**Large Business Performance Management Plan**

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Galvan Hotels is a chain which plans to increase its 25,000 employee base by 20% via opening additional locations in India. The business has net revenue of 10 million dollars and expects a year-over-year revenue growth of 15%. Their goal is to keep turnover rates at around 5%. As they expand into India they need a performance management strategy.

# Defining Performance Goals

Before any performance management strategy can be created, the organization needs to first look at their corporate mission and then identify which goals and objectives are needed to accomplish this (Cascio, 2013).

For example Galvan Hotels has the mission to: provide the best home away from home experience possible. To deliver on this promise to customers, the business needs to set performance goals such as: having high customer satisfaction rating; low check-in times for guest; and high returning or referred guests.

Each of performance goals needs to be Specific, Measurable, Achievable, Relevant and Time Based (SMART) (Zahorsky, 2015). Consider for example the goal of “make more money at each hotel.” How will the business make more money? Is this a quarterly or a 5 year plan? If we grow revenue but decrease profits is that still success? Alternatively by using SMART goals controls can be put in place and course corrections used to ensure the plan is successful.

# Measuring Performance

Now that performance goals have been defined, the next challenge is to decide how success will be measured. The method for measuring success needs to be fair, ethical, and encourage team members to work together.

If the measure gives preference to only a subset of the employees, this could be lead to discrimination lawsuits (Cascio, 2013). Even if the discriminated employees do not sue, they are likely to quit which goes against the corporate goal of only 5% turnover. Also our “home away from home” needs to be an ethical business, or customers will not be willing to do business. Any gains in business growth will be temporary and the bad public relations could hurt the overall brand image.

The performance appraisal also needs to be relevant to the team member’s position and responsibilities (Cascio, 2013). For example a plumber should not be reprimanded because there are issues with the electrical work. The same can be seen for countless other job duties.

Finally the performance measurement needs to encourage employees to work together, and not create a divide between them (Cascio, 2013). If the incentive programs reward team players then the overall business will run smoother and more efficiently. The strengths of some members will fill the void of others weaknesses.

# Providing Short Term Training Programs

Just as one wouldn’t drop a child in the deep in pool, it doesn’t make sense to assume that employees know what will be expected of them. To provide this insight training programs are needed to teach the employee what it means to be successful in their role.

The training needs to be delivered at all levels of the organization, as even experienced external employees may have culture shock toward internal processes (Cascio, 2013). For example a guest relations specialist will not know the intricacies of the computerized guest check-in system; nor will an executive know the file format and template to use when broad casting policy changes across the organization.

For many positions within the company training can be provided by senior employees through mentoring programs. Mentoring accomplishes several goals simultaneously. First it allows the new employee to feel safer, as they an assigned person to show them the ropes (Cascio, 2013). Next it makes the senior employee feel more valued by the organization (Tingum & Media, 2015). Third it reduces cost to the business as expensive training systems do not need to be procured.

# Providing Long Term Development Plans

After the employee understands the “what” portion of their job, the next phase is for them to understand the “why.” This is learned through long term development strategies, such as tuition reimbursement or other vocational programs. Growing the employee’s skill set results in new ideas and more complete solutions.

For example consider the business impact of asking all managers to take night classes and complete a Masters of Business Administration degree. The teachings would become standard practice and the ideas will naturally disseminate through the ranks. This will in turn lead to employees which make the right decision more frequently, while being told less. Until such a model exists it is not possible to run the business efficiently, especially at a global scale.

Another key advantage is that the developed employees will feel that they are an asset to the organization. This creates a sense of safety and loyalty which further helps reduce turnover among the workforce.

# Conclusions

In order to create a performance management system, the business needs to look at aspects across the entire lifecycle of the goals. This begins by understanding what the business intends to accomplish and what aspects are relevant to this effort.

Then the organization needs to decide how they will measure the performance of their staff in delivering on those goals. These measurements need to be fair and ethical or they will hurt other business goals such as low turnover rates and having a positive company reputation.

Next the business needs to provide training to the employees, so they are aware of the expectations of their role. Training is needed at all levels of the business, through programs such as mentoring.

Finally it is not sufficient for the employees to only “how” to do their job, they need to grow in skill set and understand the “why.” This comes from long term development strategies such as external or advanced programs. Having developed employee’s benefits all aspects of the business as they not only provide more complete solutions, but also disseminate new ideas across the ranks.

# References

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