# What the best performance management processes have in common: Everything and nothing

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A recent review of performance management methods asked the question: what do the best performance management processes have in common?  After reading the paper and reflecting on my own experiences, I decided the answer to this question is "nothing and everything."

**Nothing in common.**  The best performance management processes have nothing in common in the sense that the best processes are uniquely configured to address an organization's specific needs. Methods that make sense in one organization can fail miserably in another.  The very best performance management methods are so closely aligned to the unique culture of the company that it is hard to imagine them working anywhere else.  And some of the worst practices in performance management occur when organizations blindly copy methods used by other companies.

**Everything in common.**  The best performance management processes have everything in common in the sense that they reflect similar beliefs about the realities of performance management.  This includes:

- *A commitment to ongoing, effective performance feedback*.  Companies with the best performance management processes understand that ongoing feedback is necessary to maximize performance.  They also know that people are seriously demotivated by poorly delivered feedback.  There are many ways to create a culture that supports effective, ongoing feedback.  But all the best performance management processes have this as a primary goal.

- *A sense of honesty about performance evaluation.*  Companies with the best performance management processes value open dialogue with employees about how performance is defined, assessed and recognized.  Regardless of whether these companies do or do not choose to use annual or numerical ratings, all are honest with employees that "yes we do evaluate your performance and this is how it is done."

- *A goal to maximize transparency.*  Performance management requires balancing some conflicting truths about workforce management.  On one hand not everyone contributes at the same level and it is ineffective to manage people as though they are all the same.  On the other hand, making some employees feel less valuable and important than others can seriously hurt workforce productivity.  Companies with the best performance management methods deal with this by being transparent about how they manage differences in performance contributions. They want employees to understand how compensation and staffing decisions are made that have a direct and significant impact on their careers.  They view transparency into how decisions are made as critical to giving employees the knowledge they need to effectively control their own careers.

- *A willingness to change over time.*  The best way to do performance management depends on a company's unique business needs and culture.  Those needs and cultures change over time, and companies with the best performance management processes recognize that their processes need to change over time.  They do not view performance management as something that can

be built as though it were a machine.  It is more like tending a garden that must be nurtured, pruned and directed as it grows and changes over time.

In sum, while there is no best way to design a performance management processes there is a best way to think about performance management process design.

To learn more about performance management for today's workforce, please visit [here](#).