

people through training and coaching, leading to rewards and recognition.

The process is the same for people, although they begin with rewards and work toward structure. Rewards and recognition are typically high on the list of items people want⁶ – not compensation. Their rewards should be based on development and career advancement opportunities, stemming from their performance. They trust the organization to place them in roles to be successful, playing to their strengths and skills; and to have the appropriate structure and process to effectively Ask, Listen, Learn and Act (AL²A).

While Graphic 7.1 may appear complex, it is relatively simple if broken into individual steps and communicated effectively. In our experiences, once set up in an organization and people are proactively educated and trained, the process becomes simple.

People In Action

In Chapter 5, we discussed a global \$1 billion provider of innovative identification solutions. Its bench strength process directly relates to performance management. While this organization has a performance management system and advancement opportunities for all people, let's focus on performance management for its top performers. Acquisitions are a core part of their strategy. Their plan is communicated to people each quarter via various communication vehicles, and each month, a key goal in the plan (e.g., acquisitions) is discussed in detail. People know the strategic plan and corporate goals, and understand them.

Each month, the leadership team meets for up to four hours to discuss top performing people. They have more than 6,000 people globally, and through their detailed process, they have identified approximately 60 people – less than 1 percent – as being the best of the best. This group of 60 knows they are on this list and the people, HR and leadership have collaborated on specific skills and training for these individuals.

When an acquisition occurs, the leadership team determines the 3-4 people that may best be qualified to lead the respective acquisition process – participating in due diligence and leading integration efforts. These people already know they will be requested to do this as they understand the importance of acquisitions to the corporate goals. These people interview for the role and one is selected to lead the acquisition efforts. This also becomes a core component of their individual leadership development program.

In this instance, this organization was focused on linking acquisitions to development. To help with their success, the Integration Leaders requested a detailed Acquisition and Integration Process Guide, which served to educate all people on the acquisition process – so acquisitions became process-dependent and not people-dependent. This also works as a career advancement opportunity for the selected acquisition leader. The company understands the importance in investing in tools to help its people succeed. The result, in addition to successful acquisition and integration efforts, is complete linkage from people, to departments/intervisions, to corporate goals.

How the Process Works

Viewed another way, a performance management system consists of a complete process of the following:

Strategic Plan: You must have a strategic plan and it must be communicated – along with the SMART corporate goals – to all people. In addition, the strategy must be continuously reviewed.

Intervision Goals: Once corporate goals are determined, these should be linked to each intervention. For example, if a corporate goal is to introduce a new product, the marketing intervention ultimately may be responsible for this. The marketing leader will make this corporate goal a part of his/her intervention goals and communicate accordingly with the team of people.

People Goals: Using the new product example, 1 or 2 individual people may be responsible for leading the new product objective. This becomes part of their annual review, thus creating a line-of-sight process from the people to the intervention/department to the corporate goals in the strategic plan.

Two other necessary components for success include measurement and communication.

Measurement is the foundation for the system as it is the method to effectively track and determine people's needs and if/how they are impacting the bottom line. This can be accomplished in a variety of ways, mainly through AL²A.

Performance management consists of five core items: strategic plan, intervention goals, people goals, measurement and communication.

This is where the 360-degree assessment works best. Because it is based on an individual's feedback, as well as peers, leader and direct report (if applicable); it forms a comprehensive view of the person. This becomes the basis of their individual training and development plan.

Communication becomes the final step in the process. A comprehensive communication plan should encompass the process and ensure that information is cascaded to all people through a variety of previously discussed venues. If people don't understand what is occurring in the organization, how can they truly be as