

Eye Care (C) Alejandro Lanzagorta's Performance Assessment

On February 9, Alejandro Lanzagorta received an e-mail from Tiago de Vasconcelos summoning him to the 2008 Global Performance and Development interview, following the instructions issued by the company's human resources department.

Eye Care's Global Performance and Development program was aimed at "measuring development and performance in two dimensions", as shown in the following equation:

Results (key objectives) + success factors (behaviors) = development and performance (see Exhibit 1).

Individual or position-specific objectives and success factors were established at the beginning of each year, based on the objectives of the company as a whole and of each business unit in particular. At the interview held in February the following year, the opinions and scores given by supervisor and supervisee for each objective and success factor were compared and combined.

Alejandro's interview took place on February 11 in Vasconcelos's office in Barcelona. Alejandro was expectant but confident that the interview would confirm the change of attitude he had sensed in Vasconcelos over the previous two months. This confidence was justified on various counts. For one thing, Alejandro's sales results, overall and by key product, were the best of all the business managers. For another, his was the only sales area that had met its budget in all the key objectives. However, right from the start, Vasconcelos seemed tense. In reviewing and explaining to Alejandro the score he had obtained in his performance assessment (see Exhibit 2), Vasconcelos focused specifically on the comments relating to expenses, insisting that the expense budget had been exceeded and that, therefore, in this respect the objectives had not been met. To emphasize the score he had awarded, he said to Alejandro:

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“All the business managers have overspent and as a result I have overspent and Miguel Aguirre (CEO) has overspent; and both of us have lost part of our bonus as a result.”

The rest of the interview centered on the so called success factors. Vasconcelos insisted that Alejandro had disappointed him in his attitude, which contradicted the Eye Care values (see Exhibit 1).

Alejandro said he disagreed and declared that his commitment to the Eye Care values was beyond any doubt, as the assessments he had received in his fourteen years with the company demonstrated. “What’s more,” said Alejandro, “in June last year, the very morning my father died, I telephoned Miguel Aguirre and sent him an urgent sales report. Remember also that in September, with my mother in hospital with a broken hip, I attended the annual convention in Berlin.”

Alejandro thought that everything had been resolved and forgotten after their conversation in Berlin, in which they had aired their differences and had agreed on rules of behavior.

Vasconcelos, however, thought that Alejandro’s attitude during the budget meeting in June 2008, where Alejandro had been very critical and negative about the plan to hire refractive key account managers, was unjustifiable. As the comments in the assessment showed, he also accused Alejandro of expressing the same negative attitude to his subordinates at a time when the project had not yet been revealed to the sales staff (see Exhibit 3).

After two hours Vasconcelos signed the assessment and asked Alejandro to do the same. To his surprise, Alejandro said that he did not agree and that before signing he wanted to put his disagreements on record, as provided for in the assessment manual, whereupon the interview came to an end.

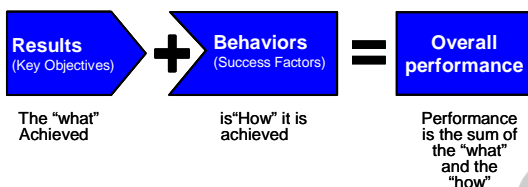
The next morning, having spent a sleepless night, Alejandro had a draft of the comments he wanted to include (see Exhibit 4), but was still very uncertain about what to do. He was not sure what would be in his best interest and what was the most correct thing to do. His psoriasis had flamed up with a vengeance.

Exhibit 1

Main Components of the Performance Management Program

Your performance at EyC will be measured by *what* you achieve and *how* you achieve it. In other words, although results are important for the success of EyC, it is also important that those results be achieved through behaviors that are in accord with the EyeCare Values

As illustrated below, the Key Objectives and Accountabilities represent the results - this is the *what* - and the success factors represent the behaviors - this is the *how* you achieve your results.



Key Objectives and Accountabilities

The heads of the business units will communicate the organization's or business unit's objectives. Therefore, you may use this information to set your objectives in accordance with the objectives of the business unit and of the company as a whole.

The Key Objectives and Accountabilities do not refer only to special projects. Supervisors may also set objectives for the employee's expected performance in his/her daily responsibilities.

Position Success Factors

Success factors identify the skills, knowledge and behaviors that are needed for employees to perform their tasks and responsibilities optimally. They also serve as a basis for performance improvement and development planning.

The success factors of EyC are classified as follows:

- Performance in accordance with the EyeCare Values
- Position-Specific Skills/Knowledge
- Knowledge of the Business
- Interpersonal Relations
- Management
- Leadership

The first two categories - *Performance in accordance with the EyC Values* and *Position-Specific Skills/Knowledge* - are included in every performance assessment and development plan. Also, from three to eight success factors must be selected from the categories: *Knowledge of the Business, Interpersonal Relations, Management* and *Leadership*.

Performance in Accordance with the Values

EyC has adopted a set of values. Each employee of EyC must demonstrate behavior consistent with these values - even if it takes courage to do so - and adhere to an appropriate and effective set of rules, convictions and beliefs. Employees must carry out the duties and functions of their job in accordance with the values described below:

- **Respect for others and their Dignity**
 - Try to treat each individual with dignity and respect.
 - Encourage creativity and self-development.
 - Reward performance and honest effort.
- **Quality**
 - Show passion for precision.
 - Constantly seek to improve processes and systems.
 - Comply to the maximum with regulatory and corporate requirements.
 - Follow established procedures.
 - Avoid shortcuts.

Source: compiled by the author from published material.