

HR EXECUTIVE FORUM™

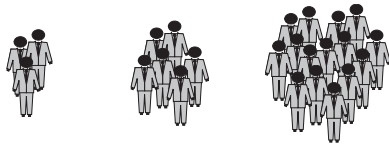
FROM PERFORMANCE MANAGEMENT
TO PERFORMANCE IMPROVEMENT

Leveraging Key Drivers of Individual Performance

NOT AN EASY ROAD

Forum members must overcome many challenges to build a high-performance workforce

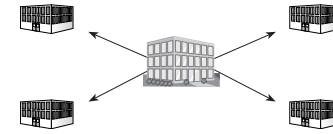
Evolving in a High-Growth Environment



“What’s worked for us in the past won’t work moving forward now that we have doubled in size. We must be more strategic.”

Vice President, Human Resources
Manufacturing Company

Corporate Wide Goal Alignment



“Goals are ill defined at a minimum. If we do nothing more than goal setting, it would be a huge gain. This is where we need to start. When there are clearly defined goals, managers know how to evaluate employees.”

Senior Vice President, Human Resources
Computer Software Company

Lack of Management Support and Role Modeling



“Our managers simply won’t dedicate the time to ongoing performance coaching and development.”

Director, Human Resources
Energy and Utilities Company

Ease of Use



“Sometimes HR creates barriers to effective performance management by over-engineering or by making extensive changes. We turn managers off.”

Vice President, Human Resources
Media Company

106 POTENTIAL PERFORMANCE MANAGEMENT DRIVERS

Performance Management System

- Challenge and applicability of development plan
- Employees' accountability for "things that matter"
- Employee understanding of how system works
- Employee understanding of performance standards
- Extent to which employees receive performance ratings they deserve
- Fairness of performance standards
- Link between performance management system and organizational strategy
- Number of formal reviews received each year
- Presence of multi-rater feedback
- Presence of employee development plan
- Presence of procedures for handling grievances with performance reviews
- System credibility
- Use of rank-ordering

Performance Culture

- Coworker involvement
- Diffuse decision-making authority
- Risk taking
- Coworker cohesion
- Innovation
- Flexibility
- Differential treatment of best and worst performers
- Internal communication
- Future orientation

Manager–Employee Interaction

- Breaks down projects into manageable components
- Clearly communicates expectations
- Creates work plans and timetables
- Diffuses unhealthy rivalries or competition among team members
- Encourages employees to be positive and enthusiastic about work
- Expresses confidence in employees' ability to do job
- Helps team get started on a new project
- Helps attain needed information, resources, and technology
- Helps find solutions to problems at work
- Holds people accountable
- Identifies or removes unnecessary barriers at work (such as unnecessary rules or regulations)
- Inspires others
- Listens carefully to views and opinions
- Measures performance and results
- Persuades and encourages others to move in a desired direction
- Recognizes and rewards achievement
- Translates long-term goals into step-by-step plans
- Makes frequent changes to projects and assignments

Formal Performance Review

- Emphasis on performance strengths
- Emphasis on performance weaknesses
- Emphasis on personality strengths
- Emphasis on personality weaknesses
- Emphasis on skills and behaviors needed in the future
- Emphasis on specific outcomes of formal performance review (e.g., promotions, raises, or bonuses)
- Emphasis on specific suggestions for doing the job better
- Emphasis on long-term career prospects within the organization

Informal Performance Feedback

- Emphasis on amount of effort put into the job
- Emphasis on performance strengths
- Emphasis on performance weaknesses
- Emphasis on personality strengths
- Emphasis on personality weaknesses
- Emphasis on skills and behaviors needed in the future
- Emphasis on specific suggestions for doing the job better
- Fairness and accuracy of informal feedback
- Feedback that helps employees do their jobs better
- Immediate versus delayed feedback
- Manager likelihood to volunteer informal feedback
- Method of delivering informal feedback (e.g., face-to-face, in writing)
- Manager knowledgeable about employee performance

Day-to-Day Work

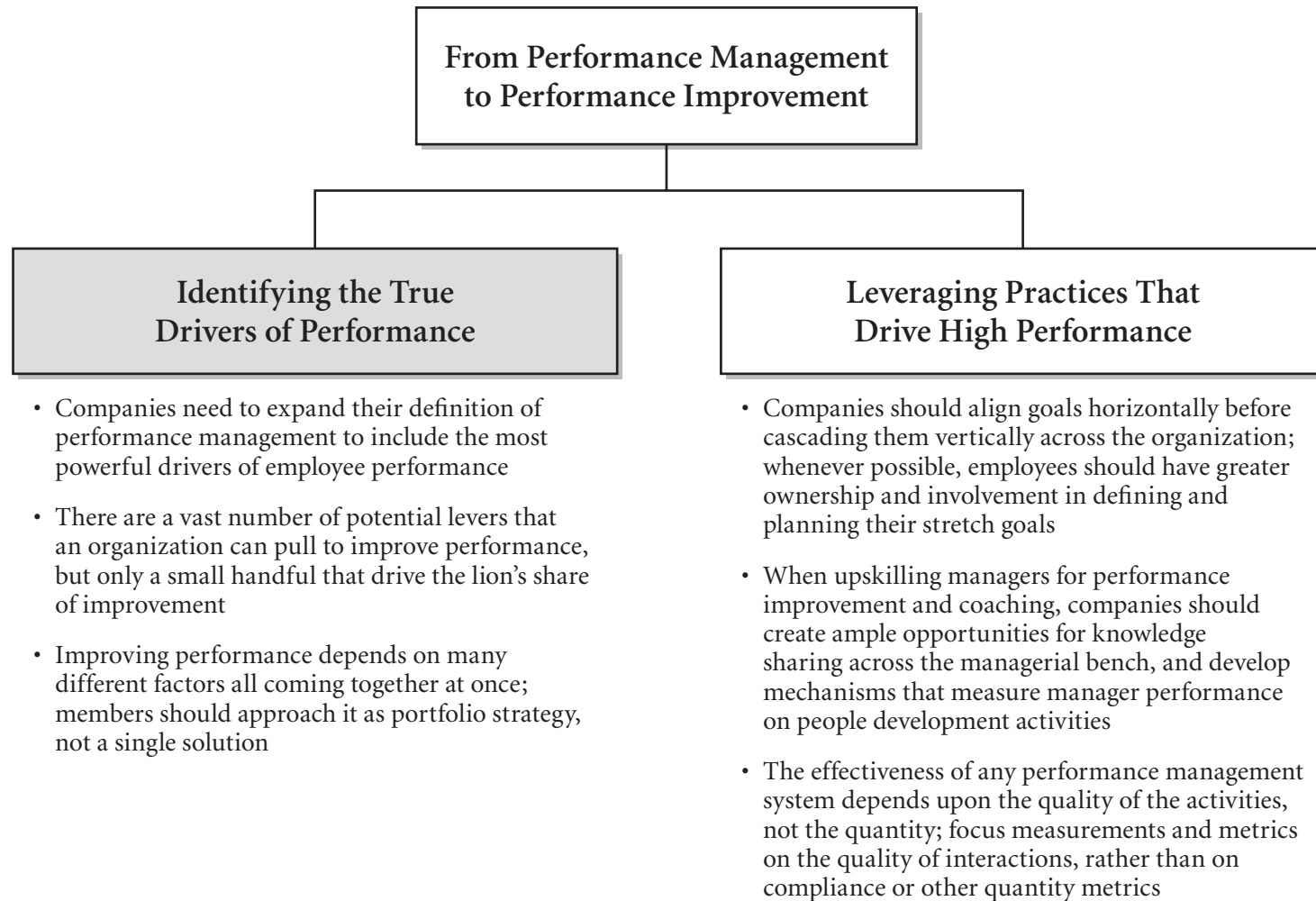
- Challenge of projects and assignments
- Connection between successful project completion and incentives such as the following:
 - Size of annual merit increase
 - Size of annual bonus
 - Opportunity for higher performance rating
 - Opportunity for promotion
 - Raise in base salary
- Employee influence in selecting projects
- Employees' personal enjoyment of their work
- Employee understanding of connections between day-to-day work and organizational strategy
- Employee understanding of how to complete projects and assignments
- Importance of projects to business unit and organization
- Importance of projects and assignments to employees' long-term careers
- Importance of projects and assignments to employees' personal development
- Number of projects and assignments
- Time to complete projects and assignments

Job Opportunities

- On-the-Job Development Opportunities*
- Opportunity to:
 - Spend time with a professional coach
 - Do challenging and leading-edge work
 - Experiment and take risks
 - Have significant accountability and responsibility
 - Help launch a new business, initiative, or program
 - Help turn around struggling business
 - Work with a mentor
 - Be promoted
 - Work for strong senior executive team
 - Work in a different country
 - Work in a variety of jobs/roles
 - Work in new business units
 - Work in new functional areas
 - Work on the things you do best
 - Work with a diverse group of people
- Training*
- Training content
 - Business (e.g., accounting, finance)
 - Diversity
 - IT
 - Leadership
 - New employee orientation
 - People management (e.g., communication, team-building)
 - Process management (e.g., managing timelines or budgets, resource allocation)
 - Product
 - Quality control
 - Sales
 - Technical
 - Other

Source: Corporate Leadership Council research; HR Executive Forum research.

OUR TWO-PART CHALLENGE



Source: HR Executive Forum research.

ANALYSIS IN ACTION

A Methodological Overview

Company Reported Data

Step #1: Measure Employee Performance

Collect	Test	Standardize
Company-Provided Raw Data	Validity and Reliability Tests	Percentile Rank in Company
5		100
4		99
3		98
2		97
...		...
...	...	

Manager and Employee Survey Data from More Than 19,000 Respondents

Step #2: Measure Presence and Effectiveness of "Performance Levers"

On average, about how often does your manager give you informal feedback about your work performance?

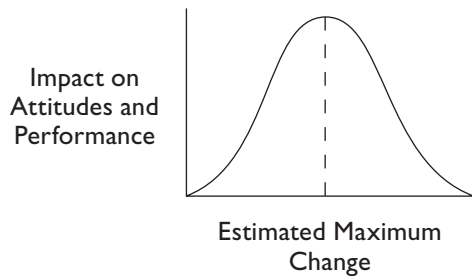
- Once a day
- 2-4 times a week
- Once a week
- 2-3 times a month
- Once a month
- 8-11 times a year
- 4-7 times a year
- 1-3 times a year
- Once a year
- Less than once a year
- My manager never gives me informal feedback about my work performance

Step #3: Measure Attitudes of High Performance

When needed, I am willing to put in the extra effort to get a job done.

- Very strongly agree
- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree
- Very strongly disagree

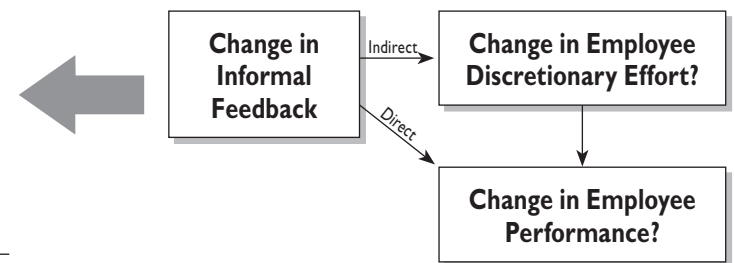
Step #6: Prioritize Levers According to Maximum Impact



Step #5: Calculate Total Impact

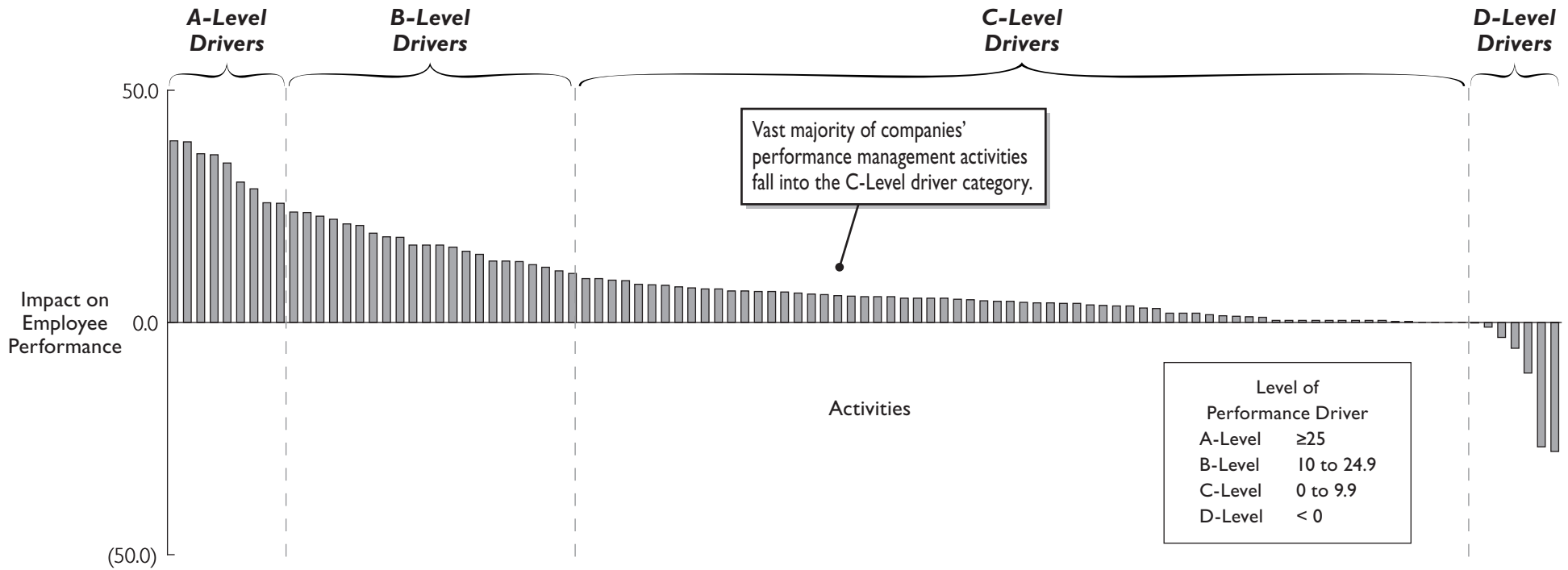
Change in Performance	<i>Indirect</i>	<i>Indirect</i>
	Indirect effects work through five key attitudes	Total Impact
	<i>Direct</i>	<i>Direct</i>

Step #4: Estimate Impact of "Lever" Using SEMs



Statistical Analysis

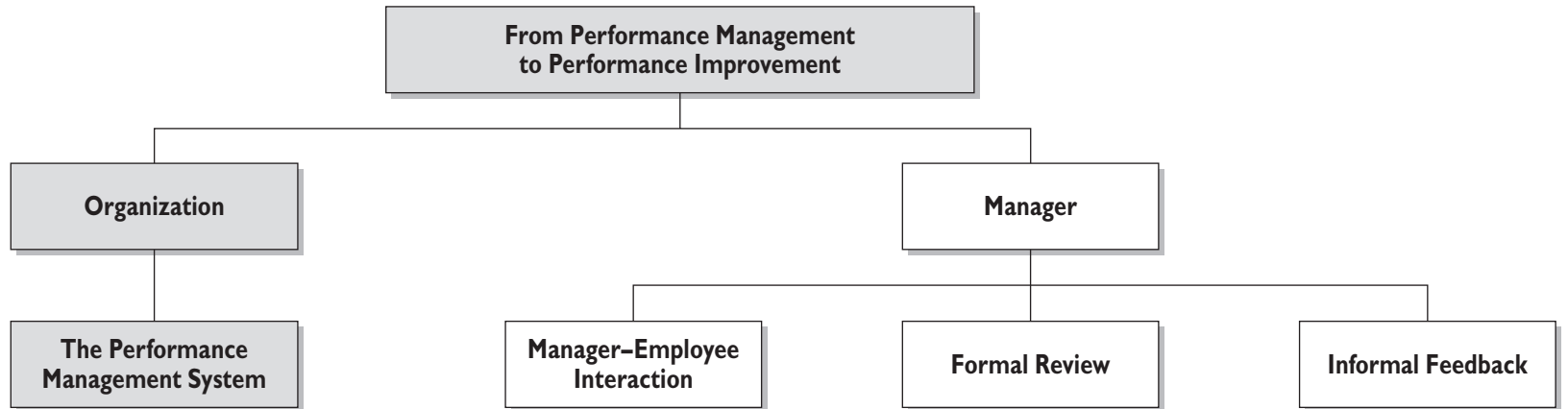
NOT ALL DRIVERS ARE CREATED EQUAL



WHAT ARE THE MOST IMPORTANT DRIVERS OF PERFORMANCE?

1. _____
2. _____
3. _____
4. _____
5. _____

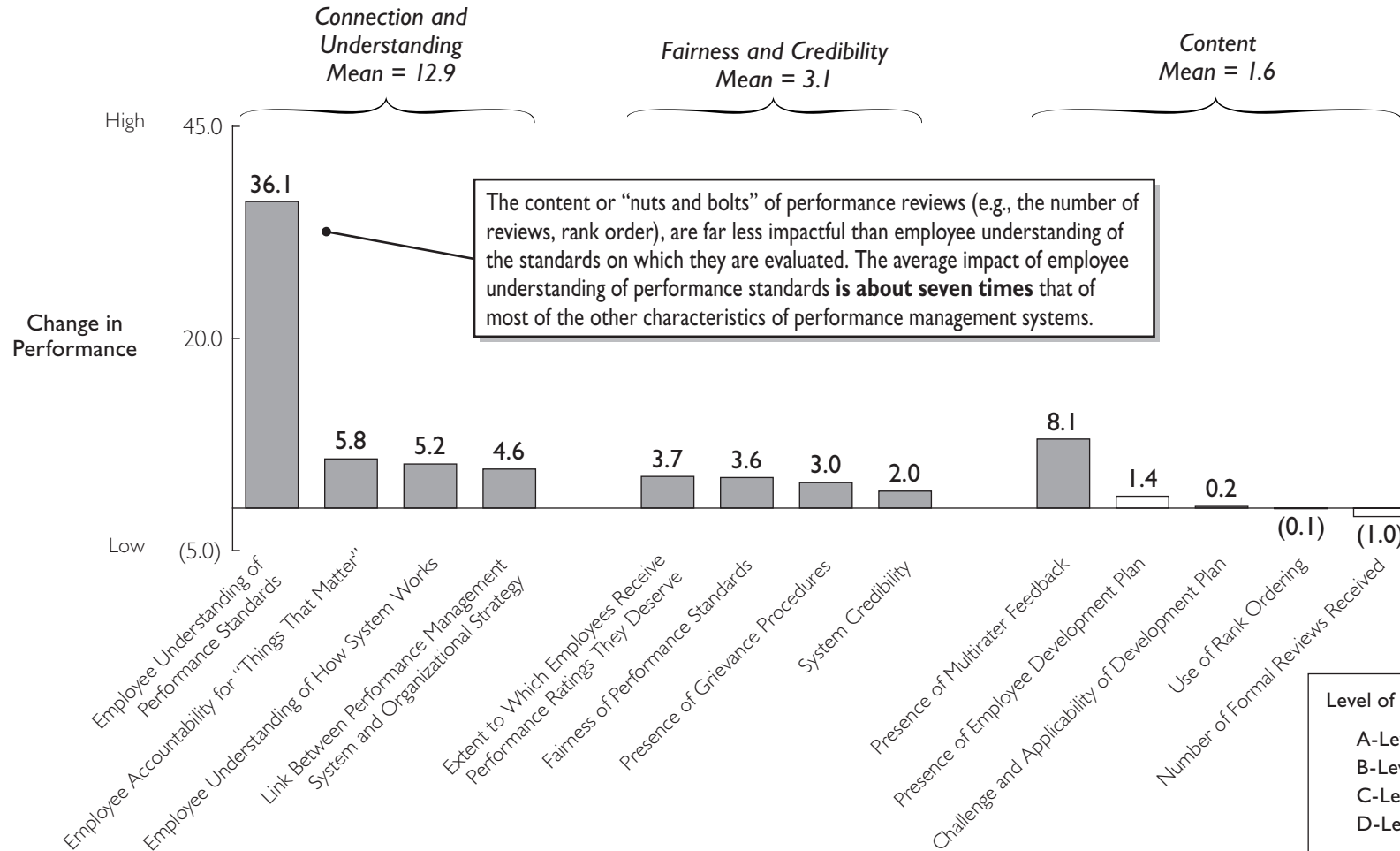
THE FIRST AREA OF FOCUS



Source: HR Executive Forum research.

THE IMPORTANCE OF UNDERSTANDING AND FAIRNESS

Maximum Impact of Performance Management System Levers on Employee Performance*

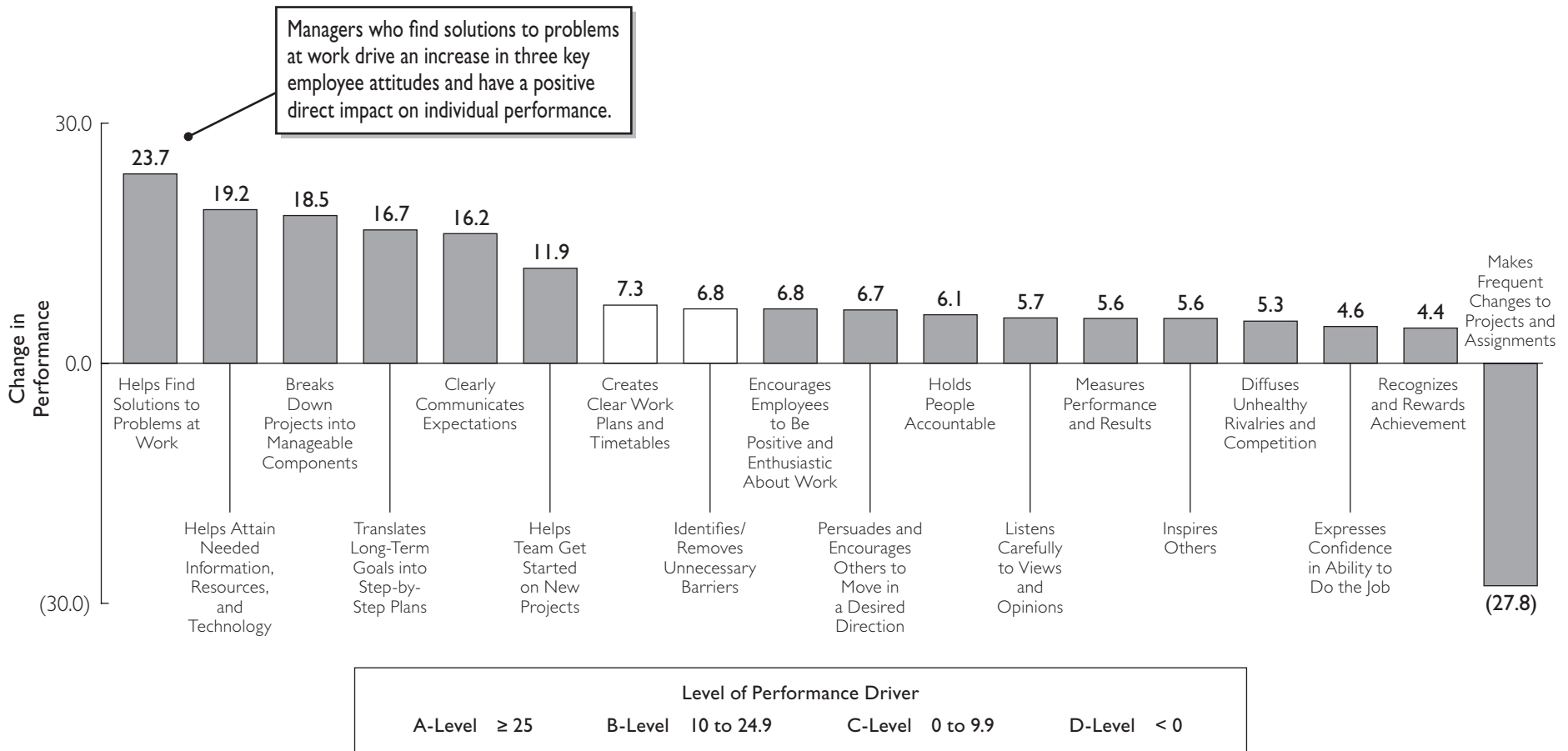


* Each bar presents a statistical estimate of the maximum total impact on employee performance each strategy will produce. The total impact includes the strategy's direct impact on performance, as well as any indirect impact it may have through employee attitudes. The maximum total impact is calculated by comparing two statistical estimates: the predicted performance level for an employee who scores "high" on the strategy and the predicted performance level for an employee who scores "low" on the strategy. The impact of each strategy is modeled separately. A strategy that fails to achieve traditional levels of statistical significance is denoted with a clear bar ($t < 2.0$).

Source: Corporate Leadership Council 2002 Performance Management Survey; HR Executive Forum research.

MANAGERS NEED TO PROVIDE SOLUTIONS AND REQUIRED RESOURCES

Maximum Impact of Manager–Employee Interaction on Performance*

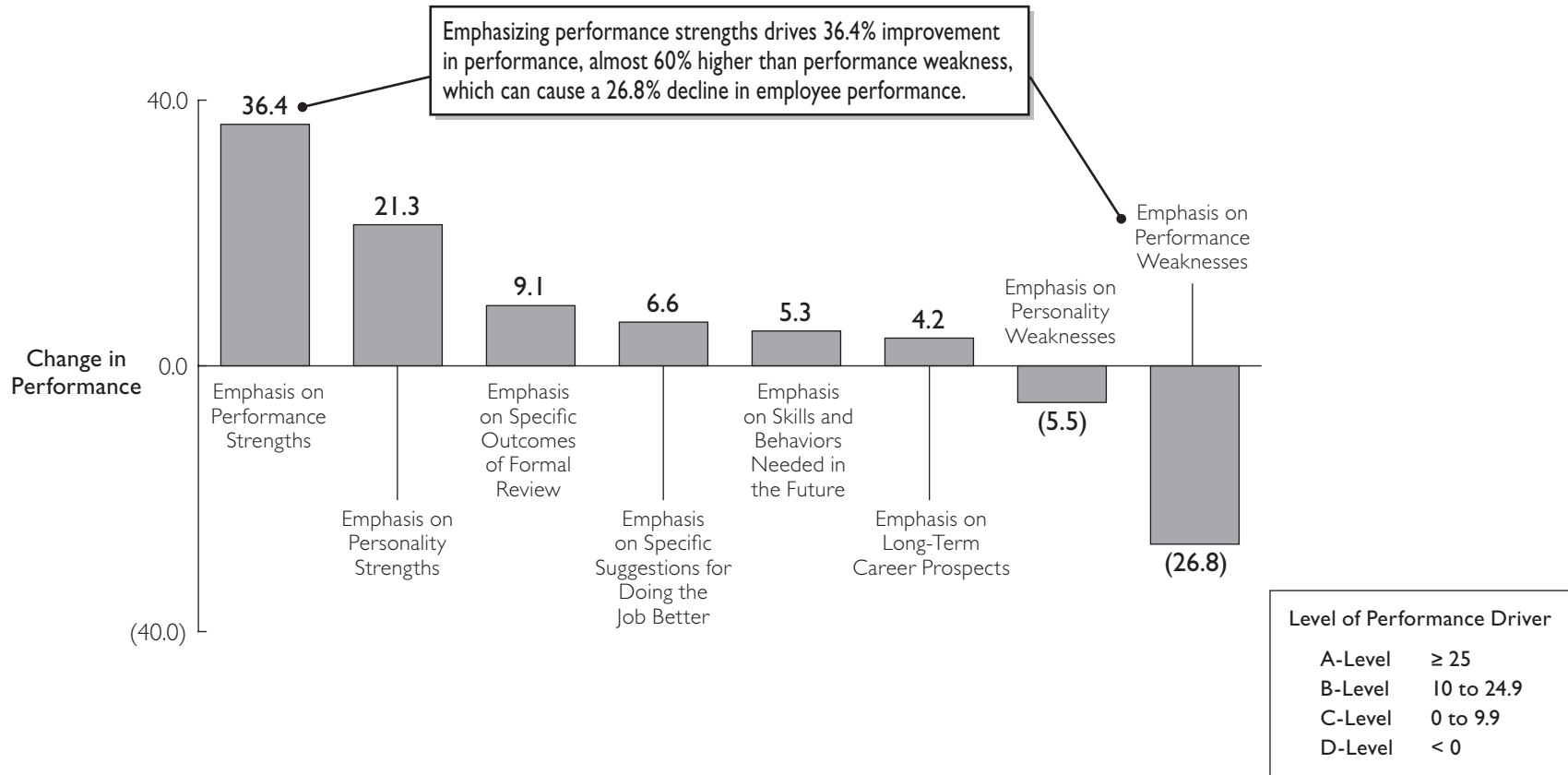


* Each bar presents a statistical estimate of the maximum total impact on employee performance each strategy will produce. The total impact includes the strategy's direct impact on performance, as well as any indirect impact it may have through employee attitudes. The maximum total impact is calculated by comparing two statistical estimates; the predicted performance level for an employee who scores "high" on the strategy and the predicted performance level for an employee who scores "low" on the strategy. The impact of each strategy is modeled separately. A strategy that fails to achieve traditional levels of statistical significance is denoted with a clear bar ($t < 2.0$).

Source: Corporate Leadership Council 2002 Performance Management Survey; HR Executive Forum research.

EMPHASIZING THE POSITIVE DRIVES HIGH PERFORMANCE

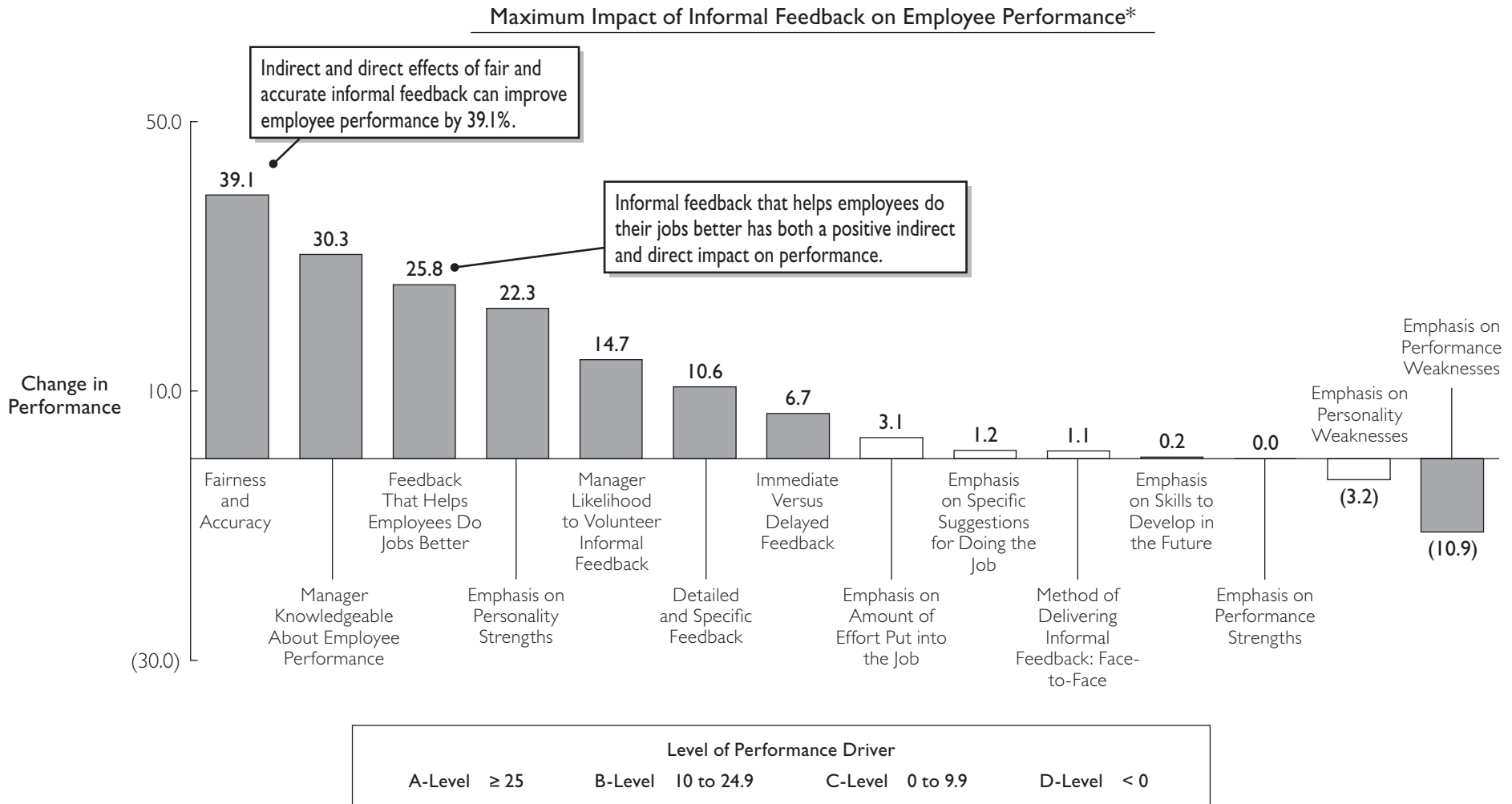
Maximum Impact of Formal Review on Employee Performance*



* Each bar presents a statistical estimate of the maximum total impact on employee performance each strategy will produce. The total impact includes the strategy's direct impact on performance, as well as any indirect impact it may have through employee attitudes. The maximum total impact is calculated by comparing two statistical estimates: the predicted performance level for an employee who scores "high" on the strategy and the predicted performance level for an employee who scores "low" on the strategy. The impact of each strategy is modeled separately. A strategy that fails to achieve traditional levels of statistical significance is denoted with a clear bar ($t < 2.0$).

Source: Corporate Leadership Council 2002 Performance Management Survey; HR Executive Forum research.

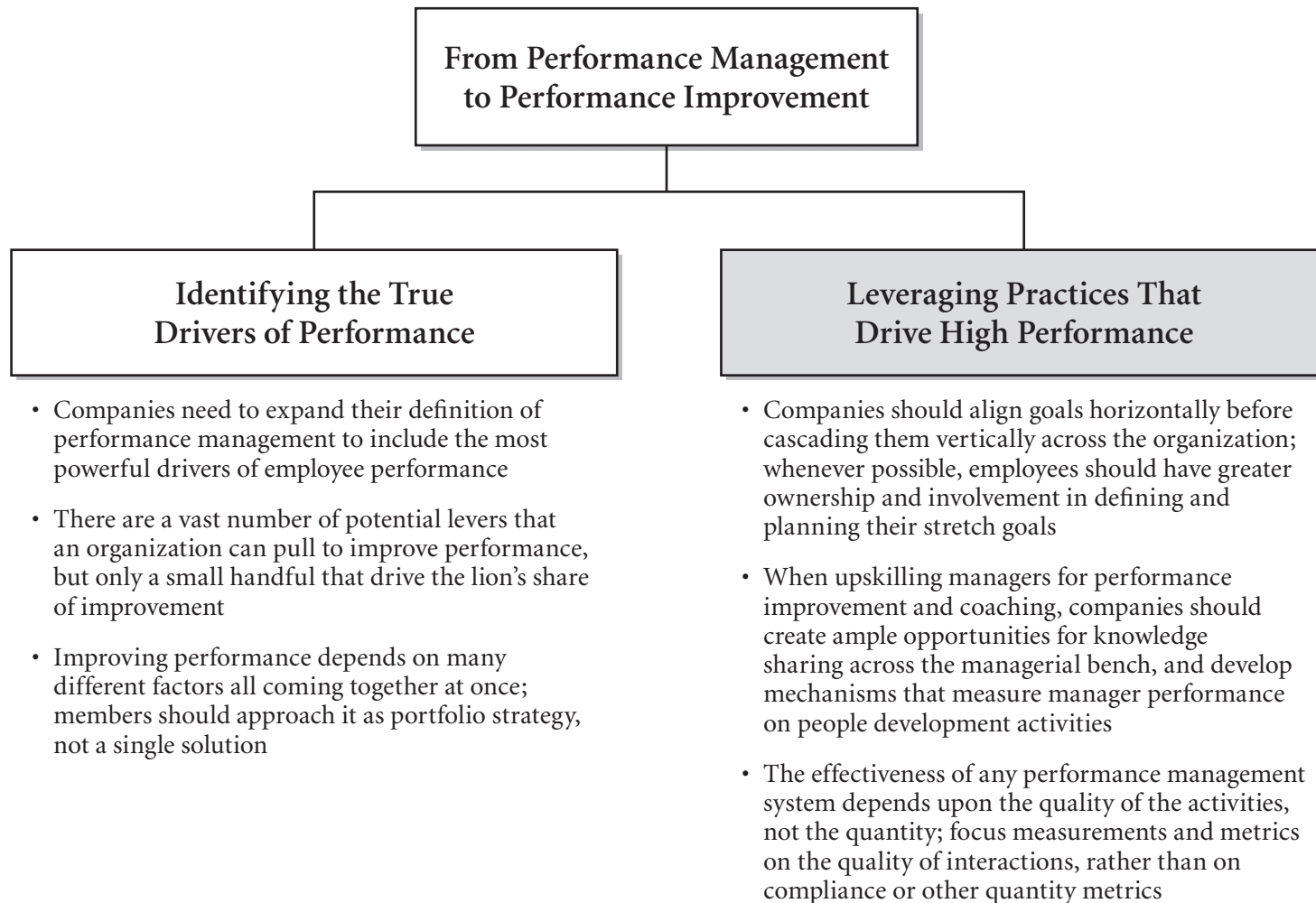
FAIR AND ACCURATE INFORMAL FEEDBACK TOP PERFORMANCE DRIVERS



* Each bar presents a statistical estimate of the maximum total impact on employee performance each strategy will produce. The total impact includes the strategy's direct impact on performance, as well as any indirect impact it may have through employee attitudes. The maximum total impact is calculated by comparing two statistical estimates: the predicted performance level for an employee who scores "high" on the strategy and the predicted performance level for an employee who scores "low" on the strategy. The impact of each strategy is modeled separately. A strategy that fails to achieve traditional levels of statistical significance is denoted with a clear bar ($t < 2.0$).

Source: Corporate Leadership Council 2002 Performance Management Survey; HR Executive Forum research.

OUR TWO-PART CHALLENGE



Source: HR Executive Forum research.

BUILDING THE HIGH-PERFORMANCE WORKFORCE

Leveraging Practices That Drive High Performance

I.

**DRIVING GOAL
CLARITY, ALIGNMENT,
AND REINFORCEMENT**

**Executive Goal
Alignment Workshop**



**Goal-Strategy
Task Force**

Sherwood Company*

II.

**ACCELERATING MANAGER
DEVELOPMENT AND SKILL AT
PERFORMANCE COACHING**

**Manager-Led
Career Roundtables**



**Job-Integrated
Coaching Simulations**



**Dual Performance
Ratings**



III.

**ASSESSING SUCCESS
AGAINST PERFORMANCE
MANAGEMENT GOALS**

**Real-Time Performance
Management Audits**



**Manager People
Development Scorecard**



* Pseudonym.

Source: HR Executive Forum research.



Dual Performance Ratings

Company Background

PepsiCo, Inc., is a global snack and beverage company which manufactures, markets, and sells carbonated and noncarbonated beverages; various salty, sweet, and grain-based snacks; and food products worldwide. In 2004, the company had 153,000 employees worldwide and generated \$29.2 billion in annual sales.

Practice Description

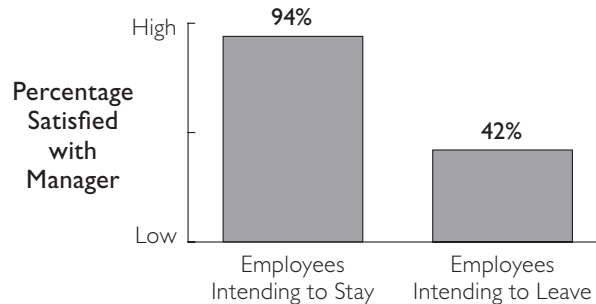
PepsiCo's dual performance ratings measure managers' progress at building workforce strength through establishment and evaluation of both business and people objectives. To drive accountability, the company links the outcome of each individual rating to merit increases and variable compensation, thus ensuring people management remains central to managers' activities.

THE PEPSI CHALLENGE

A correlation between manager quality and retention...

...and employee dissatisfaction with performance ratings...

Employee Satisfaction with Managers at PepsiCo



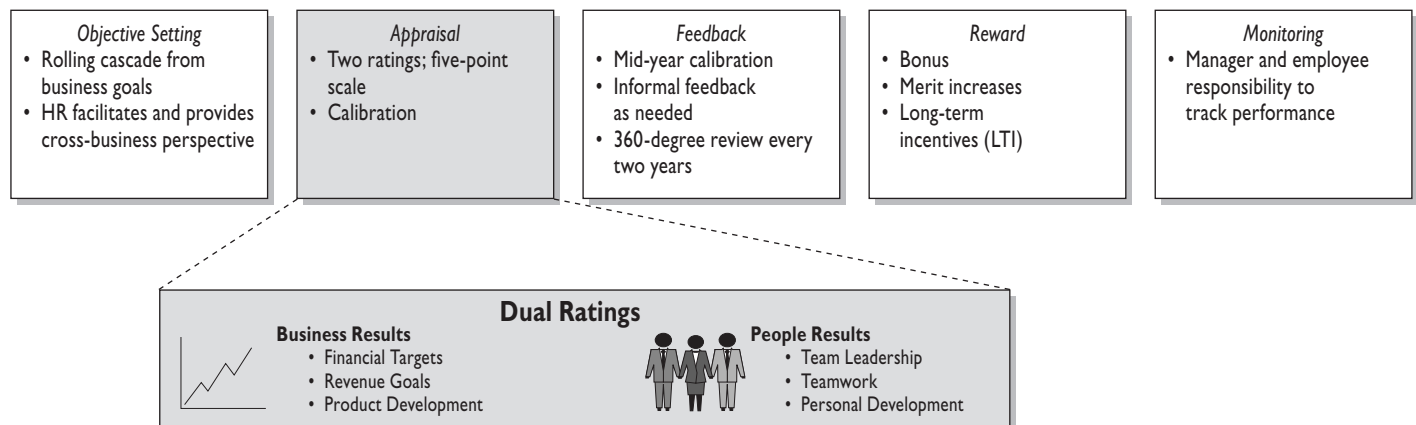
NO ONE WANTS TO GET A "C"

"Employees felt that the old performance labels were demotivating and unproductive in our high-performance culture."

VP of HR
PepsiCo

...prompts PepsiCo to institute a dual ratings-based approach to its appraisal process

Performance Management Process at PepsiCo



Source: PepsiCo, Inc.; Corporate Leadership Council research; HR Executive Forum research.

IT TAKES TWO

Two sets of annual performance expectations separate business and people objectives

Business Objectives

PEPSICO			
NAME: Jeff Radtke	TITLE: Market Development Manager	SSN/ID:	REVIEW PERIOD: From: 1/1/04 To: 12/31/04
MANAGER:	LOCATION: Purchase	DIVISION:	
BUSINESS OBJECTIVES		RESULTS	
1. Achieve 2004 Financial Targets • Volume—105 Index to PY; Market Share—38 Share 2. Achieve Marketplace Initiatives • Brand A and Product B—110 Index to PY 3. Distribution Momentum—110 Index to PY 4. Product C Relaunch—110 Index to PY			

People Objectives

Accountability Areas

Each objective should be tied to an accountability area

- Creating a diverse and inclusive organization
- Managing and developing people
- Teamwork and collaboration
- Personal development and growth

PEOPLE OBJECTIVES	RESULTS
1. Reduce turnover from X% to Y% 2. Deliver inclusive culture 3. Accelerate development of Employee Y and Employee Z; ensure both are ready for next-level positions by year-end 4. Work with operations to improve speed to market on new initiatives 5. Reallocate time from “doing” to “leading” <ul style="list-style-type: none"> • Clearer communication of priorities and business results • Clearer and more frequent delegation 	

Objective Identification

At least one people objective must originate either from 360-degree assessment feedback and/or organizational health survey trends.

NOWHERE TO HIDE

Discrete ratings surface business and people management performance differences

Assignment of Business and Performance Ratings

Topline on Jeff's Performance
While Jeff excels in managing the business, PepsiCo's dual ratings highlight a significant gap in achievement against people objectives, indicating a need to develop his people performance during next review period.

Jeff Radke—2004 Objectives and Results

Business Results Rating: 5 <i>(Significantly Exceeds)</i>	People Results Rating: 1 <i>(Did Not Meet)</i>	Performance Indicator								
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2" style="text-align: left; padding: 5px;">BUSINESS RESULTS</th> </tr> <tr> <td style="width: 50%; padding: 5px;"> <p style="text-align: center;">OBJECTIVES</p> <ul style="list-style-type: none"> • Meet market development goals • Ensure that all activities are identified for the franchise territory and are executed with the cooperation of the supplier organization • Execute 100% of local customer wiring plans • Lead production development with franchise director </td> <td style="width: 50%; padding: 5px;"> <p style="text-align: center;">RESULTS</p> <ul style="list-style-type: none"> • Exceeded aggressive plan targets <ul style="list-style-type: none"> – Volume 10% ahead of plan – Expenditures well within budget and well deployed • Executed 100% of all planned initiatives <ul style="list-style-type: none"> – KPI target levels exceeded 80% trade compliance in the grocery channel • Executed 100% of all customer wiring • Led product development with franchise director <ul style="list-style-type: none"> – Successfully presented all drafts to manager </td> </tr> <tr> <th colspan="2" style="text-align: left; padding: 5px;">PEOPLE RESULTS</th> </tr> <tr> <td style="width: 50%; padding: 5px;"> <p style="text-align: center;">OBJECTIVES</p> <ul style="list-style-type: none"> • Be the primary person responsible for onboarding the new franchise manager <ul style="list-style-type: none"> – Coach new hire on processes and procedures – Review new hire's work during his/her first two weeks • Participate in the selection process to hire one new franchise manager during 2004 <ul style="list-style-type: none"> – Conduct at least five candidate interviews – Provide timely feedback to human resources and the franchise director • Deliver constructive development feedback to subordinates </td> <td style="width: 50%; padding: 5px;"> <p style="text-align: center;">RESULTS</p> <ul style="list-style-type: none"> • Coached one new hire on processes and procedures • Corrected new hire's work rather than properly coaching him • Canceled three out of five candidate interviews at the last minute • Failed to follow up with human resources to provide feedback on candidate interviews • Followed up with the franchise director by providing feedback immediately after each candidate interview • Feedback from direct reports reflects a lack of emphasis on development efforts • Peers report difficulty with Jeff in cross-divisional task forces; he comes across impatient and unengaged </td> </tr> </table>			BUSINESS RESULTS		<p style="text-align: center;">OBJECTIVES</p> <ul style="list-style-type: none"> • Meet market development goals • Ensure that all activities are identified for the franchise territory and are executed with the cooperation of the supplier organization • Execute 100% of local customer wiring plans • Lead production development with franchise director 	<p style="text-align: center;">RESULTS</p> <ul style="list-style-type: none"> • Exceeded aggressive plan targets <ul style="list-style-type: none"> – Volume 10% ahead of plan – Expenditures well within budget and well deployed • Executed 100% of all planned initiatives <ul style="list-style-type: none"> – KPI target levels exceeded 80% trade compliance in the grocery channel • Executed 100% of all customer wiring • Led product development with franchise director <ul style="list-style-type: none"> – Successfully presented all drafts to manager 	PEOPLE RESULTS		<p style="text-align: center;">OBJECTIVES</p> <ul style="list-style-type: none"> • Be the primary person responsible for onboarding the new franchise manager <ul style="list-style-type: none"> – Coach new hire on processes and procedures – Review new hire's work during his/her first two weeks • Participate in the selection process to hire one new franchise manager during 2004 <ul style="list-style-type: none"> – Conduct at least five candidate interviews – Provide timely feedback to human resources and the franchise director • Deliver constructive development feedback to subordinates 	<p style="text-align: center;">RESULTS</p> <ul style="list-style-type: none"> • Coached one new hire on processes and procedures • Corrected new hire's work rather than properly coaching him • Canceled three out of five candidate interviews at the last minute • Failed to follow up with human resources to provide feedback on candidate interviews • Followed up with the franchise director by providing feedback immediately after each candidate interview • Feedback from direct reports reflects a lack of emphasis on development efforts • Peers report difficulty with Jeff in cross-divisional task forces; he comes across impatient and unengaged
BUSINESS RESULTS										
<p style="text-align: center;">OBJECTIVES</p> <ul style="list-style-type: none"> • Meet market development goals • Ensure that all activities are identified for the franchise territory and are executed with the cooperation of the supplier organization • Execute 100% of local customer wiring plans • Lead production development with franchise director 	<p style="text-align: center;">RESULTS</p> <ul style="list-style-type: none"> • Exceeded aggressive plan targets <ul style="list-style-type: none"> – Volume 10% ahead of plan – Expenditures well within budget and well deployed • Executed 100% of all planned initiatives <ul style="list-style-type: none"> – KPI target levels exceeded 80% trade compliance in the grocery channel • Executed 100% of all customer wiring • Led product development with franchise director <ul style="list-style-type: none"> – Successfully presented all drafts to manager 									
PEOPLE RESULTS										
<p style="text-align: center;">OBJECTIVES</p> <ul style="list-style-type: none"> • Be the primary person responsible for onboarding the new franchise manager <ul style="list-style-type: none"> – Coach new hire on processes and procedures – Review new hire's work during his/her first two weeks • Participate in the selection process to hire one new franchise manager during 2004 <ul style="list-style-type: none"> – Conduct at least five candidate interviews – Provide timely feedback to human resources and the franchise director • Deliver constructive development feedback to subordinates 	<p style="text-align: center;">RESULTS</p> <ul style="list-style-type: none"> • Coached one new hire on processes and procedures • Corrected new hire's work rather than properly coaching him • Canceled three out of five candidate interviews at the last minute • Failed to follow up with human resources to provide feedback on candidate interviews • Followed up with the franchise director by providing feedback immediately after each candidate interview • Feedback from direct reports reflects a lack of emphasis on development efforts • Peers report difficulty with Jeff in cross-divisional task forces; he comes across impatient and unengaged 									

Senior Executive Rating
Performance indicator rating is only for senior executives and helps to more accurately determine long-term incentives by calibrating individual executive performance relative to peers.

Multisource Evaluation Process
PepsiCo assesses individual performance using supervisory manager, direct report, customer, 360-degree assessment, and manager self-assessment feedback. Business and people results and ratings are generated during regular manager calibration meetings.

Source: PepsiCo., Inc.; Corporate Leadership Council research; HR Executive Forum research.

PAY FOR PERFORMANCE

PepsiCo weights business and people ratings to determine compensation...

Compensation Formula

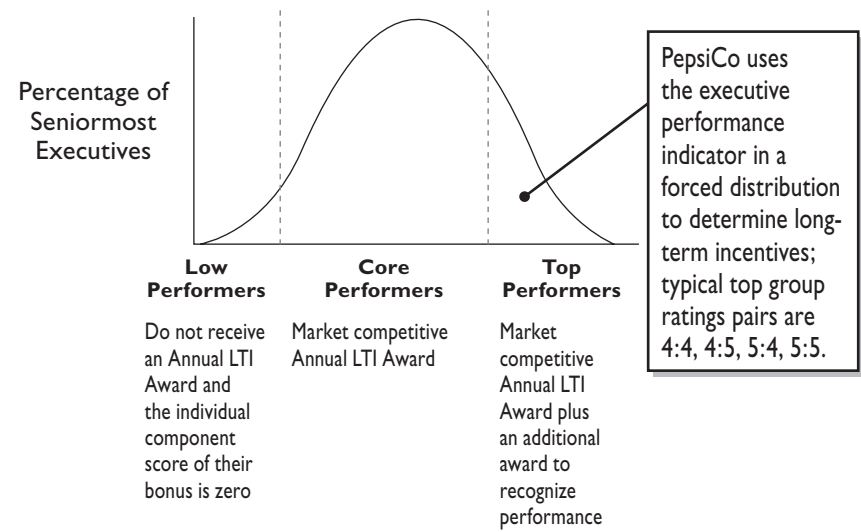
$$\begin{array}{r} \text{Business Results Score } \boxed{} \times 2 = \boxed{} \\ + \\ \text{People Results Score } \boxed{} \\ = \\ \text{Compensation Index } \boxed{} \end{array}$$

Compensation Index*

Compensation Index	Merit Increase Range	Bonus Eligibility Score Percent of Target
3-4	0%	0-20
5-7	1-3%	50-90
8-10	2-6%	80-120
11-13	5-9%	115-160
14-15	8-15%	150-200

...and differentiates the reward for senior leaders

Differentiated Long-Term Incentives



CASE IN POINT

High Business Results, Low People Results

Jeff Radke

Business Results Score: $5 \times 2 = 10$

People Results Score: $1 = 1$

Compensation Index = 11

Merit Increase for 2004 = 5%
Individual Portion of Bonus = 110% of Target

High Business Results, High People Results

Vanessa Martinez

Business Results Score: $5 \times 2 = 10$

People Results Score: $5 = 5$

Compensation Index = 15

Merit Increase for 2004 = 13%
Individual Portion of Bonus = 150% of Target



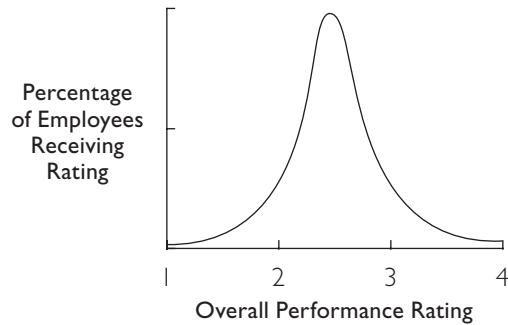
* This compensation index is illustrative and based on market data.

Source: PepsiCo., Inc.; Corporate Leadership Council research; HR Executive Forum research.

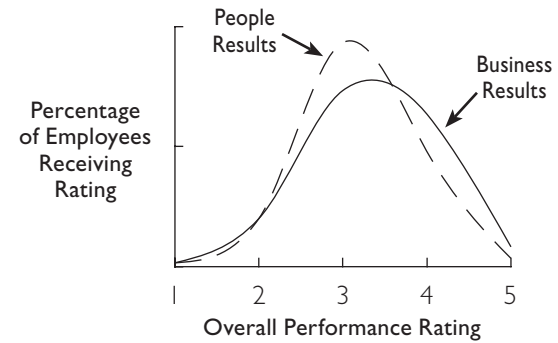
OVERALL ACCOUNTABILITY

Managers provide differentiated assessments of employees following the introduction of the people rating...

Ratings Before
(Restricted Spread of Ratings Under Single Dimension)

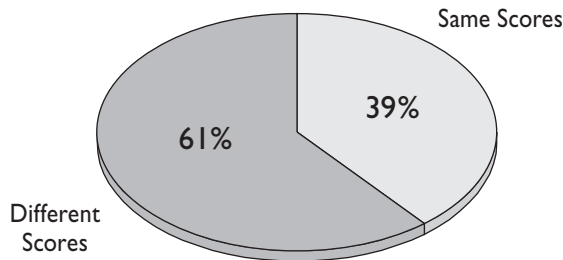


Ratings After
(Increased Spread of Ratings on Two Dimensions)

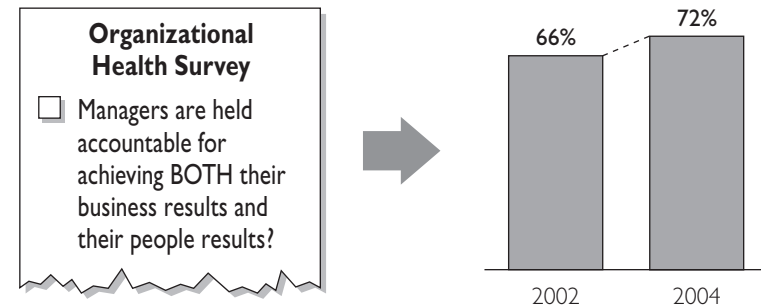


...promoting more accurate visibility into both performance measures and increasing manager accountability

Percentage of Individuals Receiving Different Scores for People and for Business Results



Manager Accountability for People and Business Results



Source: PepsiCo., Inc.; Corporate Leadership Council research; HR Executive Forum research.

IMPLEMENTING PEPSICO'S DUAL PERFORMANCE RATINGS

Step #1: Assess Organizational Readiness

Organizational Diagnostic	
①	Does our performance criteria include people objectives? _____
②	Can we design our rating system to differentiate between business and people management performance? _____
③	Will our organization accept partial weighting of compensation on people management performance? _____
④	Can we assess the impact of this change in our ratings system? _____
⑤	What additional resources will we need? _____

Step #2: Develop Execution Plan

Sample Project Plan		
Activity	Timeline	Owner
<input type="checkbox"/> Evaluate current performance criteria and compensation structure against end goal		
<input type="checkbox"/> Secure buy-in from senior management and finance		
<input type="checkbox"/> Develop and present plan and materials to managers		
<input type="checkbox"/> Implement new review process		
<input type="checkbox"/> Assess immediate satisfaction and longer-term impact (e.g., annual improvement)		

Step #3: Leverage Tools and Templates

Performance Management Design and Execution Center*

Practice Tools and Templates

- People management metrics
- Compensation index
- Performance improvement plan worksheet
- Employee satisfaction survey

Accountability Area	Potential Measurement Issues
Creating & Driving and Inclusive Organization	<ul style="list-style-type: none"> Actively participating in inclusion-related activities and initiatives, such as employee networks and inclusion councils. Establishing an effective working relationship with a person who is vastly different from yourself.
Managing & Developing People	<ul style="list-style-type: none"> Sharing timely, balanced performance feedback with direct reports. Gaining knowledge about others that enables you to coach and advise on the most effective manner. Designing work assignments and supporting activities to promote career and skill development.
Teamwork & Collaboration	<ul style="list-style-type: none"> Creating energy and excitement around shared goals and vision. Sharing current knowledge or best practices to support the success of others.
Personal Development & Growth	<ul style="list-style-type: none"> Embracing stretch opportunities to develop new skills. Integrating constructive feedback obtained from others to strengthen performance.

Additional Tools and Resources

- Sample performance standards
- Sample performance appraisal forms
- Sample individual development plan

* Please access www.hrexecutiveforum.com for these and other tools.

Source: HR Executive Forum research.



DESIGN AND EXECUTION CENTERS

Toolkits provide implementation support to members seeking to adopt best practices profiled in forum research. Each toolkit provides an overarching framework and a set of tools with systematic implementation suggestions, enabling HR departments to implement a strategic process without substantial resource investments.

Succession Management

Performance Management

Leadership Development

Employee Engagement

Foundations of the System

MEMBER FAVORITES

- Seagate Goal Alignment Template** | Down
Members can use this template to ensure that their individual goals are aligned with corporate objectives.
[Download Tool](#) | [Share With Team](#)
[Delete Report](#) | [Edit Document](#)
[Recommend Tool](#)
- Seagate Goal Alignment Checklist** UP | Down
This checklist identifies common issues or problems in aligning goals horizontally and vertically across a firm, with examples and recommended actions for improvement.
[Download Tool](#) | [Share With Team](#)
[Delete Report](#) | [Edit Document](#)
[Recommend Tool](#)
- Sample Competency Definitions** UP | Down
This document contains sample competency definitions from companies such as Eli Lilly and Anthem. Members should use these examples to develop or fine-tune their own employee performance metrics.
[Download Tool](#) | [Share With Team](#)
[Delete Report](#) | [Edit Document](#)
[Recommend Tool](#)

Effective Process Execution

MEMBER FAVORITES

- Performance Discussion Form Planning Guide** | Down
Managers can use this tool to document employees' performance, accomplish areas for improvement, and goals for upcoming year.
[Download Tool](#) | [Share With Team](#)
[Delete Report](#) | [Edit Document](#)
[Recommend Tool](#)
- Line Manager Business Case** UP
Business case to line managers indicate the key drivers of performance and importance of manager execution of specific performance management activities.
[Download Tool](#) | [Share With Team](#)
[Delete Report](#) | [Edit Document](#)
[Recommend Tool](#)

ADDITIONAL

- Flow Corp. Performance Management Presentation** | Down
Flow Corp presentation outlining why performance management is important, it aligns with corporate objectives, setting objectives, and individual tracking.

THE HR EXECUTIVE FORUM | DESIGN AND EXECUTION CENTER
www.hrexecutiveforum.com

CORPORATE EXECUTIVE BOARD | PERFORMANCE MANAGEMENT IMPLEMENTATION TOOLKIT
GOAL ALIGNMENT CHECKLIST

SEAGATE GOAL ALIGNMENT CHECKLIST

During the Seagate Goal Alignment workshop, executives refer to the Goal Alignment Checklist to facilitate addressing any goal alignment problems. The checklist offers an inventory of specific problems with examples and recommended actions and is intended as a problem solving tool for executives to reference when a goal is called into question. The alignment checklist should be posted on the intranet for ongoing reference throughout the year.

User Tip: This checklist identifies common issues or problems in aligning goals horizontally and vertically across a firm, with practical and easily understood examples. Members can use this checklist to ensure that their executive's goals are aligned.

Instructions: Review the corporate/executive goals. Determine if the goals in your organization include any of these common issues/problems, and use the guidance below to improve the alignment of those goals and measures.

Issue/Problem	Examples	How to Improve
There are too many measures for the same corporate objective	A review of the executive goals aligning with "Employer of Choice" uncovers 20+ unique potential measures.	Creating reports for all of the possible goals will likely cost more than the data is worth, and will dilute the focus of Seagate employees. Select one or two measures to use across the executives who report to you: <ul style="list-style-type: none"> Which of the possible measures best captures what Seagate wants to achieve? Which of the measures will be practical to track? Will it be worth it to create a new tracking system for a new measure?

Source: HR Executive Forum research.



EDUCATION CENTER

From Performance Management to Performance Improvement

HR EXECUTIVE FORUM™

FROM PERFORMANCE MANAGEMENT TO PERFORMANCE IMPROVEMENT

Leveraging Key Drivers of Individual Performance

1 of 81

00:00 / 00:53

On-demand, **self-study seminars** allow HR Executives and team members to deepen or refresh content knowledge and fluency in critical HR subject areas. Seminars can be viewed through the use of self-directed & easily navigated audio/visual online technology.

Seagate

GETTING EVERYONE ON THE SAME PAGE

To address misaligned goals and broken lines of communication, Seagate developed executive-level goal alignment workshops and an organization wide goal cascade

Overview of Goal Alignment Process

Horizontal Goal Alignment

I. Senior Executive Goal Definition

Goal Alignment Template

II. Goal Refinement and Consensus

Goal Alignment Workshop

Vertical Goal Alignment

III. Rollout of Goal Creation

Goal Cascade

Seagate

Executive Goal Alignment Workshop

Company Background
Based in Northern California, Seagate Technology, LLC is a global high-technology company that provides storage (computer disc drive) technologies, products, and services. As of 2004, the company has more than 40,000 global employees and generates revenue of more than \$7 billion.

Practice Description
Seagate's two-pronged approach for goal realization consists of goal alignment workshops and an organizational goal cascade. This process ensures goal transparency and real-time goal management across the organization.

Source: HR Executive Forum research.