

## How do you track employee performance?

Now That You've Hired That New Employee...  
How do you track employee performance?

You've taken the time to hire the "right" employee...at least you believe so, based on solid hiring criteria and [avoiding the common pitfalls of hiring](#)



- . So, now what? How are you going to assure that you did make a good hire and measure employee performance?

In order to plan your company's future, it is important to be able to track employee performance so you can understand how that performance is affecting your business.

You can't manage what you can't measure, so creating a viable system to track employee performance is just as important as the other growth and success markers you have established for your business.

We have developed a successful track record with this simple, 5-step approach for measuring employee performance. It works well for our clients, it is easily adopted (and adapted) into your culture and will give you the tools and metrics that you need to track performance. You can make adjustments to assure you are getting the right information for every position in your company.

Here it is, in five simple steps:

1. **Define the value for every position** – Creating a valuation strategy for each position allows you to better evaluate performance. This can be a simple, linear formula for certain position, for examples, sale positions, where you directly tie performance to revenue. In other positions such as customer service or administrative positions, different criteria may be required to assess value, such as meeting specific deliverables or consistency in key practices within a department.

2. **Establish realistic, measurable objectives** – Using your sales department as an example, you can tie sales calls objectives directly to revenue by calculating average conversion ratios and thereby create measurable outcomes. For example, let's say you are targeting weekly revenue of \$10,000 for an individual sales person. If the average revenue per sale is \$1,000, and that sales person has a conversion ratio of 20%, he or she will need to make 10 sales calls per day, 5 days per week to close \$10,000 in sales revenue. This is easily measurable to determine whether your sales team is meeting its targets or quotas.
3. **Use measurement tools** – Now that you have set your measurable objectives, you will need to monitor and evaluate the results. Using the example of the sales team above, it is simple to create a "call sheet" that can be examined at the end of each week or month to determine whether the primary objectives are being met for sales calls (which translate into revenue). The same type of system can be applied to customer service or administrative work, but could be based upon number of calls fielded, or specific tasks completed, respectively.
4. **Enroll everyone on your team in the program** – Every company has a few employees, managers or even C-Level executives who feel that their performance cannot be accurately measured. Nothing could be further from the truth! Every employee, every manager and every executive needs to be held accountable with regard to their contribution. Create systems that make that accountability trackable, objective and leave little room for discussion or argument.
5. **Connect employee performance to company goals** – Once you have established your systems and employee metrics, double-check that these systems also align with your overall company goals. If your company culture is more focused on the customer experience, the metric may be more focused on the quality of interaction with the customer, as opposed to the quantity of customer services calls fielded.

The bottom line is that EVERY job can have specific metrics attached; everything can be measured. If you find there is a position in your company that can't be measured, it may be time to reevaluate the position, not the person in that position. When you measure employee performance, you are using another tool to increase your bottom line and enhance your company culture.