

Newsletter: March 2018



Performance Management, Part 1: The Cycle

When a company has an effective performance management system in place, employees succeed—they have the resources they need to perform well, a supportive environment in which to continually grow and thrive, and accountability and recognition for their ongoing accomplishments. And when employees succeed, the company prospers.

Why It Matters

If your organization doesn't have a performance management system in place, or your current system is little more than a perfunctory, once-a-year employee evaluation process, it's likely that small, unresolved problems are becoming bigger, systemic issues; frustration levels are high; and employees at all levels feel disengaged and restless. Symptoms can include low productivity, missed opportunities and failed objectives, retention troubles and high turnover.



With a solid performance management system, everything employees do is fully aligned with the direction of the company and tied to the company's goals, mission and core values. Employees are contented and motivated, and the organization consistently achieves and even exceeds its goals.

The Performance Management Cycle

The ideal performance management system is a collaborative effort between employees and managers and a never-ending four-part cycle: Plan, Act, Track and Review. Each stage is an ongoing opportunity to foster greater employee effectiveness and boost each individual's job satisfaction and overall contribution to the organization.



- **Plan.** This is the stage to take stock of an employee's strengths and talents and determine how best to use them to benefit your organization. Together, establish clear job responsibilities (including creating, reviewing and updating accurate job descriptions) and set SMART (specific, measurable, achievable, relevant and time-bound) performance objectives, goals and expectations that are in alignment with the company's business plan. This is also the stage to work on the employee's personal development plan, identifying and honing the direction in which the employee wants to grow and carving a path to get there. An employee who takes an active role in these decision-making processes and has a clear understanding of how s/he contributes to the company's overall goals and achievements—now and well into the future—is an employee who feels valued, engaged and loyal.

- **Act.** Now that you have a shared understanding of what “success” looks like for an employee, it’s time to put plans into action. This stage might include orientation and onboarding, education and training, mentoring, career development and advancement opportunities, and more. When you provide a genuinely supportive work environment, commit the tools and resources needed to carry out the employee’s role, and take meaningful steps toward his or her professional development, you all but ensure that the employee will succeed and thrive.
- **Track.** Once you’ve set goals and objectives and provided everything necessary to achieve them, you’ll want to continually track employee progress and provide regular, ongoing feedback and coaching. In this stage, you’ll hold the employee accountable to meeting deadlines and achieving milestones; recognize accomplishments; proactively address problems and help solve challenges; mitigate unforeseen obstacles; and acknowledge and accommodate any shifts in organization priorities. When you check in frequently, listen attentively, and offer timely, specific, constructive feedback, you respect and empower your employee.
- **Review.** Periodically—every six months or at least once a year—employers should prepare and present documented performance evaluations. This is the time for summarizing and highlighting an employee’s contribution over time; formally recognizing and celebrating accomplishments; considering further training and development ideas; discussing opportunities for advancement; and so on. It’s key to stay as consistent, fair and unbiased during reviews as possible; remain constructive and objective in your feedback; use clear and concise messaging; encourage and facilitate a two-way dialogue; and always involve the employee in decision-making. *(STAY TUNED! In next month’s newsletter, we’ll offer an in-depth look at effective employee evaluations.)*

Plan, Act, Track and Review—every stage is equally vital to establishing a rapport and building a foundation of trust and mutual respect with employees. How you approach each stage, however, depends on your unique organization, industry, size and employee population. Some companies are best suited to formal performance management processes, while others lend themselves to more casual conversations. What’s important is that you implement a meaningful, effective, universal system that works well across all levels of employment at your company.

Whether you are developing a new performance management system or modifying an existing one, reach out to us! Leap Solutions has the experience, tools and resources to help you create a custom process that is truly effective, streamlined and sustainable and will result in motivated, engaged employees who drive the ongoing success of your organization.



Up next month: Performance Management, Part 2: Employee Evaluations



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