Measuring Performance and Productivity

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Course Overview

Students can use the practical tools presented here to construct performance measurements processes that include graduated performance levels, feedback loops, and defensible documentation of results for "hard" and "soft" skills as well as any activity requiring a measurement system.

We also present a guideline for creating meaningful goals, holding effective goal setting meetings with employees, and creating an effective and practical performance assessment process.

Learning Objectives

Students taking this course will learn to:
1. Differentiate between work tension and work stress
2. Reduce work stress on themselves and others
3. Identify the employment dangers inherent with undefined expectations
4. Clarify employee performance expectations
5. Analyze the critical difference between being productive and just busy
6. Develop a performance measurement range for objective and subjective activities
7. Identify the "hard and soft" skills in any job function
8. Define "soft skill activities" such as teamwork, oral communication, and customer service
9. Design a hard and soft skills performance measurement process
10. Develop a Likert scale for use in measuring subjective activities
11. Explain the value of a performance feedback system
12. Identify the three things that can happen when setting performance goals and know how to select the best option
13. Explain the difference between objective and subjective measurements
14. Document effectively to provide maximum protection for their employer
15. Explain the benefits and risks associated with employees rating each other in selected categories of performance

The Foundation of the Process

The whole performance assessment process begins with learning how to identify *specifically* the performance we expect and establishing a range within it from "the least we will accept" (like getting a "C" in school) to "the most we could hope for" (like the "A" in school).

Once we have established performance ranges for all of the job functions, we can start scheduling periodic meetings to review progress, make corrections or coach as needed. Then we can use the outcomes of the periodic meetings to create the employee's annual performance assessment.

We will use the terms **"hard skills"** and **"soft skills"** in this course as we present our examples.

The term "hard skills" as we use it refers to the activities we normally associate with a particular job function and they are typically measurable. "Soft skills" are equally important but more universally applied to many functions beyond a specific one and not so easily measured. Hard skills are those used within a specific job function such as a programmer, machine operator, or a cabinetmaker. Soft skills are those that go across job functions that everyone uses.

A cabinetmaker's "hard skills" would be the obvious tasks such as measuring and cutting angles; familiarity with various kinds of wood; ability to assemble parts of a cabinet so there are no gaps or misfits; knowledge in mixing and applying paint and stains.

His "soft skills", such as customer relations, safety, and teamwork (if working with others on a remodeling project) are equally as important but not as obvious. In addition, they are not just relevant to cabinetmakers: everyone working on this project must share these same skills.

We must define the hard and soft skills for each position *as they relate to the specific position* if we want to establish a meaningful performance assessment process. Unless we define them as they specifically relate to a unique job, we will not be able to measure employee performance accurately and we risk them being poorly motivated to do the best job possible. ***Ultimately, their motivation drives their productivity.***

A Brief Review of Performance and Productivity

Some fundamental aspects of performance and productivity are:

- Productivity only occurs when the elements of **quality, quantity**, and **time** are present. If any of these are missing, the person has simply been 'busy' and not really accomplished anything.

- SMART goals are better than no goals but not as good as goals including quality, quantity, and time.

- Staring a project or a journey as Alice in Wonderland without a clear destination (outcome) in mind will result in a lot of wasted effort, possible stress, and may be career damaging if you do it too often.

- You must allow people to fail (gently) if they are going to learn. The trail-and-error process is a primary learning method for many people. **Experience only comes from making mistakes while making mistakes only comes from lack of experience.**

- Feedback loops are essential in a work process if we want people to become accountable for their performance. If there is no way for someone to track their work progress, they will not be able to self-correct when going wrong or continue as they are when going right without having the boss tell them.

- **Work stres**s comes when people's anxiety builds as they try to meet vague expectations and there is no outlet after they finish because they are still worrying whether it was the right thing. This is very draining <u>emotionally</u> and can become unhealthy<u>.</u>

- **Work tension** means we have a heavy workload but know how to do it and can relax afterward. This is very draining <u>physically</u> but is a healthy way to exercise our abilities.

Productive or Busy?

Do you think a person can be <u>very busy</u> but <u>not very productive</u>? (Yes, it occurs when they do not have clearly defined expectations.)

Tasks are not always productive. Sometimes people are just "busy." When you focus a task with the three critical performance standards that define "how much," "how well" and "by when" **(QQT),** you establish goals and become <u>productive.</u>

The light bulb in a lamp is physically the same as a laser beam.

However, the laser has all of its energy narrowly focused upon a particular point that gives it incredible power. How could you compare parts of your workday to the light bulb and the laser beam?

When do you feel more satisfied with your work: <u>when you are acting like a light bulb or a laser beam</u>?

Which condition ultimately makes your job more enjoyable and your work more productive?

How can you use the light bulb and laser beam example in a discussion with your employees?

Why would you want to do that?

Are These Situations Productive Or Busy?

Read each situation and put a checkmark under the appropriate "Productive" or "Busy" column. Remember, we define "productive" as having all three elements of **how much (quantity)**, **how well (quality)**, and **by when (time)** present in a situation.

The situation	Productive	Busy	If "busy," what is missing?
*Grant has been pushing the cart loaded with statements up and down the hall for the past 45 minutes.			
Logan has processed 200 documents in the past 3 hours.			
Ben has the machine running items at a speed of 375/hour and a reject rate of .82%			
Cindy completed 3 hours of classes at night school this past quarter.			
Describe a typical activity of yours that is busy but not productive because you have not been told the three components of productivity; **quality, quantity, and time**. Which of the three components is missing? What will you do about it?			

*Grant is just busy and has accomplished nothing. <u>What is the "quality" measurement</u>?

Logan has processed 200 documents but are they the correct ones? Where they processed accurately? There is no <u>QUALITY</u> component

Ben has been productive. The quality component is the "reject rate".

Cindy completed the courses but we do not know her grades (quality). If she received an "F", that would technically be productive because all three components were present. However, her productivity was still below acceptable standards.

Establishing Effective Performance Goals

Select one of your current employees and write two effective performance goals for them. Put the words "how much," "how well," and "by when" in parenthesis behind the proper element within your goal. Use this as a sample:

==*Logan will complete the self-study course Understanding Performance and Productivity ("how much" = 1 class) within 6 months of today ("by when") with at least a grade of '90%' on the final quiz ("how well").*==

My employee is _____

Their performance goal #1 is:

Their performance goal #2:

If you have some difficulty writing them at this point, just mark this sport and come back to it. We may have to cover some more material before you are comfortable with writing performance goals.

Three possible situations can happen when **setting performance goals**:

- <u>You set them</u>; your employee takes them and tries to meet them.

- <u>Your employee sets them</u>; you accept them and hope they can meet them.

- <u>You and your employee set</u> them together and track progress together.

Which do you think is a better situation and why?

Designing a "Soft Skills" Performance Scale

We define "soft skills" as those that are not observable such as attitude or opinion, thus they are not easily measurable. We do not mean 'soft' as 'unimportant' skills.

It is easy to measure performance when we are dealing with tangible outcomes such as the number of loans processed accurately today (the three elements of quality, quantity, and time are here) but not so easy when the outcome is an intangible such as a satisfied customer.

Although it may be difficult to measure, it is essential that we have satisfied customers so we can stay in business. In addition, we need to have a way to monitor this relationship so we can tell if it is getting better, worse, or not changing BEFORE it gets so bad we lose the customer. (We talk more about this is the section on Feedback loops starting on page 22.)

Let us look at some typical "soft" or hard-to-measure topics. How can you put a measurement on these topics?

- Quality Service
- Team Work
- Written Communication
- Oral Communications
- What other topics are in your work life

Topics like these are difficult to measure with conventional methods of quality, quantity, and time. However, we can measure them although from a different perspective.

When you take a moment to look at those topics, it becomes evident that they primarily reply on someone's <u>opinion</u> although we will certainly include measurements where possible. For example, "high quality" service is more meaningful if you can measure the accuracy or timeliness.

First, we should understand something about subjective and objective assessments. **Subjective** is very open to someone's opinion and may be difficult to defend or to reach a compromise when negotiating. You may have a favorite song but may not be able to convince someone else that it is great because he or she may not share your values and have a different opinion of what makes a song "great."

However, if you said, "The song is by X, it is at #1 on the charts, and they have had 13 million sellers in the past five years", you are making a strong argument with some **objective** points included (measurable) that it is probably worth listening to by the other person.

When we devise a measurement scale for subjective topics, it is important that we include as many elements as possible on which people can agree – especially the people most affected by your measurements.

It is easy to measure if you will work with your employees to define jointly the **behavioral traits** that demonstrate the topic. We specify behavioral traits because people are more likely to agree on what they saw (objective) rather than on what it means (subjective).

(Once again, it is critical to the success of this measurement process that you include those whose behavior you expect to measure. Their "buy in" is critical for the success of this approach.)

For example, if you wanted to measure "PRIDE IN WORK," you first identify **behavioral traits** (*things they do that everyone can see*) that indicate they have pride in their work. Do not ask for things that are invisible such as "Pride in work means I feel good about myself."

- <u>There are no spelling errors</u>. (This is objective because the words are spelled correctly or not. There is little room for argument.)

- <u>It is always on time or before.</u> (This is objective because it is on time or not. There is little room for argument.)

- The person always uses the proper format for the report. (They either do or do not.)

- There are no smudges or "white outs" on the form. (Either smudges are there or they are not.)

- <u>The data is always accurate.</u> (It is accurate or it is not. There is no middle "subjective" ground.)

Do not spend time worrying if these are the "right" traits to consider because, if everyone who is involved in the assessment agrees these are the "right" topics, then no one is harmed with the outcome. Therefore, if we all like them and no one is harmed, THEY MUST BE THE RIGHT ONES.

Establish a scale with a range of values from one extreme to the other for use with each trait. There is no magic number of survey points that you should use (1-3, 1-5, 1-7, 1-9,…?) But keep in mind that attitudes are not as precise as tangibles and too many may be meaningless or confusing. This scale of attitudes is a *Likert Scale.*

For example, 0 = never, 1 = rarely, 3 = more than rarely but not often, 4 = often but not frequently, 5 = frequently but not daily, 6 = daily is just asking for frustration from those taking the survey.

Make it easy for people to use your survey because if you do not, you will not have any results to collect!

Also, include a way to respond if someone has an answer that does not fit the criteria of the question. For example, look at this survey (below) that asks for the frequency that an observer sees a behavior.

If the observer does not think he or she has seen enough to make a fair observation, give them a chance to say, "Does not apply" or something like that, so they do not feel compelled to force an answer and select a number that does not truly reflect their situation. If you mix their forced answer with others that are valid, you will only diminish the reliability of your other numerical scores.

1 = I <u>never</u> see this (Do not get overly concerned with the definition of "Never". As long as you and the employees agree on what frequency it means, the scale will work.)

2 = I <u>occasionally</u> see this (Do not get overly concerned with the definition of "occasionally". As long as you and the employees agree on what frequency it means, the scale will work.)

3 = I <u>always</u> see this (Do not get overly concerned with the definition of "Always". As long as you and the employees agree on what frequency it means, the scale will work.)

X = Does not apply

CAUTION: Professionals such as engineers, surveyors, and accountants are used to working with specific data and may be uncomfortable with this concept.

They should remember we are measuring <u>impressions and attitudes that may be vague at best.</u> Asking a customer to rank satisfaction along a scale from "Not satisfied," "Some satisfaction", Very Satisfied," or "Does not apply" is more useful than asking them "are you 43% satisfied or 44%?"

Then create a scale that converts the average of the trait scale (#2 above) to your performance assessment system. We will talk more about this starting on page 16.

Joan Smith's **Pride in Work** ("Pride in Work" is the <u>behavior</u> we are evaluating) Evaluation	Scores
1. There are no spelling errors.	3
2. It is always on time or before.	2*
3. She always uses the proper format for the report	2*
4. There are no smudges or "white outs" on the form.	3
5. Her data is always accurate	2*
Average score for the observation period	12/5= **2.4**

*A wise leader will have documentation of the times when the employee did anything that would result in a less than perfect score. You can expect them to ask for proof they did not earn the top score.

In addition, you will improve their morale if you put the burden of proving they did not get the max score on you instead of putting the burden of proof on them they did earn it. This would be like a teacher in school telling you at the start of the year "Everyone has an "A" in this class until your scores show otherwise."

The result from a grade standpoint is probably the same but the attitude of the students is much more optimistic and they may score better!

These five "behavioral traits" from part #1 define the behavior "Pride in Work."

Here is an example of a performance scale range using a 1.0 – 3.0 scale:

> 1.0 – <2.0 = requires probation and a specific improvement plan

> 2.0 – 2.5 = satisfactory performance with lowest merit increase
> (**.5 point spread from 2.0 to 2.5)

> >2.5 – 2.8 = above satisfactory performance with medium merit increase
> (**.3 point spread from 2.5 to 2.8)

> >2.8 – 3.0 = outstanding performance and maximum merit increase
> (**.2 point spread from 2.8 to 3.0)

** Notice how the gap gets smaller as the performance range gets higher. In other words, the performance "target" for higher scores is harder to hit. You can ask your work team to help you develop some "teamwork" behavioral traits that you can use to measure that element of their job.

You should consider accepting any traits that satisfy them and still fall within your general bounds of what the topic should cover. *They will feel more bound by their community standards than your outsider standards.*

Meet with the work group and explain to them that you want to develop a way to assess "teamwork" that fits with their work and is desirable and fair to all. (Be sure to reference the arguments on page 13.) Ask them to offer some "Teamwork" traits that you could use on their organization's annual performance assessment. Let us assume these are what they offered:

- Demonstrates willingness to help others when finished with own work <u>without being asked</u>.

- Demonstrates willingness to help others with less experience or confidence

- Demonstrates willingness to give credit to others when praise is given

- Demonstrates willingness to carry his/her fair share of the workload (and more at times if asked)

- They are reliable and can be counted on to carry their share of the workload

EXTRA BENEFIT: Traits like these also provide a group's unofficial "code of conduct" that becomes a self-policing guideline. This takes a large burden off the leader because the team self-monitors its performance and helps new members assimilate more quickly.

Employees Rating Each Other: Good or Bad Idea

Ask that question among a group of supervisors and managers and you will get many reasons for and against it. We believe that it is a good idea only when *the group doing the rating has the maturity to understand the benefits it offers.*

Here are some issues for consideration about the argument for those who have not attempted it before.

- Teamwork is important to the success of our group. (No one will argue that fact.)

- There are only two ways to evaluate individual performance contributions by members of the team: the *leader can do the evaluation* or the *fellow team members can*.

- The leader is not always present while the team is working. Frequently there are duties unique to leadership that requires him or her to be elsewhere such as attending meetings, working in the office planning, scheduling, budgeting, reporting, etc.

- There may be team members who work more diligently while the leader is present than they do when the leader is absent.

- Other team members frequently have to pick up that slack to meet the group's production goals.

- Since the leader was periodically absent and not able to observe performance at all times, there is a distinct possibility the slacker will get a performance rating that is higher than deserved when the leader does individual performance assessments on group members. This is unfair to those who had to pick up the slack to meet the group's goals.

- The group's members can solve this problem by doing anonymous assessments of each other <u>if they choose to act objectively</u>. The leader can use these for the individual's performance scores under the "teamwork" category.

- Some group members will object saying that assessments are the job of the leader. While that is true, it is also true that the frequently absent leader cannot evaluate individual performance within the group as often as other members can.

- The group can choose to score itself anonymously and be very accurate or insist the leader do the scoring and admit there may be undeserved scores. They cannot have it both ways unless the leader gives up some leadership duties. However, if the leader stopped doing those leadership duties, he or she would not remain a leader very long.

- The possibility of groups of team members giving those they do not like lower scores (or friends higher scores) than they deserve can be defeated by using the Olympic judge technique of throwing out the highest and lowest scores. Alternatively, you can require specific examples be included for the highest or lowest scores to count.

If a group is willing to self-score, work production will increase because the slackers can no longer "get away" with their games: they know it and the group members know it.

Finally, this is very similar to a 360° assessment frequently used by human resource departments to assess mid-to senior level managers. The concept is NOT that unusual.

Performance Assessment Sample Using A Likert Scale

(A Likert Scale is one that measures a range of opinion from one extreme to another such as 'Agree very strongly' to 'Disagree very strongly.)

With a Likert Scale, the measurement is the person's self-assessment of their agreement with a range of scores. This process has come to have great popularity and credibility assuming the people taking the survey understands the subject and the questions you ask or statements made.

Send a survey with a cover memo like this to group members.

"John Smith is due for a performance assessment of his last 12 months of work. Part of **our company's annual** Performance Assessment form requires an assessment of **TEAMWORK**.

We value the Teamwork traits listed below in our group. Please rate John based on your experience with him during this past assessment period and send it to me by (date). If you want to include the highest or lowest scores, you must include specific examples for those scores to count.

Your name will be helpful if I have questions about your response BUT IT IS NOT REQUIRED. If you will feel more comfortable returning it anonymously, you may do that."

Please rate these situations from a 1-10 using this rating: 1 = I never see that trait 3 = I rarely see it 5 = I see it occasionally 8 = I see it frequently 10 = I always see that trait X = I do not know well enough for an opinion.	
The trait we are looking for…	Your rating
Willingness to help others when finished with own work <u>without being asked</u>.	
Willingness to help others with less experience or confidence	
Willingness to give credit to others when praise is given	
Is reliable by always being here on time and doing what they promise	
Willingness to carry his/her fair share of the workload (and more at times if asked)	

When you get the replies, average the scores and assign a value according to the system you have developed with your employees.

Expand this example farther by listing five traits that you would want to see displayed for written communications, oral communications, customer services, and quality service.

Designing a "Hard Skills" Performance Scale

We define "hard skills" as those that are observable, thus measurable easily. We do not mean 'hard' as 'difficult' skills. Defining skills must always focus on the behaviors associated with the skills. We must define *what we expect them to do at difference performance levels* as part of the measurements.

Measurements, *to be effective*, must contain references to:

- **Quality** of performance (How well they perform.)
- **Quantity** of performance (How many they must produce.)
- **Time** of performance (The deadline when the production must be completed.)

We will abbreviate these three elements in this course as **QQT.**

For example, suppose we were defining the job functions of a filing clerk.

> *Their job deals with accurately ("**accurately**" is a quality element) filing stacks ("**stacks**" is a quantity element) of documents by a specific deadline ("**deadline**" is a time element.)*

In addition to describing the three elements (QQT) of effective measurements, we must also identify a performance range that allows the employee and supervisor to monitor the work progress to determine their appropriate compensation for the work performed. This is like the grading system used in schools where A, B, C, D, F provide measurements for academic productivity.

It is easy to develop a performance range if you will start in the middle – the "least they can do to get by" performance description. This is like the grade of "C" in school.

Then you can go up and down the scale easily to cover the range of performance that can occur.

The elements of quality, quantity, and time give us great flexibility in determining the performance range. We can define the filing clerk's duties in a variety of ways.

We will use a simple 1.0 – 5.0 scale to demonstrate the practice where 1.0 is "worst ehavior" , 3.0 is the lowest level of satisfactory behavior, and 5.0 is "best behavior".

We can manipulate the elements of quality, quantity, and time to place greater emphasis on which of the three is most important for a specific job.

These tables demonstrate how the variables of quality, quantity, and time can be used across a rating scale of 1.0 - 5.0.

This table shows that greater scores ("better work") are directly tied to increased filing of documents <u>as long as there are no mistakes.</u> The 2.0 score (like a "D" grade in school) can be either fewer documents with NO mistakes or even more than 30 documents <u>with just one mistake.</u> The time element remains the same.

FILING CLERK PERFORMANCE RANGE - **EMPHASIS ON QUALITY**	
5.0	File >30 documents per hour with *no mistakes*
4.0	File >20 - 30 documents per hour with *no mistakes*.
3.0	File at least 20 documents per hour with no mistakes.
2.0	File <20 but more than 15 documents per hour with no mistakes or any amount with 1 mistake.
1.0	File < 15 documents per hour with 1 mistake or any amount with 2 or more mistakes.

This table shows that we will tolerate a small number of mistakes as long as productivity is up.

FILING CLERK PERFORMANCE RANGE - **EMPHASIS ON PRODUCTIVITY**	
5.0	File >40 documents per hour with no mistakes.
4.0	File >40 documents per hour with <2 mistakes.
3.0	File at least 30 documents per hour with <=3 mistakes.
2.0	File at least 30 documents per hour with 3-4 mistakes or <30 with any mistakes.
1.0	File < 25 documents per hour with any amount of mistakes.

The premium in this example is on time.

FILING CLERK PERFORMANCE RANGE - **EMPHASIS ON TIME**	
5.0	File >40 documents with no mistakes in less than 1 hour.
4.0	File >40 documents with no mistakes within 60-75 minutes. .
3.0	File at least 30 documents with no mistakes in 75-90 minutes.
2.0	File at least 30 documents in 75-90 minutes with <3 mistakes
1.0	File < 30 documents, take longer than 90 minutes, or make 3 or more mistakes.

In each situation, 3.0 was the threshold satisfactory performance level; i.e., the least they can do to get by without negative consequences.

Some tasks do not allow much manipulation of the three elements because of the nature of the job.

Suppose government regulations required we process **all** the loan documents we received **accurately** within **72 hours**. We cannot control how many we receive: we must simply process them "all". Every document must be accurate because people's money and property is involved and we have a "$1,000 error-free guarantee" in our advertising that gives us a marketing edge and drives a lot of business our way.

We will divide the inbound work into equal piles for the clerks available. Since the government requires accurate processing within 72 hours, we can use that as our grade of "C". We know we cannot process less than all that came in nor can we drop the quality level. Therefore, the only variable we can use as an incentive for employees is **time.**

We can manipulate the time it takes to finish their share of the work as the incentive to finish early. That also gives us a chance to have some early finishers available to help slower ones if needed (after we document the files of the early finishers –and they know we did - as a reward) so we do not break the departmental deadline to finish all the work that came in.

If they can finish their share of the work accurately sooner than 60 hours since it came in, we will give them the highest score of 5.0 (an "A" for their work). Then, as an example, we can make 60-65 hours as a 4.0 (a "B") and 66-72 hours as the 3.0 (a "C").

The next page demonstrates how to use this model for technical skills.

The example is for an on call software-programming technician.

<table>
<tr><td colspan="2">On-call Responsiveness (based on problems being resolved within the established time frames set by the On-Call Policy, barring any obstacles encountered due to problems dialing in; the availability of the network or other circumstances outside of the control of the person responding to the problem)

Note: Expectations should be evaluated based on the individual's job description and special considerations may need to be made for new employees or employees that are assigned applications that they do not support on a daily basis; such as groups that have combined on-call personnel for multiple applications or when an employee transfers to another application.</td></tr>
</table>

	Problem Resolution Skills
	Able to resolve problems on your own and within the established time frame set by the *On-Call Policy*
5	Consistently (98 - 100%) able to resolve problems on your own and all problems resolved within the established time frames.
4	Most of the time (90% - 97%) able to resolve problems on your own; however some assistance is needed from other team members on difficult or complex problems. All problems are resolved within the established time frames.
3	Occasionally (80% - 89%) needs assistance to resolve problems that are unfamiliar; you are able to resolve most problems on your own; most all problems are resolved within the established time frames.
2	Needs to improve; assistance is needed from other team members to resolve problems which are not complex.
1	Needs to develop; assistance is needed from other team members to resolve most problems; problems are not resolved within the established time frames.

	CLIENT PROBLEM RESOLUTION EFFECTIVENESS
5	Consistently (98-100%) problems are fixed the first time; solutions do not cause additional or new problems; no business unit, application, or system performance impact and no customer impact.
4	Most of the time (90-97%) problems are fixed the first time; solutions do not cause additional or new problems; no business unit, application, or system performance impact and no customer impact.
3	Occasionally (80 -89%) problems are not fixed the first time; solutions did not cause additional or new problems; minor business unit, application or system performance impact occurred; no customer impact
2	Needs to improve; problems are not fixed the first time or solutions have caused additional problems; customer, an occasional business unit, application or system performance impact occurred
1	Needs to develop; problems are not fixed the first time or solutions have caused additional problems; customer, business unit, application or system performance impact occurs frequently.

Section Review

Use a 1.0 (worst) to a 5.0 (best) scale to define a performance range for any task associated with one these of these technical functions.

Be sure to include considerations of quality, quantity, and time.

- A technician at a fast oil-change business

- A customer service representative in a phone center

- An emergency medical technician

- A hair cutter in a barber/stylist shop

- A bank teller

Designing Feedback Loops

A "feedback loop" is simply a way of giving us feedback on what we are doing without having someone else have to tell us.

The gas gauge in our car is a feedback instrument that lets us know constantly the status of our remaining fuel. The speedometer gives us a constant feedback on our speed. All gauges do the same thing – *they tell you what is going on now with the system to which they are attached.*
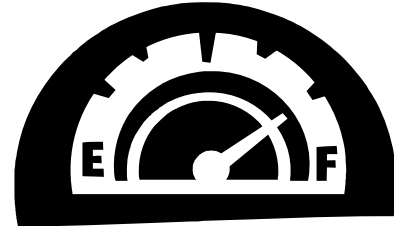
In school, the feedback loop was when the teacher returned our homework with a grade, the book report, the weekly quiz, etc. All of these helped us track how we were doing at any given time so when our parents asked, we had an answer. We did not have to wait until the end of the year to know if we were going to pass: we had that figured out early on. If the grades were not doing so well, we could work to bring them back up before having our parents threaten to ground us.

The same concept applies to the work place. Adults, just like the schoolchildren they used to be, want as much control of their destiny in their hands as possible without having someone tell them to do better. In addition, it is nice to know when you are doing just right so you can continue to do so without wandering off track without realizing.

If their goal is to produce ten completed documents in an hour, they can easily count the number they have completed. If their goal is to complete one foundation design in a day, then you must make sure you (and they) understand what must be included in the term "completed" and the included elements must be visible so the performer can track them.

If their goal is to satisfy you, it is imperative that you define clearly with measurable terms what satisfaction means. If you do not, then it is difficult for them to get progress on feedback, which means their chances of satisfying you diminish. As their chance of making you happy becomes smaller, their chance of getting positive feedback also diminishes taking morale and motivation with them.

The lesson in this section is to ask yourself, before you tell them the assignment, "how will I and they know when I am satisfied?" If you cannot answer that, you as their leader are more to blame for the failure than they are.

As we design our performance assessment process, we must also build in as many feedback opportunities as possible so employees can self-correct as needed or stay on track when doing it correctly. The more often we can get feedback, the quicker we can adjust if necessary.

An effective feedback system places most of the responsibility for performance on the employee! It is hard to say, "I did not know I was not meeting expectations" when they (and their leader) know they get frequent feedback on their performance.

Designing the Performance Measurement Process

Measuring performance is one of the few things in life that we must consider from an all-or-nothing perspective. Trying to do one part without doing all the rest quickly becomes an exercise in futility.

If we want to evaluate an employee's performance so we can coach them to higher performance or turn them from deteriorating behavior through counseling, we must have some performance standards that tell us (and the employees) what we pay them to do.

Then, if we have performance standards against which we will compare their behavior, we must devise a way to collect that information consistently and objectively. (Along the way, it would be nice if there were feedback methods that allow the employees to track their own progress without waiting until the boss says something.)

Having collected it, we must have a fair and effective let them know how they are doing and provide guidelines on developing them to better performance. If we want to do this uniformly across the enterprise, we must train our evaluators (the supervisors and managers) how to do it fairly and effectively. Then, of course, this all supposes we have senior management well versed in organizational development practices with sufficient vision to design and administer such a process!

All of that while the day-to-day business keeps going on!

We have devised a checklist that should help you get started in the right direction. Although it stays general in scope, it will give you an idea of what the model looks like. It is our belief if you teach people the "why" of something, they can figure out the "how" that works best for them.

The Performance Measurement Design Checklist

Always begin your design of a performance assessment system by starting with the <u>desired outcome and working backwards</u> and ask yourself these questions. This process will quickly show you how much is involved with implementing an effective performance assessment process within an organization.

But, once in place, it is easy to maintain and makes the life of employees and supervisors much easier because all the prior stress-causing vagueness related to evaluating performance is gone.

1. <u>What critical performances do we want to evaluate in each job function?</u> Focus on the *significant few critical* things instead of the trivial many that are available.

2. What is the <u>least acceptable performance level we will tolerate for each of those performances</u>? Look back to "Hard Skills" on page 17.

3. <u>How will we know OBJECTIVELY they are performing at the various levels?</u> Think about a worst-case scenario. Suppose someone's performance was so poor, you had to terminate him or her. What objective criteria would you use to justify your actions? Would a reasonable person think that makes sense or that you are trying to 'stack the case against them?" Would it stand up if it went to court?

4. <u>How will we collect the data?</u> What must the assessment form look like that will provide the information we want for parts "1" and "2" above. Are there "feedback loops" available so the employee can monitor his or her progress through the year instead of waiting for this annual confrontation?

5. <u>What will the data mean?</u> Does our method of defining performance expectations for each function fit with our assessment form and measurement scale? For example, in school, every grade we receive must ultimately fit into the report card scale we use. If our grading system uses A, B, C, D, and F, we must make sure we do not give a grade of "satisfactory" or 88% for an individual activity because these do not convert into our established system of letter grades.

6. Have we trained our evaluators (typically supervisors and managers) how to use this assessment process so we have a useful performance assessment tool?

7. Do we have a uniform organization-wide agreement on how we will measure and assess performance?

Once you have answered those questions and begun to get more people involved in the overall design, it is time to start creating the selection and requirements of the critical few behaviors essential for each function.

Please note that this concept of selecting critical behaviors and creating performance measurements for them should be a focus of much training as soon as possible among the evaluators (supervisors and managers) within each different functional group.

Start with the few evaluators that you know will catch on quickly and have the vision to understand what you are trying to do. Once they have selected behaviors and created performance measurements for their work groups, ask them to lead other small training sessions with others who do not catch on so quickly.

Before you start rolling out this process, decide how you will deal with the few pockets of resistance you will encounter.

Any new initiative of this size is an all-or-nothing initiative. The resistance is out there and you cannot allow them to keep on doing things the old way while you are trying to drag the rest of the organization into your new method.

Many "fence sitters" will be watching how you deal with these few 'rebels.' If you win, you will carry the fence sitters, too. If the rebels prevail, you may as well give up on this idea because all you will have is chaos as some hold to the old ways and others try the new while most sit in the middle and complain.

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Who (leader or employee) should determine (and **WHY**) whether a goal is difficult?

Both should be involved. If the leader thinks the employee can do it, then strong coaching skills are needed to get the employee to attempt the activity. If the employee thinks it is too difficult or the leader is never satisfied, they may not be willing to try since failure seems inevitable.

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Developing an Action Plan

Setting goals is meaningless without an *action plan* of what you will do to make them happen.

Here is an action plan that an employee would write using the night school example on page 7.

Step #1.   I will call the night school representative <u>within 2 days</u> of this meeting and ask for the form needed to register for class.

Step #2.   When I get the form, I fill it out, get my boss' signature, and send it back to the night school representative <u>within 2 days of my boss' signature</u>.

Step #3.   Then I will call the night school representative <u>on the fifth day</u> after sending it to confirm she received it and ask if I need to do anything else.

Transfer to here one of the performance goals you wrote for one of your employees back on page 8.

Now identify at least three action steps the employee could take to get started toward that goal. Identify the **quality, quantity**, and **time** elements.

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How much should a leader be concerned about the perceived difficulty of achieving goals?

Some concern but not as much as the employee who has to accomplish the goals.

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Conducting The Goal-Setting Meeting

PREPARATION

The goal-setting meeting can be an excellent, **non-threatening**, opportunity for you to make sure your employee understands their job junction and how it fits into the purpose of your organization. Here is an easy way to make that determination.

Give a copy of the **Worksheet for the Goal-Setting Meeting** (on the next page) to your employee about a week before your meeting. (Make sure you have spent time helping them understand SMART goals and the concept of QQT.)

Tell them to think about their work performance and professional development goals for the next observation period. Say something like*, "This helps me discover how well I have communicated with you about your job and my expectations of your performance.*

Please fill one out about what you expect of yourself and I will do one for you defining what I think you can do – plus a little stretching for professional growth.

Then we'll compare them to help me understand your view of the job and your development plans."

If you are not sure of what to say, try something like, "If you were me, what would be the <u>minimum</u> acceptable performance and professional development that you would expect from someone with your experience, skills, and potential? Then what would be the <u>maximum</u> you think could be achieved?"

Remember, the more time you spend <u>today</u> clarifying questions, the less time you will have to spend <u>tomorrow</u> fixing mistakes.

You and your employee must both be prepared for the goal-setting meeting. This is a useful guide for preparation.

Worksheet for the Goal-Setting Meeting

Employee's Name: _____ Date: _____

Employee's Position: _____
Supervisor: _____

Goal setting period from (dd/mm/yyyy) _____ to _____ (dd/mm/yyyy)

WORK PERFORMANCE GOALS:
I plan to achieve these performance goals *as an average* over this period (including measurements of quality, quantity, and time).

PROFESSIONAL DEVELOPMENTGOALS:
I plan to achieve these professional development goals over this period (including measurements of quality, quantity, and time).

I need this support from my leader to help me accomplish my goals:

Agreement and signature of employee's leader to provide support: Date: _____

Holding the First Performance Results Meeting

Be sure to allow as much time as necessary for this meeting as you can because the success of your first one sets the stage for all that follow. You must ask two questions in this first meeting regardless of what else you want to discuss:

1. **What are your goals for this <u>first period</u>** (1st quarter is ideal) **of observation**?"

2. **"How can I help?"**

It really does not have to be more complex than that!

All Subsequent Meetings

As with your first meeting, you can talk about nearly anything work-related you desire. However, make sure you ask (and get an answer for) these five questions.

If you do, you will create a predictable continuity for all subsequent meetings that will make each one easier, more interactive, and valuable than the last.

1. *"What were your goals for this past observation period?" (A rephrasing of question #1 above)*

2. *"How did you do?"*

3. *"How do you account for the gap above or below your goals?" (Don't accept a non-specific answer here such as "I don't know. I guess time just got away from me" or something like that. Keep taking them back to actions they either did or failed to do that led to their success or failure. They must realize their future is in their hands, not someone else's.)*

4. *"What are your plans for the next period?" (Specific with elements of quality, quantity, and time)*

5. *"How can I help?" (Questions # 2 above again.)*

Clearly, the weight of the performance evaluation is on the employee, not on the leader.

We will put this sample into a possible meeting with an employee and you can see how easily this works.

For example, suppose the employee's goal was to produce at least ("the least they can do to get by") an average of 32 widgets a day with no errors (remember QQT?).

At the time of the meeting, the feedback process shows the employee (and supervisor) they are averaging only 28.3/day with no errors.

The meeting would go like this"

- Supervisor asks, "What were your goals for this past observation period?"
    o Employee says, "32 widgets/day with no errors"
- Supervisor asks, "How did you do?"
    o Employee says, "28.3/day with no errors"
- Supervisor asks, "How do you account for the gap above or below your goals?"
    o Employee offers the explanation
- Supervisor asks, "What are your plans for the next period?"
    o Employee offers a plan for improvement. If the supervisor likes it, then they move ahead. If not, the supervisor comments appropriately.
- Supervisor asks, "How can I help?"
    o Employee explains how the supervisor can help.

Do you see how simple it can be ONLY IF THERE ARE CLEARLY SPECIFIC AND MEASURABLE PERFORMANCE LEVELS built into the job and there are feedback loops that allow the employee to monitor their own progress?
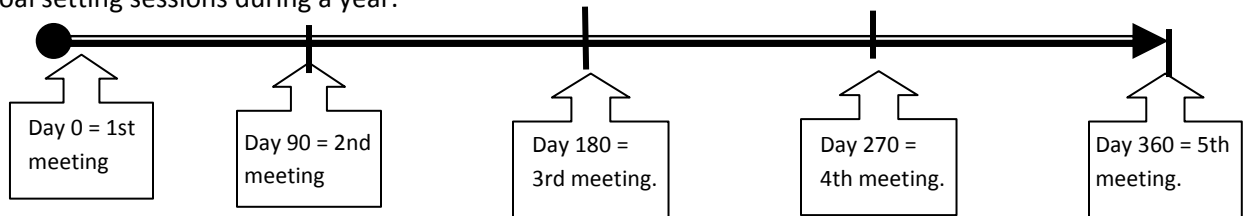
This eliminates all the potential for confrontation, arguments, tears, etc.

THERE ARE NO SURPRISES FOR EITHER SIDE!

Conducting A Performance Review Meeting

Use the "report card model" that we discussed earlier as a guide to establishing the frequency of your goal setting sessions during a year.

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Day 0 = 1st     Day 90 = 2nd    Day 180 =        Day 270 =        Day 360 = 5th
meeting         meeting         3rd meeting.     4th meeting.     meeting.
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Did your teachers ever have to tell you how you were doing in class or did you know?

How much stress do you think they experienced at "report card time"?   (None - I was a high school Marine Science teacher and can confirm it.)

Why?   (Giving students feedback on class work scores allowed the students to track their own grades. The work was already finished by report card time.)

Why would that experience from school be any different from your work place?

Who controls whether you have a stress**FUL** or stress**FREE** time doing performance assessments? (You control it do by planning ahead.)

QUESTION: If you ask your employees at the beginning of the year*, "How much do you want to earn this year?"* what do you think they would say? Do you think it would it be, *"I want to earn all I can?"*

Compare that question to your days in school when the teacher asked, "What kind of an average do you want to end up with this year?", and you said, "I want to get on the Honor Roll!"

If you wanted to end the year on the Honor Roll, what part did the teacher play in your plans?

(Establishing the grading system and getting your scores back to you.)

Who carried the biggest part of the load of getting you on the Honor Roll? *(You did!)*

How does that situation in grade school compare to your department when an employee says, "I want to earn all I can"?

QUESTION: Which is better?

Hold the end-of-observation-period evaluation and set-goals-for-next-period meeting at one time, or have two distinct meetings?

(Two distinct meetings are better. If there is bad news in the first one, the employee needs time to settle down before you set goals for the next period.

If they did very well, they need time to settle down so they do not reach for unrealistic goals that may become self-defeating.)

Documentation That Satisfies The "Orp"-Person

Do you know the **ORP-person?** (The $\underline{O}$rdinary, $\underline{R}$easonable, and $\underline{P}$rudent person is an individual who did not witness the event but may sit in judgment of your actions at an administrative hearing or as a member of *a jury.)*

Be sure to chisel this into your memory just as it is chiseled into this block of stone!

> **"IF IT ISN'T DOCUMENTED,**
> **IT DIDN'T HAPPEN"**

Suppose your employee's desk looked like this, which is very contrary to your sense of orderliness and what a professional environment should look like. Write a comment here as if you were putting an entry onto a disciplinary form.

QUESTION:
What determines whether an employee's behavior requires your intervention? *(The most universally applicable answer is, "If it impacts work!")*

What impression could these sentences give the **ORP-person** about the writer and why could they give that impression?

- "She just doesn't take pride in her work!"
- "His attitude toward customers is rude and very unprofessional."
- "She is so loud and arrogant that no one wants to work with her!"

The ORPman may think you have a grudge against them or there is something personal going on. You must always focus on observable, descriptive behavior and not opinions unless asked specifically for an opinion.

Rewrite them so they do not give the impression you described above.

(Hint: How can you write them to focus on <u>objective behavior</u> and not your value system?)

"She just doesn't take pride in her work!"

Try saying instead something like this, *"Her lack of accuracy (**quality reference**) and tardiness in submitting the report (**time reference**) are performance problems which make me think she does not take pride in her work."*

If you are compelled to refer to her 'pride', then precede it with behavioral references so the ORPman will know you have valid reasons for saying so.

"His attitude toward customers is rude and very unprofessional."

Try saying instead something like this , *"He keeps interrupting them, does not allow them to finish their question, and calls them "stupid" to their face.(**All specific behavioral references**) He is uncommonly rude and unprofessional to customers!"*

"She is so loud and arrogant that no one wants to work with her!"

Try saying instead something like this , *"You can hear her talking several cubicles away. She is always correcting people and usually she is wrong. I have had a request from every one of her co-workers at different times for a transfer to another part of our department away from her."*

Conduct A Performance Assessment Meeting

This process uses the "Report Card" model on page 31 that presupposes you and your employee share a common understanding of performance required to achieve the various performance levels recognized by your organization. (These equate to your knowing what it took to be a "C," "B," or "A" student in school.)

This "common understanding" can only result from you teaching them what you have learned about objective performance measurements, motivation, and wanting them to take charge of their own careers.

<u>**Schedule the meeting**</u>. Give your employee sufficient notice *and invite them to bring documentation that supports the rating they think they should have.* (Were you not ready with your test scores and other grades to argue with your teacher at report card time in <u>case you did not get the grade you expected?</u>)

Conduct the meeting. Take an approach *that they are going to tell you how well they did on meeting their goals by presenting supporting documentation.*

In the meantime, you have prepared your view of what they have accomplished. (Remember that the teacher had her grade book, too.)

Compare the documentation of performance the employee provides with the goal setting worksheet's definitions for success.

The unstated purpose of the meeting is your asking, *"Here is what you are paid to do and these are the different requirements for a 1.0, 2.0, 3.0, 4.0, and a 5.0 rating. Using our organization's scale, what scores do you think you earned this period?"*

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REMEMBER that your teachers did not <u>give</u> you good or bad grades, you <u>earned</u> them. You showed your teacher what grade you wanted by the way you performed!

It can be the same way with your performance assessments: let your employees' performance tell you the scores they want to see!

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Tips on Dealing with Human Resources

The biggest issue many supervisors have with getting salary recommendations accepted by Human Resources or Compensation is **THEIR (the supervisor's) CREDIBILITY**.

If your reputation is that you are a supervisor who avoids conflict with employees by giving high and unearned or poorly documented salary increase recommendations, you will <u>not be very successful</u> in having them approved.   Likewise, if your reputation is that you are fair and objective and that your documentation proves the employee's achievement, you will be much more successful in having your recommendations accepted.

Your Human Resources Department will support your recommendations when you have built credibility with them over time. The more reason you give them to agree with you, the greater the likelihood they will!

QUESTION: What would be in it for Human Resources if you invited them to your department to review your revised goal setting and performance assessment scoring process?

(They could see a way to make their job easier by reducing the number of complaints they receive annually about performance assessment scores.)

What could that do for <u>your credibility</u> with them?