shelf questionnaires. It is important to train individuals to fill out

work analysis instruments so as to minimize biases (i.e., self-serving bias, social projection, false consensus, carelessness responding) in the resulting ratings. Once a list of tasks has been compiled, all incumbents should have an opportunity to review the information and rate each task in terms of its frequency and criticality.

- The second component of the performance management process involves performance planning. Performance planning includes the consideration of results and behaviors, as well as a development plan. A discussion of results needs to include key accountabilities (i.e., broad areas for which an employee is responsible), specific objectives for each key accountability (i.e., goals to be reached), and performance standards (i.e., what are acceptable and unacceptable levels of performance). A discussion of behaviors needs to include competencies (i.e., clusters of KSAs). Finally, the development plan includes a description of areas that need improvement and goals to be achieved in each area.
- The third component involves performance execution. Both the employee and the manager are responsible for performance execution. For example, the employee needs to be committed to goal achievement and should take a proactive role in seeking feedback from his or her supervisor and other performance touchpoints (e.g., other team members, customers). The burden is on the employee to communicate openly and regularly with the supervisor. Also, the employee has a responsibility to be prepared for the performance review by conducting regular and realistic self-appraisals. In addition, the supervisor also has important responsibilities. These include observing and documenting performance, updating the employee of any changes in the goals of the organization, and providing resources and reinforcement so the employee can succeed and continue to be motivated.
- The fourth component involves performance assessment. Both the employee and the supervisor must evaluate employee performance. Involvement of the employee in the process increases his or her ownership and commitment to the system. In addition, it provides important information to be discussed during the performance review. In the absence of self-appraisals, it is often not clear to supervisors if employees have a real understanding of what is expected of them.
- The fifth component involves performance review when the employee and manager meet to discuss employee performance. This formal meeting is usually called the appraisal meeting. This meeting typically emphasizes the past: what the employee has done and how it was done. But a more effective appraisal meeting also focuses on the present and the future. The present involves the changes in compensation that may result from the results obtained. The future involves a discussion of goals and development plans that the employee will be expected to achieve during the period before the next review session.

EXERCISE 2-1 WORK (JOB) ANALYSIS

Conduct a work analysis for the position "wait staff" at a local restaurant. This work analysis may benefit from interviewing incumbents (i.e., wait staff) as well as supervisors (i.e., restaurant's general manager). In addition, of course, you can rely on your own knowledge of this job. By the end of your work analysis, follow the O*NET format and create a summary description for the position as well as a list of tasks, technology skills, abilities, work activities, work context, education, work styles, and work values needed for successful performance. Use Figure 2-3 "Summary Report for Heavy and Tractor-Trailer Truck Drivers (from O*NET)" as a template.

At a minimum, your job description should include four lists—one for tasks, one for knowledge, one for skills, and one for abilities. For each of the four lists, rate the corresponding elements in terms of frequency and criticality. Use the scales provided below to rate each element. Then, multiply the frequency and criticality scores for each of the elements in each list to obtain its overall score. Then, arrange the list of elements in order of importance from high to low.

Frequency and Criticality Scales	
Frequency	**Criticality**
0: not performed	0: not critical
1: every few months to yearly	1: low level of criticality
2: every few weeks to monthly	2: below average level of criticality
3: every few days to weekly	3: average level of criticality
4: every few hours to daily	4: above average level of criticality
5: hourly to many times each hour	5: extremely critical

Have one or more people do the same rating task with the same job description. Then, answer the following questions.

1. Are there any disagreements between or among the resulting orderings? If so, why do you think that is the case?
2. What can be done to mitigate any observed disagreement between or among the resulting orderings? After discussing some possible techniques to reduce disagreement, if there were indeed any disagreements, apply some of those techniques until 100% agreement is reached.
3. Recall that tasks listed in a job description can largely be divided into behaviors (i.e., how to perform) and results (i.e., what outcomes should result from performance). In the job description you created, which of the tasks are behaviors and which tasks are outcomes? Are there more behaviors or more outcomes? Or, is there a strong balance between the two types of tasks? Whether there is such an imbalance or balance, do you think the observed (im)balance is justified? Explain.

EXERCISE 2-2 PERFORMANCE REVIEW MEETING

As part of this exercise, you are asked to conduct a performance review meeting in front of the class. Specifically, you will prepare a performance assessment of student participation in the classroom for a particular student, and then, meet with that student to deliver the performance review face-to-face and real-time in front of the class. You will either play the role of the supervising manager giving the performance review, or the direct report receiving the performance review.

Steps:

1. Conduct a self-appraisal of your own class participation performance
   a. Rate your participation from 0 (lowest level contribution) to 15 (highest possible contribution) on each of the items listed below and note the reasons for the score you assign yourself.
   b. In rating participation, use the following specific eight items:
      i. Being an active participant, but not a dominating participant.
      ii. Being a good listener and demonstrating respect for others' opinions.
      iii. Making thoughtful, insightful comments, and not speaking just to be heard.
      iv. Building on others' comments.
      v. Asking questions, not just giving answers.
      vi. Identifying key assumptions underlying discussion points and arguments.
      vii. Judiciously playing the role of the "devil's advocate".
      viii. Being constructive and positive in one's comments.
2. Choose any five students from the class and prepare an assessment of their participation performance.
   a. Rate their participation from 0 (lowest level contribution) to 15 (highest possible contribution) using the same eight items listed above.
3. Prepare to provide a performance review to each of these five classmates, including ratings and the reasons for the scores you assigned them. (Hint: Consider the steps of the performance management cycle in Figure 2-1 when writing your assessment).
   a. The performance review meeting should not be longer than 10 minutes (Hint: The performance review subsection of the chapter lists the issues typically discussed in a performance review, and provides an example of how to begin a review).
   b. Make sure to include both positive and negative feedback that allows your classmates to improve their performance.
4. The other students in the classroom will then evaluate the performance review meeting and provide feedback on how performance review meetings can be improved in the future.

CASE STUDY 2-1

Disrupted Links in the Performance Management Process at Omega, Inc.[32]

Omega, Inc., is a small manufacturing company whose sales success or failure rests in the hands of sales representatives employed by franchised dealers operating independently. Omega faces a challenging situation because it does not have control over the people working for the independent dealerships. In fact, it is the performance of these individuals that dictates Omega's sales success. To make things even more complicated, until recently, there was no clear understanding of the role of the sales representatives and there were no formal sales processes in place. Sales representatives varied greatly in terms of their level of skill and knowledge; most put in little effort beyond taking orders, and they did not feel motivated to make additional sales. Finally, franchises varied greatly regarding their management strategies and follow-up with Omega.

Recently, understanding the need to improve the performance of sales representatives, Omega agreed to partially fund and support a training program for them. The network of franchise owners, in turn, agreed to work together to implement a performance management system. As a first step in creating the performance management system, the franchise owners conducted a work analysis of the role of the sale representatives, wrote a job description, and distributed it to all sales representatives. The franchise owners also adopted a franchise-wide mission statement based primarily on the need to provide high-quality customer service. This mission statement was posted in all franchise offices, and each franchise owner spoke with his employees about the contribution made by individual sales on achieving their mission. As a second step, the managers set performance goals (i.e., sales quotas) for each employee. Then, all sales representatives attended extensive training sessions. The employees received feedback based on their performance in the training course, and then, were reminded once again of their sales quotas.

Back on the job, managers gave feedback to their employees regarding their standing in relation to their sales quotas. Since the employees had no way of monitoring their own progress toward their quotas, the performance feedback consisted of little more than a reiteration of monthly sales goals. There was no performance appraisal form in place, so discussions were not documented. This lack of feedback continued, and although sales quotas were being met for the first few months, franchise owners received complaints from customers about the low quality of customer service they were receiving. Subsequently, sales began to decline. Furthermore, many orders were often incorrect, forcing customers to return items to Omega.

While the new performance management process was an improvement over no performance management (at least initially), the franchise owners were still far from having a system that included a smooth transition between each of the components of the performance management process. Based on Omega's situation, please answer the following questions.

1. Consider each of the links of the performance management process as shown in Figure 2-1:

   a. prerequisites → performance planning
   b. performance planning → performance execution
   c. performance execution → performance assessment
   d. performance assessment → performance review
   e. performance review → prerequisites

   Discuss whether each of the links is present, and in what form, in the performance management system described.
2. Given your answers to question 1, what can be done to fix each of the disrupted links in the process?

CASE STUDY 2-2

Performance Management at KS Cleaners

KS Cleaners (KSC) is a small company that provides several services to its customers: dry cleaning of clothes, laundry, ironing, and some clothing repair work. KSC specializes in low-cost volume, promising that dry cleaning will be returned to its customers the day after it is turned in. The charge is $2.25 for each item dry-cleaned; there is an extra charge for ironing, although ironing is usually not necessary because the items are placed on clothes hangers immediately after they are removed from the dryers. Laundry is $1.50 per item, with an extra charge for ironing, if desired. Clothing repair, such as hemming, replacement of buttons and zippers, and so on, is charged by the hour.

In addition to Kevin, the owner and manager, there are eight employees: two dry cleaners, a seamstress, and five general duty employees, who rotate where they are needed among front counter customer service and sorting clothes, loading the machines, removing clothes from machines, folding or hanging up the items, and preparing them for pickup. Kevin has found that he can hire teenagers for the general duty positions, because these duties do not require much training. The company needs employees who are focused on customer satisfaction and quick turnaround; when there are slow times, however, these high school students often work on homework, socialize, or spend time on their smart phones, which is acceptable behavior as long as the work gets done and the customers are happy.

Pay ranges from minimum wage for the general duty employees to $20 per hour for the dry cleaners. The seamstress is paid on a negotiated piecework basis, depending on the complexity of the task.

This shop has been doing so well that Kevin is thinking about opening another one. He has done some research and realizes that he will need to formalize procedures that, heretofore, he has run almost by instinct. A new manager will need to operate the new shop in a fashion that is identical to the successful way he has run his current shop. Although he dreads the process, he recognizes that it is time to document procedures and to formalize job descriptions. He has hired you to help him develop a performance management process.

1. In the context of KSC, critically evaluate the availability of any prerequisites to implementing a performance management process.
2. Discuss your plans for developing formal job descriptions for the employees at the second shop.
3. Explain key features of developing performance plans for the employees. Provide examples of factors you would consider in developing such plans for the dry cleaner.
4. In the context of KSC, create two results-oriented performance standards for the general duty employees.
5. The following information was obtained from O*NET.

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   Knowledge: Customer and Personal Service—Knowledge of principles and processes for providing customer and personal services. This includes customer needs assessment, meeting quality standards for services, and evaluation of customer satisfaction.

   Technology Skills: Database user interface and query software—Database software.

   Abilities: Oral Expression—The ability to communicate information and ideas in speaking so others will understand.

   Work Activities—Performing for or Working Directly with the Public—Performing for people or dealing directly with the public. This includes serving customers in restaurants and stores, and receiving clients or guests.

   Discuss the factors that should be considered in establishing behavior-oriented performance standards for the general duty employees. Give an example of such a standard.

6. Provide a detailed discussion of both the responsibilities of the manager and the responsibilities of the general duty employees during the performance execution phase.
7. Explain the process that Kevin should use to get information when he is developing the performance assessments for the general duty employees.

ENDNOTES

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