

PERFORMANCE REVIEWS: DON'T JUST FILE AND FORGET

Mark Fiala discusses Performance Management

BY CHRIS CARMON

If there is anything the recession should have taught us, it's that employers need to accurately measure employee performance and effectively communicate with employees on where they stand. In the years prior to 2009, companies may have been able to ignore waste or subpar performance. Today, waste is not an option, and any company that has employees needs to recognize the importance of performance management.

Reviews are important for employees, as they let them know how they are performing and what they need to do to both stay in the seat and grow in their career. Performance management provides a 'snapshot' of overall employee capability and measures critical competencies, which are crucial for developing workforce strategies that support business and employee growth.

Recently, I had a discussion with a colleague, Mark Fiala, the founder and president of Organizational Architecture. Mark has served as a strategic leader and organizational development expert for more than 15 years in senior-level Human Resources functions with both privately-held and public companies prior to founding his business in 2007.

Q: Why is it important to do performance reviews, even in smaller companies?

Most people know that providing feedback to employees is important.

People want to know how they are doing. Performance reviews are good tools to ensure the activities of the staff are driving the business strategies, and they communicate to employee if they are meeting expectations or need to improve. Most companies are pretty good about providing feedback in some form at some point during the year that helps the employee know how they are doing.



Q: We know that performance feedback is important for employees. What is the value to the company?

It allows the company to manage talent more effectively because it enables management to see collectively who is a top performer, a low performer and in between. It is critical

for helping management know if the activities of the staff are driving the business strategies. Additionally, if deficits in certain important areas are found, such as leadership or strategic thinking, the company can then prioritize and devise training and development activities to remedy this. It provides a basis for the company to remove or redeploy employees from the organization based on lack of desire or ability to perform job duties.

Q: How can the company use performance reviews to improve the organization?

Too many companies simply have managers deliver reviews, collect a signature, and then file the documents in the employees' personnel files. Rather than filing the completed reviews, roll-up the ratings by department and performance indicators so that review and analysis can be done on a company-wide scale. Look for trends in achievement or lack thereof, and assess whether training or development can solve some of the deficiencies. Most importantly, identify employees with potential to be future leaders and give them opportunities to learn and grow. Doing this across departments and the business is the most effective way to take an "inventory" of your talent and manage it effectively.

Q: What other components are critical elements in an effective performance management system?

The first piece is to ensure you have current and accurate position descriptions because these describe in specific detail what the expectations of the job are, as well as the competencies or attributes needed to do the job effectively. The next piece is the performance review that is anchored to that position description. Develop an ongoing talent review process, whereby performance reviews are rolled-up and analyzed on a macro-level, to see who is a future leader and who is struggling. Finally, the proper training and development to give people the skills they need to be more effective or develop their capabilities to be better is the natural outgrowth of your performance management system.

Even if you have completed your annual review cycle, don't miss the opportunity to use the data to do some analysis on employee performance and capabilities. This will help to make sure you have the talent you need to drive your business strategies. For more information on Organizational Architecture and Mark Fiala, please visit their website at www.oahumanresources.com.

This article was brought to you by Chris Carmon, president of The Carmon Group. You can find out more about The Carmon Group at www.carmongroup.com