

Beyond the Horizons Consulting

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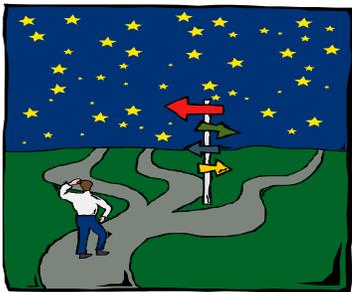
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New Format for our Newsletters

Beginning this month, we will begin our Newsletter by listing some of the many services we provide at Beyond the Horizons Consulting. An article of general interest follows on page two. This month's article continues the series, "Perform, Review," on performance management.

Beyond the Horizons Consulting offers a variety of services for individuals, teams, and organizations.

- ◆ Individual coaching for managers is a process that begins by identifying your style, what you want to retain and strengthen, and what you want to modify. Objective assessments are part



of the process, as are also a mutual give-and-take process of creative problem solving and supportive guidance.

- ◆ We offer group seminars on identifying and dealing with stress in a relaxing and supportive environment.
- ◆ Our team building seminars will help your team or department run more smoothly, whether it is a brand-new team or one that has been put together after a reorganization.
- ◆ Our communication seminars identify crucial parts of the communication equation and help

you put them all together by using role play, among other practical, hands-on experiences.

- ◆ Critical Incident Stress Debriefing (CISD) is a special tool we are equipped to provide to your business whenever there is a traumatic incident — death of a coworker, robbery, layoffs, etc. — in the workplace.
- ◆ We also offer group seminars utilizing excellent tools, including the Myers-Briggs Type Indicator or the DISC, to help you see *in black-and-white* differences in personality type and behavior.
- ◆ Our conflict resolution services help opposing parties identify mutual purpose(s) and restore harmony to the workplace.
- ◆ It is our pleasure to tailor a seminar to your company's, department's, or team's needs!

Take a look at our May and June, 2005, Newsletters to see pictures of our serene, off-site location, a place we invite you to take advantage of!

Call us to schedule a complimentary consultation for yourself or your business!

Our helpful Office Administrator, Stan, will work with you to schedule a meeting time that fits your schedule.

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Why Do Performance Appraisals?

OUTPUT VERSUS POLITICS

Once an organization succumbs to “fuzzy thinking” about its employees’ contributions, it opens the way to declining morale. If an employee suspects that Janie is getting a raise because she has been seen having lunch with the boss on numerous occasions or, worse yet, she is getting a promotion because she is no threat to the boss’ continuing to “tread water,” we can be certain that others are experiencing the same thing.

The underlying ethical dilemma has to do with the core value of honesty. Hiring unqualified people, failing to evaluate them in a scrupulously honest way, creating jobs for needy relatives or friends, going along with an organizational hierarchy that is patently unfair, and the like quickly undermine morale and ultimately result in dissolution. Yes, the dishonesty can continue a while. Accountants can “cook the books,” and key shareholders can buy back stock. But ultimately “the truth will out.”

In the book *Hidden Champions*, Herman Simon* studied 500 organizations to determine what methods they used to drive performance excellence. What he found was astounding. Most had no formal performance management system, and in the best companies he found that everyone held everyone else accountable on a day-to-day basis!

FROM THE PERSPECTIVE OF THE EMPLOYEE

Having said that, we agree with Tony Rutigliano, who avers that “if it isn’t measurable, it isn’t a job.” Coming from the perspective of the employee, performance appraisal is not only helpful but absolutely necessary. We use an analogy to parenting. We know that all children, particularly adolescents, desire guidelines and rules. The presence of these measuring sticks not only allows children to feel safe and secure within the structure of the family. It also affords them a sense of fairness *and* enables them to develop self-esteem.

Do not the existence of performance appraisal and its principled application provide the same function in the business organization? A job well done provides satisfaction and a heightened sense of self-esteem. As the MasterCard commercial says, “___ is priceless.” Self-esteem is one of those intangibles which *is* priceless!

*Hermann Simon, *Hidden Champions: Lessons from 500 of the World’s Best Unknown Companies*. Boston: Harvard Business School Press, 1996.

Secondly, good performance appraisal techniques not only reward the individual employee — with a promotion, a raise, public affirmation, or the like — they also awaken associates to the possibility of receiving such rewards. Thus it is not only individual morale which is affected, but that of the entire team or department.

Third, fairness among employees demands that we assess each person’s level of performance, and meritocracy dictates that we reward each according to their competent use of job skills. If employees are rewarded for the fruits of their labors randomly, or worse yet, based on nepotism, they will quickly lose enthusiasm



for their work. Many aphorisms point to the innate wisdom of such a rewards system: “What you sow, that shall you reap” and “Do unto others what you would want them to do unto you” are two examples. (Actually the Golden Rule states, “Do not do unto others what you would not want them to do unto you.” Here, however, we go one step further and ask you as manager or business owner to be *proactive* in instituting fair performance appraisals.)

Fourth, improvement in performance demands that we assess current levels of performance. This is true whether it is a self-appraisal or whether it is a collaborative appraisal between manager and employee. Self-motivated persons in particular want to do a better job — improve their efficiency, utilize their skills to greater advantage, develop new skills, add to the creativity of the enterprise. Requiring employees to do a self-appraisal gets them thinking about how they might improve “their product” and perhaps how the whole team might work together more effectively.

If employees are less than enthusiastic about their work, performance appraisals will at the very least let them know that you care about the quality of the product or service they are delivering. Checking in weekly with employees is mandatory for good management, but a formal appraisal process helps them develop a long-term view of their career (in other words, helps such employees develop their intuition and see the larger patterns). When manager and employee devise an improvement plan, this serves not only as a performance measurement, it too can be used to develop more visionary thinking.

(Article continues on page 3.)

From Management's Perspective

THE *SINE QUA NON* OF LEGAL PROTECTION

When individuals perceive that they are being treated unfairly, they often resort to legal action to rectify the situation. This should ideally be a means of last resort in an ethical society. The more useful pattern involves dialog and mediation, so that the social fabric of the entity is more fully preserved. However, ours is a litigious society, rampant with social injustice, stressors of all kinds, and a tendency to resort to quick solutions.

Thus management needs to protect itself by creating documentation, which clearly demonstrates ongoing performance review with specific steps for implementation of an improvement plan. Formal and informal interviews should include the date of contact, theme of discussion, and any admonitions to the employee. They need to be logged into the employee's personnel record in order properly to protect management from unfounded charges that a capricious action — for example, administrative leave or dismissal — has been taken.

CREATING A MERITOCRACY

If management desires to implement a system in which employees are rewarded according to level of productivity and performance excellence, CEOs will need to create a system which measures job performance on criteria that are both **valid** and **reliable**. (We shall look at some measures that allow you to accomplish this later in the chapter.) Besides that, all job appraisals will need to be based on accurate and up-to-date job descriptions. Only in this way will the system be "honest."

Such a system will also help managers to revisit and realign the goals of their department. In an earlier Newsletter we talked about the importance not only of having a mission statement, but also of requiring everyone on the team to "internalize" the team's purpose. Here we can go a step further. Based on individual job descriptions and evaluation standards, the overall strategy to accomplish a team's mission can easily be discerned. Using such job descriptions and evaluations, managers can enlist team members in strategic planning to eliminate waste of human capital — time, energy, and resources — on incongruous steps in the overall plan.

To illustrate, let's take a simplistic case. Part of Ms. X's job description is to file folders for Ms. Y. Ms. Y is

working on several projects at once and often needs to refer to material in, say, seven different folders for each project. Ms. X is instructed to file folders alphabetically in a central filing area. She finds herself going back and forth with these folders several times a day. Ms. Y finds the whole process annoying and wasteful of her time. The two employees present a plan to management: "Active" folders will be kept in Ms. Y's office and filed in specific bins designed for just one project apiece.

This is a simplistic example, yet it illustrates how the job description of Ms. X can be altered to open up the work flow between Ms. X and Ms. Y, thereby increasing the job satisfaction of both employees. The change in Ms. X's job description will also allow her to perform her other duties more efficiently and accordingly affect her formal and informal performance appraisal positively.