Methodology to Determine Employee Performance

Standards Post Implementation

of a Software System

by

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ABSTRACT

The purpose of this study was to develop a methodology to assist managers in determining and communicating performance standards for positions of employees impacted by the implementation of an Enterprise Resource Planning (ERP) software system. A set of questions were developed to help managers visualize how work would be different after the ERP software implementation. Tools were developed to: create a list of the top 10-12 job responsibilities; assist in prioritizing the top job responsibilities based on what drives the most value to the organization; translate work into performance expectations including performance standards and metrics that can be used to assess performance; and assist in validating performance expectations. This study was conducted by completing a literature review on the topic of performance standards and ERP implementations. In addition, the thesis contains a written report of interviews with professionals in the field of organizational development and human resources around the topic of developing performance standards. The results from this study

suggest that organizational readiness for performance standard implementation (defined as a compelling reasons for engaging in the project and an environment that supports the change) and execution of a repeatable four step process for performance standard development (create standards; communicate standards; validate standards; and review performance against standards) should be utilized to successfully develop and communicate performance standards.

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Chapter I: Introduction

Peterson Company is a family owned steel rod and wire manufacturing company headquartered in the mid-west with 3 divisions and 9 locations. Peterson is well respected in the industry known for providing excellent customer service and premium products. Peterson's success was driven from a culture that can best be described as entrepreneurial. The culture supported individual risk taking by encouraging employees to "figure it out" and as a result created an unusually high pride in ownership of both individual and department success. In addition, Peterson leadership encouraged each division to run autonomously. A downside of this culture was that it limited the sharing of best practices which led to uneven process control and fragmented internal processes. Information was not always readily available and when it was the quality was inconsistent as information was locally generated versus from a central source. In addition, performance expectations and metrics were not readily available for the majority of positions in the non-production parts of the organization. As Peterson strategized about future growth opportunities and remaining competitive, it became apparent that the method of operations that had worked for a small organization would not be as effective in a larger company.

It was with this in mind that Peterson decided to implement a corporate-wide enterprise resource planning (ERP) software system to link information and processes to improve the quality of data integrity, decision making, productivity, and continued company growth. The current systems were ineffective and not reliable. In the absence of the ERP implementation, Peterson's ability to grow would be limited or non-existent. The implementation of the ERP system had a major affect on Sales, Finance, Purchasing, Planning, and Information Technology. For the first time in Peterson's history, employees across the company utilized the same system to execute similar and/or connected business processes. It required not only a change in the method in which data was collected and moved through the company, it also required some teams to re-engineer business processes which interfaced with the software. The level of change relative to what employees did today and what they would do in the future varied by function. Not all managers with positions affected by the implementation were able to articulate how work would be different after the company went live on the ERP system. The discipline and structure provided by a system such as ERP challenged the entrepreneurial culture that permeated the organization. It was imperative that leaders of Peterson were able to uncover and communicate performance expectations to employees in conjunction with the implementation in order to continue to run the business as well as to reap the full benefits that the implementation was intended to deliver.

Statement of the Problem

Peterson Company was unclear on the methodology to determine performance expectations or performance standards for employees utilizing the ERP.

Purpose of the Study

The purpose of this study was to develop a methodology to assist managers in determining performance standards for positions of employees utilizing the ERP. A set of questions were developed to help managers visualize how work will be different after the ERP software implementation. Tools were developed to: create a list of the top 10-12 job responsibilities; assist in prioritizing the top job responsibilities based on what drives the most value to the organization; translate work into performance expectations including performance standards and metrics which can be used to assess performance; and assist in validating performance expectations.

Assumptions of the Study

This study is intended to produce a methodology for developing and communicating performance standards. The study's purpose is not to provide the results from implementing the methodology at Peterson Company.

Definition of Terms

ERP: Enterprise Resource Planning Software. An integrated software package that links all major business functions through utilization of a unified database to store information to perform various tasks and functions.

Oracle: Maker of integrated, software technology including enterprise resource planning software.

Performance Assessment: A comprehensive analysis of the relationship between business requirements, employee performance required to achieve business results and current performance. The results of the analysis may be utilized to recommend, develop, and implement training, performance expectations or work environment actions. Performance assessments may also be referred to as performance analysis.

Performance Standard: Describes how a job task should be done including behaviors, actions and expected end results. Performance standards may also be called performance objectives and performance expectations.

Limitations of the Study

One limitation of this study is the availability and experiences of the candidates involved in the interview process.

Methodology

This paper will include a literature review (Chapter II) on the topic of performance standards and a study involving the report out of interviews with professionals in the field of organizational development and human resources around the same topic (Chapters III and IV). Finally, the Chapter V will examine application of the information uncovered in this paper.

Chapter II: Literature Review

Peterson Company is a family owned steel company which has doubled in sales and employees over the last 5 years. The growth of the company outpaced the ability of its current enterprise wide software to provide accurate, timely and quality information required to lead the organization. This led Peterson to implement Oracle's ERP software system. The system change was significant as it required business process and position re-engineering across the company and functions to adapt to the new process model provided by Oracle. Prior to the implementation, most non-production positions did not have clear performance expectations or standards. To ensure the success of the implementation, Peterson considered developing and communicating performance standards for all positions which interfaced with the Oracle software. Peterson was unclear as to what methodology to utilize to develop performance standards.

This literature review focuses on material to support Peterson's quest regarding a performance standard development methodology. The review focuses on four areas. The first is literature describing the elements of successful ERP software implementations. Second, literature addressing the basics of performance standards including their impact on an ERP software implementation is discussed. The next area is how to develop performance standards including specific steps and tools. The final material in the literature review is the use of appreciative inquiry as a research methodology.

Elements of Successful ERP System Implementations

ERP (enterprise resource planning) system is an integrated software package that links all major business functions through utilization of a unified database to store information to perform various tasks and functions. The purpose of an ERP is to assist companies in managing their resources with the overall aim at improving efficiency, productivity, and service quality (Ngai, Law & Wat, 2008). Elisabeth Umble and M. Michael Umble (2002) state that ERPs are, "...designed to enhance competitiveness by upgrading an organization's ability to generate timely and accurate information throughout the enterprise and its supply chain" (p. 26). This desire to remain competitive has resulted in over 80% of Fortune 500 companies adopting an ERP (Kwahk & Lee, 2008).

An implementation of an ERP system brings with it the possibility of outcomes which advance as well as potentially detract from a company's success. ERP software is touted to reduce production cycle time and redundant inventory by improved forecasting; reduce technology costs by eliminating redundant computer systems; and improve decision making by providing a single source of truth to name a few (Umble & Umble, 2002). These advantages do come with a price: a hit to productivity; potential conflicts over whether the current business process or software process will prevail; continuation of outside software systems to fill in a perceived gap in the new system. In addition, the cost and time commitment of an ERP implementation must be considered. A modest ERP may run from $2 million to $4 million with a large scale implementation at a large organization costing more than $100 million. The average implementation time for companies with annual revenues between $12 million and $63 billion was 23 months. Employees are typically required to work long hours which leads to added stress that can take a toll on morale (Ngai, Law & Wat, 2008). Some estimate the failure rates of ERPs somewhere between 60-90% (Kwahk & Lee, 2008).

Given the cost / benefit analysis of an ERP software implementation, organizations must do everything in their power to ensure success. The elements of a successful ERP implementation can be understood from reviewing ERP critical success factors (CSFs). Ngai, et al. (2008) identified 18 CSFs after a literature review of material covering ERP implementations in 10 different countries and regions. The 18 CSFs identified were the following:

1. Appropriate business and IT legacy systems;
2. Business plan/vision/goals/justifications;
3. Business process reengineering;
4. Change management culture and program (including training and education);
5. Communication;
6. Data management;
7. ERP strategy and implementation methodology;
8. ERP teamwork and composition;
9. ERP vendor;
10. Monitoring and evaluation of performance;
11. Organizational characteristics;
12. Project champion;
13. Project management;
14. Software development, testing and troubleshooting;
15. Top management support;
16. Fit between ERP and business/process;
17. National culture;
18. Country-related functional requirements.

Of these items, top management support and training and education were listed most frequently with business plan/vision/goals/justification also commonly mentioned.

Top management support was the highest rated item recognizing the need for something as far reaching as an ERP to garner the necessary resources and direction to be successful (Ngai, et al., 2008). Umble and Umble (2002) reinforced the necessity of senior leadership support stating, "Without clear leadership and commitment from top management, individuals throughout the organization will discover enormously creative ways to maintain the status quo, and the power inherent from the new information technology will be wasted" (p. 28). Part of the role of senior leadership is to provide clarity regarding the overall goal of the project. Communication regarding the plan should address all levels of the organization and include but not limited to the following messages: a compelling vision of how the company will operate after the implementation to satisfy customers; how individual departments and positions support the vision; and progress of the project (Nagi, et al., 2008; Umble & Umble, 2002). These messages should cascade down through the organization by managers and supervisors of end users. These individuals are in the best position to answer questions and help resolve problems (Umble & Umble, 2002).

Training and education also ranked high which supports the need for to ensure the "acceptance and readiness" of end users (Ngai, et al., 2008, p. 551). More broadly, a change program was referenced. Employee readiness was cited in multiple articles as a precursor to ERP success. An employee's perception that a change is needed as well as current job competence can lead to an increase in readiness for change (Kwahk & Lee, 2008). In turn, readiness for change can influence the desire to use the ERP system which can lead to system success or failure. A change program should include: customized training; information on how work will be different; new processes, roles, and responsibilities; how the new system will benefit the company; and how the new system will make the end user's job easier (Ngai, et al., 2008; Umble & Umble, 2002). Organizations must take the time to understand and communicate not only what skills are needed but how users will interact with the system (Worley, Chatha, Weston, Aguirre & Grabot, 2005). In the absence of this information, employees develop their own reality which may include underutilizing the system (Umble & Umble, 2002). An ERP implementation is a risky, complex, slow moving change program. While an ERP can be implemented successfully from a technical perspective, employees' willingness to use it can mean the difference between moderate and monumental results (Kwahk & Lee, 2008).

Basics of Performance Standards

Ferdinand F. Fournies (1999) in his book *Why Employees Don't Do What They're Supposed to Do and What to Do About It,* dedicates the first three chapters on some basics of management. People can't perform if they don't know why they should do something; don't know how to do something; or they don't know what they are supposed to do. These three items are inexplicably tied together; miss one and the potential for unsatisfactory work performance is huge. However, of the three, the final one (employees don't know what they are supposed to do) is mentioned most frequently as the root cause of performance problems. Employees may be able to describe and perform the activities or duties in a job but have little idea of what good looks like when performing those duties or what the end result or outcome is of an activity (Fournies, 1999). What they lack, clear performance standards.

A performance standard describes how a job task should be done including behaviors, actions and expected end results. Performance standards provide the "how well" component to a list of duties or tasks. Three categories of standards are quality (accuracy), quantity (amount) and time (speed) (Nikols, 2003). Performance standards usually are evaluative; established externally and assigned to work tasks; and usually are consistent over time (Bobko & Collela, 1994). Standards are tools that employees can utilize to assess their performance against. The literature review uncovered different perspectives in what the standard should express. Should the standard express a measure of performance of specific behaviors or activities such as the standard number of sales calls per month (Bobko & Collela, 1994; Fournies, 1999)? Or, should standards describe the desired end result such as $40,000 in new sales (Bobko & Collela, 1994; Lee & Nelson, 2006; Nikols, 2003)? While activities may lead to completion of performance outcomes (meeting the minimum sales calls per month may lead to $40,000 in sales) they may not if the quality of the activity is less than desired. Nikols (2003) suggests that performance "...is the achievement of some condition that reflects one or more outcomes of the behavior of one or more individuals" (p. 2). Behaviors and descriptions of activities are important when training individuals because it is through these actions that results are achieved. What gets measured gets done. However, if standards are written exclusively for behaviors and actions an organization will miss the opportunity to express the desired end result of a task.

While the literature differs in its macro versus micro approach to what to focus on, there is a consistent theme concerning the importance of performance standards. Performance standards provide the "yardsticks" to assess individual and company performance (Nikols, 2003). If standards are clear, adequately communicated and there is a perceived importance of the standard to the employee, the value to an organization can be significant (Bobko & Collela, 1994). Performance standards can be utilized to assist in training or re-training employees as they may contain specific duties and performance criteria to measure success against (Lee &

Nelson, 2006). Bobko and Collela (1994) correlated four areas directly affected by standard setting: goal setting, feedback, job satisfaction, and performance expectations. In all four of these areas, the quality of the standard impacted to a great degree the positive or negative affect on individual and company performance. Assuming appropriately developed performance standards, the following is the summary of the positive affects on each of those areas as presented by Bobko and Collela (1994).

1. Goal Setting: Similar to goals, if performance standards are specific and challenging they can have the potential to be motivating and have a positive affect on performance.
2. Feedback: Performance standards that allow feedback that is specific, clear and frequent should result in the desired performance.
3. Job Satisfaction: There is a strong correlation between successful task completion and job satisfaction recognizing the importance of a performance standard to describe success.
4. Performance Expectations: When clarity exists in performance expectations, potentially through the use of performance standards, it can have positive affect on employee productivity and motivation.

Fournies (1999) simply states that more people will do what you need them to do if they are clear on the outcomes required.

In the context of an ERP implementation, the literature is consistent regarding the importance of performance standards. The ERP is a tool that employees will utilize to complete job tasks and meet performance standards / outcomes. ERP success is to some degree related to a positive perception that a change is needed and the readiness of employees to take on this change (Kwahk & Lee, 2008). The magnitude of change due to an ERP implementation can be significant (Umble & Umble, 2002). In an integrated environment such as an ERP, an organization is forced to do business in a different way. Work processes must be re-engineered. This brings a great deal of uneasiness to people as they question their competence. In addition, employees may be concerned that, with a new system, "big brother" can now watch their every move. Companies must be quick to create clarity of ERP goals not only at the macro – company-level, but also at the individual employee level. Worley et al. (2005) reported in a case study involving an ERP implementation at a university that after two years, the project was not fully implemented and user confidence in the system was low. The reasons for this included lack of senior leadership commitment to the goals of the ERP; end users did not feel comfortable with the standards processes provided through the ERP; end users did not understand how what they did day to day was related to the ERP; the level of end users were not taken into consideration for how the system would operate; and early difficulties with the ERP led end users to bypassing the system instead of working within the system. Their findings indicated that the relationship between the user and the ERP must be made clear through definition of specific tasks and actions called a user profile. After these actions were taken, the benefits to the implementation included avoidance of administrative problems, commitment to developing common goals and clarity of rules amongst operating units. The development of performance standards can provide an opportunity to focus employees on the business outcomes that the ERP will support and positively affect their readiness for change.

Developing Performance Standards

As stated earlier, performance standards are a way to communicate performance expectations. When developing performance standards, decisions need to be made concerning: whether to write them for behaviors or outputs; the level of difficulty and specificity of a standard; how standards are connected across the organization; who to involve in standards creation; and how to effectively communicate standards to those who will be impacted by them. Performance standards stated in behavioral terms that are specific will be more motivating than those that are vague (Bobko & Collela, 1994). However by stating a standard for a task in behavioral terms (number of sales calls per month) you are implying that there is one best way to do something, and creativity on the part of the performer may be restricted (Nikols, 2003). An employee may be able to meet the dollar sales quota by focusing on a higher quality sale which does not require the volume of sales calls to close. Standards stated in terms of outcomes may be motivating as long as managers can appropriately recognize differences in individual employee performance in pursuit of those outcomes (Bobko & Collela, 1994). By writing standards which are outcome based, managers no longer need to focus on everyone doing it one way (Nikols, 2003). While activities may lead to positive outcomes, it is just as easy for activities to lead to nothing more than doing the activity. This focus on outcomes also provides the why to the what (activities). Outcomes are more likely to stay stable over time (e.g.. sales expectations); activities (e.g. sales calls/month) can change (Piskurich, 2002).

The level of difficulty implied in a standard as well as perceived internal equity can have a motivating affect on those impacted by them. To be effective, standards have to have the right level of difficulty (Bobko & Collela, 1994). If a standard is set to reflect minimum performance which is easy to reach, the standard can have the affect of lowering employee motivation. A standard should be perceived as achievable but have enough of a stretch that reaching a specific performance level is something to be proud of. One suggestion is to set performance standards along a continuum reflecting multiple levels of performance. If employees don't feel that the performance standard is valid, they will discount any feedback they receive comparing their performance to the standard (Nikols, 2003). In addition, they may be more likely to find ways to get around the system instead of trying to improve the output or the process. This disillusion with standards may also happen if an organization fails to consider how performance outputs of various functions are connected across the company. Standards should be written that support and feed from one level to another within the same function as well as cross-functionally (Milliken, 2001). Nickols (2003) calls this lateral and vertical equity. If an employee's ability to meet a standard is negatively impacted by a competing or contradictory standard of their manager or co-worker, the performance standard over time will not be motivating.

The literature suggests that deciding who will be involved in standard setting and how the standards are communicated can have an impact on the level of acceptance of the standard. Nikols (2003), Bobko and Collela (1994) all agreed that employee involvement in standard creation is critical. Nickols (2003) stated that subject matter experts in tasks or functions were typically the best able to describe what good looked like on the job. Job or career progression upward should bring with it greater inclusion in creation of job performance standards (Bobko & Collela, 1994). However, in situations where people are new to a company or where an organization is going through a large change (like the implementation of an ERP), employees are typically more open to receiving job standards versus participating in their development. This may be due to their lack of knowledge of what acceptable performance will look like after the change so their perceived value to the discussion is lessened (Bobko & Collela,1994). When employees are involved in standard setting they are more likely to see the standards as equitable, less likely to reject them and potentially more committed to them (Bobko & Collela, 1994). Standards need to be written in such a way that they can be used by employees to self-monitor performance. Employees should be able to interpret the standard, compare it against their current output and immediately assess their performance (Nikols, 2003). Finally, who communicates the standard is critical. A leader who is perceived as credible, trustworthy, challenges employees to stretch and be supportive is more likely to gain acceptance from his or her team (Nikols, 2003) (Bobko & Collela, 1994). Performance standards can have a positive affect on company's performance but they require skill and prudence in developing the method an organization will follow.

Methodology to Develop Performance Standards

A review of literature on the topic of performance standard development methodology revealed a void as it pertains to a specific step by step approach. While much of the material examined the best practices of performance standards, none provided specific steps a practioner might use in this type of work. It is with this in mind, the researcher looked at best practices in the area of performance assessment. Performance assessment is a comprehensive analysis of the relationship between business requirements, employee performance required to achieve business results and current performance (Lee & Nelson, 2006). The results of the analysis may be utilized to recommend, develop, and implement training, performance expectations or work environment actions. Performance assessments may also be referred to as performance analysis. Two methods of performance analysis will be presented: Performance Relationship Maps (Gaines Robinson & Robinson, 1995) and Task Analysis (Lee & Nelson, 2006).

Performance Relationship Maps. Performance Relationship Maps (PRM) is a conceptual model designed by Gaines Robinson and Robinson (1995) to collect pertinent information from clients regarding current and desired business and employee performance. In addition, internal and external factors affecting business and employee performance are discussed in an attempt to uncover the root cause of the current level of business and employee performance (Appendix A). Frequently managers are able to articulate the metrics related to business performance but lack the ability to translate that into performance expectations for employees. Gaines Robinson and Robinson (1994) utilize models to systematically assist managers in that process. The process asks the managers to visualize into the future in regards to what performance outcomes will drive the business goals they are seeking. A model for a specific position includes four components:

1. Performance results
2. Best practices or competencies
3. Quality criteria
4. Work environment factors (p. 99)

Gaines Robinson and Robinson (1995) suggest that each job most likely has somewhere between 10-15 performance results. Performance results are the outcomes that an employee must achieve for the business results to be met. A performance result might be XX dollars in sales. Best practices or competencies are what exemplary employees do to achieve the performance outcomes that drive business results. Best practices describe a specific behavior (consistently prioritize sales calls to reach most valuable customers) while competencies describe skills or abilities required to produce the business outcomes (portfolio knowledge – ability to assess which customers provide the most value to the organization). Quality criteria are the measures that will be utilized to assess each performance result ($10,000 per quarter in sales).

Finally, work environment factors take into consideration all those conditions both internal and external that can impact performance. External factors might include emerging competitors or government regulations. Internal factors may include the performer's use of software or the performer's incentive process.

In regards to collecting information, the Gaines Robinson and Robinson (1995) suggest that exemplary performers, managers of exemplary performers, literature, customers and subject matter experts be utilized. Exemplary performers are selected because it is thought that if they can learn to meet or exceed performance than others can as well. The criteria to use in selecting exemplary performers should include length of time in the position (at least one year); above average ratings on both qualitative and quantitative results, rating in the top 10-20% of overall performance (Gaines Robinson and Robinson, 1995). Managers of these performers are also good sources of information. Occasionally exemplary performers cannot articulate what they do to achieve their level of output, they are unconsciously competent. Many times their managers can fill in those gaps as they compare these exemplary employees to those meeting expectations (Gaines Robinson & Robinson, 1995). In addition managers can use information available in literature such as professional publications or websites regarding the job responsibilities or outcomes required for a position. If the position interfaces with customers, the Gaines Robinson and Robinson (1995) suggest getting customer input into the level of service or performance they might expect. Finally, subject matter experts include those individuals with the highest level of competency in a specific area of the position. In many cases, the subject matter expert may also be the exemplary performer (Gaines Robinson and Robinson, 1995).

The interview format is the preferred method to gather information regarding desired performance (Gaines Robinson & Robinson, 1995). The pre-work provided to the interviewee includes identification of critical performance outcomes overall as well as those linked to key business outcomes (Appendix B). The interview format begins with background of the process and collecting demographic information (Appendix C). The next sections of the interview involve questions on the job itself; its primary purpose and specific performance results. Within the line of questioning on performance results includes all steps required to accomplish the result as well as the quality requirement. The suggested length of time to perform the interview is two hours in a one on one setting with four hours reserved for a focus group of three-four individuals.

After the interviews are completed, the information gathered must be placed into a format for further review and analysis (Appendix D) (Gaines Robinson & Robinson, 1995). Common themes are placed in to the model. Topic headings for a specific position would include Performance Result, Best Practice and Quality Criteria. Preceding this information would be the business and functional performance results that this position supports. As stated earlier, each position most likely has 10-15 performance results with a definition of what good look likes (Quality Criteria). This Quality Criteria may be the measurement for multiple performance results. The final step in the process is to meet again with the contributors of the material (exemplary performers and their managers) and any other interested part to confirm the accuracy of the position performance model.

This PRM is a hybrid of some of the best practices of performance standards mentioned earlier in this literature review focusing on both performance outputs as well as the activities which drive them. The PRM seeks to connect business performance with position performance (Gaines Robinson & Robinson, 1995). The PRM promotes lateral and vertical consistency for performance standards which is consistent with other best practices reported in this literature review (Gaines Robinson & Robinson, 1995) (Nikols, 2003). Finally the resources utilized to gather PRM information (exemplary performers, managers and subject matter experts), supports this literature review best practices of who are the right people to include when developing the standards (Gaines Robinson & Robinson, 1995) (Bobko & Collela, 1994) (Nikols, 2003).

Task analysis. Lee and Nelson (2006) describe task analysis as a methodical way of uncovering and validating the tasks required for a job and the criteria to which it is measured against. One of the primary purposes of this model is to collect information to translate into training goals or objectives. The output from this model can also be utilized to "identify what job incumbents are required to do based on their present jobs and associated tasks" (Lee & Nelson, 2006, p. 109). The model consists of an eleven step process (p. 125).

1. Define occupation or job.
2. Review sources on occupation or job.
3. Develop initial list of duty and task statements.
4. Review initial list of duty and task statements.
5. Develop instrument.
6. Identify job incumbent sources.
7. Develop sampling plan and analysis design.
8. Administer instrument.
9. Analyze data.
10. Record task inventory.
11. Write report.

Lee and Nelson's (2006) task analysis process begins with getting clarity around the job or jobs to be studied (Step One). Step Two suggests to review material available either internally or externally on the job to be studied to see if an analysis already exists that can provide information that will be helpful to this analysis. Step Three and Four involve creating and confirming an initial list of duty or task statements. These may come from a job description or a written set of performance standards. In the absence of either of these, a draft should be written which includes duties (a part of the job that contains related tasks) and tasks (specific activities that make up a duty). Typically two or more tasks support a duty. In Step Five an instrument is developed to facilitate the collection of data concerning the job (Appendix E). The focus is on items such as the importance of a job task as compared to others, the knowledge required to achieve the job task and the frequency of performing the tasks as well as the collection of other pertinent demographic information. It is possible to also add questions on the standard levels of performance for a duty or task.

Step Six (identify the survey sources) and Step Seven (develop sampling and analysis plan) are the final steps prior to dissemination to survey participants (Lee & Nelson, 2006). Clarity should be reached concerning the sample size. Typically not all employees need to be included. One item to confirm is whether or not the survey should identify the exemplary employees from those who are meeting expectations. Frequently the exemplary employees have a different perspective and thus might provide different information. The authors would suggest that this distinction in performance be included. In regards to selection of the actual participants, the authors suggest using either a random sampling (each person has an equal chance of getting picked); systematic sampling (similar to random but you select every XX person); cluster sampling (sampling both exemplary and average performers); or stratified sampling (making sure that specific groups are represented in the analysis) (Lee & Nelson, 2006). The next step in this process is disseminating the survey to participants (Step Eight). Lee and Nelson (2006) offer the options of electronic or physical distribution of the survey. Some suggestions for increasing the likelihood of return: pre-notice; appropriate questionnaire length; survey sponsorship; anonymity.

The remaining three steps (analyze data – Step Nine; record task inventory – Step Ten; and write report – Step Eleven) each involve the "so what" of the entire process (Lee & Nelson, 2006). What do you make of all that has been collected and how do you want to use it. The authors suggest utilizing computer software to develop a statistical analysis report and then to compare the report results to a decision tree outlining predetermined values for data variation. From this analysis, a final list of tasks including those which were deleted due to the decision tree parameters should be presented to management for review. Finally, a report should be developed which outlines the entire process culminating in presenting the summary and conclusions.

Lee and Nelson's (2006) task analysis process supports much of the results stated earlier in this chapter. Recommending the use of exemplars for information, utilizing available data, creating standards that are perceived to be objective are just a few of the consistent themes. Similar to PMR, task analysis is a methodical process that can be repeated over time. The statistical nature of this process versus the PMR (which is more qualitative then quantitative) potentially brings a higher degree of confidence in the results as there is less ability for interviewer bias. However, task analysis does not necessarily capture the pure perspective from the performers view as it pushes the specific tasks out for review versus pulling the tasks from performers through an interview process. This could lead to missing small nuances of the job that distinguish an exemplary from average performer.

Appreciative Inquiry as a Research Methodology

What you pay attention to is where your energy follows (Mohr & Watkins, 2002). Philosophically that is the basis behind Appreciative Inquiry (AI). More specifically, focusing on moments of excellence produces more moments of excellence; focusing on problems, begets more problems (Mohr & Watkins, 2002). David Cooperrider discovered the approach quite accidentally while conducting research to uncover the root cause of organizational problems at a health care clinic (as cite in Mohr & Watkins, 2002). As he conducted his research, he chose to focus on uncovering why some of the parts of the organization ran so well. In so doing, he found that this approach ignited a creative passion within the organization (Mohr & Watkins, 2002). AI was born.

AI while simple is very powerful. It relies on our ability to focus on the positives over the negatives (Mohr, 2001). A natural tendency is to try to uncover what is wrong, AI uncovers what is right. AI supports the notion that learning happens naturally through sharing of information in informal settings. Through focusing on what is right can move entire organization to begin to vision a future that reflects those times of excellence. From that vision, becomes the reality of behaviors and actions to support the vision. A founding principle of AI is that as soon as we interact with a situation, we change it (Mohr & Watkins, 2002). Why not change it in a positive way?

Mohr and Watkins (2002) stated AI is a repeatable process described by five actions. The processes are in essence the steps to implementing AI in a situation.

1. Choose the positive as the focus of inquiry.
2. Inquire into exceptionally positive moments.
3. Share the stories and identify life-giving forces.

4. Created shared images of preferred future.
5. Innovate and improvise ways to create that future.

AI can be applied in a variety of settings where the goal of the group is to inquire about a particular topic. One AI example sited referenced a facility that went from an environment not supportive of women to one which was recognized for supporting women by shifting the focus on why was the organization not supportive of women to that of focusing on what are the attributes of positive cross-gender relationships at work (Mohr, 2001). That simple change opened up the discussions of the possibilities versus the limitations (Mohr, 2001). A second example of AI in action concerned an HR Division who utilized AI to "reframe" the internal conflict the employees were experiencing to describe customer service excellence (Mohr & Watkins, 2002). This definition of the problem was then extended to discovery of past positive service experiences and dreaming of the future with a larger group of HR employees. Finally, design discussions happened again along the lines of how to support the dream. Finally, without dictating a "change" initiative, the HR division delivered on the design identifying over 300 stories of improvements in a one year period (Mohr & Watkins, 2002). For AI to reach its potential, Mohr (2001) suggests that organizations be honest but not dwell on their current problems; managers are open to all employees participating; see change as an ongoing process; employees are naturally curious; and the leadership believes in the power of the positive to drive change.

Conclusion

This literature review explored the elements of a successful ERP implementation, basics of performance standards, developing performance standards, performance standard development methodology, and the utilization of appreciative inquiry as a research methodology.

The review stated that three common CSFs in successful ERP implementations are senior leadership support, training and education, and clear business plan/vision/goals/ justification. Messages regarding the reasons for why an organization is implementing an ERP along with its impact to customer satisfaction, company performance and employee performance were cited as examples. The basics of performance standards provided a definition of performance standards as the "how well" component of a list of duties or tasks. Standards may be set to describe a specific behavior or action, an end result, or both. The three categories that should be considered in developing standards are quality, quantity, or time. In the context of an ERP implementation, performance standards provide direction and focus in a time of significant change.

In order to be effective, care must be taken when developing performance standards. An organization must consider whether to develop standards that are behavioral or end result based; who to get involved in developing the standards; and assess if the standards have both lateral and vertical equity. Complimentary methodologies for conducting performance assessments were presented to provide a framework for a performance standards methodology process. The PRM provided tools to improve business performance through a thorough assessment of individual performance. This assessment included a description of performance results and the actions required to achieve those results. The task analysis method provided a linear approach to creating a list of job tasks and the related performance measurements. While neither provided a specific approach to developing performance standards, both presented tools and methods that may be adopted for this application. Finally, literature on the topic of appreciative inquiry was presented. AI as an interview approach suggests that by inquiring on times of excellence and uncovering the underlying actions occurring at that time there is a better chance of recreating similar results in the future.

Chapter III: Methodology

In 2009, Peterson Company implemented Oracle's ERP software system. This enterprise-wide resource planning system linked all functions of the organization to improve the flow of information, decision making and create a competitive advantage. The magnitude of this change required functions to rethink how work would be done and specifically introduction of new performance expectations for employees after go-live. Peterson at the time did not have a method to develop and deliver performance expectations. This chapter will outline the process applied to gather information to lead to determination of a methodology for developing and communicating performance standards. Topics will include subject selection and description; interview guide; data collection procedures; data analysis; and limitations.

Subject Selection

To gather additional data to develop a methodology to determine and communicate performance standards, seasoned professionals in organizational development were identified and interviewed. These individuals provided a practical perspective to the content of the literature review. The criteria for inclusion in the sample were:

1. At least five years of organizational development experience.
2. Leadership or participation on a project concerning development and communication of performance standards.
3. Leadership or participation of change management activities related to a large scale change at an organization.

In addition to the above mentioned selection criteria, a blend of internal and external professionals were sought as well as a variety of industries where their professional services were applied including at least one representative from the manufacturing arena. It was also desirable to include a member in the sample who had experience in implementing large scale software similar to Oracle's ERP.

The original list of candidates included 12 organizational development / human resource professionals that met the service criteria, represented ten industries, and included six inside and six outside consultants and two with participation in an ERP implementation. Upon further screening, the group of 12 was reduced to eight as some candidates did not have the pre-requisite experience in change management and performance standard development activities. This list was reduced to six due to scheduling conflicts with two of the final eight. Below is the final list of organizational development professionals interviewed for this project.

Background of Organizational Development Professionals Interviewed

Interviewee	Years of Experience	Internal vs. External OD Consultant	Industries Representing	ERP Implementation
A	20 years	Both	Healthcare, Manufacturing, Non-Profit	No but Other Software Implementation
B	30 years	External	Healthcare, Insurance	No
C	30 years	Both	Federal Government, Aeronautics, Banking and Manufacturing	Yes
D	14 years	External	Healthcare, Insurance, Manufacturing	No
E	39 years	External	Finance, Transportation, Utilities, Aerospace, Pharmaceutical and Entertainment	Yes
F	11 years	Internal	Medical Device and Diagnostic Equipment	No

Instrumentation

An interview was created to enable the interviewees to share their experiences developing and communicating performance standards. The appreciative inquiry (AI) methodology was utilized to develop the interview guide whereby the interviewees described moments of excellence as it relates to the process utilized to develop performance standards. In addition, the interview uncovered how success was measured after implementation of the performance standards. The interview guides utilized in the process are presented below:

Screening Interview:

1. Brief explanation of this project and sourcing of candidates for interviewing.
2. How long have you worked in the field of organizational development?
3. What types of industries have you worked in this capacity?
4. In those industries, were you an internal or external resource?
5. Have you ever led or participated on a project concerning development and communication of performance standards?
6. Have you ever led or participated on change management activities related to a large scale change at an organization?
7. Have you ever led or participated on change management activities related to an ERP or software implementation?

Performance Standard Experience Interview:

1. Describe a time when you were very successful in developing and communicating performance expectations.
2. Why was it so successful?
3. What were the key steps that you took in completing the activity?

4. What materials or tools did you find the most helpful?

5. Who were the individuals/positions involved in the process?

6. How did you validate the performance expectations?

7. What was your biggest surprise in the project?

8. What did you learn from this experience?

Data Collection

The interviews were held over a two week period either in person or over the telephone. To comply with all regulations with regards to conducting this type of study, all material provided electronically included a "Consent to Participate in UW-Stout Approved Research" (Appendix F and Appendix G). During each interview each participant was reminded that participation in the process was voluntary. In addition each candidate was provided the opportunity to review and provide feedback on the results from their specific interview prior to inclusion in this document. Below are the specific steps completed with regards to data collection.

1. Identified initial pool of candidates from peers and suggestions from others.
2. Set up 15-20 minute meetings with the candidates for initial screen.
3. Held the initial screening meetings.
4. Identified final list of interviewees based on responses from screening. Must answer yes to all listed below.
    a. How long have you worked in the field of organizational development?
    b. Have you ever led or participated on a project concerning development and communication of performance standards?

   c. Have you ever led or participated on change management activities related to a large scale change at an organization?

5. Set up one hour meetings with each of the interviewees. If possible, held the meetings face to face.
6. Sent confirmation email (Appendix F) containing interview guide questions (Appendix G) and requisite approval documents.
7. Asked the interviewees the questions from the interview guide.
8. Thanked them and committed to sending a copy of their interview results to review and a final of the paper when it was completed.
9. Typed up interview results.
10. Sent interview results for candidates to review.
11. Utilized feedback received from candidates on interview results presented in Chapter IV.

Data Analysis

During the interview the researcher took thorough notes and transcribed them immediately after the meetings. Once done, the researcher looked at the results for common themes and analyzed them against the material that was uncovered during the literature review. The researcher began by listing the steps that each consultant utilized in their project and then looked for similar activities amongst the projects. The common themes are stated in Chapter IV as well the interview results. Information also highlighted are those items which were inconsistent between the interview results.

Limitations

A limitation of the study was the availability and experiences of those individuals selected to be included in the study.

Chapter IV: Results

Peterson Company implemented Oracle's ERP software system in 2009. At the time of the implementation, the job tasks of a number of positions changed due to efficiencies gained through the software or business process changes enabled by the software. In addition, a number of new positions were created to accommodate additional tasks required by implementing the software. Peterson was faced with assisting managers in recalibrating performance standards to fully realize all the benefits the ERP implementation proposed. In positions where work was routine, the organization had developed standard operating procedures called Level 3 documentation. In those areas which were less structured Level 3 documentation did not exist. In either case, specifics relative to what good looked like outside of following the requisite steps was not available. The purpose of this study is to recommend a process for developing and communicating performance standards at Peterson Company. This chapter will report the results obtained from interviews with various organizational development professionals in regards to professional experience in developing performance standards. AI was utilized as methodology for gathering the information. Most examples reflect specifically a situation where the consultant recalibrated performance expectations for a position or group of jobs. However, one does discuss setting performance standards for a training development project. In the spirit of AI, this sample is included because it represents the best experience this consultant had in regards to setting and communicating performance standards.

Interview Results

Consultant A. Consultant A has 20 years experience in the field of training and organizational development working primarily in healthcare, manufacturing and non-profits. While Consultant A has worked as an inside consultant/resource, the majority of their experience was as an external resource to a various companies. When asked to describe a successful project to establish performance standards, Consultant A shared an experience when an organization moved from paper based patient charts to electronic charts. This was a huge paradigm shift for the employees of this organization. Consultant A was called in after the implementation to assist the project team as well as to coach the supervisors and managers of the end users. Supervisors and managers couldn't understand why people had not caught on to the new system. After an initial analysis of the current situation, the Consultant uncovered some issues with change management as well as a lack of clarity regarding of how work changed after the implementation and thus changing performance expectations. Consultant A coached the supervisors and managers of this organization through recalibrating and implementing performance standards for the employees utilizing the new electronic patient charts.

Consultant A's overall method for establishing performance standards has four steps: set the standards, communicate the standards, validate the standards and review performance. With this organization, Consultant A began by setting the standards working from existing documentation such as a position description as well as reviewing the tools available to do the job. To start, managers and supervisors were asked to create a meets and exceeds behavioral statement for each of the job duties described on the position description. Frequently, the managers and supervisors could not express in behavioral terms what meeting and exceeding looked like so Consultant A utilized a series of questions to elicit some discussion. These questions included:

- What will you see?
- What will you know?
- What customer reaction do you want?

- What co-worker reaction do you want?
- What would you need to see for the problem to be resolved?

At this same time, Consultant A discussed with the managers and supervisors whether the tools were available to meet the standards that were set. Prior to the implementation, the project team had neglected to discuss with the employees how the electronic patient chart would impact their ability to get their work done. Employees felt that the electronic chart disconnected them from their patients. Additionally, immediately after go-live, the system was down more than it was up and it required the employees to write down any patient information and enter it in to the system later. In essence, double work. These issues were required to be resolved or at least factored in on the impact they had on the performance standards for the process to be successful.

Communicating the standards as well as validating the standards was completed by the managers and supervisors of the organization. Consultant A recommended that when communicating the standards, the managers and supervisors be open to feedback from the employees that may lead to revising the standard. To validate the standards, Consultant A recommended a creating 3 month mile markers to review and tweak the standards. To pull it through to the performance system, it was recommended that standards become part of the performance appraisal process. This action placed rewards and consequences behind the standards while promoting the goals of the organization. Consultant A views setting performance standards as a process rather than an event; each time an employee review happens, adjustments might be made to reflect the current environment.

Consultant B. Consultant B has studied, taught, managed and worked in the area of organizational development consulting over a career spanning 30 years. The majority of Consultant B's consulting experience is as an external consultant in the field of healthcare.

Consultant B acknowledged that performance standards are rarely set effectively citing a lack of managerial skill in this area. At the senior level, performance expectations are about clarity of goals, at a line level it is about productivity standards. Consultant B described a senior level manager who did an outstanding job of setting performance standards. Consultant B met this individual while engaged in a consulting project to facilitate planning sessions for senior leadership at an insurance company. This individual had a span of control of 100 employees with 6 direct reports. Consultant B identified personal characteristics and a repeatable process as this manager's key to success for creating performance standards.

Consultant B guided the manager in executing five steps to establish performance expectations: develop goals and targets; identify responsibilities; identify behaviors and competencies required to deliver responsibilities; hold regular meetings to discuss progress; and gather feedback from multiple sources to assess performance. Through a series of team and individual meetings, performance standards were established for this entire division. This was done in advance of the rest of the organization making this level of commitment to cascade company goals down to the employee level. The division goals and targets tied directly to the organizational goals and were quantitative in nature. During the initial meetings, the division goals were assigned to departments and specific responsibilities emerged at a position level. From there both qualitative and quantitative behaviors and competencies were identified. The last three (responsibilities, behaviors and competencies) created the performance expectations. Meetings were held at both a team and individual level to review results. The manager had at least 2 retreats per year where her 6 direct reports met and at least a couple of meetings with individual managers each year. Going in to the performance appraisal cycle, the manager solicited feedback from a variety of sources: peers, customers, employees to name a few. This ongoing nature of review and feedback enabled the manager to continue to refine performance expectations.

Why this manager was so successful went beyond the process. Consultant B observed that this manager showed a deep commitment and discipline to performance standards while also having the courage to address performance problems. This manager didn't just dabble in creating expectations; they became skillful in doing this. This manager realized that her success was tied to her employees' success. From that level of commitment, flowed the disciplined approach to continue to do this type of work when conflicting priorities presented themselves. Finally, by clarifying performance expectations it also may uncover performance issues. This manager met these head on with the knowledge that to not deal with them would be doing her employees a disservice. Consultant B indicated that this manager did have senior leadership support, a condition that is necessary to effectively develop and implement performance expectations. According to Consultant B, success in setting performance standards doesn't just happen it requires learning and commitment. Our current economy will test an organization's ability to get the most out of employees; consequently the ability to be skillful in developing performance standards has never been so critical.

Consultant C. Consultant C has worked in the field of organizational development for over 30 years. The majority of this professional's career has been as an external resource as part of multiple consulting firms serving the federal government, aeronautics, banking and manufacturing sectors. On one occasion, Consultant C was utilized as an internal consultant to implement a prototype of a knowledge support office (KSO) for their organization. As a consulting firm, this organization had hundreds of data bases with information but no one person knew how to get to everything. The role of the KSO was to collect, catalog and return information on the best practices of the organization in a variety of areas. Upon receiving a request for information, members of the KSOs would search data bases or elicit the help of a subject matter expert to formulate a response. With the basic functionality of the KSO approved by senior leadership, Consultant C set off for Ireland to pilot the process including establishing employee performance standards based on the overall goals of the function.

Consultant C utilized a variety of steps to establish and validate the performance standards of KSO employees. The KSO had entered into a service level agreement with their internal customer on such things as time to answer a question and the time in days to provide solutions. Based on the overall goals of the KSO, specific responsibilities were identified for positions on the team. The group experimented with what the right behavioral descriptions of meeting expectations looked like. Standards were set for researching information, how to respond, how to contact a subject matter expert and how to catalog new information. The next step of the process required the team to measure the results or output. While the internal standards were measured, the team also gathered information from their customers. Speed in which information was returned and the ability to repurpose of information became two bench marks. After the initial measurement process transpired, adjustments were made to the standards and measurements. During the entire process, Consultant C involved the members of the KSO in discussions and decisions.

Using the process of establishing performance standards, Consultant C was able to demonstrate through results the value of KSOs to the organization. The organization found that it could utilize "junior" members of the organization provided they had clear standards of performance. Members of the KSO's were found to be valued members of the organization when they returned to the consulting practice because of their breath of knowledge about the organization. Junior members appreciated the level of direction the standards provided as well as approval to "phone a friend" if they could not answer a question. Additionally, being hired directly into a KSO enabled a new member of the organization to immediately begin to network outside of their local team. The positive outcomes from the pilot prompted the rollout of KSOs in other areas of the company. However, as senior level leadership changed within the organization so did the interest in the KSOs. The lesson learned from Consultant C, even if performance standards and objectives can demonstrate a value to the organization at a point in time, continued communication of value is required to keep ongoing support.

Consultant D. Consultant D has been working in the field of organizational development for approximately 14 years as an external consultant. Consultant D has led projects in a variety of industries including healthcare, insurance and manufacturing. Consultant D described a successful experience in establishing performance expectations working with a large corporate client to develop training materials for three to four courses in the area of change management. These change management courses were intended for managers within the Information Systems division. Success was measured through execution of a thorough project plan, capitalizing on resources as well as a disciplined approach to gathering and responding to feedback along the way.

Consultant D brought to this experience a repeatable project plan process. The project plan included the following steps:

1. Agreement and negotiation of the basic outline for the courseware. Courses were kept to a short duration (four hours) which accounted for success in courseware delivery as well as execution of actionable modules by participants.

2. Conceptual discussion for clarification of the purpose of the learning and its outcome. Client sign off was required at this point in the process.
3. Identifying specific deliverables, time frames and production accountability to both internal (client) and external (Consultant D) resources. This step assigns accountability to both partners to achieve the overall goal of the project.
4. Face-to-face meetings with client to review material. Consultant D recommends face-to-face meetings with physical documents over phone calls or e-mails to radically improve the quality of communication.
5. Pilot the training courses. Participants included internal consultants from the client organization as well as employees who were part of the targeted population. Internal consultants were able to experience the course at a personal level which would assist them in sustaining the goals of the training after the training was done.
6. Generate and analyze participant feedback. By observing employee involvement in the pilot, content was adapted to reflect the current environment of the organization to allow just-in-time learning at a participant level.
7. Refine process and material based on feedback.
8. Deliver the training courses.
9. Analyze participant feedback and meet with client to ensure course met the needs initially identified.

To execute this plan, Consultant D capitalized on a variety of resources and expertise. Consultant D relied extensively on the client's internal consultants to not only shape courseware but also to produce specific materials. This increased ownership of the material to the client organization. In addition, the mix of utilizing consultants from within Consultant D's organization and the client's organization offered up a variety of existing material that was repurposed for use in the specific situation. Individuals within Consultant D's organization with expertise in change management, graphics and program material design also added to the success of the project. Finally, two individuals from both organizations were identified as coordinators and held accountable for meeting the deadlines and deliverables previously agreed upon.

A common theme throughout this project was the value of collecting and responding to feedback. The project began with a shift in the conceptual focus and continued to evolve. Client feedback provided a perspective to assist in developing a deliverable that struck a balance between too much too little. Summary emails, course outlines, face-to-face review meetings and formal written feedback are all methods Consultant D utilized during this process to assess and validate performance expectations. Remaining flexible to the needs of the client and their current environment is a critical component to success in developing and implementing performance expectations regardless of the application.

Consultant E. Consultant E has worked in the field of organizational development since 1970 primarily in the role of an external consultant for various government projects and business consulting firms. Consultant E has worked in many industries including finance, transportation, utilities, aerospace, pharmaceutical and entertainment. This consultant's performance standards experience detailed in this interview concerned improving performance at a rebuilt / maintenance shop for a Canadian railroad. This function was responsible for completing maintenance on railroad cars, wheel sets, brakes and engines. This organization was under a major transformation. A new president had assumed leadership and was determined to improve the effectiveness and efficiency of the railroad. The railroad was "unofficially" run by the union which determined appropriate behavior to the extent that supervisors and managers felt unable to provide constructive or corrective feedback. Consultant E utilized a behavioral science approach to assist the management team in establishing performance standards for delivery of services by the maintenance shop employees.

The behavioral science approach utilized by Consultant E contained a variety of steps executed over a six month period of time. Consultant E's primary customers were the managers and supervisors of the maintenance departments. Supervisors and managers were taught the basic tenants of behavioral science. Leaders were asked to observe behavior and, using tools provided, coach employees on both the tasks and behaviors required to complete a job, as well as what to start and stop doing (structured action plan). The specific steps of the process are documented below.

1. Worked with shop managers to identify productivity target measures both quality and quantity. If managers couldn't adequately describe the work, time and motion studies were completed to assist in this process. During these studies, supervisors were asked to observe target employees and record what they did step-by-step and time involved. Even with this approach, many managers had a difficult time identifying specific, measurable behaviors critical to productivity improvement because they were so familiar with the status quo.
2. Identified behavior that needed to change to meet target measures.
3. Identified antecedents and consequences impacting ability to meet target measures.
4. Developed a coaching plan for employees containing who/what/when.
5. Developed a supervisor and leader coaching plan. Cascaded the coaching down from leader to supervisor to employee.

6. Managed consequences and antecedent behaviors. Consultant E helped to identify and solve system problems (i.e. getting the proper number of wheels to adequately fix awaiting railcars). Consultant E assisted the leadership in determining the impact that a poor attitude had on performance behavior as well as coaching leaders on how to respond to the behavior.
7. Communicated changes in standards along with rewards and consequences.
8. Calculated time loss. Purpose was to confirm a decrease in the number of additional hours required for completing a task. Also measured the qualitative benefits such as working together as a team.

The successful outcome of this project was based on a multitude of factors. First and foremost the standards project was top down driven and inclusive. The president of the organization was well aware of the inefficiencies and had the courage to address it even if it meant dealing with the union. The union was asked to be involved but chose not to participate. Everyone at all levels of leadership was required to sign on in support of this process. This support was cascade down throughout the organization in both message and action. One action was the speed in which this project was implemented. The project took 3 months to set up and 3 months to closely manage the new behaviors. Another sign of support was the adoption of new HR policies which recognized positive behaviors and dealt with poor performance issues in a timely and appropriate fashion. Through training the supervisors and managers in behavioral science, Consultant E was able to create a more lasting change that enabled this same group to continue to evolve standards long after Consultant E had left. Finally by addressing both performance and system issues, the performance standards had a better chance to produce the desired target measures.

The impact on the organization was significant. Employees realized that a new set of expectations were in play and they either had to align themselves with the change or deal with the consequences. Many employees welcomed the change and embraced it entirely. A few others opted for early retirement when they realized that things weren't going to go back to the old way. Another indicator of success of this project is reflected by the lack of union grievances or actions during and after the standards implementation. According to Consultant E, this approach actually works in changing behavior because it is so disciplined: everyone knows what to do; what is measured; and momentum builds as people begin to openly talk about what is going on. Consultant E believes that the process of setting and validating performance standards is more important than ever as organizations have less people doing the work and managers badly need to focus on high value interactions with employees and management.

Consultant F. Consultant F is an 11 year veteran of the Human Resources profession moving from a generalist position to their current role of HR Manager. The majority of that experience was within the medical device and diagnostic equipment industry. As an internal HR provider with responsibilities for the performance management system and employee relations, Consultant F has worked with many managers and supervisors to assist in calibrating performance expectations both during formal reviews as well as just in time counseling. What follows is a description of the performance management process currently utilized within Consultant F's organization.

Each year at Consultant F's company performance expectations are set at a division, department, position and individual employee level that drive overall company objectives. The performance process utilized at this company is a balance between achievement in reaching objective goals (what) and how these objectives were met (growth values). The combination of these two ratings equates to an employee's overall rating. Goals are set at a division level, cascaded down to departments and then to specific jobs. Consultant F is involved with this process as it moves to a job level assisting managers in defining how a specific job supports a category of goal. The goals contain consistent categories such as a revenue, customer satisfaction, safety, compliance and training. Goals are then communicated to employees where another level of customization may occur to reflect the employee's current level of performance or skill. As the year progresses, a mid-year review takes place where the goals may be changed or tweaked to reflect the current organizational or performance environment. This step helps to validate the expectations and ensure that what was relevant at the beginning of the year is still today. As the end of the calendar year approaches, employees and managers both complete reviews.

To facilitate the final review, managers and employees are asked to create an internal resume wherein they provide information concerning accomplishments, training, jobs/projects and career interests over the last year. Employees and managers alike are taught to speak in outcomes and metrics as it relates to performance. This is reflected in these documents. Managers also provide an employee performance rating as well as identify any employees who they perceive to have leadership potential. Once completed by each party, HR reviews the material for internal consistency and then releases it back to the managers for discussions. As a result of manager and employee discussions, employees may be identified as future leaders, become part of succession plans or if warranted, placed on a performance plan to improve outcomes.

The success of this process is a combination of the discipline provided at the company level as well as the passion of individual managers. Consultant F's organization utilizes an electronic tool to develop, approve and rate completion of goals and growth values. Through this tool, the process becomes transparent as employees, managers and HR can monitor the progress. Electronic acknowledgement occurs when an employee has entered information, a manager approves of information and completion of discussions on goals and outcomes. In addition, this company has provided training and reinforcement concerning how to write development plans, appraisals, internal resumes and ask high quality questions (HQQ). A leading value in this company is accountability and that is reflected through reviewing metrics and providing feedback. The organization is not afraid to have tough discussions with employees. Consultant F stated that the managers who do this extremely well frequently tell employees what the company is doing and why it is doing it. They schedule time for performance discussions making this an ongoing process versus separate events. Finally, the managers who excel in developing and validating performance expectations will look for ways to help their employees succeed and express this desire to employees.

Consultant F has witnessed how success in the execution of the performance management process drives the culture of this organization. Managers who are highly regarded provide specific performance expectations and develop employees to meet those goals and objectives. The ongoing nature of setting and calibrating performance expectations enables this organization to remain connected to the primary resources which drive company success, their employees.

Common Themes

In comparing the interview results, 12 different themes emerged over and over again in the information provided by the consultants. A theme was identified if 3 or more consultants shared this during their interview. The themes fell into three categories: environmental attributes necessary for successful implementation of performance standards; specific steps to take in developing and communicating performance standards; and characteristics of managers who successfully develop and communicate performance standards. What follows is an explanation of each of those categories and the themes which made them up.

Environmental attributes. To fully reap the benefits of the implementation of performance standards, the environment must be present to support the level of effort and ongoing work required. The consultants stated that senior leadership support and teaching managers and supervisors to implement standards were present in their successful performance expectation experiences. Five of the six consultants stated that having a member of senior leadership driving the effort was key in the success of the project. Whether this was through calling in the right support when an issue was raised as experienced in Consultant A's project or Consultant E's experience where the new president was open about his desire to improve effectiveness of the railroad even it meant going up against the union the visibility of support was clear and consistent. Cascading messages down from senior level as experienced by both Consultant B and F is also an example of senior level support. Performance standards are not a static tool, they change as the needs of the organization changes. Four of the six consultants completed their work through managers and supervisors, teaching these managers how to do the work versus doing it themselves. In some cases, the consultants provided specific tools and techniques (Consultant E and F) in other cases they acted more as a coach or sounding board as the manager worked through the process (Consultant A and B). Regardless of the method utilized by the consultant, the purpose was to enable the organization to sustain and evolve the standards in concert with the organization's performance.

Steps to develop performance standards. Upon review of the results, seven tasks were consistently revealed as utilized to complete the project that was used as a successful example.

Five of the six projects were related to developing performance standards for a particular job or group of positions while one project recorded the efforts to develop and complete training modules for an organization. Interestingly enough, the tasks completed for the training module project were fairly consistent with those shared by the other consultants suggesting that the basics of project management may be an additional resource for a methodology for developing performance standards. All six consultants recognized Tasks 1, 3, 5 and 7 as steps they utilized in completing their successful project.

1. Determine the overall goals for the organization, department and position. Examples: Consultant C Service Level Agreements; Consultant D Clarification of Learning and Outcomes; Consultant E Efficiency and Effectiveness of Railroad; Consultant F Performance Expectations at Division, Department, Position and Individual Level.
2. Create a list of responsibilities required to complete the goals. Examples: Consultant B Clarify Responsibilities, Behaviors and Competencies; Consultant C KSO Responsibilities; Consultant D Basic Outline for Courseware.
    a. Utilize existing documentation like position descriptions. Examples: Consultant A Position Descriptions; Consultant D Utilizing Existing Material; Consultant B Utilizing Organizational Goals as Starting Point.
3. Managers describe in behavioral terms what good looks like in both qualitative and quantitative terms. Examples: Consultant A Meets and Exceeds Behavioral Statements; Consultant B Quantitative and Qualitative Behaviors and Competencies; Consultant C KSO's Behavioral Descriptions of Meeting Expectations; Consultant D Specific Deliverables, Time Frames and Production Accountability; Consultant E Develop Target Measures and Time Studies.

4. Ensure that systems support performance standards and behavior. Consultant A Electronic Patient Chart Interferes with Work; Consultant E Identified Antecedents to Meet Target Measures – Wheels to Fix Rail Cars; Consultant F Electronic Tool to Assist in Performance Management Process.
5. Elicit employee involvement in standard creation including getting feedback on standards once created. Consultant A Managers Open to Feedback on Standards; Consultant B Meetings Held to Review Results; Consultant C Involvement of KSOs in Developing Standards; Consultant D Utilization of Internal Consultants; Consultant F Communicated Changes in Standards / Elicited Union Help; Consultant F Customization of Individual Goals.
6. Create milestones and review standards at those milestones for purposes of feedback, validity and recalibration. Consultant A Three Month Mile Markers; Consultant B Goal Retreats and Meetings; Consultant C Adjustments Made to Standards After Feedback Received; Consultant D Face to Face Meetings for Material Review / Formal Written Feedback; Consultant F Mid-Year Reviews.
7. Include performance standards into the performance management system to ensure that rewards and consequences as well as ongoing review of standards. Examples: Consultant A Standards Part of Performance Management Process; Consultant B Solicited Feedback from Peers, Customers and Employees on Completion of Performance Expectations and Goals; Consultant C Gather Information from Customers on Standards; Consultant D Ensure Course Met Needs; Consultant E Calculated Time Loss; Consultant F Final Review Process.

Characteristics of managers. Tools and techniques are not the only things that companies need to be successful at developing and implementing performance standards. Managers and supervisors must be committed to the process. Frequently throughout the interviews with the consultants, they would reflect back on a specific individual who stood out when it came to developing performance standards. Four specific characteristics were mentioned: an ability to clarify the relationship between employee and company performance; commitment to employee success; discipline about the process; and courage to deal with performance issues. Consultant E's client was open and honest regarding the state of the railroad and what it would take to make this change. The president would frequently cascade messages down to the employees expecting managers to customize the message of how employees impacted company performance. Consultant F recalled a manager who took every opportunity they got to ensure that employees understood where the company was going and how employees affected overall company performance. This information reinforces the importance of standards because employees begin to draw a direct line from what they do to where the company is going. Consultant B and F both worked with managers who saw their success tied to the success of their employees. Consequently they were driven to provide all that they could to their employees to help them be successful. This includes clarity around what good looks like.

A number of consultants commented how a disciplined approach to standards and courage to deal with performance issues represented successful managers. In Consultant E's experience introducing the discipline of the behavior science approach to performance standards, managers were able to apply a consistent process and share experiences across the organization. This led to a higher degree of success. Consultant B's client was so disciplined in their approach to standards that even when conflicting priorities presented themselves they stayed the course and met when required. This was a message to this manager's team about the importance of expectations. In the same vain, Consultant B's client was not averse to dealing directly with performance issues that clarification of standards highlighted. This manager felt that this was in the best interest of employees to provide this feedback. Consultant F's organization was not afraid to have the tough discussions with employees. This open display of accountability encouraged managers to face performance issues head on. Finally Consultant E's experience saw HR policies changed to support the new behaviors, employees who were forced to either align themselves with the new standards or deal with the consequences and a union who did not challenge the change because they understood the company's commitment and saw that employees were being held to expressed, objective standards.

Conclusion

The interviews with the consultants revealed more consistencies in approach and experience than differences. It is clear the wealth of knowledge that these consultants individually and collective possess. The categories of environmental attributes, managerial characteristics and steps to developing performance standards reflect the common themes in these interviews. Utilizing AI to approach these interviews enabled the consultants to share their best performance expectation experience without spending time on what didn't work. While all consultants were asked to share what was their biggest surprise and what they learned, frequently what were shared reinforced aspects of what made the experience so positive. Much of the information shared by the consultants supported the information previously discussed in literature review found Chapter II regarding successful development of performance standards.

Chapter V: Discussion

Peterson Manufacturing is a privately held steel rod and wire manufacturing firm with 3 divisions and 9 locations. Peterson's culture is one of teamwork and entrepreneurial spirit where employees at all levels were recognized for doing whatever it takes to get the job done. Employees felt a strong sense of loyalty and pride in Peterson's success. However, over time plants within the same division had different methods for producing results. Department level data bases produced results that were not always consistent with other departments presenting the same results. In addition, Peterson's ability to grow was significantly hampered by its inability to share consistent data as well as its lack of sharing best practice. After an extensive study of the actions that would enable continued growth at Peterson's, the decision was made to purchase and implement a company-wide ERP software system to connect departments, plants and divisions. The significance of this change impacted the way in which many employees executed their work. The ERP system required many employees to process transactions differently and with that create or calibrate the performance standards related to these transactions.

The purpose of this section is to provide a recommendation for the way in which Peterson should develop and communicate performance standards as a result of the ERP implementation. The conclusion includes a general discussion regarding "readiness" for performance standards as well as an explanation of the four parts of the process (creating standards, communicating standards, validating standards and providing feedback on standards). Finally, this section provides a recommendation for the application of the process to Peterson's ERP implementation.

Conclusion

Successful implementation of a methodology for developing and implementing performance standards for a position is based on the readiness of the department and/or company for this effort as well as execution of a four steps process. Developing performance standards is a time consuming process that requires the direction and dedication of leaders to ensure its successful completion. In the context of an ERP implementation, companies must take the time to make clear to employees what new skills are needed as well as how they will interact in the future with the system (Worley et al., 2005). An employee's willingness to use the new system can be the difference in a company's ability to achieve its return on investment (Kwahk & Lee, 2008). It is imperative that a company either creates or recalibrates performance standards in conjunction with an ERP implementation. To facilitate this, organizations should follow a repeatable process to develop and communicate standards. The four steps of the process are: creating standards; communicating standards; validating standards; and providing feedback on standards.

Readiness for performance standard implementation. Prior to beginning a project to develop and communicate performance standards, an organization must be ready to commit the time and discipline required to complete it successfully (Consultant B, 2009) (Consultant E, 2009). Performance standard readiness includes having a compelling reason for engaging in the project and an environment which supports the change. The creation and implementation of performance standards can have a significant impact on both individual and company success (Bobko & Collela, 1994). The more clear employees are on what you expect them to do, the more likely they are to achieve the related outcomes (Fournies, 1999). A professional who engages in the development of performance standards should be aware of the readiness of the organization. Depending on the scope of the project, this may be at a company, division or department level. Gaines Robinson and Robinson (1995) utilize completion of the PRM as the tool to confirm the business need and the relationship to operational results and on-the-job performance (Appendix A), in essence the compelling reason for change.

In the case of Peterson, the implementation of the ERP system and the impact to surrounding business processes was a compelling reason to engage in the development and communication of performance standards for employees affected by the ERP. Ngai etal. (2008) stated that successful ERP implementations include a change program which communicates how work will be different, new processes and roles and responsibilities. Performance standards provide that level of clarity to promote that message. The investment that Peterson made in both the software itself as well as the development time put in by employees was too significant to allow employees to develop their own method for utilizing the system which, in the absence of direction, could mean system underutilization (Umble & Umble, 2002). Employees' willingness to use a new ERP system can mean the difference between average and optimum results (Kwahk & Lee, 2008). The future of Peterson was tied to some degree to the success of this project and its stated benefits.

In Chapter IV, environment was defined as senior leadership support and sustainability through teaching others how to develop standards. Interviews and observations are the best way to isolate whether these exist within an organization. As the Change Management lead on this project, this researcher was in a position to do both of these while assigned to the project. Peterson's senior leadership supported the change in business practices and software implementation however the economy's affect on the steel market changed direction of the application of the ERP project from company growth to continued competitiveness. Ngai et al.

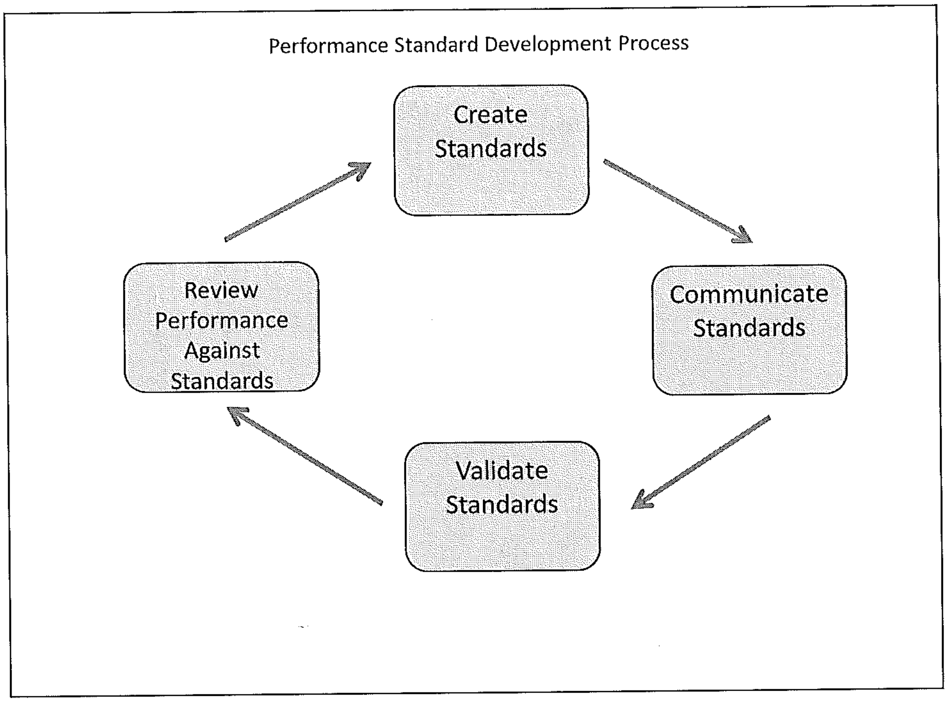
(2008) implied that the role of senior management in an ERP implementation is to create and communicate the vision, goals and progress of the project. Peterson's senior leadership acknowledged potential missed opportunities as well as future growth were at risk if the organization continued to use its current disconnected systems. At the front end of the project, senior leadership was very visible and involved in the project as demonstrated through creation of a vision statement and frequency of messages concerning progress and decisions. The vision expressed that the ERP "links all business activities through disciplined and standardized processes" and "enables employees to perform more meaningful and productive work." This acknowledged that work would change but in a value added way. In the fall of 2008, this focus shifted.

Peterson was negatively impacted by the swing in the global economy. The desire for steel went from all time highs to all time lows within a matter of months. As this happened, senior leadership at Peterson was required to focus on how to respond to this changing landscape and remain competitive. The result was to postpone the ERP implementation at one division. However, Peterson did continue to move forward with the implementation at its largest division recognizing that its long term success was still affected by the performance of this project. Efficiency, effectiveness and becoming the low cost provider for a contracted market were now the focus of the application. It was not only the system that would drive this but the methods and standards utilized by employees outside of the system. As the project neared go-live, managers were expected to cascade the messages concerning the project throughout the organization. This was consistent with the notion that managers and supervisors are in the best position to answer questions concerning the ERP implementation (Umble & Umble, 2002). Clearly, senior leadership support continued to be present.

The ability to sustain the performance standard process after implementation is also a key ingredient to organizational readiness. Bobko and Collela (1994) suggested that standards are consistent over time but experiences by multiple consultants indicated that standards should be adapted to reflect the current environment. Both Consultant A and Consultant E also expressed this sentiment. Consequently, managers and supervisors should have the skills to adapt standards as organizational change requires. However, the ability to visualize the future and describe behavior are not activities that are consistently taught or utilized by managers (Gaines Robinson & Robinson, 1994). Consultant A and Consultant E suggested that leaders need to be trained on how to do this. Four of the six consultants implemented the performance standard development process through coaching managers (Consultant A; Consultant B; Consultant E; Consultant F). As stated earlier in this thesis, the leadership team at Peterson was not prepared to execute the performance standard development process without assistance. It is recommended that managers work closely with Human Resource professionals in the execution of this process. After completion, managers should be required with some regularity to review the standards. Human Resources should act as a coach for ongoing maintenance of standards and continuing support of organizational objectives.

Performance standards process. The literature review in Chapter II and the interview results in Chapter IV share many common themes as it relates to developing and communicating performance standards. Based on this research, it is recommended that the performance standards process has four steps: create standards; communicate standards; validate standards; and review performance against standards. Within each of the steps is a series of tasks which should be executed to ensure the performance standards drive value for the organization. The process is represented below is a visual which depicts the ongoing nature of the process versus an action for a specific point in time.

Performance Standard Development Process



The process listed below assumes that the professional has confirmed that the organization has a compelling reason for pursuing this project as well as has agreed with the client the impact of the current environment on the success of the project. The outline of the process is as follows:

1. Create Standards
    a. Preparation (Consultant):
        i. Identify individuals to include in the process. Consider exemplars, managers and supervisors.
        ii. Schedule focus groups or interviews with participants. Distribute pre-work. (Appendix H)
    b. Meeting (Consultant: Meeting Leader; Participants: Managers, Exemplars):

i. Confirm the overall goals of the organization, department and position.

1. Utilize questions 1 & 2 from Pre-work.

ii. Identify the major job responsibilities for the position. (If a job description or list of job duties is available begin with this list.)

1. Utilize question 3 from Pre-work.

iii. Determine the outputs for each of the responsibilities in terms of quality, quantity and/or time.

iv. Create standards by determining the meets and exceeds expectations for each of the job responsibilities based on the category of standard.

v. Discuss what systems support completion of the job responsibilities.

c. Post Meeting (Consultant):

i. Utilize the Performance Standard Documentation (Appendix I) to capture the information discussed by the team.

ii. Distribute material for initial review by the team.

2. Communicate Standards

a. Preparation (Managers, Supervisors):

i. Schedule meeting to present standards to employees.

ii. Meet with exemplars and discuss method to present.

b. Meeting (Meeting Leader: Managers/Supervisors; Participants: Employees):

i. Present the job responsibilities and standards related to the outputs of each responsibility. Respond to feedback.

ii. Discuss methods for gathering feedback on the performance of each of the responsibilities.

c. Post Meeting (Managers, Supervisors):

   i. Based on the meeting, make any adjustments to the standards.

   ii. Distribute standards to employees.

3. Validate Standards (Managers, Supervisors):

   a. Establish a date to validate the effectiveness of the standards. Date should be no greater than the frequency of which organizational performance results are communicated. (Initially, it is recommended a date 3 months post implementation be selected.)

   b. Collect feedback based on the method determined for each of the job responsibilities.

   c. Meet one on one with employees to get feedback on the effectiveness of the standards.

   d. Make revisions to the performance standards based on the feedback.

   e. Redistribute performance standards documentation.

4. Review Performance Against Standards: Managers, Supervisors, Employees

   a. Review standards for job responsibilities.

   b. Collect feedback based on agreed to methods. May include collecting information from co-workers and/or customers.

   c. If the organization has a performance appraisal document, integrate the performance standards into the material.

   d. Record feedback as directed by the performance management process utilized by the organization.

   e. Deliver the performance reviews.

f. Determine the effectiveness of the standards based on experience with performance appraisal process.

g. Make any changes and re-communicate standards.

Recommendations

The Peterson Company invested considerable money and time into the implementation of Oracle's ERP system. The software enabled employees from across the organization to share common data and transactions. Peterson's success in achieving the benefits projected by the implementation of this project lies heavily on the ability of employees to utilize the system to its capacity. Employees needed to fully understand how their work was different and how their performance would be measured going forward. Given the magnitude of this change, an analysis should be completed to prioritize where to begin this effort. Two factors should be considered: positions most impacted by the implementation; the significance of a position's contribution to the company. Those positions with high change to duties and high contribution should be considered initially. Human Resource team members should work directly with managers of the positions identified to plan and executive the process. In lieu of identifying exemplars, subject matter experts from the ERP project should fill that role. Since subject matter experts share some of the same qualifications of exemplars, this would be an appropriate selection. Given the involvement by subject matter experts throughout the project, they may be in a better position to describe how work is expected to be done.

In addition, the organization may want to wait to implement the performance standard process until the ERP system stabilizes and contributions to the organization become clearer. Employees should have an overall understanding of how what they are doing is contributing to the overall goals of the ERP implementation (Umble & Umble, 2002). But that can initially be at a very high level. As the performance standards are developed, Peterson should make sure that standards have vertical and lateral equity wherein standards feed from one level to the other as well as cross-functionally (Miliken, 2001) (Nickols, 2003). Since Peterson has not spent considerable time creating standards, the organization may want to consider training the Human Resource professionals in this process and over time train company managers and supervisors. In positions which are less repetitive in nature, the standards that are created may be fewer in number and more emphasis may be placed on completion of overall goals. Positions that are more repetitive, may also have tools developed that express how exactly work should be done, in essence a set of steps. Finally, Peterson should review their performance management process to enable the integration of performance standards created in this process be pulled through to the annual system.

This study has provided some insight into how an organization can develop and implement performance standards after an ERP implementation. An organization which is implementing a change of this size, whether it is a software implementation or a change in a business process, would benefit from reviewing how the change will impact the work done by employees and how their performance will be measured in the future. A company's success in implementing large scale change is based on how employees perceive the change and how it will benefit them, their customers and the company overall. Developing and communicating performance standards is a process that can positively influence employee perception of large scale change and assist in delivering significant performance results to an organization.

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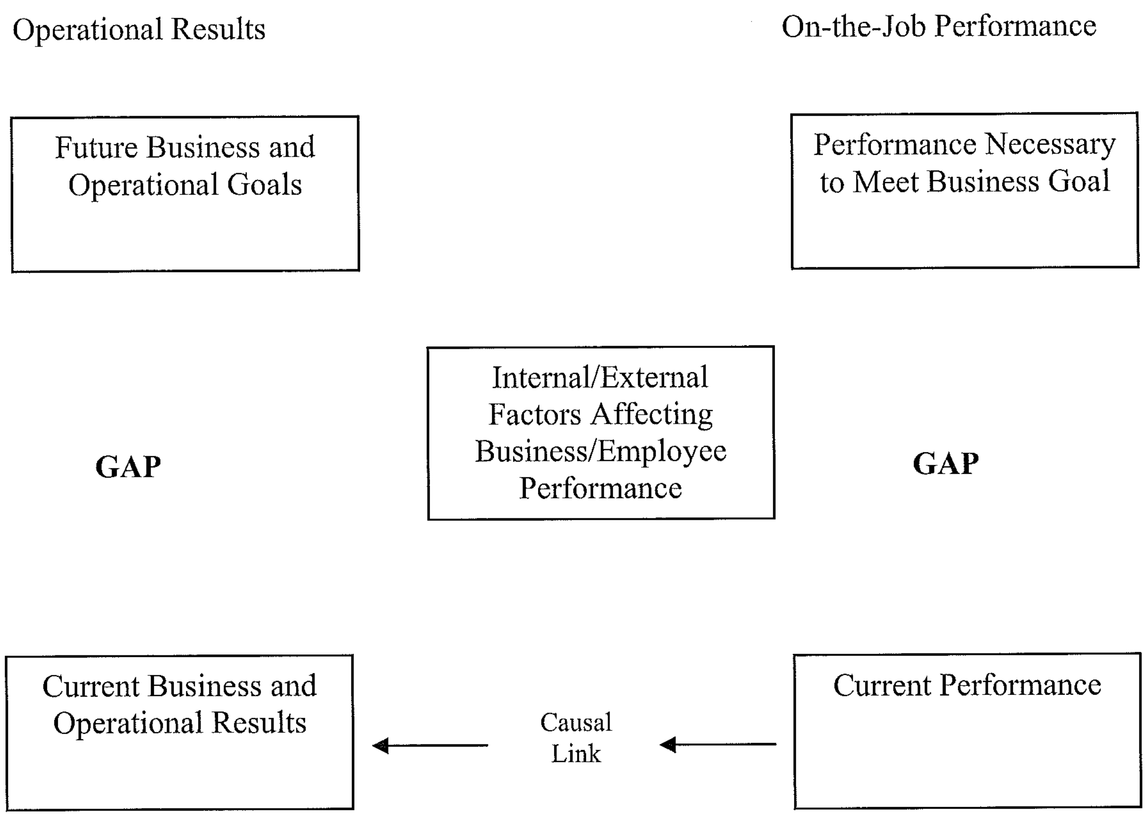
Appendix A: Performance Relation Map

Business Need:



<u>External Factors:</u>
Causes outside the control of management can contribute to a gap in operational and performance results (Competition, Economy, and Government Regulations).

<u>Internal Factors:</u>
Causes within the control of management can contribute to a gap in performance and operational results (Lack of Clear Goals, Reward System, Management Coaching, Employee Skill /Knowledge).

(Gaines Robinson & Robinson, 1995, p. 55)

Appendix B: Performance Relations Map Pre-Work

Directions: Next week I will be interviewing you regarding your current position as Sales Representative. We will be focusing on the major contributions of your job to XYZ Company as well as the things that you do to support your performance. The goal of this process is to identify the results and activities required to meet the business objectives of your department.

Please read and complete the following statements. The questionnaire should probably take no more than 15-20 minutes to complete. Please bring this to our meeting next week.

1. What are the three most important performance results expected of you in your position? These are results you must accomplish each year if you are to be successful.

   Result 1: ____
   Result 2: ____
   Result 3: ____

2. Listed below are specific areas of performance that may or may not be relevant to your position. Consider each area and its applicability to your job. If an area is one where you must accomplish results, list two major performance results expected of you. If you have already identified performance results for this area in response to question 1, then skip the item.

   Business Goal Area 1: Double profits in the next three years.

   Performance Result 1: ______________________________________
   Performance Result 2: ______________________________________

   Business Goal Area 2: Bring all stations into full compliance with environmental regulations and laws.

   Performance Result 1: ______________________________________
   Performance Result 2: ______________________________________

   Business Goal Area 3: Increase customer satisfaction with service and price so that Gasco will be a customer's station of choice.

   Performance Result 1: ______________________________________
   Performance Result 2: ______________________________________

(Gaines Robinson & Robinson, 1995, pgs. 123-125)

Appendix C: Performance Relationship Map – Interview Guide

Introductory Comments

Follow the procedure described here:

1. Introduce yourself; confirm the time required for the interview.
2. Describe the purpose of the entire assessment.
3. Present an overview of the purposes of this interview.
4. Clarify how the information is being obtained and reported.

Demographic Information

1. Name
2. Title
3. Geographic area and/or organizational unit
4. Length of time in position
5. Phone number (in case you need to recontact the individual)

Primary Focus

Ask the following questions:

1. Before we begin discussing the specifics of your position, it would be helpful if you could step back and indicate what you see as the major focus of your job. Why does it exist?
2. How, if at all, will that be changing in the next few years?

Performance Results

Ask the following questions:

1. Prior to this interview you received some information that described the term performance result and provided you with some examples. Do you have any questions about the term before we begin?
2. I would like to discuss the three performance results that you identified as most important for your position. What are the three that you listed on your prework?

Performance Result 1:____

Ask the following questions regarding this result:

1. When you accomplish this result, what specifically do you do? Please walk me through the steps and actions you take to accomplish this result.
2. (When all steps have been described) Are there any other steps or actions you believe you should be taking in support of this result that you are not currently taking?
3. How do you know if you have accomplished this result in an excellent manner? What criteria do you use to determine that the result was a success? (Note: Obtain quantitative and qualitative criteria.)
4. What work environment factors do you encounter as you attempt to accomplish this result? What makes it difficult for you to accomplish this result in a successful manner?
5. What helps you accomplish this result?

(Repeat for Performance Result 2 and 3 as well as Business Goal Area 1, 2 and 3)

Closing the Interview

1. Is there any performance result you are expected to perform in addition to those we have discussed?
2. Is there anything else that was not already covered that it would be important to know?
3. Do you have any questions to ask of me?

Thank the individual for their time.

(Gaines Robinson & Robinson, 1995, pgs. 125-139)

Appendix D: Performance Relationship Map – Performance Map

Performance Model: Sales Representative

Performance Cluster: Profitability

Performance Results	Best Practices*	Quality Criteria (how to know
(what must be accomplished)	(how the result is accomplished)	(how to know the result has been accomplished in an excellent manner)

*The activities listed on this page are not listed in sequence or order of importance.

(Gaines Robinson & Gaines, 1995, pgs. 146-147)

Appendix E: Task Analysis Survey Instrument

Directions: This survey is designed to gather information about the current level of importance and frequency of tasks completed by individuals in the Buyer Position at XYZ Manufacturing. Your time in completing this survey is important and is very much appreciated.

In this survey you will be asked to evaluate the things you must do on the job today to achieve expected results. On the following pages is a list of job duties and their associated job tasks. These duties and tasks were identified for the Buyer position. You will rate the importance of a specific job task as well as the frequency in which you perform the task. It is possible that some of these job tasks are not required for your job; in this case you will select N/A or Not Applicable under the Importance column.

Level of Importance	**Level of Frequency**
1 = Not Important	1 = Never
2 = Slight Importance	2 = Seldom (1-2 Times /Year)
3 = Some Importance	3 = Monthly
4 = High Importance	4 = Weekly
5 = Critical	5 = Daily

Since important decisions will be made from this information, we ask that you be as honest as possible in completing the questionnaire. Remember, it is possible that some of these job tasks are not required for your job; in this case you will select N/A or Not Applicable under the Importance Column. In all cases, click on the button that is most representative of your answer.

Demographic Information:

Please identify which Division you are from:

____ XYZ Steel
_____ XYZ Wire
_____ XYZ Products

Which of the following best describes your level of performance on your last performance appraisal?

_____ Not Meeting Expectations (Rating of 3 or 4)
_____ Meeting Expectations (Rating of 2)
_____ Exceeding Expectations (Rating of 1)

	Level of Importance							Level of Frequency				
Duty and Task Position: Buyer	1 Not Important	2 = Slight Importance	3 = Some Importance	4 = High Importance	5 = Critical	N/A		1 = Never	2 = Seldom	3 = Monthly	4 = Weekly	5 = Daily
Establishing supply sources.												
• Determine preferred vendors for supplies.												
• Determine supply needs for predetermined time period.												
• Contact vendor regarding pricing options.												
• Develop list of supply sources.												
Analyzing supply sources.												
• Determine the item to be purchased and its value.												
• Determine when the item is needed.												
• Determine preferred vendor or vendor requirements.												
• Evaluate purchasing/payment options.												
• Make recommendation concerning preferred supply source.												
Preparing purchase orders and requisitions.												
• Determine the item to be purchased.												
• Determine the value of the item.												
• Obtain all necessary approvals.												
• Determine if the purchase is conforming or non-conforming.												
• Generate a purchase order or requisition.												

Appendix F: Interview Confirmation

Consultant F:

Thanks for agreeing to meet with me on:

Date: 2/8/09 Time: 3:00 EST Location: Conference Call - Call Office Number

Enclosed you will find a copy of the interview questions I will be utilizing in our discussion. Included below is a document I am required to provide to all interview participants. Please email me or call me (262-617-0816) with any questions on either of these two documents.

Consent to Participate In UW-Stout Approved Research

This project has been reviewed by the UW-Stout IRB as required by the Code of Federal Regulations Title 45 Part 46

Title: *Establishing Employee Performance Expectations Post Implementation of a Software System*

Project Description:
This project is intended to develop a methodology to assist managers in determining performance expectations for positions utilizing the ERP system. In order to continue to run the business as well as to reap the full benefits that the implementation was intended to deliver it is imperative that organizations are able to recalibrate performance expectations for employees who will in the future have work affected by the implementation of a new Enterprise Resource Planning (ERP) software system.

Risks & Benefits:
There is very little risk. I will work closely with all interview candidates to ensure that no proprietary data is used since some of the participants will be consultants. The benefits to the subjects as well as society is the receipt of the final thesis document with various best practices included as well as proposed methodology to develop and communicate performance standards.

Confidentiality:
Your name will not be included on any documents. We do not believe that you can be identified from any of this information.

Right to Withdraw:
Your participation in this study is entirely voluntary. You may choose not to participate without any adverse consequences to you. If at any time you decide not to participate, you are free to leave.

IRB Approval:
This study has been reviewed and approved by The University of Wisconsin-Stout's Institutional Review Board (IRB). The IRB has determined that this study meets the ethical obligations required by federal law

and University policies. If you have questions or concerns regarding this study please contact the Investigator or Advisor. If you have any questions, concerns, or reports regarding your rights as a research subject, please contact the IRB Administrator.

Investigator: *Cheryl Biro*
262-617-0816
cherylbiro@yahoo.com

Advisor: Sally Dresdow
715-232-3085
dresdows@uwstout.edu

IRB Administrator: Sue Foxwell Research Services
UW-Stout
152 Vocational Rehabilitation Bldg.
Menomonie, WI 54751
715-232-2477
foxwells@uwstout.edu

Statement of Consent:
By participating in the interview you agree to participate in the project entitled, "*Establishing Employee Performance Expectations Post Implementation of a Software System.*"

Appendix G: Interview Guide

Interview Guide

This project has been reviewed by the UW-Stout IRB as required by the Code of Federal Regulations Title 45 Part 46

Title: *Establishing Employee Performance Expectations Post Implementation of a Software System*

***Project Description*:**

This project is intended to develop a methodology to assist managers in determining performance expectations for positions utilizing the ERP system. In order to continue to run the business as well as to reap the full benefits that the implementation was intended to deliver it is imperative that organizations are able to recalibrate performance expectations for employees who will in the future have work affected by the implementation of a new Enterprise Resource Planning (ERP) software system.

My definition of a performance expectation is a description of how a job task should be done including behaviors, actions and expected end results. Performance expectations may also be called performance objectives and performance standards. The questions below are the ones I will be asking during your interview.

Interview Questions:

1. Describe a time when you were very successful in developing and communicating performance expectations.
2. Why was it so successful?
3. What were the key steps that you took in completing the activity?
4. What materials or tools did you find the most helpful?
5. Who were the individuals/positions involved in the process?
6. How did you validate the performance expectations?
7. What was your biggest surprise in the project?
8. What did you learn from this experience?

Appendix H: Performance Standard Pre-Work

Shortly you will be participating in an exercise to identify the performance standards for your job. In preparation for that meeting, it will be helpful to think about how your position contributes to the organization. Please take a few minutes to complete the questions below. This information will be discussed at the focus group meeting.

The questionnaire should take no more than 15-20 minutes to complete:

Position:

1. What are the 3 most important contributions your position makes to the organization?

    a. ______________________________

    b. ______________________________

    c. ______________________________

2. How do you know if these contributions have been achieved?

3. List or describe your job responsibilities. A job responsibility is the major tasks required to meet the contributions described in questions 1 & 2.

    a. ______________________________

    b. ______________________________

    c. ______________________________

    d. ______________________________

    e. ______________________________

    f. ______________________________

    g. ______________________________

    h. ______________________________

    i. ______________________________

    j. ______________________________

Appendix I: Performance Standard Documentation

Position:
Department:

Responsibility	Performance Level	Quality	Quantity	Time
	Meets			
	Exceeds			
	Meets			
	Exceeds			
	Meets			
	Exceeds			
	Meets			
	Exceeds			
	Meets			
	Exceeds			
	Meets			
	Exceeds			
	Meets			
	Exceeds			
	Meets			
	Exceeds			
	Meets			
	Exceeds			