



How the Best Performance Management Tools Benefit the Mid-Market

Most start-ups and small companies are perfectly capable of covering the basics of managing a workforce. Payroll and benefits are put in place. Training is offered. Performance reviews are conducted at least annually. The systems and processes to manage these tasks tend to be basic, too. But as companies grow to about 100 to 1,000 employees, these small and mid-sized enterprises (SME's) outgrow their legacy tools and practices. At this point, they need to address more strategic workforce management issues and should consider asking:



1. Which skills and competencies do our employees need for the company to thrive?
2. Which learning and development initiatives are working best?
3. Are our people in compliance with their professional credentials?
4. How well are they (and we) prepared for the future?

To answer these questions – whether as part of annual strategic planning sessions or conversations throughout the year – company leaders deserve performance management tools that track and analyze employee competencies. Here are four benefits of performance management tools for SME's, or mid-market.

ONE: Align employee performance with company goals for improved company performance.

The best performance management tools for the mid-market help to streamline processes, manage important skills data, and provide visibility into workforce skills and competencies to help drive strategic business decisions.

That last point is important – “to help drive strategic business decisions.” As this [AIHR Academy blog](#) points out, “Performance management is not aimed at improving all skills. In fact, good performance management focuses on improving the skills that help an employee do their job better. This means that it is about the strategic alignment of one’s work to the group and organizational goals.”

Once company leaders identify which competencies are aligned with strategic goals, job and role descriptions should be updated with those key skills and competencies. Then, a competency-based performance management system can support:

- **Rapid skills inventories:** to quickly view what skills are being tracked and which individuals and groups have mastered those skills
- **Skills gaps analysis:** by conducting and reviewing regular skills assessments to reveal the level of mastery of key skills and where there are competency gaps.

TWO: Develop employee competencies for engagement and retention.

Performance management is designed to develop employees' competencies, so they perform their jobs to the best of their abilities. Especially in times when there is a highly competitive talent market and employers are challenged to hire and retain employees, solid performance can make a difference.

The best performance management software will help managers and employees to:

- **Align training with corporate goals:** Employees want to do work that matters. Those that know they are gaining the knowledge and skills that will help them – and their companies – to succeed will be most engaged and successful.
- **Conduct performance assessments:** Whether your organization conducts only annual performance reviews or, as is more the custom these days, ongoing periodic assessments, the performance management system should quickly provide snapshot views and progress reports. Together, managers and employees can confirm or adjust development plans to ensure that employee performance is on track.
- **Retain employees:** Career paths, growth opportunities, and skills-first hiring and promotion practices are all sound employee retention strategies. Performance management software provides a skills-first view of career progression, helping to educate and reassure employees about opportunities with their current employers.

THREE: Ensure industry and professional compliance.

Many employees and companies have compliance concerns. Especially in highly regulated industries such as government, finance, healthcare, and oil and gas, it's important that employees keep up their own credentials while supporting the actions and documentation required for the company.

A performance management system built for the mid-market can help ensure:

- **Industry regulatory compliance:** By tracking the skills of key employees responsible for regulatory compliance, companies can be sure their team is keeping abreast of changing regulations and internal processes required to adhere to strict regulations.
- **Technical, professional, and security certification compliance:** To keep up certain certifications, employees are required to complete continuing education units, tests, or reviews. Some performance management systems help to track CEUs, certification expiration dates, internal and third-party audit requirements, and other credentials to ensure that desired certifications don't lapse.



FOUR: Inform strategic decisions to better prepare for the future

The best performance management software helps you and your employees prepare for the future. More and more, companies are taking a hard look into the future to shape company initiatives for the next one-to-three years.

Performance management software can help businesses to better:

- **[Plan for retirement and succession](#)**: Do you have a critical number of employees planning to retire in the next few years? Or key employees you expect may leave? Our CEO, [Tom Grobicki](#), [urges employers](#) to document the skills of the people that are leaving. “Look at the assigned job role – as well as the ancillary responsibilities the person has taken on. ... Note which skills can be built through quick training activities and which require longer lead times.”
- **[Identify tomorrow’s leaders](#)**: A strong [succession planning program](#) identifies potential leaders at multiple levels inside an organization. Use your performance management system to align the skills, track development, and assess the readiness of your future leaders.
- **[Prepare for disasters and crises](#)**: Most companies review and update their business continuity plans at least annually. As we’ve [previously shared](#), business continuity is also about workforce continuity. A best practice is to review the skills of leaders and response employees. Are their response and recovery skills up to date? Who could step in if they were unavailable when an emergency occurs? When a disaster occurs, a skills-based performance management system can identify primary and back-up employees who can step in.

Workforce performance is one of the most crucial factors in your organization’s success. As a SME, your ability to assess, align, and develop your employees will make the difference in their performance, engagement, and satisfaction. If you’re facing strategic planning and decisions, the right performance management tools can inform and support your next steps.

Ready to align and develop your employee skills with company strategy? [Contact us](#) to find out whether Avilar’s [WebMentor Skills™](#) could be the performance management software you’re looking for.

About Avilar

Avilar – The Competency Company™ is a leader in workforce planning and development with web-based competency management and learning solutions for corporations, government, and non-profit organizations. Formed in 1997, Avilar was a pioneer with its award-winning WebMentor™ product line and has built itself on the basis of superior customer service and highly adaptable product design.

Avilar consultants are recognized as industry thought leaders and have decades of experience in implementation and analysis. Let Avilar help you transform your small and mid-sized enterprise from ordinary to extraordinary.

