

## ***Defining: An Overview (Form Sections I, II)***

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Amoco Performance Management begins with defining. Before a supervisor and employee can work together on improving performance, they need to set expectations about what the employee's performance should be. By setting common expectations, both the employee and supervisor are better equipped to do their jobs.

Defining starts with an initial meeting each year, when the employee and supervisor sit down together to decide mutually on expectations for the employee's performance. During this meeting, they also discuss Amoco's business plans and strategies, as well as their department's goals. These plans, strategies, and goals form a basis for each employee's individual responsibilities.

### ***Steps involved in defining***

- Define roles and accountabilities, including whether they are individual, joint, or team;
- Develop objectives that are closely tied to department goals;
- Clarify performance dimensions;
- Set interim review dates; and
- Agree on who will provide supplemental input.

The new circumstances under which we are placed call for new words, new phrases, and for the transfer of old words to new objects.

—Thomas Jefferson

## ***The Importance of Mutuality***

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**Mu•tu•al•i•ty** /Myūōō'/chōō al/i tē/ n. (ca. 1586) **1:** the quality or state of being mutual **2:** given and received in equal amounts **3:** having the same relationship, each to the other

Mutuality is the foundation of Amoco Performance Management. It means that employees and supervisors participate equally and actively in the process.

Mutuality first occurs in defining. During this step, employees and supervisors prepare on their own for a defining meeting by preparing draft versions of the defining portions of the form. Next, they meet to compare their draft versions as a means to mutually establish performance expectations.

Mutuality doesn't end with defining, though. It continues using a similar comparison procedure throughout all aspects of performance management—from development planning, to interim reviews, to the preliminary review discussion and the formal review.

## ***Amoco Business Plans***

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Careful business plans and strategies that anticipate the future have always been a key factor in Amoco's success. These business plans have an effect on your individual work objectives. While you may be most concerned with departmental goals when writing your objectives, it's important to step back from your role to see how you fit in with where Amoco is heading as an organization. This section provides a brief review of Amoco's overall business plans and how they affect all levels of the Company.

Here are some brief definitions on terms being used:

Goals: "What we will accomplish"

Strategies: "How we will get there"

Objectives: "How we know we are getting there"

Business Plan: "How everyone knows where they fit"

Our plans miscarry  
because they have no  
aim. When a man does  
not know what harbor  
he is making for, no  
wind is the right wind.

—*Seneca*

## ***Business plan flow of events***

<b>Flow of Events</b>	<b>Action and Inter-Relationship</b>
<b>Amoco Corporation</b> ↓ <i>Goals &amp; Strategies</i> ↓	Amoco Corporation sets annual goals that it wants to achieve as an organization, based upon subsidiary and Corporate strategies. It communicates these goals to its subsidiary companies and departments.
<b>Subsidiary Companies &amp; Corporate Departments</b> ↓ <i>Objectives</i> ↓	Each subsidiary and Corporate department identifies the best tactics to achieve their part of Corporate goals and strategies. They also identify broad objectives that can be used to determine their progress in achieving the goals, in accordance with their strategy.
<b>Departments</b> ↓ <i>Group Goals</i> ↓	Department goals that reflect the overall business plan and strategy of the subsidiary and corporation are communicated to work groups for their guidance in planning their own goals.
<b>All Employees</b> ↓ <i>Individual Objectives</i>	With this information, the individual members of each work group are able to formulate their personal objectives that will contribute to the accomplishment of the group's goals, which are in accordance with the overall business plans, strategies, and goals of the corporation.

Double arrows are used in the flow of events to represent the process working both from the top down, and from the bottom up.

## ***Tying Individual Objectives to Department Goals/Business Plans***

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Individual objectives need to strike a balance between being meaningful to the individual and supporting the department's goals. Before writing their objectives, employees need an understanding of department goals as well as Amoco's overall business goals and strategies. In each department, the supervisor should share this information during group meetings (and through written communications, if appropriate).

Once department goals have been reviewed, each individual needs to consider the following questions before writing objectives:

- How do my roles and accountabilities affect department goals? How can I improve my contribution? What objectives will maximize my contribution?
- Who can help me achieve my objectives? Whom do I interact with (clients/customers)? What is their relation to department goals?
- What key aspects of my job must be accomplished in order for our department to accomplish its goals?

## ***Roles and Accountabilities (Form Section IA)***

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### ***Philosophy***

Roles and accountabilities are a new feature of Amoco Performance Management. They are designed to gain mutual understanding between supervisor and employee about major job responsibilities. Statements of roles and accountabilities should be short, concise, and relate to the current performance cycle.

### ***Content***

Roles and accountabilities describe and highlight:

- Your most important job responsibility;
- Your interaction requirements with other people; and
- Your significant activities and functions that support objectives.

Roles and accountabilities should include short, general statements about an employee's most important responsibility. Next, it should include a statement of interaction with others and a statement of specific activities and functions.

Here are several examples:

*Lead technician in the laboratory analyzing catalyst samples from the plant. Meets regularly with plant operating engineers to report on catalyst activity. Also analyzes catalyst samples from the plant and writes reports of analysis results.*

*Supervisor, financial systems, maintains and runs the financial system. Works with the other members of the implementation team to install system enhancements. And manages project budgets and supervises three other employees in the group.*

*Accounting department clerk provides monthly reports on vendor payments to the purchasing department. Also verifies choice documentation before payment, manages the petty cash fund, and reconciles the monthly bank statement.*

*Exploration secretary provides administrative support for the professionals in the group. Major duties include making travel arrangements, preparing and distributing weekly committee agenda, and typing reports and correspondence.*

### ***Roles and accountabilities: process steps***

As you begin to consider writing and discussing your roles and accountabilities in Section IA of the form, here are some questions to ask yourself:

- What is your most important job responsibility?
- What are your interaction requirements with other people?
- What are your significant activities and functions that support objectives?
- Which of your roles and accountabilities are critical to the achievement of your department's or group's goals and business plans?
- Are your roles and accountabilities clearly stated?
- Are any of your major job activities not accounted for by this statement of roles and accountabilities?
- Could your productivity be improved if certain roles and accountabilities were changed?

## ***Objectives (Form Section IB)***

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### ***Philosophy***

As always, objectives are designed to help achieve business results. Objectives may target individual or team performance, and must focus on clear, measurable results during the performance cycle.

### ***Content***

Unlike roles and accountabilities, which are general statements about your job, objectives are specific.

In addition, objectives are:

- ***Measurable***—They provide a clear way to tell whether they have been met or not. Measures may be concerned with timeliness, quantity, quality, cost, and impact.
- ***Attainable***—They present a challenge, but they're also realistic.
- ***Relevant*** They need to support the department's or unit's goals and Amoco's overall business goals and strategies.

Several different types of objectives may apply to an individual. Here are some issues to discuss when mutually establishing them. Objectives:

- Are concerned with improvements in operating results (for example, volume, margins, expense, profit);
- May require work products to be completed by a specific time or date;
- May deal with your special projects (if any);
- May spell out planned contributions to your unit or department goals; and
- May be related to a team's performance.



## ***Examples of objectives***

Remember that objectives must be measurable, attainable, and relevant to an employee's roles and accountabilities. Here are some examples:

- Actions or steps designed to improve operating results:
  - *Modify activity test procedures to increase the accuracy of the test by 20% and implement by August 30.*
  - *Achieve \$4 million in new revenue by the end of this fiscal year.*
- Statements requiring work to be completed by a specific time or date:
  - *Train new hire on the financial system by March 1.*
  - *Consolidate division files into a central location by April 1.*
  - *Complete petty cash and bank statement reconciliation by the tenth work day of each month.*
  - *Stay within a specific percentage of control budget for fiscal year.*
- Planned contributions to unit or department goal or team performance:
  - *Recruit and fill 85% of department staff requirements meeting Company commitment to the 10-point program.*
  - *Reduce vehicle accidents from seven incidents per month to two incidents per month by year-end.*
  - *Achieve an increase of 15% over last year's department contribution to this year's United Way campaign.*
  - *Ensure Accounts Payable area conforms to internal controls by achieving zero audit exceptions.*

***Objectives: process steps***

- As you establish your objectives during defining, record them in Section IB on the form.
- Section IB1 of the form has been provided to allow for objectives to be changed during the performance cycle.

## ***Supplemental Input (Form Section IC)***

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### ***Philosophy***

In a typical performance review, two people have input: the employee and the supervisor. In many cases, though, other people may offer important insights about performance. Those people can be other supervisors, managers, peers, and clients. A complete review should include those people.

### ***Process steps***

- During defining, the people who will provide supplemental input are agreed upon by supervisor and employee. In most cases, supplemental reviewers should be limited to no more than three.
- The employee and the supervisor agree on who will provide input, list these people in Section IC, and the supervisor contacts them to ensure their participation.

The use of supplemental input during reviewing will be discussed in the reviewing section.

## ***Performance Dimensions (Form Section II)***

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### ***Philosophy***

Performance dimensions are another new part of Amoco Performance Management. They respond to the employee survey which suggested the need for a stronger link between job performance and development.

Performance dimensions are seven aspects of job-related effectiveness that apply to all employees. They are important because they're concerned with *how* roles and accountabilities are fulfilled and *how* objectives are met—not just *what* results you get. This doesn't mean that results aren't important—they are. But now results will be tied to overall job effectiveness.

### ***Why performance dimensions?***

There are three major reasons why performance dimensions are part of the process. Dimensions provide:

- Ways to evaluate aspects of performance that go beyond meeting objectives;
- A formal, consistent way to focus on job-related behaviors and personal effectiveness; and
- A much more open and concrete way of talking about job-related behavior and development.

## **Content**

Here are the seven performance dimensions:

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**Communication** covers all the ways employees listen, talk with others, present information, and write. Clarity, completeness, organization, accuracy, and opportunities for communications should be considered in this dimension.

Listens well

Effectively communicates with individuals throughout the organization

Gives clear and complete oral instructions

Makes clear and well organized presentations

Writes clearly and concisely

Other

Communication is something so simple and difficult that we can never put it in simple words.

—T. F. Matthews

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**Creativity/innovation** covers the ways that individuals move the organization ahead—through generating and applying new ideas, finding better ways of doing work, and encouraging others to think and act creatively.

Generates new ideas

Implements new and useful concepts effectively

Fosters innovation

Other

*(continued)*

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**Decision making** is concerned with the quality of decisions, how decisions are made, who is involved, the impact of decisions, and appropriate risk-taking.

Makes timely and effective decisions consistent with business plans and department goals

Considers broader impact of alternatives

Delegates appropriately

Balances logic and intuition to take appropriate risks

Other

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**Participative leadership** applies directly to supervisors and indirectly to employees. It covers motivational actions, willingness and ability to lead, and inclusion of others in leadership functions.

Creates participative climate

Effectively communicates mission and goals

Motivates by promoting mutual ownership of ideas and actions

Seeks input from others

Other

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**Performance management** applies to all employees. It includes full participation in all aspects of Amoco Performance Management as applied personally, to others supervised, and through supplemental input provided.

Mutually defines performance expectations and sets objectives

Mutually plans development

Mutually reviews and evaluates progress and results

Effectively works with supervisor to define, develop, and review personal performance

Other

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**Planning and organizing** is concerned with getting work done smoothly, on time, and within budget. It includes locating and using resources effectively and adjusting resources to meet problems and changing conditions.

Identifies directions and desired results

Anticipates problems and adjusts accordingly

Organizes work effectively and uses available resources (for example, people, money, and time)

Other

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**Teamwork** covers all the ways people must work together within their work groups, throughout the Company, and with vendors and customers. It includes both gaining and giving trust and respect to others.

Works and interacts effectively as a team member

Balances individual and team effort

Gains trust and respect of others

Effectively uses interpersonal skills (for example, managing conflict and, negotiating)

Other

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**Performance dimensions not listed**  
This space on the form affords you the flexibility to include technical, functional, and business dimensions. Additional pages can be utilized as necessary.

### ***Performance dimensions: process steps***

As you and your supervisor discuss performance dimensions, you should consider the following:

- Review each dimension carefully;
- Decide which dimensions apply to your job;
- If a dimension applies, discuss how it could be demonstrated on the job;
- Decide how important the dimension is and note this in Section II; and
- Decide if any dimensions are missing and add them in the open areas provided, as appropriate.

It is important to remember when determining the importance of dimensions, that there is no preset number of critical or important dimensions.





**Amoco Performance Management**

Employee Name <i>Lori Anderson</i>	Date
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<b>II. Performance Dimensions . . . continued</b>	Importance			Effectiveness		
	C	I	N	E	M	O
<b>Teamwork:</b> Works and interacts effectively as a team member	✓					
Balances individual and team effort	✓					
Gains trust and respect of others	✓					
Effectively utilizes interpersonal skills (e.g. managing conflict, negotiating)		✓				
Other (specify)						
Comments:						
Performance dimensions not listed: (Technical, Functional, Business, etc.)						
Comments:						

**III. Performance Development**

<b>A.</b> Identify developmental issues affecting performance which relate to roles, accountabilities, objectives or performance dimensions.
<i>Lori will be making regular department presentations in addition to a major presentation to the Implementation Team. Lori will also be working with college campuses to support our recruiting efforts.</i>
<b>B.</b> Describe action plans to address developmental issues discussed above. Include roles, responsibilities and the time frame by which the activities should be completed.
<i>Plans this year include provisions for Lori to make several dry run presentations to help build her self-confidence. I will also work with Lori to organize her presentations and teach her how to use a graphics package to improve her presentation visual aids.</i>
<i>In addition, Lori will spend one afternoon a week doing research of our product lines and businesses to provide her the knowledge to answer questions by potential college recruits.</i>

<p><b>Roles and Accountabilities, Objectives, "Importance" portion of Performance Dimensions and Performance Development issues and plans have been mutually established and Supplemental Input individuals have been identified.</b></p>	Employee's Signature	Date
	Supervisor's Signature	Date



**Amoco Performance Management**

Employee Name <i>Pam Thompson</i>	Date
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<b>II. Performance Dimensions . . . continued</b>	Importance			Effectiveness		
	C	I	N	E	M	C
Teamwork: Works and interacts effectively as a team member	✓					
Balances individual and team effort		✓				
Gains trust and respect of others		✓				
Effectively utilizes interpersonal skills (e.g. managing conflict, negotiating)		✓				
Other (specify)						
Comments:						
Performance dimensions not listed: (Technical, Functional, Business, etc.) <i>Adheres to Internal Controls</i>	✓					
Comments:						

<b>III. Performance Development</b>	
<b>A.</b> Identify developmental issues affecting performance which relate to roles, accountabilities, objectives or performance dimensions.	<p><i>Pam will also be processing and inputting invoices for payment this year. Would also like to see Pam develop monthly purchase report on PC and learn the contract accounting desk.</i></p>
<b>B.</b> Describe action plans to address developmental issues discussed above. Include roles, responsibilities and the time frame by which the activities should be completed.	<p><i>Pam is scheduled to attend the Accounts Payable System training during the second quarter. Pam will also conduct an internal audit on the contract accounting desk. To perform a thorough audit, she will need to learn more about this function.</i></p> <p><i>Pam and I will also try to schedule her for an internal Lotus 1-2-3 seminar or she will attend a class at the local college.</i></p>

<b>Roles and Accountabilities, Objectives, "Importance" portion of Performance Dimensions and Performance Development issues and plans have been mutually established and Supplemental Input individuals have been identified.</b>	Employee's Signature	Date
	Supervisor's Signature	Date

## II. Performance Dimensions

Indicate to what degree each dimension is important to effective performance in this position and to what degree the employee is effective in each. Comment on specific incidents when appropriate.

Employee Name	Date
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		Importance (✓)			Effectiveness (✓)		
		C	I	N	E	M	O
<b>Importance:</b> C - Critically important I - Important N - Not Applicable <i>(Do not rate effectiveness on dimensions marked "N")</i>		<b>Effectiveness:</b> E - Exceeds requirements M - Meets requirements O - Opportunity for Development <i>(Opportunities for Development may exist even when expectations meet requirements)</i>					
<b>Communication:</b>	Listens well						
	Effectively communicates with individuals throughout the organization						
	Gives clear and complete oral instructions						
	Makes clear and well-organized presentations						
	Writes clearly and concisely						
Other (specify)							
Comments:							
<b>Creativity/ Innovation:</b>	Generates new ideas						
	Implements new and useful concepts effectively						
	Fosters innovation						
	Other (specify)						
Comments:							
<b>Decision Making:</b>	Makes timely and effective decisions consistent with business plans and department goals						
	Considers broader impact of alternatives						
	Delegates appropriately						
	Balances logic and intuition to take appropriate risks						
	Other (specify)						
Comments:							
<b>Participative Leadership:</b>	Creates participative climate						
	Effectively communicates mission and goals						
	Motivates by promoting mutual ownership of ideas and actions						
	Seeks input from others						
	Other (specify)						
Comments:							
<b>Performance Management:</b>	Mutually defines performance expectations and sets objectives						
	Mutually plans development						
	Mutually reviews and evaluates progress and results						
	Effectively works with supervisor to define, develop, and review personal performance						
	Other (specify)						
Comments:							
<b>Planning and Organizing:</b>	Identifies goals, directions and desired results						
	Anticipates problems and adjusts accordingly						
	Organizes work effectively and uses available resources (e.g. people, money, time)						
	Other (specify)						
Comments:							

# Amoco Performance Management

Employee Name	Date
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<b>II. Performance Dimensions . . . continued</b>	Importance			Effectiveness		
	C	I	N	E	M	C
<b>Teamwork:</b> Works and interacts effectively as a team member Balances individual and team effort Gains trust and respect of others Effectively utilizes interpersonal skills (e.g. managing conflict, negotiating) Other (specify)						
Comments:						
Performance dimensions not listed: (Technical, Functional, Business, etc.)						
Comments:						

<b>III. Performance Development</b>	
<b>A.</b>	Identify developmental issues affecting performance which relate to roles, accountabilities, objectives or performance dimensions.
<b>B.</b>	Describe action plans to address developmental issues discussed above. Include roles, responsibilities and the time frame by which the activities should be completed.

<b>Roles and Accountabilities, Objectives, "Importance" portion of Performance Dimensions and Performance Development issues and plans have been mutually established and Supplemental Input individuals have been identified.</b>	Employee's Signature	Date
	Supervisor's Signature	Date