STM

PERFORMANCE MANAGEMENT

It's a system, not an event.

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We at Strategic Talent Management (STM) firmly believe that performance management is a process, not an event. There are a number of benefits to having a comprehensive and consistent system to measure performance, provide constructive feedback, and identify professional development opportunities.

▸ **Improved Productivity:** Clear goals and regular feedback help employees stay focused and productive.

▸ **Employee Growth:** Providing development opportunities and feedback leads to skill improvement.

▸ **Increased Engagement:** A well-managed performance management system boosts motivation, commitment, and drive.

▸ **Enhanced Communication:** Good systems promote open communication between employees and managers and fosters trust.

▸ **Strategic Alignment:** Regular communication ensures that employee goals align with broader organizational goals.

▸ **Fairness and Transparency:** By having a system, you can assess performance in an objective way that reduces bias.

▸ **Succession Planning:** Throughout the process managers have an opportunity to evaluate who has the capacity to step up and ensure organizational continuity at every level.

But doesn't success just happen if you have the right people?

For far too many organizations a performance management "system" consists of having an annual review which may or may not be held in a consistent manner, constructed around consistent expectations, and based on consistent criteria. What usually happens is an unstructured conversation which both the manager and employee dread and that is ultimately of little value to the employee, the manager, or the organization.

CASE STUDY

We once worked with a business owner who was really struggling with one of his key leaders. There were clearly performance issues, and he indicated that the problems had been ongoing. We asked to see the employee's most recent performance evaluation and in every single area the owner had rated the employee very good to excellent. There were no notes about any performance problems at all and not a single goal established for improvement. This was not helpful to the employee and did nothing to help them get to the level expected by the owner. In fact, the employee was left with no indication as to what was really expected of them. *People can't live up to your expectations if they don't know what they are!*

Achieving remarkable success takes ongoing effort

Whether you're a New England Patriots fan (or even a football fan) or not, you can't argue with the long-running success of the New England Patriots. Do you think coach Belichick waited until the end of the season to have one conversation with each of his players about what they did well over the course of the season and what they needed to improve for next year? Of course not! Instead, he was constantly analyzing the performance of each player and communicating what needed to happen, making small adjustments along the way to pave the way for success. Every person on and off the field knew exactly what was expected of them at all times.

Key Components of an Effective Performance Management System

Continuous Feedback and Communication

- Provide regular, constructive feedback to employees.

- Encourage two-way communication between managers and employees.

- Focus on strengths as well as areas for improvement.

- Use real-time feedback to guide employees toward achieving their goals.

Performance Reviews

- Conduct formal performance reviews at regular intervals (quarterly, bi-annually, or annually).

- Use a combination of self-assessment, peer reviews, and manager evaluations.

- Evaluate both qualitative (skills, behaviors, cultural fit) and quantitative (KPIs, targets) aspects of performance.

- Maintain consistency in the evaluation criteria to ensure fairness.

- Use these opportunities to ask questions about employee satisfaction and aspirations. To guide this conversation, refer to STM's **Stay Interview Questions** in Appendix B.

Goal Setting

- **Individual Goals:** Align employee objectives with the company's strategic goals. Goals should be SMART (Specific, Measurable, Achievable, Relevant, and Time-bound).

- **Departmental and Organizational Goals:** Ensure that individual performance is linked to the broader objectives of the department and the organization.

- **KPIs (Key Performance Indicators):** Develop measurable KPIs for performance tracking and assessment that are meaningful to the organization and to individual roles.

TIP

See Appendix A for STM's **Start/Stop/ Continue Tool** which is useful in guiding ongoing performance conversations in a focused and productive way. If used successfully, there should be no surprises for anyone when it comes to formal performance reviews.

S **Specific:** What exactly are you trying to achieve?

M **Measurable:** How will we know when we've achieved it?

A **Attainable:** Is it realistically possible to achieve it?

R **Relevant:** Does it contribute to the company and/or employee objectives?

T **Time-bound:** What is the timeline in which this should be achieved?

Employee Development and Training

- Identify skill gaps and provide learning and development opportunities.

- Develop professional development plans for each employee.

- Offer coaching, mentoring, and job rotation to foster growth.

- Encourage employees to take ownership of their own learning and development.

Performance Improvement Plans (PIP)

- For underperforming employees, create a clear and actionable Performance Improvement Plan.

- Define specific goals, timelines, and resources to support improvement.

- Provide regular follow-ups and support during the improvement period.

- Ensure that the employee is aware of the consequences for not meeting improvement criteria.

- See Appendix C for a sample **PIP template**.

Documentation and Compliance

- Maintain thorough records of performance reviews, feedback, and development plans.

- Ensure your performance management system complies with relevant laws and regulations, including fairness and discrimination.

Rewards and Recognition

- Align performance rewards with company policies and culture.

- Offer incentives such as bonuses, promotions, raises, recognition programs, or additional growth opportunities for high performers.

- Consider what would be a meaningful reward based on the individual – tickets to a concert or sports event, bonus time off, a donation to a favorite charity, etc.

- Acknowledge and celebrate milestones, achievements, and contributions, but be sensitive to the fact that not everyone is comfortable with public recognition. Sometimes a private thank you and acknowledgment is more appropriate..

Succession Planning

- Identify high-potential employees for key roles within the organization.

- Provide developmental opportunities for future leaders.

- Ensure that succession plans are integrated with the overall performance management strategy.

Steps to Implement a Performance Management System

1. Define Performance Criteria

- Establish what success looks like in every position and at every level of the organization.

- Develop a competency model that includes both technical skills and soft skills.

2. Set Clear Expectations

- Ensure all employees understand their roles and responsibilities. People can't meet your expectations if they don't know what they are!

- Communicate company values and behaviors expected of employees.

3. Determine How Feedback Will Be Delivered

- Train managers and team leaders on how to give constructive, actionable feedback.

- Ensure feedback is timely, specific, and focuses on both strengths and areas for improvement.

4. Monitor Progress

- Regularly assess individual and team performance against established goals.

- Adjust as needed based on performance data.

- Hold your employees accountable for their performance goals.

5. Evaluate and Assess

- Conduct frequent informal one-on-one meetings and formal performance evaluations according to the defined cycle. Consistency is key!

- Use evaluation data to make compensation, promotion, and development decisions.

6. Link Performance to Rewards

🡒 Ensure that rewards (financial and non-financial) are aligned with performance.

🡒 Recognize both individual and team successes in formal and informal ways.

7. Review and Improve the Process

🡒 Regularly review the performance management system's effectiveness.

🡒 Gather feedback from employees and managers to identify areas of improvement.

🡒 Continuously refine the system to ensure it supports organizational objectives and employee satisfaction.

What rating scale should you use? Choose something that's meaningful for your organization, but here are a couple we really like.

5 Excellent
Consistently exceeds standards

4 Outstanding
Frequently exceeds standards

3 Satisfactory
Generally meets standards

2 Needs Improvement
Frequently fails to meet standards

1 Unacceptable
Fails to meet standards

4 - Crushing It!

This rating is reserved for employees who are true rock stars and the perfect examples of how to do it right. They consistently *exceed* expectations in all major areas of responsibility, perform at a level that is above and beyond what is required for their role, and contribute significantly to the success of the organization.

3 - Doing Great

Employees who receive this rating consistently *meet* the critical requirements of their position, achieve their goals, and add value to the work unit. They're doing great in their role and contributing to the success of the organization.

2 - Needs some support

This rating is for employees who need some support and attention *in specific areas* of their performance. They struggle to consistently meet expectations or require additional support and coaching to perform at their best.

1 - Needs serious attention

This rating is for employees whose performance is *not meeting the minimum requirements* for their role. Serious attention is required to help them improve their performance and meet expectations.

You'll notice that these examples are very different – one more straight-laced and the other casual and conversational. As with your entire approach to performance management, the way you rate your employees and the words and attitudes you use should be a reflection of your culture. If your organization is more "corporate" and formal, then go with something like the one on the left. More casual and familial? The one on the right would be a better choice.

How to Give Meaningful Feedback

How many times have you given feedback that seems to fall on deaf ears? The reason for this may be based in brain science. According to the SCARF Model developed in 2008 by David Rock, there are five key "domains" that influence our behavior and activate a threat or reward response:

- **Status** – our relative importance to others

- **Certainty** – our ability to predict the future

- **Autonomy** – our sense of control over events

- **Relatedness** – how safe we feel with others

- **Fairness** – how fair we perceive the interactions between people to be

If feedback is given in a way that feels unfair or makes a person feel uncertain, this can trigger a threat response which makes them shut down and can have the opposite result of what's intended. However, if the feedback is being given in a way that makes them feel safe and supported, they will be more willing to turn toward the perceived reward and really hear what you have to say.

Don't

- Say "Can I give you some advice?"

- Show superiority in your words, body language, or the physical environment

- Make employees feel they have no choice or control

- Be uninterested in what your employees have to say

- Show uncertainty in your delivery

- Focus solely on the negative

- Be evasive or ambiguous

- Be inconsistent in your expectations or treatment of employees

Do

- Create an environment in which employees feel safe and comfortable. This may mean leaving the office.

- Make conversation first and make a connection.

- Explain the agenda prior to jumping in.

- Show care and empathy.

- Let employees know that you are a resource for them.

- Help the employee see what they are doing right and recognize the improvements that you've noticed.

- Use specific examples of behaviors that need to be corrected.

- Explain reasons for decisions.

- Be specific about objectives.

- Offer choices wherever possible.

- Focus attention on what to do rather than what not to do.

- Be open and transparent.

- Share your own challenges that you've worked to overcome.

- Focus on actionable tasks.

- Be consistent in how you treat each employee.

- Remain objective – it's personnel, not personal.

A well-designed Performance Management System can lead to a high-performing workforce, better employee satisfaction, and organizational success. It helps align individual goals with company strategy, drives employee development, and fosters a culture of continuous improvement.

Leadership Accountability

Performance problems are rarely one-dimensional. Before concluding that an employee is "the issue," effective leaders pause and examine their own role in creating the conditions for success.

SCORE™ is a simple but powerful framework that helps leaders take responsibility before taking corrective action.

The SCORE™ Framework

S – Selection

Have you chosen the right person for the role or task?

Performance begins with fit. Leaders must ensure the employee has:

- The skills and experience required
- The capacity to take on the work
- The behavioral strengths needed for the role

STM Perspective:

You cannot coach your way out of a poor selection decision, but you *can* own it.

Leader Reflection:

- Does this role align with the employee's strengths?
- Am I asking them to perform outside their capability or capacity?

C – Communication

Has the employee been given the information they need to succeed?

Clear, consistent communication is a leadership obligation, not a one-time event.

Leaders must ensure:

- Objectives are explicit and understood
- Priorities are clear and not competing
- Feedback is timely and specific

STM Perspective:

If communication is inconsistent, performance will be too.

Leader Reflection:

- Have I clearly defined success?
- Have I checked for understanding, or just assumed it?

O – Obstacles

What barriers to success exist that are beyond the employee's control?

Strong leaders look beyond behavior to context.

Potential obstacles include:

- Conflicting priorities
- Organizational bottlenecks
- Unclear decision authority
- Team or cross-functional breakdowns

STM Perspective:

Accountability without authority creates frustration, not performance.

Leader Reflection:

- What is getting in the employee's way?
- What obstacles am I responsible for removing?

R – Resources

Does the employee have access to the tools, time, and support needed to succeed?

Even the best employees cannot perform without adequate resources.

Leaders should assess:

- Access to tools, systems, and information
- Adequate time and staffing
- Training or development needs

STM Perspective:

Expecting results without providing resources is not leadership; it's wishful thinking.

Leader Reflection:

- Have I equipped this employee for success?
- What support am I assuming they have that they may not?

E – Expectations

Are your expectations clear, reasonable, and consistently applied?

Expectations must be:

- Clearly articulated
- Realistic given role and context
- Applied consistently across the team

STM Perspective:

What leaders tolerate becomes the standard.

Leader Reflection:

- Have I been explicit about what "good" looks like?
- Am I holding everyone to the same standard—including myself?

How SCORE™ Is Used

SCORE™ is best used:

- Before labeling an employee a "performance problem"
- As a leader self-check prior to difficult conversations
- In coaching and development discussions
- As part of manager training and leadership development

Only after a leader can confidently answer yes to each element of SCORE™ should the focus shift fully to employee accountability.

Using SCORE™ Across the Talent Lifecycle

Hiring & Selection

- Selection: Assess strengths and role fit
- Expectations: Define success before day one

Onboarding

- Communication: Clear priorities and goals
- Resources: Tools, access, relationships

Ongoing Performance

- Obstacles: Remove friction
- Expectations: Reinforce standards

Performance Concerns

- Apply full SCORE™ before corrective action
- Document leader actions taken

SCORE™ helps organizations shift from reactive performance management to proactive leader accountability.

- Reduce performance surprises
- Improve manager effectiveness
- Build trust and clarity
- Strengthen culture and results

The STM Bottom Line

Effective performance management starts with leader accountability.

SCORE™ reinforces a core Strategic Talent Management belief:
When leaders own the conditions for performance, employees are far more likely to meet or exceed expectations.

*See **Appendix D** for a simple checklist to help you use the SCORE™ Framework.*

APPENDIX A: Start/Stop/Continue Form

This is a tool to help two people improve their relationship. Specifically, it is designed to draw attention to behaviors that hinder effective communication, and document changes to boost mutual understanding. This is not a "one off" exercise. It can be the framework for both an intensive intervention and regular reviews.

How to use this tool

Introduction

- The Start/Stop/Continue tool is a documentation process at its core. They key point is to seek input from both parties and use the document as the agenda for a formal review.
- Used to document challenges and solutions between any two individuals, but particularly between a manager and their direct report(s)
- Takes the emotion out of the equation and focuses on behavior changes to which both parties agree and embrace, minimizes bias and judgement
- Provides a format for continuous improvement – as one behavior change is recognized and improves, it drops off the list and new or less important issues take its place
- This tool becomes the foundation of your performance management system.

Steps

1. Each party completes this form independently.
2. Meet and discuss each list – don't be surprised if your lists overlap in some areas.
3. Work together to determine the three most important items in each category for each person. Discuss what changes need to take place and any obstacles faced in doing so. Use this list as the agenda moving forward to your next meeting.
4. Continue to refresh your lists as issues are addressed and new ones arise.

Tips

- Target no more than 3 Start, Stops, and Continues for each person at once.
- This is a contract – nothing is added, changed, or deleted unless both participants agree.
- Do not overlook the Continue category. This is where you get to explain what's already working and make sure that it doesn't change.
- If the behavior has not changed in several meetings, the individual needs to review their improvement plan. The other party should hold them accountable and point out excuses like I do not have time (this is not a priority for me), I will try (failure is OK), I am working on it (but not working efficiently), I am nearly there (but never quite).

Basic Rules

Rule #1: Give your word and keep your word. Do everything possible to meet your commitments. When unable to keep your commitment, notify those involved immediately.

Rule #2: Build relationships to the point where you can say what needs to be said…now. Feedback is essential to performance growth, professional development, and good personal relationships. Avoid saying things that are hurtful, spiteful, or driven out of revenge. Use words that build up rather than tear down.

Hints:

- Do not judge the delivery style of others; stay focused on the message.
- Seek to understand what they are saying and then why – understanding is not necessarily agreement.
- Listen with sincere interest and concern.

Rule #3: Work as a team… no one can do it all. Teamwork requires trust, respect, appreciation, dedication, commitment, focus, determination, communication, and a willingness to support each other in times of need. Teamwork builds good relationships.

Start ╱ Stop ╱ Continue

Date:	FOR:	FOR:
START ▶ List three specific behaviors you should **start** doing in order to significantly improve your success and relations with others.	1. 2. 3.	1. 2. 3.
STOP ⬣ List three specific behaviors you should **stop** doing in order to significantly improve your success and relations with others.	1. 2. 3.	1. 2. 3.
CONTINUE ⏩ List three specific behaviors you should **continue** doing in order to significantly improve your success and relations with others.	1. 2. 3.	1. 2. 3.

APPENDIX B: Stay Interview Questions

We've all heard about *exit Interviews*, but what about *stay Interviews*? While exit Interviews can serve a purpose, the downside is that it is too little, too late when it comes to retaining top performers. Stay Interviews are similar but focus on identifying key issues about how employees view their job and your company and allow you to take action to prevent an exit. Stay Interviews can be a key retention tool in the battle against costly and time-consuming turnover. They also allow you to uncover hidden talents and aspirations in your existing team members that could be of benefit to your business.

- What is your favorite part of your role here? What would you like to do more of?

- What frustrates you? What restricts productivity, innovation, or job satisfaction?

- What accomplishments are you most proud of during your time with us so far?

- Do you feel you have the tools and resources you need to succeed? If not, what's missing?

- Are there areas of your job in which you've struggled? How can I help?

- What strengths or talents do you have that aren't being fully utilized?

- Is there anything you would like to take off your plate? If so, who could we prepare to take it on? Could it be replaced or eliminated through better systems or strategies?

- Who do you find particularly helpful or supportive in your work? Is there anyone you find difficult to work with and, if so, what is going on?

- Is there something we do here that you'd like to be more involved in but haven't had the opportunity?

- What skills would you like to develop, or experiences would you like to gain?

- What courses, publications, conferences, certifications, or development/growth opportunities would you like to pursue?

- What are your ultimate career goals? Do you feel you can achieve them here?

- Do you feel your contributions are recognized and appreciated? What kinds of recognition or reward would be most meaningful to you?

- Do you believe our pay and benefits are competitive?

- What expectations did you have when you first came to this job that have not yet been met? Which expectations have been exceeded?

- What changes do you feel would improve the employee experience?

We recommend conducting these conversations at least once a year, more often if you are undergoing significant changes in your business. Keep in mind that the conversation is about the employee, not the company. Yes, there is great value to the company, but that is a nice bonus to this process, not the core intention. The most important part is what you do after the interviews. Take action on what you learn – remove obstacles, provide opportunities, and make meaningful changes to improve the employee experience.

APPENDIX C: Performance Improvement Plan (PIP)

Employee Name	Position
Reporting Manager	Date of Incident

Standard(s) of Performance Reviewed

Check all that apply:

☐ Quality of Work   ☐ Damage to/Unauthorized Use of Company Property

☐ Failure to Follow Instructions   ☐ Unprofessional/Unethical Conduct

☐ Absenteeism   ☐ Carelessness or Negligence

☐ Breach of Company Policy   ☐ Other:

Specific Examples of Performance Under Review

Improvement Plan

What is expected, how it should be accomplished, in what timeframe (SMART goals):

Acknowledgement

Employee Signature: _____ Date: _____

Supervisor Signature: _____ Date: _____

President or CEO Signature: _____ Date: _____

Periodic Review Notes

Comments	Employee Initials	Supervisor Initials	Date

Final Review

Check One:

☐ Performance Improvement Plan satisfactorily completed on: _____/_____/_____

☐ Corrective Action Plan Required (submit as attachment)

Failure to meet and sustain improved performance may lead to further disciplinary action, up to and including termination of employment. Corrective action may be taken in conjunction with, during, or after the performance improvement plan.

Acknowledgement

Employee Signature: _____ Date: _____

Supervisor Signature: _____ Date: _____

President or CEO Signature: _____ Date: _____

APPENDIX D: SCORE™ Leader Tool: Before You Address Performance, Check Yourself

Performance issues rarely live in isolation. Before moving to corrective action, effective leaders pause to assess whether they have created the conditions for success.

Use SCORE™ as a quick accountability check.

S – Selection
Have I chosen the right person for the role or task?

- ☐ Skills and experience align
- ☐ Capacity is realistic
- ☐ Strengths match the work

C – Communication
Has the employee been given the information they need to succeed?

- ☐ Objectives are clear
- ☐ Priorities are aligned
- ☐ Feedback has been timely and specific

O – Obstacles
What barriers exist that are beyond the employee's control?

- ☐ Conflicting priorities
- ☐ Process or system issues
- ☐ Cross-functional dependencies

R – Resources
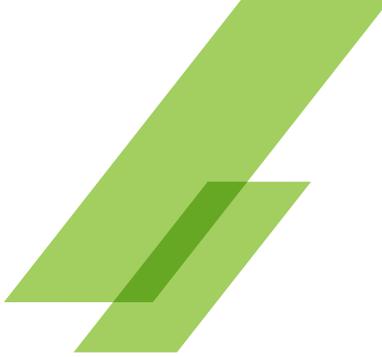Does the employee have what they need to succeed?

- ☐ Tools and systems
- ☐ Time and staffing
- ☐ Training or support

E – Expectations
Are expectations clear, reasonable, and consistently applied?

- ☐ Outcomes defined
- ☐ Standards understood
- ☐ Accountability applied fairly

STM Reminder: If you can't confidently check every box, the performance issue may not belong solely to the employee.

(207) 373-9301
solutions@strategictalentmgmt.com
www.strategictalentmgmt.com

STRATEGIC TALENT MANAGEMENT / We solve your people challenges. / Brunswick Business Center / 18 Pleasant St, Ste 205 / Brunswick, ME 04011-2201

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