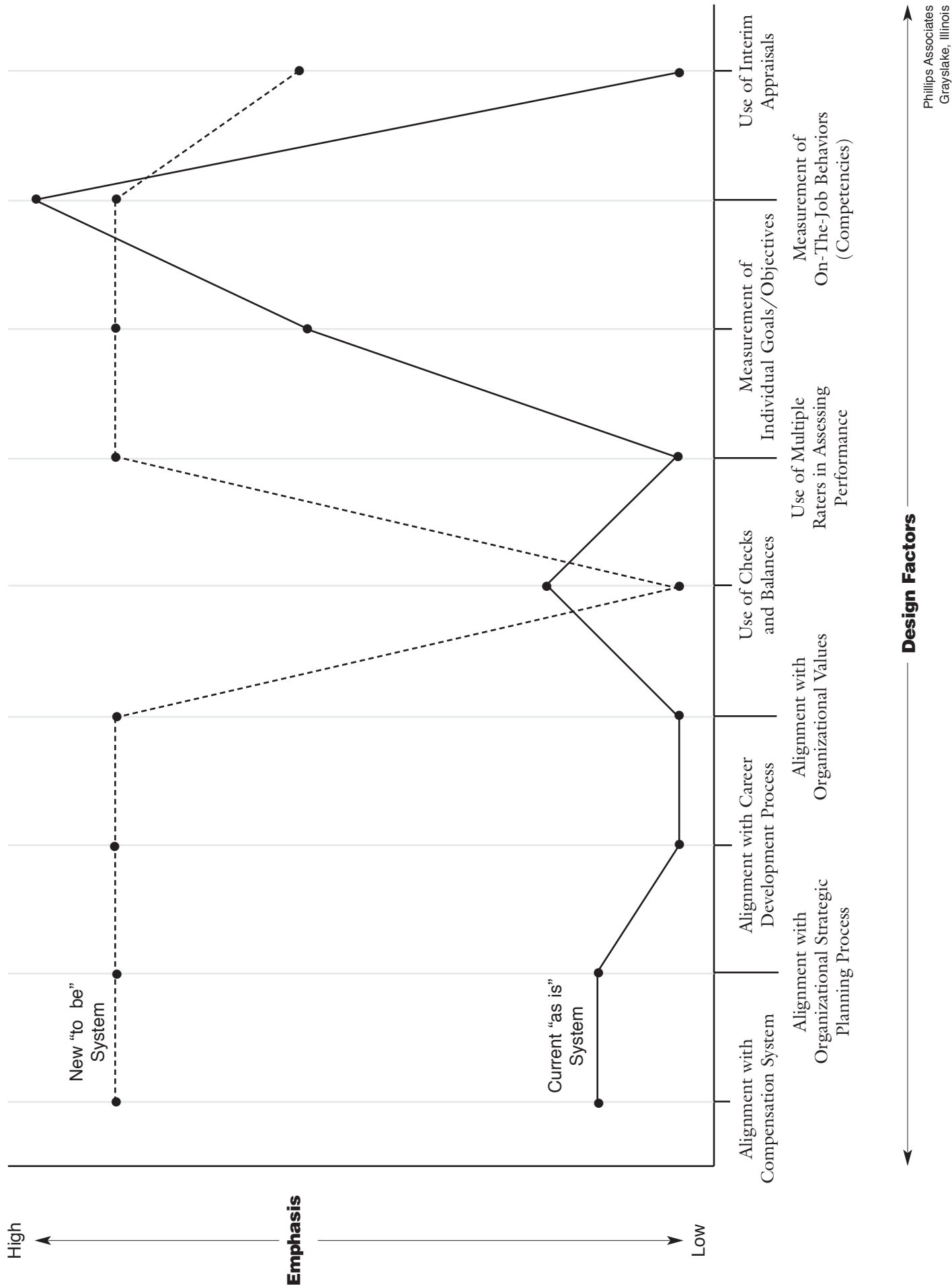# *Performance Management System Design Blueprint*



## PHILLIPS ASSOCIATES

# Performance Management System Design Blueprint
## Design Factors

- *Alignment with Compensation System* — Extent to which a company emphasizes the link between individual performance results and compensation

- *Alignment with Organization Strategic Planning Process* — Extent to which a company emphasizes the link between its strategic business planning and budgeting processes and its performance management process

- *Alignment with Career Development Process* — Extent to which a company emphasizes career development as part of the performance management process

- *Alignment with Organizational Values* — Extent to which explicit company values, if they exist, are incorporated into the performance management system

- *Use of Checks and Balances* — Extent to which a company uses checks and balances in its performance management system (e.g. second-level management review) to ensure consistency of objectives and performance ratings

- *Use of Multiple Raters in Assessing Performance* — Extent to which a company emphasizes the use of multiple raters to assess individual employee performance

- *Measurement of Individual Goals/Objectives* — Extent to which a company emphasizes the development and monitoring of individual performance objectives or goals as part of the performance management process

- *Measurement of Job Competencies* — Extent to which a company uses specific job competencies to evaluate individual employee performance

- *Use of Interim Appraisals* — Extent to which a company emphasizes the use of interim appraisals as part of the performance management process

# Performance Management System Design Blueprint – Sample



Emphasis — High / Low

Design Factors:
- Alignment with Compensation System
- Alignment with Organizational Strategic Planning Process
- Alignment with Career Development Process
- Alignment with Organizational Values
- Use of Checks and Balances
- Use of Multiple Raters in Assessing Performance
- Measurement of Individual Goals/Objectives
- Measurement of On-The-Job Behaviors (Competencies)
- Use of Interim Appraisals

New "to be" System

Current "as is" System

# The Five Steps in Creating a Performance Management System Design Blueprint

1. **Assess Current System**
   - Draw a picture of the current performance management or appraisal system.

   - Identify what is liked and what needs to change.

2. **Assess Others' Systems**
   - Go into the field to see what types of systems other organizations have and what is liked and disliked about them.

   - Use the Performance Management System Design Blueprint to draw a picture of each organization's system.

   - Report findings back to design team.

3. **Draft "Ideal" Design Blueprints**
   - Develop ideal performance management system design blueprints based on insights from field observations and assessment of current system.

   - Get feedback on alternative design blueprints.

   - Use feedback to build "best" design blueprint.

4. **Communicate New Design Blueprint to all Organization Members**
   - Distribute "current" and "new" Performance Management System design blueprints to all organization members.

   - Implement and train all employees on new performance management system.

5. **Evaluate New System**
   - One year after implementing new system evaluate how system worked and make any necessary changes.

   - Make design adjustments or provide additional training as needed.