

THE POWER OF PERFORMANCE PROFILING

Eight Good Reasons to Concentrate on Results

Activity without direction or purpose is simply motion: no more, no less. Traditional job descriptions focus on activity. However, it is far better to throw out your activity-based job descriptions and replace them with performance profiles that focus on results — not activity.

THIS CALL FOR PERFORMANCE profiling goes out to all organizations wanting to improve their results by better defining the work that needs to be done. It is useful for organizations in any stage — from entrepreneurial ventures to large, hierarchical organizations. Performance profiling can even be used to improve innovation and cross-functional teamwork. This is a proven way to enhance outcome metrics like sales and profitability. If your organization does not have a formal index of its various positions, the first step in building a performance-based organization is to adapt the powerful performance profile process, from top to bottom.

WHAT IS A PERFORMANCE PROFILE?

A performance profile is a short index (one to three pages) of what it takes to be a high performer in a specific job or position. It is different from a traditional job description in that it emphasizes key results or outcomes, not simply activities.

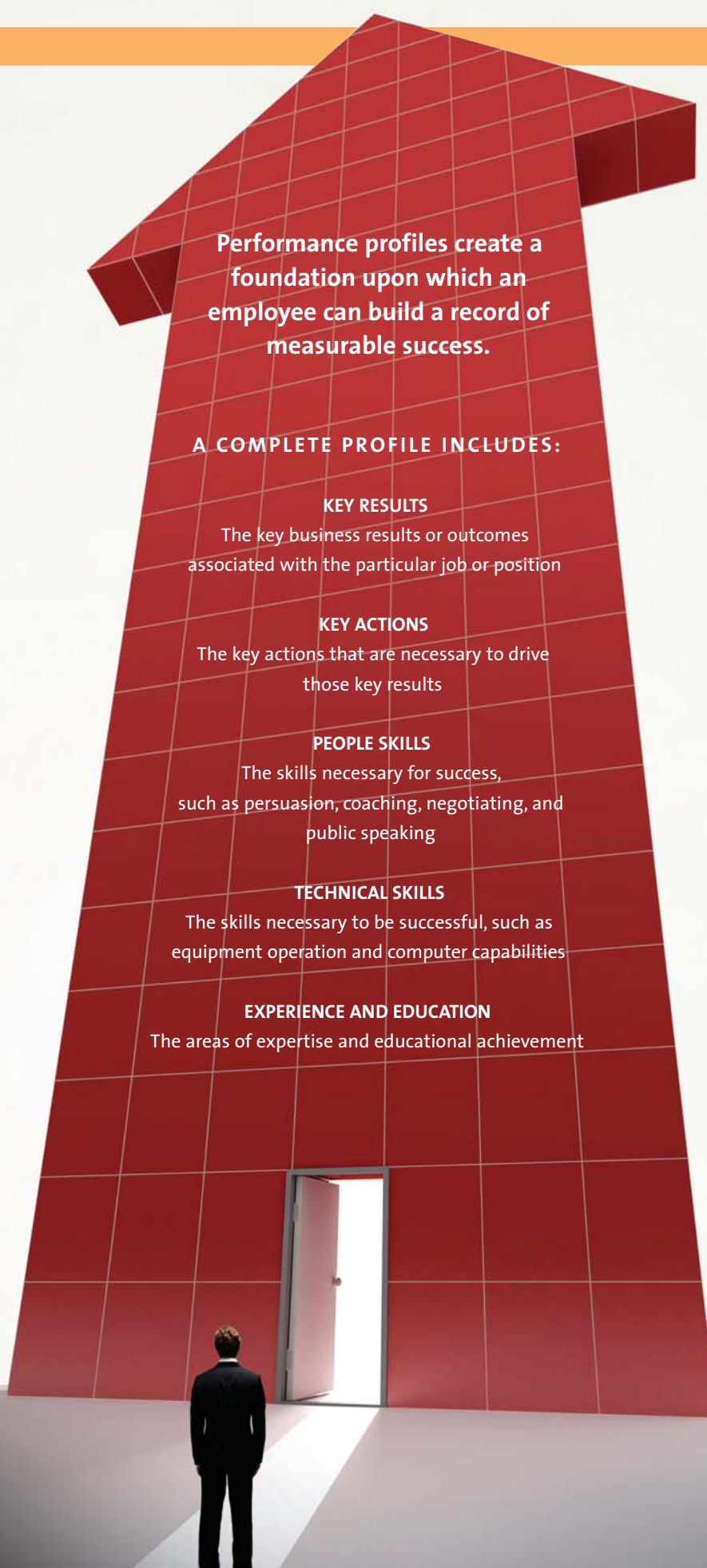
A performance profile for a sales clerk, for example, might focus on the goal of customer satisfaction. Unlike one who simply fumbles through each transaction, a clerk who interacts with customers in a helpful and courteous manner demonstrates results-driven action.

BENEFITS OF PERFORMANCE PROFILING

The performance profiling process has been applied across a variety of work settings for all types of jobs, at all organizational levels — from CEO to janitor. These eight important benefits of completing performance profiles for all positions have emerged:

1. Avoids mistaking motion for action. By defining key results for all positions and identifying the key actions that drive them, you are clearly connecting specific actions with specific outcomes. People will focus on what they are supposed to accomplish rather than engage in unfocused motion.

2. Supports knowledge-based organizations. This orientation can especially benefit knowledge-based organizations striving to create a learning-oriented culture that focuses their intellectual capital on measur-



Performance profiles create a foundation upon which an employee can build a record of measurable success.

A COMPLETE PROFILE INCLUDES:

KEY RESULTS

The key business results or outcomes associated with the particular job or position

KEY ACTIONS

The key actions that are necessary to drive those key results

PEOPLE SKILLS

The skills necessary for success, such as persuasion, coaching, negotiating, and public speaking

TECHNICAL SKILLS

The skills necessary to be successful, such as equipment operation and computer capabilities

EXPERIENCE AND EDUCATION

The areas of expertise and educational achievement

able value creation. The human capital valuation process can be effectively anchored by performance profiles that link knowledge-building action to important key results such as product innovation and effective cross-functional collaboration.

3. Facilitates positive exchange in challenging performance areas. Performance profiling is an opportunity for a manager to proactively work with his or her people to identify the essence of their work. This mutual review and collaborative effort works especially well in technology-based organizations where key actions and associated results are difficult to define. The delivery of new products, for example, is often influenced by a variety of actions that are dependent on creativity. Innovation, a key ingredient in the knowledge-based

PERFORMANCE PROFILES IMPROVE SELECTION DECISIONS.

workplace, needs to be defined, measured, and managed. You can begin this process through performance profiling. For example, innovation can be translated into “having X% of all revenues per year come from new or innovative products.” 3M uses this metric and establishes its annual revenue target from new products at 30%.

4. Helps avoid the courthouse. Clear performance expectations are an effective defence against wrongful termination claims. A performance profile makes your expectations explicit. It provides clarity and specificity, allowing you and your people to accurately document what is expected of them in a specific position.

5. Improves selection decisions. With a performance profile, you can formulate specific questions to ask job applicants or performance activities for them to complete during the selection process. By targeting your questions and activities to discover whether the candidate matches the performance profile for the specific position, you can weed out applicants who lack the qualifications.

6. Improves fairness of performance evaluation. With clear performance expectations, you reduce surprises during evaluation sessions. It is evident whether the person achieved the specified key results. Performance-based observations about specific actions outweigh “gut feel” comments based on subjective perceptions.

7. Improves training, development, and coaching efforts. By using a performance profile, you can easily identify individuals' developmental needs and, in turn, pinpoint areas for improvement.

8. Can be used as a tool in “pay for performance” compensation programs. Defining key results or performance outcomes can help in determining formulas for pay-for-performance programs. Without clear key result areas, pay-for-performance schemes can be ambiguous and so should be discouraged.

With this powerful package of benefits in mind, we review the steps involved in developing a performance profile.

FIVE STEPS IN DEVELOPING A PERFORMANCE PROFILE

Developing a performance profile should be highly interactive and systematic. The process can be broken down into these five steps:

Step 1: Defining Key Results

Each profile begins with the definition of the key results or outcomes required for this position. Ideally, the list will consist of one to five key results. When finalizing key results for a specific profile, consider referencing a publication on effective performance measurement. To identify the key result areas, try these four processes:

- Brainstorm as many potential outcomes or key results as you can for the particular position. Ask yourself: “If I

were outsourcing this position, what would I expect this person to deliver in order for me to retain them?”

- Focus on those outcomes that are most important for the person to achieve. The individual must be in a position to heavily influence these outcomes.
- Reduce your most important key result areas list to one to five items.
- Convert key result areas to performance expectations (outcome objectives) by assigning numbers and timeframes whenever possible. Although some key result areas do not lend themselves to clear quantification, most areas will be measurable.

Step 2: Determining Key Actions

All key results need to be driven by specific key actions which guide the incumbent toward achieving those results. Each key result should have one to six key actions — the “hows” that drive that key result — the things that need to be done to increase the chances of achieving the key result.

In determining the key actions, think about what the person can do to drive the key results. Apply the 80/20 rule — 80% of the results are produced by 20% of the actions. Document these 20% as key actions on your performance profile.

PERFORMANCE PROFILES CAN BE CONVERTED INTO EVALUATION FORMS FOR PERFORMANCE REVIEW DISCUSSIONS.

Step 3: Determining People Skills

Identify the people skills that influence key actions and list them on the performance profile. People skills are those that correlate with a person being able to effectively execute the key actions listed on the profile. When determining people skills, follow these three processes:

- Brainstorm the possible people skills that correlate with each of the key actions. A variety of commercial behavioural assessment instruments are available to help you pinpoint specific people skills.
- Finalize your index of people skills to a list of 10 to 15 skills.
- Determine any “must haves” and highlight them on your list.

Step 4: Identifying Technical Skills

In addition to people skills, you need to list the technical skills that correlate with taking key actions on the performance profile. Focus on those skills that correlate highly with being able to effectively accomplish the key actions. There are usually fewer technical skills listed on a profile than people skills, perhaps one to ten. To determine the technical skills required, use these processes:

- After reviewing the key actions listed for the job, brainstorm the possible technical skills needed.
- Consult and/or observe experts to help you focus on the essential skills and specify your precise requirements.

- Finalize the technical skills list, citing those most important to success.
- Determine the “must haves” and highlight them on your list.

Step 5: Determining Experience and Education/Training Requirements

Consider your minimum experience and education/training requirements. How many times do you want the person to have worked through the experience cycle in a specific position? Reviewing and reflecting on the work of past and present high performers can help you make these decisions. The experience and education requirements become most important when you are using a performance profile to aid in making selection decisions. This step requires you to specify the education/training needed as well as the minimum years of experience needed in a specific work environment.

PERFORMANCE PROFILE APPLICATIONS

Once you have completed a performance profile, you will be able to apply it to all parts of the performance-people cycle in your organization. You can use performance profiling to make better selection decisions, coach employees, and evaluate personnel. You can use the five content areas of your profile to write specific recruitment ads, prepare selection interview questions, and formulate specific performance activities. You can also use the profile to help coach and evaluate the performance of existing employees. After

developing a profile with a person, together you can review their performance in executing key actions and in delivering key results. In fact, the identified key results and their associated key actions can become the basis for performance evaluation and coaching. Performance profiles can be converted into evaluation forms that become the focal point for performance review discussions.

SUMMING IT UP

Performance profiling will bring a greater performance focus to your organization. The emphasis is on having your people focus on action that directly impacts the desired key results. It does not mistake motion for action, or activity for results. This simple, yet powerful, performance management tool links key results with key actions and helps you and your people focus on the technical skills needed to do the job. It will pay big dividends for you and your organization.

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Author Charles D. Kerns, PhD, MBA is Associate Professor of Applied Behavioral Science at the Graziadio School of Business and Management, Pepperdine University. This article from the Graziadio Business Report, is copyrighted and has been reprinted with permission from Pepperdine University. <http://gbr.pepperdine.edu/011/performance.html>