

Performance Systems and Rewards that Motivate

Finding the Right People isn't an Easy Choice

Many of the most-admired companies—as recorded by *Fortune* magazine—employ CEOs who have an understanding of the connection between strong performance management systems and motivated employees. However, approximately one-third of companies don't perform any evaluation of their performance management systems, and many of those that do fail to understand the impact the system has on their profitability. Evidence shows that companies that recognize the connection between performance management and the bottom line are more profitable.



"I'm getting feedback that our employees feel the wrong people get rewards."



"We're spending a lot of money on performance management. Is it worth it?"



"There are rumblings around the office that employees dislike our system."



"Our employees say they find that our system isn't motivating."

If you or your employees are dissatisfied with your performance management system, then it's worth the time and effort to make improvements. Misaligned evaluation and incentive/reward systems produce undesired behaviors.

For example, supervisors with complete control over evaluations may rate the performance of their mediocre performers as higher than their actual top performers. That way, supervisors keep their best employees on their team while the moderate performers get promoted. This situation creates a mismatch between employee skills and job requirements. Actual top performers may lose their motivation or they may leave the company entirely.

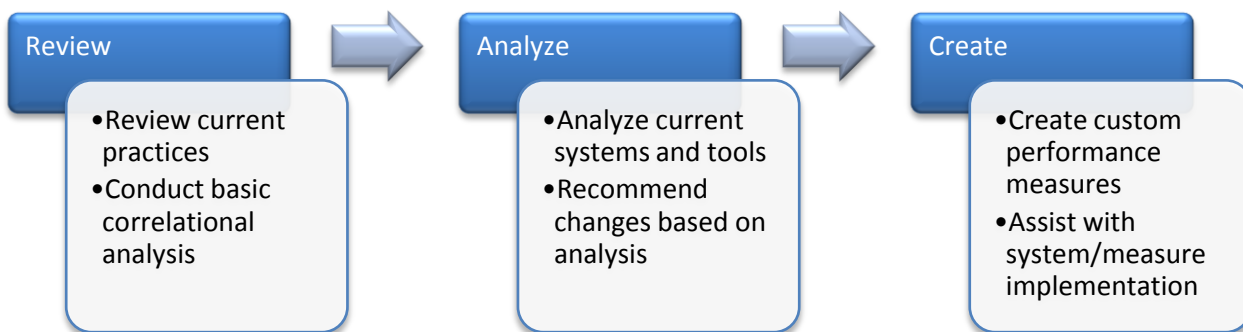
Rewarding the
Right Behavior

Money to Your
Bottom Line

Employees
Perform in the
Desired Direction

Levels of Service

We can help you make evidence-based decisions that produce lasting improvements within your company's performance management system. During our analysis, we will use existing performance data, new employee surveys, and benchmarked best practices to analyze both the effectiveness and cost efficiency of your performance management system. Depending on the expertise you have on staff, we can offer three different levels of service.



Improving your Bottom-Line

Changing your company's performance and reward system isn't an easy process, but there are many benefits that can be realized. These benefits can be for your company, your employees, and overall they will impact your bottom-line.



Benefits for the Company

- Decrease costs
- Accurately measure performance
- Encourage desired performance
- Only utilize the most motivating incentives



Benefits for Employees

- Rewards and motivates high performers
- Reduces the uncertainty of "where do I stand?"
- Shows employees how to meet individual and company goals
- Perceived as fair