

## CASE STUDY 7-1

### Implementing a Performance Management Communication Plan at Accounting, Inc.

Accounting, Inc. is a consulting and accounting firm headquartered in Amsterdam, the Netherlands. Recently, Accounting, Inc. implemented a performance management system. The first step in the implementation of the new system was the development of a set of core competencies that would be used to evaluate most employees regardless of function or level. In addition, each employee was evaluated using more job-specific performance dimensions.

As the first step in the communication plan, the employees received individual e-mail messages asking them to define what the core competencies meant to them and to give descriptions and examples of how each of the core competencies played out in their specific positions. Next, the company held meetings, handed out frequently asked questions (FAQs) sheets, and placed posters around the company detailing how the core competencies were related to the organization's

strategic priorities and how performance scores would be related to monetary rewards. In these communications, Accounting, Inc. detailed how the performance system worked, how the raters were chosen, how performance feedback was used, and other details about the system. The information also outlined the benefits employees could expect from the new system as well as employees' responsibilities regarding the system.

Please evaluate Accounting, Inc.'s communication plan. Specifically, does it answer all of the questions that a good communication plan should answer? Which questions are left unanswered? How would you provide answers to the unanswered questions (if any)?

*Source:* Adapted from P. Brotherton, "Meyners Pays for Performance: Changing a Compensation System Is a Sensitive Undertaking; Here's How One Firm Handled It," *Journal of Accountancy*, 198(2003): 41–46. ■

## CASE STUDY 7-2

### Implementing an Appeals Process at Accounting, Inc.

Following up on Case Study 7.1, when the system was implemented many employees were not happy with the scores and the type of performance feedback information they received from their supervisors. If you were to design an appeals process to

handle these complaints well, what would the appeals process be like? (Hint: Use the appeals process shown in Box 7.1, *Selected Excerpts from the University of North Carolina Performance Management Appeals Process*, as a model.) ■

## CASE STUDY 7-3

### Evaluation of Performance Management System at Accounting, Inc.

This is a follow-up to Case Study 7.1 and Case Study 7.2. After the performance system had been put in place, Accounting, Inc. implemented several measures to evaluate the system. First, the company distributed an employee survey to assess employee satisfaction with the new system. In addition, the HR department examined the distribution of ratings to determine whether scores were being influenced by leniency,

central tendency, or severity biases. Finally, the HR department kept track of the allocation of rewards in the various departments to ascertain whether any departments stood out. From your perspective, what other types of data can be collected to assess the effectiveness of the system? What kind of information would each measure provide? What is the rationale for implementing each type of measure? ■