



# The Strategic Think Tank

## What's Missing In Your Performance Equation?

If upper management does their job and sets company goals, why do some companies still fail? Often the missing element is "How" the company is going to reach its target. A company's strength is no better than its combined skills and behaviors of its employees. It's imperative to define those skills and behaviors needed to fulfill the directives of organization at each level.

Non-financial measurements (the 'How') represent the drivers of financial performance according to PricewaterhouseCoopers' *2003 Management Barometer* survey. Overall, those attempting to link business performance factors to future financial outcomes had greater growth than those that didn't—they *generated 2.5 times greater revenue growth* over the past five years than companies that didn't link measurement and performance behaviors.

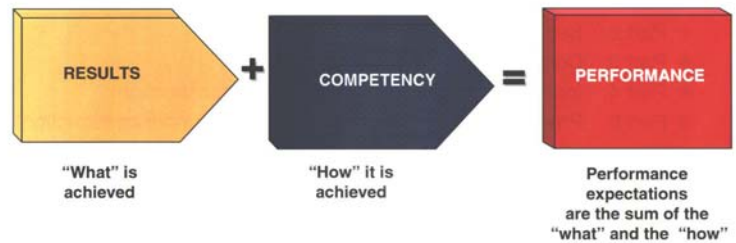
Performance behaviors are also known as *Competencies*. They comprise knowledge, behavioral skills, and personal attributes required for excellent performance in a role, function, or specific business. Competencies provide the means to align personal and organizational values, optimize organizational and interpersonal communication, and provide a mechanism to address the two big challenges facing companies: accountability and the influence of behaviors. Competency development is especially important for leadership development.

Competency models have strategic value as performance improvement vehicles. Benefits include...

- They make *explicit* the clusters of knowledge, behavioral skills, and personal attributes that lead to high employee performance in specific jobs and roles.
- They embody the core values of a business, aiding in the communication of these values throughout the organization and helping to shape and align a business culture and to maintain its identity.
- They help employees understand the need for both strong technical skills *and* strong relationship skills.
- They are *behavior-based performance standards* against which people and units can be aligned and measured. Competencies provide a behavioral vision for the kinds of performance necessary to successfully implement business strategies.

Successful companies integrate competencies into their culture by building it into all employee performance tools such as the interview process, employee performance feedback/coaching, promotional evaluations and leadership development. Where to begin? It starts at the top with upper management leading the way by identifying competencies to support the organizations goals. It is an investment with guaranteed payoff.

### Total Performance: The "What" and the "How"



Want help getting started? CMA Consulting can support your efforts to build critical business strategies and leadership required for the growth and long-term survival in today's business environment. For a free consultation, please email [info@CMAConsult.net](mailto:info@CMAConsult.net) or call us at (949) 640-4395. Visit our website at [www.CMAConsult.net](http://www.CMAConsult.net). Thanks for reading our newsletter. *Cheryl Paulette and Marcy Kessler*