

a different rate than others. Again, sometimes without realizing it we've relied too heavily on existing tools to measure performance such that we become blind to reality. For example, many performance evaluation tools use consistent formats to establish targets or standards at the beginning of a performance period, then ask the rater to make an evaluation at the end of the year whether targets were achieved or not. This ignores the absolute performance and puts the weight on the relative performance of employees (bell curves, etc.). The nuance here is that results that are really business-driver and business-enabling deserves really significant compensation recognition; not just the top of the range of the "bingo-chart" but something like a generous lump-sum / one-time bonus.

Frequency and timing. Although we'd like to believe it so, performance doesn't necessarily line up to our defined calendar dates when salary adjustments are made; as a matter of fact, hardly ever. But to give salary increases throughout the year would be chaos – right? Maybe not. Why not take pay for performance more seriously by attempting to align it to the event to be recognized? It could be chaotic to try to recognize every performance event no matter how small, but that's why we have recognition programs. I'm talking about making the effort to swim upstream against the policies and deliver real pay recognition in the form of a special increase. It needs to have your company's flavor and culture, but prohibiting the capability to make special pay adjustments when need be is eroding the effectiveness of pay for performance.

Carve-outs. I written about managing a merit program by using merit budget carve-outs before, so won't repeat that here. See my website <http://columbiacomp.com/newsletters-links>, Volume 15-1.

Can you improve pay for performance? Sure – not by blindly adopting what other companies are doing though. Be thoughtful to apply elements of change that are appropriate for your culture and business strategy. Unless you are the company where it is already working...