

TTI Performer

## **Laying the Foundation for Performance Appraisals**

Different managers have different methods of building and delivering employee performance appraisals. At some point in your business career, you have likely been on the receiving end of both effective and ineffective performance appraisals. One of the main differences between the two is often whether or not they had been built on a solid foundation in the first place. In other words, was it measuring the performance that was really necessary for the position?

Here is an interesting idea for most managers. The building of effective employee performance appraisals begins even before the employee is selected for the position. It begins by taking a close look at the critical accountabilities of the position itself. When you have identified the position's accountabilities, then you have accomplished the first step in laying a solid foundation for performance appraisals.

A position's accountabilities are not the same as a job description. They are instead a succinct summary of critical goals and key successes the position is held accountable to produce for the business. Accountabilities define the reasons why the position is necessary in the first place. They lay the groundwork for management to move forward in defining the supporting behaviors, motivators, skills, capacities and cultural rewards that will support successful achievement of the position's accountabilities.

A position's critical accountabilities are defined through a facilitated process in which participants who are familiar with the position explore, validate and quantify its "reason

for being.” Those involved in the process can be chosen from employees who formerly held the position, the manager and/or a former manager of the position, and key managers/staff who interact closely with the position on a regular basis. Ideally, three (3) or more people with current actual working knowledge of the position should be involved. At every step of the process, it is important for each participant to focus on the simple objective: defining a short list of critical accountabilities for the position. When complete, the resulting list of accountabilities typically numbers from 3-7 in total. Accountabilities vary considerably depending on the industry, company, culture and management. All of them must contain, wherever possible, targets to achieve for successful performance. These targets should be measurable wherever possible to leave no question as to the achievement level required. They should also be prioritized and weighted to reflect which is most important to the position. Some examples may be:

#### EXAMPLE: POSITION ACCOUNTABILITIES – NATIONAL SALES MANAGER

1. Increase total annual corporate sales by a minimum of 15% (40%)
2. Consistently achieve a minimum of 3% monthly regional sales increases (30%)
3. Demonstrate sales leadership, measured by favorable staff feedback (15%)
4. Recruit, retain and develop top sales talent while maintaining an average annual employee turnover rate of less than 10% (15%)

#### EXAMPLE: POSITION ACCOUNTABILITIES – OPERATIONS MANAGER

1. Assure reliable operational systems 24x5 with 99% availability (30%)
2. Administer the operations budget to no more than 100% of allotted funds (25%)
3. Establish and maintain quality vendor services within allotted budget (15%)

4. Proactively recommend and implement quality enhancements to operational systems, measured by a continued decrease in time, manpower and costs needed to process client orders and product shipping (15%)
5. Demonstrate leadership in managing operations staff, measured by favorable staff feedback (15%)

It is always the best recommendation to start from scratch in establishing accountabilities and not assume that one predefined set will suit your company's unique requirements. The process of defining a position's accountabilities provides value to the organization above and beyond designing performance appraisals. It focuses management attention on assuring that the organization's key success factors are supported by the critical accountabilities of the positions they create, which in turn assures maximum return on investment for the organization.

The next steps in laying the foundation for effective performance appraisals involve defining further dimensions of the position, including behaviors, motivators, skills, attributes and cultural rewards. We will address these areas in forthcoming issues of the TTI Performer – stay tuned!

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