

THREE FACTORS MAKE PERFORMANCE MANAGEMENT A SUCCESS

Over 50% of HR professionals and line managers do not believe their performance management systems support strategy execution.

New York -- September 08, 2009 -- [Performance management](#) is a key tool to enhance accountability and build a high performance culture. Yet it is a source of frustration for many organizations. A new study by [OnPoint Consulting](#) found that fewer than half of leaders believe their performance management systems add value to the business.

What does it take to make performance management work? "Our research identified three factors that are prerequisites for success," says Jennifer Forgie a Managing Partner at OnPoint. "These elements help ensure that performance management facilitates [strategy execution](#) and are critical in both technology-enabled and paper-based systems."

Competence—Managers are competent at [performance coaching](#), goal setting, development planning, and appraisal. Manager skill in these areas is essential for success, and technology is not a substitute. "In companies that report successful technology-enabled performance management systems, 90% say that managers have these requisite skills—compared to only 28% in companies where technology-enabled solutions are not adding value," says Forgie. Many companies report that they provide managers with training to conduct effective performance evaluations, yet far fewer provide skill training related to setting goals, performance coaching, and development planning.

Mindset—Performance management is seen as a tool to drive results, not as an administrative task. Both managers and employees should understand the performance management system's purpose, including how it supports broader organizational goals. It is critical that managers understand how it supports strategy execution and why it warrants their attention.

Reinforcement—Managers meet periodically with direct reports to formally review progress. This is a defining characteristic of the best performance management systems, because it ensures that performance coaching, feedback, and monitoring of goals regularly take place. Yet, fewer than half of the companies surveyed report that periodic check-in meetings are required or encouraged as part of their performance management process.

"If any one of these three areas is lacking, it is unlikely that introducing a new form, refining the rating scale, or moving to a technology-enabled solution will transform performance management from a compliance scorecard to a strategic tool that will drive results," observes Forgie.

For more information about the study or to request a complete report, please contact Jennifer Forgie at 203.254.2193 or jforgie@onpointconsultingllc.com.

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Closing the Gap Between Strategy and Execution

Release Summary:

Performance management is a key tool to build a high performance culture. However, a new study by OnPoint Consulting found that fewer than half of respondents believe their systems support strategy execution.

Keyword Tags:

performance coaching, performance management, strategy execution