

5 Steps to Selecting the Right Employee Performance Management Software for Your Organization

Guest Article by Sean Conrad, a senior product analyst at Halogen Software, one of the leading providers of performance appraisal software solutions

Here are 5 steps to selecting the right employee performance management software for your organisation...

Before we start though, a little explanation may help. Employee performance management software automates the processes and forms your organization uses for things like: employee performance appraisals, employee and organizational goal setting, employee development planning, competency assessments, onboarding, offboarding and more. By eliminating the paperwork, and putting all the information you need at your fingertips, it can reduce the time and money you spend conducting employee performance appraisals by up to 85%, while improving their quality, consistency and value.

The data gathered is then stored in a central employee database. This allows you to aggregate and analyze it to identify trends, process status, organizational strengths and weaknesses, development needs, etc., so you can better manage your workforce – something you can't do with a paper based process.

There are a variety of solutions available on the market today that can automate some or all of your performance management processes and forms; choosing the right solution for your organization can seem like a daunting task. Here are 5 simple steps for making sure you get the right product for you.

1. Identify Your Organization Specific Business Needs, Priorities and Expectations

This step is always best to do with a representative, cross-functional group of people who have a stake in the selection and purchase. You should always include staff from HR and IT/IS, as well as managers from different levels of the organization, and some employees. Be careful that your group doesn't get too large to be functional.

Now, sit down, identify and document in detail the way you currently conduct employee performance appraisals. Using this information as a basis, identify what works, what doesn't work, what changes you want to make, etc. From here, you can start to build your list of needs, priorities, and expectations. Be specific. Identify things like:

- Do you need to be able to automate your current process and forms as is or are you willing to change to adapt to the software application?
- Do you need to be able to host the software solution internally or are you open to access it over the Internet through a vendor hosted SaaS implementation?
- Do you need to align employee goals with organizational goals? Using which [goal alignment model](#)?
- Do you need to be able to make changes to your process and forms yourselves, either now or down the road?
- Do you have a [competency library](#) you want to use or do you need the product to provide one?
- Do you need to be able to gather [360 degree feedback](#) or feedback from peers or other managers?
- Do you need to automate performance management processes other than your performance appraisal process? (e.g. onboarding, goal setting, 30/60/90 day reviews)
- Do you need to link in content from your job descriptions?
- What kind of implementation or training support do you want or need?

Document all your requirements in a table, identifying each requirement and its priority. That way, when you're evaluating different product/vendor offerings, you can match their capabilities to your requirements.

2. Become Familiar with Available Products, Pricing and Vendors

Now you're ready to start becoming familiar with available products, pricing and vendors. Your goal is to create a short list of contenders who meet your identified requirements. Visit potential vendors' web sites to get a feel for their products and business. You should also consult colleagues, and check out industry associations like SHRM, as well as HR discussion boards. You can learn a lot about a vendor and their products from their users. Many industry analysts also have helpful product and vendor reports and reviews. Take advantage of the free trials or online product tours offered by many vendors, so you can get a better sense of their products' capabilities. As you become familiar with available solutions, you may find you want/need to refine your list of requirements, adding, removing or modifying items as needed. Based on this exercise, develop a short list of products/vendors who seem to meet your requirements.

3. Evaluate Short List of Products/Vendors

Now that you've identified a short list of products/vendors that seem to meet your requirements, it's time to start engaging with them. Ask for a personalized product demonstration, so you can see how well their product meets your requirements. It's a good idea to involve all those who helped to establish your requirements, and don't be afraid to request several demos so you can get all your questions answered. Evaluate each solution against your list of requirements, using the table you constructed in step 1. It can be helpful to create a [scoring system](#) that allows you to rate how closely a product meets each of your requirements so you don't get swayed by some of the "bells and whistles" the vendors show you, and forget to ensure your key requirements are met.

4. Compare Top Candidates to Organizational Requirements

Now that you've evaluated your short list of products, it's time to compare the results. If at this stage you're unclear about how a product meets any of your requirements, don't hesitate to go back to the vendor and ask for more information. Rate and rank each product/vendor against your requirements, and select the one that best meets your needs.

5. Present Vendor/Product Recommendation to Decision Makers

Now that you've done all this leg work, you're well prepared to present your purchasing recommendations to your decision makers. And because you involved stakeholder from across the organization in your selection process and evaluated products against organization requirements, getting approval to make the purchase should be straightforward.

About the Author

Sean Conrad is a senior product analyst at Halogen Software, one of the leading providers of [performance appraisal software](#) solutions. For more of his insights on performance management, read his posts on the [Halogen blog](#).

Where to Learn More

If you'd like more information on employee performance management and the benefits it can provide your organization, our website has a variety of [white papers](#), [reference articles](#) and [case studies](#) you might find helpful.

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