

# STANDARDS OF PERFORMANCE

Creating Position Definitions



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# Executive Blueprints

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*“Opportunity is missed by most people because it is dressed in overalls and looks like work.”*

- Thomas A. Edison



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## INTRODUCTION

Standards of Performance are job description definitions with job related duties, purpose, metrics and level of authority. By defining the purpose of the position, the employee understands the overall personal value of contributions to the organization. By measuring impact on other positions within the organization, there is a clear understanding of the unique nature of the position and the expectations of peers. By defining the level of authority, there is no doubt or delay in making decision, or in deferring them to the proper authority. By defining metrics, both the employee and the manager have a shared sense of understanding to continuously measure performance.

Defined Standards of Performance empower the employee to take action, understand the benefits or consequences to the rest of the organization, measure personal performance and understand personal worth. With Standards of Performance, there is a sense of belonging, a sense or purpose, and mutual goals for achievement.

Long before the process of conducting employee evaluations, it is necessary to have accurate position descriptions. If the position has clear goals and associated metrics to measure performance, it simplifies the process of conduction yearly employee performance reviews. More important, it allows the management and the employee an opportunity to review personal performance on a continual basis, not jus once a year. This is especially important in the event that disciplinary action is necessary due to lack of performance. It is also a very useful tool for justifying bonus or recognition for exceptionally outstanding performance. Once standards are established, performance becomes measure and objective, removing the dangers of subjective opinions.

Why have position descriptions? Having accurate goals with defined metrics enables management to coach and develop the individuals performing duties. It enables management to acknowledge and reward performance. It creates a tool for measuring and resolving poor performance. It is also a very important and powerful tool for the person in the position to measure and report personal performance, so the manager and the employee have the same expectations and measurements of performance.

So, when is the right time to create a position description? Before you hire someone for the job, it is necessary to have an accurate position description as reference during the job posting and interview process. Every position should have a detailed description and standards of performance to empower and measure the individual contributor. Every position should have standards of performance right now.

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When is the right time to update the position description? Update the position description any time that the job changes significantly. Review the description at least yearly to make sure that it is still accurate.

Who should create the position description? If the position is vacant, it is the responsibility of the manager to prepare the description. However, if the intent is to update the description then it should be a joint effort between management and the individual acting in the current position. Whenever possible it should be a joint effort between the management and the individuals in the position. By creating the Standards of Performance together, it develops “buy in” participation, acceptance and understanding between management and the individual contributors.

What happens when the employee creates the position description and provides scheduled updates on performance? Just think how easy it will be to review performance, achievement or corrective actions if necessary. There are no surprises if the standards or performance documents are clear.

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## DEFINITIONS

**Purpose:** Describe the Goals, Objectives, Duties, Assignments, Value, and Obligation of the position and outcome or results.

**Scope:** Describe the Primary Responsibility and Authority (paragraph) regarding position and performance.

**Status:** Description of 'reports to', 'manages', 'supervises' or 'coordinates' regarding direct organization structure and / or external vendors, suppliers, contractors or external affiliates.

**Responsibility:** Description of primary position function (Bullet point)

**Duty:** Action associated with Responsibility (Bullet point)

**Metric:** Measurements determine effectiveness, "Satisfactory performance achieved when" (Bullet point). Metrics determined by Numeric goal, financial goal, date / milestone, frequency, completion, survey result or similar quantifiable measurement.

**Level of Authority:**

- (1) Act, Do It or Delegate It
- (2) Act and Report
- (3) Action after Consultation or Direction
- (4) Do It when told or by Schedule

Examples provided in the following pages are followed by blank pages for you to create position descriptions:  
"Standards of Performance"



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## STEP ONE – Define Purpose, Scope and Status

Create a general description of the position and a job overview. This section of the Standards of Performance is a narrative. It is an opportunity to write a few sentences or paragraphs to describe the position purpose, scope and status.

The PURPOSE describes the primary objectives of the position. This section describes the reason that the position exists and the output expected from the role. For example, an accounts receivable position may process and allocate checks or payments in a timely manner, and may also be responsible to maintaining a current balance by minimizing past due invoices. On the other hand, and accounts payable position may be responsible for confirming accuracy of invoices as well as maintaining good credit or payment status.

When creating the narrative text of the PURPOSE of the position, it is useful to indicate other positions, roles within the organization or customers impacted by the output of the position. These sentences or paragraphs are intended to ‘tell the story’ of the position. This may be useful for a new employee to read and understand the purpose of the position. It may also be useful for new management to read and understand the roles of each direct report. The PURPOSE should be a comprehensive description and easily understood

The SCOPE defines the extent or limits of authority and responsibility for the role. For example, there may be decisive authority, supervision, account or vendor management that requires the ability to make decisions. Some decisions may require a higher level of authority. For example, signing contracts or other legal documents may require a higher level of authority to approve. There may be financial limitations for issuing credits or refunds, and there may be acceptable levels for immediate individual approvals.

Do not leave the SCOPE of authority to chance or interpretation. Avoid delays caused by unnecessary escalations by defining the level of individual authority clearly and precisely. This empowers the employees and established clear guidelines for limitations.

The STATUS defines the position within the organization. Imagine an organization chart with direct reports and dotted line authority or responsibility. Identify the other positions that rely on this individual contributor or the output of the position. Identify other positions that provide important contributions to achieve the success of this position. This section should clearly define the role and dependencies within the organization, vendors, suppliers and partners.

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## PURPOSE

Example

\*\* General description of the tasks performed and purpose, managed or required for the position / individual contributor. Describe the Goals, Objectives, Duties, Assignments, Value, and Obligation of the position and outcome or results. Examples: Manage Operations and conduct adjudication to assure appropriate cost containment as determined by accuracy of quarterly audit results. Facilitate logistics and forecast planning for East Coast warehouse locations to maintain 95% fill rate based on customer order. Coordinate continual development and maintenance to achieve Best in Class quality as determined by independent survey. Increase sales and market share by 10% per Half Year as measured by revenue and percent of target retail.

## SCOPE

Example

\*\* Describe the Primary Responsibility and Authority (paragraph) regarding position and performance. Examples: Establish strategic direction, manage and communicate decisions for policy and procedure. Approve or deny specific individual requests based on Terms and Conditions. Responsible for establishing departmental budget and assuring performance in accordance with budgeted expense and revenue, this includes the creation and initial approval of credits and payments.

## STATUS

Example

\*\* Description of 'reports to', 'manages', 'supervises' or 'coordinates' regarding direct organization structure and / or external vendors, suppliers, contractors or external affiliates. Examples: Position reports to Director of Operations. Position manages telephone support representatives and field technicians in Atlantic Region. Position negotiates contracts, rates and manages strategic vendor relationships.

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## STEP TWO – Bullet Point Job Responsibilities

Create a Bullet Point List of Responsibilities associated with the position. Then list the duties associated with the job responsibility.

For example, the Accounts Receivable responsibility may be to maintain current accounts payable and minimize aging. There may be multiple duties associated with this responsibility. Specific duties may include applying checks and credits in a timely manner, or contacting past due customers to request payment or resolve outstanding credit issues.

Every responsibility should have at least one associated duty or task. It is possible and very likely that a responsibility may have multiple associated duties or tasks. Even the responsibility or supervising another person, group or activity has associated duties and tasks. What does a person do to be an effective supervisor? Duties for supervision may include conducting measurements, setting goals or coordinating schedules. Every responsibility has tasks associated or it should not be a responsibility.

In creating the Standards of Performance, some individuals may struggle with the concept of outlining responsibilities and trying to associate duties or tasks with the responsibility. That is not a problem. Just take a different approach to develop the Standards of Performance. Ask the individual to create a list of duties or tasks that the person performs regularly, daily, weekly or monthly. Then sort the duties according to the purpose of the task. Upon sorting the tasks into meaningful related groups according to reason or purpose, the responsibilities typically become clear. Frequently this process is a revelation to the individual contributor as they begin to recognize and appreciate that the job functions he or she has been performing have relative significance and responsibilities.

Next, identify or assign a measurable metric to each duty or task. The metric is the measurement to define successful completion or acceptable attainment in accordance with the duty. How do you know that the task completed successfully? It must have a measurable goal. Metrics may be numbers, dates, percentages, or measured by completion (done or not done). Metrics may not be subjective, but rather must be quantitative.

The Level of Authority for each duty defines the individual level of “decision making” authority for the task. (Refer to DEFINITIONS). For example, an individual may have complete authority to make decisions, approve, deny or implement according to a defined task. Some other duties may require another level of approval to proceed. Assign a level of authority to each task and eliminate doubt or unnecessary delays. Authority frequently changes over time.



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## RESPONSIBILITY

### ❖ **Maintain Budgeted revenue and cost controls**

- Create Half Year Budget and Bi-Monthly Forecast for Expenses
  - Metric: Budget and Forecast complete on Schedule
  - Level of Authority: (3)
- Process Invoices for vendors
  - Metric: Process / input invoices within 15 days of receipt
  - Level of Authority: (2)

Example

### ❖ **Responsibility**

- Duty
  - Metric:
  - Level of Authority:
- Duty
  - Metric:
  - Level of Authority:
- Duty
  - Metric:
  - Level of Authority:

### ❖ **Responsibility**

- Duty
  - Metric:
  - Level of Authority:
- Duty
  - Metric:
  - Level of Authority:

\*\* Continue multiple pages as necessary based on position requirements

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## STEP THREE – Key Performance Indicators

Key Performance Indicators are a bullet point list of the primary measurable objectives that result from the contributions of the position.

In the previous section, we defined the responsibilities, duties, tasks and associated metrics with level of authority. That section created clear definition of what a person does in the specific role. This is different from the Key Performance Indicators.

In this section, we create a list of the specific items that measure the performance of the position. Key Performance Indicators are daily, weekly, monthly, quarterly or yearly metrics that define the success or failure of the output from the position.

For example, in the section for Responsibilities, a call center representative may have defined the responsibility as a requirement to answer each call within 3 rings or 30 seconds. In the section for Key Performance Indicators, there may be a Monthly Performance Goal of achieving 95% of all calls answered within 3 rings or 30 seconds. The Responsibility defined the job task, while the Key Performance Indicators is the Overall Measurement that measures personal performance.

As another example, a Sales Representative may have a Job Responsibility to make 10 calls per day. The Key Performance Indicator may be to complete 200 calls per month. The Job Responsibility for the sales representative may be to offer the option to buy on every call, while the Key Performance Indicator may be a goal to achieve 10% close rate of sales for all calls, or 20 sales per month.

The Responsibilities section outlines what a person should be doing, while the Key Performance Indicators creates a clear bulleted list outline of personal performance measures and the frequency.

Typically, every position has four categories of Key Performance Indicators. The first are economic metrics that pertain to budget, revenue or cash flow. The second are customer related metrics. The third category relates to employee personal development, and the fourth category is Business Growth. Some individuals may not immediately recognize how the impact of their actions to the company economically, or how their achievement contributes to customers. Some individuals may not think to measure personal development, or may not recognize how their actions contribute to company growth. Understanding and recognizing all of these aspects of the position are critical to developing the well-rounded individual and empowering the full potential of the position.

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## KEY PERFORMANCE INDICATORS

### **Primary METRICS and Frequency:**

“Measure Everything That Results In Customer Satisfaction” and ‘How Often’

### **Budgeted Revenue and Cash Flow:**

- Monthly Expense
- Monthly Budget Review
- Bi-Monthly Budget Forecast Update
- Quarterly Reconciliation
- Profit Margin Results

Examples

### **Customer Focus:**

- Monthly Survey Results of Customer Satisfaction
- Daily Fill Rate for Customer Orders
- Market Analysis / Independent Survey Results
- Call Response / Hold Time / Speed to Answer
- New Customer Acquisition Reports / Loss Reports

Examples

### **Employee / Personal Development:**

- Internal Training Initiatives / Results
- External Training Initiatives / Results
- Rewards / Awards Programs
- Executive / Management Development
- Monthly CTQ Attainment Reports

Examples

### **Develop New Business:**

- Strategic Objective Milestones and Metrics
- Market Share or Growth Projections
- Target Acquisitions
- Strategic Partner / Vendor Relationships or Markets
- SWOT Analysis Update

Examples



Sample Documents are available for editing from [ExecutiveBlueprints.com](http://ExecutiveBlueprints.com)

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## STANDARDS OF PERFORMANCE

### Position Descriptions & Metrics



Position: \_\_\_\_\_

Department \_\_\_\_\_

Name \_\_\_\_\_

Date \_\_\_\_\_

Form Updated: May 12, 2007

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## PURPOSE

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## SCOPE

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## STATUS

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## RESPONSIBILITY

### 1. Responsibility \_\_\_\_\_

Actions \_\_\_\_\_

- ✓ Metric: \_\_\_\_\_
- ✓ Level of Authority: (\_\_\_\_)

Actions \_\_\_\_\_

- ✓ Metric: \_\_\_\_\_
- ✓ Level of Authority: (\_\_\_\_)

### 2. Responsibility \_\_\_\_\_

Actions \_\_\_\_\_

- ✓ Metric: \_\_\_\_\_
- ✓ Level of Authority: (\_\_\_\_)

Actions \_\_\_\_\_

- ✓ Metric: \_\_\_\_\_
- ✓ Level of Authority: (\_\_\_\_)

### 3. Responsibility \_\_\_\_\_

Actions \_\_\_\_\_

- ✓ Metric: \_\_\_\_\_
- ✓ Level of Authority: (\_\_\_\_)

Actions \_\_\_\_\_

- ✓ Metric: \_\_\_\_\_
- ✓ Level of Authority: (\_\_\_\_)

\*\* Continue multiple pages as necessary based on position requirements

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## KEY PERFORMANCE INDICATORS

### Primary METRICS and Frequency:

“Measure Everything That Results In Customer Satisfaction” and ‘How Often’

### Budgeted Revenue and Cash Flow:

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

### Customer Focus:

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

### Employee / Personal Development:

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

### Develop New Business:

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

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## About the Author:



**John Mehrmann**

John Mehrmann is a prolific author and highly sought after motivational speaker. His works have appeared in numerous publications and he shares much of his freelance articles with on-line article directories and reference sites.

John is a dynamic, results-driven professional with more than 20 years of overall management experience that spans operations, sales, e-commerce, accounting, customer service, marketing, logistics and training. John has established a solid reputation for designing and implementing reliable, repeatable best-in-class business practices that consistently deliver superior performance and profitability to shareholders and investors. He is an expert in designing strategic plans for International Organizations and Small Business alike. John has a proven record of empowering and leading personnel to realize their full potential and surpass expectations. These operational and strategic planning capabilities compliment outstanding interpersonal, communication, and presentation skills.

As a consultant, trainer and personal coach, John Mehrmann brings his experience and expertise into a support role, adapting and aligning structured steps for development in a flexible personalized manner. As an executive, John appreciates the schedule constraints and demands placed on individuals, and he recognizes the importance of delivering bottom line results for time invested.

John Mehrmann is a member of the advisory committee for Motivation Education, an education development program for social and scholastic advancement through science and Technology. He is also a Member of the International Coach Federation, participated in the Global Leadership Forum, and trained in Six Sigma and Management Innovation. John has been a member on the California Department of Consumer Affairs Bureau of Electronic and Appliance Repairs Advisory Council, and served as Industry Information Director for the National Electronics Service Dealers Association (NESDA). John Mehrmann received the International Who's Who of Business Leaders, Sterling Who's Who Executive Edition and Continental Who's Who. He received the Certificate of Recognition and Industry Achievement Award Honors, the NPSC Award of Appreciation, and the USA Certificate of Appreciation for the Institute of Service Management.

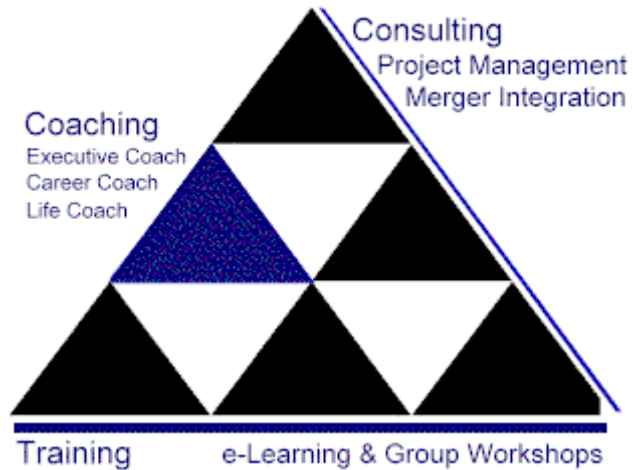
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