

Amoco Performance Management: A Brief Description

Amoco Performance Management is a new *mutual, ongoing process, driven by the business plan*, to help employees, supervisors, and managers:

- **Define** their roles and accountabilities in the Company and their objectives for performance;
- **Develop** and improve performance; and
- **Review** and evaluate performance.

Performance management focuses on development through several key principles:

Business driven—Amoco Performance Management is a means to help the organization accomplish its business goals and strategies. It links the individual to the business plan.

Mutuality—Employees and supervisors work together to agree on objectives and expectations for performance. Both are expected to participate actively in this process.

Consistency—The process and all forms that support it are designed to give us a consistent way to measure and evaluate performance. It allows us to look not only at *what* is accomplished, but *how* it is accomplished.

Communication—The foundation of performance management is effective communication between employees and supervisors. The system encourages frequent communication through ongoing feedback and coaching.

Background on Amoco Performance Management

Business conditions are constantly changing. To remain competitive, Amoco must change. In January, 1988, Senior Corporate Management determined that Amoco's future success depends on more fully developing employees, and increasing employee involvement in every aspect of our business.

At the same time, Senior Management identified key human resource values to support our business goals. These human resource values are evolving into established Corporate values. A change in the appraisal system was clearly identified as the Number One priority to support these values.

It also was recognized that other human resource practices will need to be reconsidered. The following is a list of the practices that will be addressed:

- Selection and recruiting;
- Employee involvement;
- Reward and recognition;
- Compensation;
- Career planning and development; and
- Executive education and development.

A new approach

Amoco Performance Management is a new process designed to give all employees the opportunity to participate actively in their performance development and evaluation. It will help each of us reach our fullest potential and make our most significant contributions to the Company.

Many employees involved

Amoco Performance Management has evolved over time. Its evolution involved employees at all levels and in all parts of the organization. Last year, a task force of senior line managers began the process by studying performance management systems in place at other organizations. They also surveyed 20% of Amoco employees for their opinions on how the performance appraisal system was working. Out of these actions came an initial design for the new performance management process.

Features and benefits

Amoco Performance Management consists of several features, each of which provides certain benefits to the organization, supervisor, and employee. Many of the features are in response to employee concerns raised in the survey. The following chart outlines these features and benefits.

Features

Benefits

Evaluates *and* develops employees

Assesses performance but also looks forward to define roles and accountabilities and to develop plans to improve and motivate performance

The past always looks better than it was. It's only pleasant because it isn't here.

—Finley Peter Dunne
(Mr. Dooley)

Requires participation

Employee and supervisor are active participants throughout the process, thus building involvement and commitment

Emphasizes mutuality

Fosters two-way dialogue between supervisor and employee that is open and mutual

(continued)

Features

Emphasizes process

Uses coaching and interim reviews

Evaluates team participation as well as individual performance

Input from various sources

No overrides by management

Summary ratings eliminated

Benefits

Emphasizes process rather than paper, making the form an enabling tool in communicating Amoco's values and business plans

Increases emphasis on improving performance through an ongoing cycle of defining, developing, and reviewing

Allows team performance to contribute to review, as appropriate

Gives broader perspective on performance through multiple inputs (supervisor, employee, peers, and customers/clients)

Management input is sought, but cannot override an evaluation or development plan not used

Focus on the entire review, not just a box on the form

Elements of process

Amoco Performance Management is a continuous process. Once set in motion by business planning, performance management begins with defining, moves forward with ongoing development and coaching through interim reviews, then concludes with a summary review.

Implementation

After the new process was designed, the next step was planning for implementation. This required the help of additional line managers. These managers presented the initial process design during employee meetings. Comments and suggestions made at the meetings were used to refine the process. After refinements were made, these managers developed an implementation plan to bring performance management training to employees.

Training is just the beginning

Your training session is the culmination of over one year's work and the participation of over 3,000 Amoco employees. For the developers of the process, training marks the end of their strong involvement in creating a new, effective process for managing performance.

But for you and the other 29,000 people who will use the process, training is just the beginning. It will be up to all of us to see that Amoco Performance Management becomes a new approach to developing and improving performance. And it will be up to us to take the steps as individuals that will keep Amoco on the leading edge as we enter the 1990s.

It's what you learn after
you know it all that
counts.

—John Wooden