

ORGANIZATION DIMENSIONS, INC.
PERFORMANCE MEASUREMENT,
MANAGEMENT, AND REWARDS SYSTEM™

**PERFORMANCE
MEASUREMENT**

Organizational
Departmental, and
Individual Plans/Goals

Financial
Management

Organizational and
Core Process Metrics

Job-Specific
Performance Standards

**ESSENTIAL
COMPETENCIES FOR
MANAGING EMPLOYEE
PERFORMANCE**

Coaching and
Providing Feedback

Counseling/
Corrective Action

Performance Evaluations/
Improvement Plans

Leadership Skills/
Motivation

**REWARDING
PERFORMANCE**

Individual Merit
Increases

Individual
Discretionary Bonuses

Group Performance
Bonuses

Non-Financial
Recognition/Rewards

• Performance Measurement

At the heart of the System is performance measurement, and integral to that process is the implementation of a "scorecard" that defines how each department/unit contributes to the company's strategic goals. Below is a brief description of the modules that make up the ODI Performance Measurement System.

- Organizational, Departmental, and Individual Plans/Goals

Most successful organizations have well-thought-out plans/goals at the senior levels. This is found much less often at the departmental level and almost never at the employee level. We work with your managers and other select employees to facilitate the development of plans/goals in the traditional MBO format that incorporates action steps and time lines for successfully implementing goals.

- Financial Management

Achieving bottom-line results is at the core of the performance management system. Budgets and other financial measures are critical to successful implementation.

- Organizational and Core Process Metrics

In a number of areas, organizational metrics will be developed to assess and improve organizational performance such as safety, absenteeism, turnover, etc. In addition, we will work with all designated functions/departments to analyze their core processes and develop metrics to track and improve performance and meet the organization's strategic goals.

- Job-Specific Performance Standards

Many companies have job descriptions for most of their employee classifications, but rarely have job-specific performance standards been developed for each of the essential job duties. This element is particularly important for most hourly jobs, where performance standards may be the only meaningful measure of whether the employees are meeting, exceeding, or not meeting expectations for the job. We will work with your managers to see that these are in place.

• Essential Competencies for Managing Employee Performance

In many organizations, the strategic goals and direction are clearly thought out and sound, but all too often the supervisors and managers are unable to articulate and implement these goals through their employees. In organizations where middle management and lower-level supervisors are effective, execution is done well. Where they lack effectiveness, training may be required.

Supervisors need to be competent in the following areas:

- Coaching and Providing Feedback

Coaching and providing feedback to employees who have the potential to improve their performance. This should be a daily event.

- Counseling/Corrective Action

Counseling employees who are performing below expectations and taking the necessary corrective action. When supervisors don't confront their employees, either through fear or neglect, the sub-par performance is allowed to continue.

- Performance Evaluations/Improvement Plans

Conducting performance evaluations and developing performance improvement plans. Unfortunately, this becomes impossible unless the supervisor and employee have a clear understanding of the requirements of the job. It is here that the development of job-specific performance standards becomes so important.

- Leadership Skills/Motivation

Providing positive reinforcement to employees so they are supported and encouraged to maintain their good performance. Failure to do this results in a decreased level of motivation and, in turn, less than superior performance.

• Rewarding Performance

Recently, organizations have been turning to “pay for performance” as a key building block to drive organizational success and build a performance-based culture. This is a culture driven by linking organizational goals to individual goals to motivate and reward good performance. Many companies have “merit” pay systems that do little to motivate employees to perform better and to differentiate employees who are high performers from those who are just getting by. With a performance management system in place, the ability to truly “pay for performance” becomes a realistic and desired goal.

- Individual Merit Increases/Discretionary Bonuses

Pay-for-performance approaches generally take the traditional form of individual merit increases and bonuses, particularly for management employees. The differences come into play when performance standards and goals based on measurement are used as the primary criteria—not subjective, undocumented opinions of supervisors.

- Group Performance Bonuses

Becoming increasingly popular in pay for performance is the group performance approach that typically consists of functions/departments setting group goals and rewarding performance on the basis of group and team accomplishments.

- Non-Financial Recognition/Rewards

Having an effective employee recognition/rewards system can be a very important way of improving all aspects of employee performance. It gives the manager a powerful tool to encourage the employee to repeat behaviors that meet or exceed expectations and helps insure that those behaviors occur more often.