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Performance Appraisal System in Technology Start-Ups: Strategic Implications for HR Managers

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The survival of start-ups established in an environment as hostile as the one people are currently experiencing necessarily involves the clear and consistent definition of their strategic objectives, something which will enable them to steer the efforts of their employees towards a common goal, to plan and prioritise work and to be familiar with the resources, human and material, which are required for medium and long term success. The main goal of this work is to analyse the organisational implications of establishing a performance appraisal system in technology start-ups. Following a strategic management focus, we studied the process involved in setting up a performance management system in a group of new start-ups during the last five years, and proposed a series of practical organisational design and human resources policy initiatives aimed at ensuring the system works, as well as permitting this kind of organisation to steer the work of its professionals towards achieving the objectives in its business plan. Analysis of the performance management and appraisal process in technology start-ups, based on focus groups, allowed people to identify a series of organisational implications which should be kept in mind when establishing the conditions that will ensure it functions correctly. After this analysis, the authors were able to conclude that the success of a performance management system does not occur in isolation, but it requires that the design of wage, training, and professional development policies favours achievement of the objectives in the business plan, and an organisational structure which guarantees the consistency and fairness of evaluation criteria, on which the system's credibility rests.

Keywords: start-up, performance management, human resources, organisational design, strategic management

Background

The current economic situation which newly established technology companies face may well be the worst in decades, however, this situation may be viewed from different perspectives. There is no doubt that the difficulty of acquiring financing is a problem which must be taken into account. However, this type of organisations' great capacity for adaptation can become their salvation, if they play their cards right.

The key features which characterise technology firms in their first year of life can be summarised as

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follows:

- They are small businesses, classed in the main as micro-enterprises, which start out offering their services in a changing environment, characterised by ambiguity of demand (identified client needs are changeable, and the client profile is poorly defined), few barriers to entry for new competitors and many unauthorised practitioners;
- They usually have a high debt ratio and venture capitalist institutions hold shares in their net assets, something which reflects internally in the need to strictly meet the strategic objectives set and in a resulting high degree of work pressure passed on to partners and employees;
- The professional staff is typically young, highly qualified—essentially in the technology sector (telecommunications engineering, I.T., biotechnology)—has little previous work experience, is highly ambitious and has high expectations for professional development. This allows them to take on the workload necessary in the short term to achieve the projected business objectives, whilst receiving the required remuneration and responsibility from the firm.

The future value of these organisations will be linked to the confidence their professionals inspire in their clients, and this will depend, in turn, on the professionals' performance. That is to say, a client will decide to go to a firm to manage its communications and computer systems when it is sure that the firm's professionals know how to do their job well. Taking it as a given that the price must be competitive (they are new to the market), one of their overriding concerns will be to ensure their systems maintained by the team of technicians that designed them. This usually differentiates small firms from large multinationals, since the turnover rate of the latter does not permit them to offer this guarantee.

To maintain the competitive level of their technological solutions, this type of firm cannot content itself with simply selecting expert professionals at a given point in time. Updating knowledge and skills becomes a strategic objective in maintaining competitive advantage. Development and loss of professional skills behave dynamically (Warren, 2000, 2004). Whilst training programs add to skills' development, lack of recall, and failure to keep up to date are mechanisms which lower the previously attained level. This feedback loop allows for a dynamic balance in the skills level of professionals to be sustained only in those firms which invest in continual development programs, as it is the case in most technology-based firms.

The survival of firms established in an environment as hostile as the one people are currently experiencing necessarily involves the clear and consistent definition of their strategic objectives, something which will enable them to steer the efforts of their employees towards a common goal, to plan and prioritise work and to be familiar with the resources, human, and material, which are required for medium and long term success.

To do this, it is essential to have staffs that are motivated and involved in achieving the objectives set, and, whilst it may be easy to maintain enthusiasm during the initial months, little by little, stress and the tiredness that comes with taking on large workloads can cause initial motivation to turn into demotivation and even "burn out".

The performance management system is an instrument which allows management of the entire organisation to be directed towards a series of defined goals, to nurturing the working style that must be maintained when achieving them. This system is concerned with what is to be achieved and how to achieve it, and it differs from previous systems focused purely on management by objectives. Performance management is not an end in itself, but rather a means which enables the organisation to improve efficiency, facilitates establishment of the organisational culture and integrates the functional profile of the post with the professional profile, present and future, which employee occupying in it.

When implementing a performance management system, the firm should consider a series of requirements which must first be met if they wish to avoid the system not only being unsuccessful, but also becoming a cause of demotivation and adding tension for employees, because the objectives are unrealistic, are poorly assigned or the way of carrying them out is inconsistent with organisational values.

(1) The establishment of a performance management system must be sanctioned by company management and demands the time and energy of everyone to put it into practice.

(2) The success of this system rests on the commitment of all employees to putting it into practice. For this, the system must be consistent with the firm's real and forecast situation, both during the phase of deployment of objectives and values, and when the time comes to assess their achievement status.

Defining this initial framework will allow us to study in-depth the process of putting a performance appraisal system into practice in newly established eighteen firms, as well as to analyse the organisational implications of this.

Implementation Process

This process begins with the firm's business plan, in which medium- and long- term goals required for meeting the expectations of shareholders and investors are detailed. If the performance management system does not enable the expected results to be achieved in the long term, something is not working.

Taking the medium/long term objectives as a starting point, the performance management system should enable proper coordination of more short term objectives that allow the tasks of each employee to be prioritised and forces to be joined effectively in order to achieve the firm's global objectives.

Implementing a performance management system demands a sequential process in three phases.

Planning of Objectives and Professional Qualities

The business plan is a new firm present to investors and creditors which sets out objectives and deadlines to be met by the organisation. It is the responsibility of company management to put the effort into planning aimed at coordinating its professionals' performance so as to guarantee those objectives are ultimately met.

When defining the performance factors to be assessed, the firms we analysed proposed, on the one hand, the objectives to be achieved, and on the other hand, the professional qualities required to carry out tasks—the "what" and the "how".

Table 1

Simplified Model Evaluation

Simplified model	
Pros	Cons
Ensures uniformity of assessment indicators	Does not personalise assessment of the real work of each professional
Redirects the work of everyone towards achieving the organisation's key objectives and values	Blurs the boundaries of responsibility for personal performance with factors beyond personal control
Facilitates design and implementation of the system, reducing costs and making it more accessible to SMEs and microenterprises	Runs the risk of creating a system divorced from reality, under individual control, reducing its potential to motivate

At this point, the firm can chose two planning models. On the one hand, they may simplify the system by establishing objectives and company values common to all employees (see Table 1). On the other hand, they may personalise objectives and values to avoid judging everyone by the same standard, specifying company objectives/qualities common to all; area or departmental objectives/qualities for those professionals in each area (in the case of a staff organisation, or a working group), and individual objectives/qualities adjusted to the individual or professional profile (see Table 2).

Table 2

Detailed Model Evaluation

Detailed model	
Pros	Cons
Facilitates tailoring of objectives and qualities to individual employee performance	Higher costs. Its execution requires greater coordination and organisational fluidity
Promotes understanding of how achieving objectives, and individual or departmental qualities/skills, can have an effect on meeting company objectives	Can become an instrument that promotes competitiveness among employees and departments, to the detriment of achieving overall objectives
The amount of detail in the system offers valuable information for future decisions regarding promotion, training and career path development	Runs the risk of creating a system which allows employees to focus solely on those tasks specifically reflected in the objectives, forgetting the rest

Intermediate formulas can be created between the two models, but it is important that the system's designers carefully analyse the pros and cons of each formulation.

The objectives to be proposed are usually broken down as follows:

- General company objectives: Strategic annual objectives, common to all employees and set by company management;
- Area objectives: objectives common to all those belonging to a specific area, set by the departmental manager and consistent with company objectives. In practice, achieving all the objectives of all departments should result in achieving the company's objectives;
- Individual objectives: objectives of one or more professionals who perform the same specific function. This will reflect the goals a person has to reach, individual projects or areas for improvement. These are important challenges, not everyday activities, in line with area objectives and the result of a consensus between evaluator and evaluee. The philosophy should be the same as in the previous case. The result of all individual objectives should determine achievement of departmental objectives and, with these of the firm's objectives.

The professional qualities reflected in the system usually encompass the cultural values defined by the organisation, and the behaviour of its employees should be directed towards these. It would be inconsistent for a person to achieve their objectives at the cost of team work, withhold information or deviate from the valued customer orientation in the organisation. They might achieve their objectives in the short term, but to the detriment of longer term objectives. Detail and the deliberation of professional values should be consistent with the systems used to evaluate factors used in designing positions (Orue-Echevarría, 2004; Fernández-Ríos, 1995).

Deliberation of objectives usually occurs according to the function of the position an employee occupies in the organisation. The management team, having greater influence over achievement of company objectives, normally has a performance management system which places more emphasis on these than those of other employee groups.

The performance management system is usually an annual process, coinciding with the standard business calendar followed in the majority of technology firms.

Once objectives and professional qualities have been defined, performance indicators will need to be established for each of them during the planning phase. If it is not specified *a priori* how each objective is to be measured, then the evaluation will always to open to interpretation, leading to a certain distortion in the system.

The indicators may be business figures, i.e., faced with the objective of increasing the business efficiency of a sales team, the indicator may be defined as annual turnover—total cost of preparing commercial proposals, results achieved dates, e.g., if the objective is to set up a system for online purchasing of books, the indicator may be an estimated date for the system's launch, or even evaluation by another area, e.g., if the objective is for a staff department to provide a good internal service, the indicator may be a satisfaction questionnaire filled in by the other departments, or the number of working hours lost due to in-house systems failures. This last example demonstrates that, while the objectives may be qualitative, we must find the most objective way of measuring them if we want the system to be credible for all involved.

With regard to professional qualities, given the emphasis that is placed by businesses on securing those employee abilities which provide differential value, there is a general tendency for organisations to define a set of professional skills seen as necessary for maintaining competitive level (Godbout, 2000). The most common way of objectifying these is to make rulings setting out observable behaviours which are easy to define and assess. For example, if the given value is personal initiative, the observable behaviours may be grouped into three levels: (1) Level 1: completes tasks without the need for direct supervision; (2) Level 2: adds to their functions with proposals for improvement; and (3) Level 3: regularly proposes new initiatives to ensure their professional objectives are achieved. By contrast, the value defined as flexibility may group observable behaviours into four levels: (1) Level 1: accepts the need to be flexible; (2) Level 2: applies the rules with flexibility; (3) Level 3: adapts their tactics; and (4) Level 4: adapts their strategy and planning methods.

Once the indicators are defined, the next step in the planning phase is to establish the scale of achievement levels of said objective/value, so that, during the evaluation phase, it is not only possible to achieve either 100% or 0% of the planned performance, but also an intermediate scale can be established which graduates achievement of the objective/value. For example, for the objective of increasing market share, measurable using the formula (turnover—total cost of preparing commercial proposals), and the scale may be as follows:

- Excellent (100% achievement of objective): Result of the formula ≤ 80% of previous year;
- Good (80% achievement of objective): 80% previous year < result of the formula ≥ 90% previous year;
- Acceptable (50% achievement of objective): 90% previous year < result of the formula ≥ 100% previous year;
- Not achieved (0% achievement of objective): Result of the formula > 100% previous year.

With regard to professional qualities, the scale may be one of graduated opinion for each of the observable behaviours according to a Likert scale (1932): (1) Strongly agree (SA); (2) Agree (A); (3) Neither agree nor disagree (NAND); (4) Disagree (D); and (5) Strongly disagree (SD). Quantification of the level attained by the evaluee will be the considered total of the level reached in each skill, employing a model of the type below (see Table 3).

Table 3

Example of Professional Qualities Scale

Evaluation of personal initiative ability	
Level 1	50%
Level 2	80%
Level 3	100%

This system can be made more complex by aligning consideration of qualities with planned individual performance. That is to say, during the planning process, the evaluator may decide that a junior programmer should reach Level 2 for initiative. Later, during the assessment process, reaching Level 2 will correspond to 100% performance achievement.

Finally, to complete the planning phase, the management should establish the deliberation of categories of objectives and professional qualities according to the role different organisational groups within the firm play in achieving these. So, for example, for a member of the management team, emphases may be distributed between the established categories like so:

- Company objectives: 40%;
- Area objectives: 20%;
- Individual objectives: 20%;
- Professional qualities: 20%.

However, for a junior programmer, the appropriate distribution may be as follows:

- Company objectives: 20%;
- Area objectives: 10%;
- Individual objectives: 40%;
- Professional qualities: 30%.

The planning phase finishes with the distribution of weight between objectives and values according to the degree of responsibility and the area to be assessed, maintaining hierarchical and interdepartmental consistency. In addition, the assignation of evaluator to evaluee must be decided in order to ensure the system works.

Monitoring of Objectives and Values

In this phase, which usually happens mid-year, evaluator and evaluee hold a formal meeting and establish, via pertinent comments, the achievement status up until that point of each objective and value, specifying the resources and behaviours that will enable best achievement of the same during the time remaining in the evaluation period established in the performance management system.

Evaluation

This is the final phase of the performance process. It usually takes place at the end of the year when evaluator and evaluee meet again, this time to definitively establish the achievement status of each of the objectives and values, basing this, in each case, on the indicator and scale defined during the Planning phase.

During this meeting, a dialogue should be established between manager/employee which allows them to exchange opinions, describe problems encountered in fulfilling the objectives and express their feelings and expectations regarding the work.

The result of this phase will be the determination of an overall percentage of achievement of objectives which may have repercussions for obtaining promotions, new responsibilities or, being awarded variable pay. This meeting should also be used to plan objectives for the following year, linked to achievement of previous ones.

Design the Appropriate Tool

Multiple tools are used in the performance management system, depending on the sophistication and organisational structure of different firms.

We propose an example, consistent with the previously described phases, which enables the necessary documentation to be used in order to carry out the process successfully.

Planning Phase

In this case, the difference between objectives and qualities is played down and a tool is designed which allows for planning, monitoring, and evaluation of achievement of a series of performance objectives. Thus, the behaviour of professionals is aligned with achieving the organisation's strategic objectives.

Planning Phase Form

This form allows for the possibility of several evaluators, and the performance objectives are identified in advance. In addition, evaluation criteria are established, linked to the expectations put forward by evaluator and evaluee, allowing the tool to be adapted to each individual case.

During planning, a clear distinction is made between the possession of knowledge and skills, and the application of these to each professional's sphere of responsibility. This distinction will be a key factor in the performance appraisal process.

Monitoring Phase Form

This includes a space for recording qualitative comments which enable a better final evaluation, and the planning of actions to improve that evaluation where possible.

Evaluation Phase Form

In this phase, the supporting document designed allows evaluator and evaluee to use the performance appraisal interview not only to quantify the degree of achievement attained according to the proposed objectives, but also to identify areas for improvement and performance objectives for the next period. Thus, the tool allows the performance evaluation phase to be linked to the planning phase for the following year.

Organisational Implications of the System

Analysis of the performance management and appraisal process in technology start-ups has allowed us to identify a series of organisational implications which should be kept in mind when establishing the conditions that will ensure it functions correctly. With this in mind, a performance appraisal system cannot be designed in isolation, but rather in close coordination with overall company strategy and it must be consistent with policy on salary, training, and internal communication. It also requires a close relationship between human resources and systems design and maintenance, as well as appropriate management of professionals' motivation and team work.

Strategic Planning

A newly-established firm's business plan is a focal point for partners, investors, creditors, and administrations involved in its setup. Meeting each and every one of the objectives within the established timeframe and manner will allow the firm to gain the necessary credibility that will drive its growth.

Therefore, company management must fit the distribution of tasks to be carried out into a recently created and immature organisational structure. In order to do this, they will require:

(1) A clear definition of the job description and the professional profile of the employees charged with taking on the functions of each post. This definition cannot be exhaustive in this type of organisation since it usually changes and is added to as the firm grows. However, it does need to be clear and objectively assessed.

To do this, the factor rating system (Orue-Echevarría, 2004; Fernández-Ríos, 1995) will allow the most important functions of each post to be identified, as well as the professional qualities required to carry them out successfully;

(2) Distribution of objectives via the organisational structure, implying, on the one hand, a hierarchical distribution according to the degree of responsibility (company, area, individual objectives), as well as distribution of functions consistent with the basis used for grouping within the organisational structure (intra-functional objectives, inter-functional objectives). Deliberation of objectives as part of the performance management process will allow the degree to which each professional is involved with the different levels of objectives to be assessed. However, it is the responsibility of management to define the goal grid to be achieved, which will allow the work of the organisation to be aligned with achievement of the objectives in their business plan. Ambiguity of responsibilities, together with a changeable environment and poorly defined organisational structure, are usually typical features of newly-established firms, and their main enemies when it comes to fulfilling the proposed plan.

When defining a strategic process for implementing human resources practices, we took as our starting point Wright and Gardner's (2003) hierarchical classification, which distinguishes between four levels: (1) guiding principles; (2) alternative policies (different practices); (3) products (competencies or behaviours which promote the practice); and (4) implementation processes (efficient execution of practices). In this regard, it is felt that, while some practices such as pay for performance or rigorous selection may be effective across the board, this effectiveness actually derives not from the practice itself but rather how the practice matches the result obtained, i.e., pay rise for good performance or selection of the right professionals according to a specific strategy.

Definition of job descriptions and distribution of objectives across the length and breadth of the organisational structure will allow the performance management system to be set into motion. During the monitoring and evaluation phase, management will obtain valuable information for assessing the achievement status of its business plan. In addition, this tool will allow them to identify those aspects that need to be redesigned.

For managers of newly-established firms, performance management is a strategic ally which enables them to take the pulse of a young organisation and redirect its work towards achieving its objectives.

However, in our opinion, for the system to work, a new wage and training policy will need to be designed, and it will also be necessary to rethink the relationship between the functional designers of the performance management system and the technicians charged with constructing and maintaining the technical tool that supports it.

Wage Policy

The proposal for objectives to be achieved by each professional, agreed during the evaluator-evaluee planning interview, should be accompanied by a previously designed incentive system. In a newly-established firm, good planning normally set ambitious and realistic objectives. Often, the degree of effort required to meet these will be determined by the reward attached to achieving them.

In conjunction with this view, it is believed that the best performing employees are particularly sensitive to the relationship which exists between better performance and its reward, which must be above the average wage increase (Harrison, Virick, & Williams, 1996; Trevor, Gerhart, & Boudreau, 1997). In this regard, paying below market rate normally has a more discouraging or demotivating effect than the positive one of paying above market rate (Rynes, Schwab, & Heneman, 1983). Given this point of view, the firm will need to decide whether to follow a compensatory leadership strategy and, if so, define whether to do so in all its areas of activity or all professional categories (Valle Cabrera, 1995, p. 141). However, another approach considers salary to be more important at the time of selection, since it is one of the few factors that employee and employer know with any certainty, whilst when deciding whether or not to continue in the company, the worker will often consider other aspects aside from retribution, according to decision-making norms unrelated to compensation (Rynes & collaborators, 1983; Lazear, 1998, 2004).

In this regard, the existence of a performance management system demands the design of the firm's wage policy, taking the following factors into consideration:

(1) If they opt for the pay for performance incentive system, the cost implied by 100% achievement of objectives must be budgeted for and provided for in advance. It would not be the first time that meeting the overall company objective, a proposed reduction in costs, is no longer met when the professionals are rewarded for said objective;

(2) Remuneration for performance level should not be all or nothing, but rather an achievement status scale should be maintained which may oscillate between 50% and 100%, linked to different performance levels;

(3) Remuneration for performance may be accompanied by employees instantly forgetting personal or joint responsibilities which have no place in the assessment system. This is a particularly salient problem in the companies studied. The entry of new members or addition of new tasks during the year should be treated as the responsibility of the performance planning team. Therefore, the system must be kept open and be flexible enough to deal with and resolve these kinds of situations, very common in newly-established firms.

Finally, in some of the firms studied, the inclusion of a "performance appraisal results moderator" has been identified. This involves adding the appraisal result to the overall opinion of the hierarchal manager and using both scores to inform the decision regarding salary increase vs. professional promotion. In our opinion, this practice adds a significant bias to the system and undermines the credibility of the objectivity of results obtained from the performance appraisal.

Training and Professional Development Policy

The performance management system usually throws into relief the gap between the job description—from which objectives and professional qualities are defined—and the professional profile of the employees charged with meeting those objectives.

Managing employee retention is very much like managing the flow of a river. The aim is not to stop the water overflowing, but to control the direction and speed of its flow. Thus, the speed at which markets change and companies restructure suggests that there will come a time when an organisation no longer needs certain abilities and will no longer be interested in retaining those employees whose value for the company rests on these. In this regard, employers in technology firms need new abilities and a constant flow of new entrants, whilst, on the other hand, losing key employees before the end of a project can be more devastating than in the past, since these days an organisation's capabilities are more closely tied in with people than systems or bureaucracies (Capelli, 1999, 2007).

This information is particularly relevant for redirecting investment in training and professional development in technology-based firms. Existing professionals will need to be retrained according to changes in job descriptions, a common occurrence in these organisations.

Looking in depth at the dilemma involved in choosing human resources systems, make (selection of lower hierarchical levels and internal development of employees) or buy (acquisition of required skills from the external labour market) (Eisenhardt & Martin, 2001; Miles & Show, 1984), in a recent investigation focusing on technology firms, Andersson and collaborators stated that organisations must take a double decision when achieving the optimum skills-experience balance among their employees: firstly, decide whether to train existing employees internally or acquire those skills through new hirings (the make-buy decision); and secondly, decide which of those employees with experience will stay on (retention decision). In line with this approach, companies will take the first decision based on their cost structure, and the second according to the comparison between the abilities the company has in store and those it needs, as well as the differential cost involved in obtaining the necessary new skills, depending on whether they are to be developed or outsourced (Andersson, Brown, Campbell, & Chiang, 2005).

The decision to opt for a make or buy system (Miles & Show, 1984), will determine the investment that firms need to make in order to meet the objectives in their business plan. The performance management system therefore becomes a valuable tool when defining the decision making framework that will shape the company’s training and professional development policy.

Another concern, to ensure the objectivity of the planning and performance appraisal process, an evaluator training plan will need to be put in place and a scale of objective performance indicators will need to be designed. Only then will the system’s credibility and correct functioning be guaranteed.

Organisational Structure of System Design and Maintenance

The most immediate implication of the organisational design of a performance management system is that of guaranteeing the necessary collaboration which oughts to exist between the areas responsible for design and management of the system, a design which usually falls between the functions of strategic planning, organisation, human resources and management, as well as the IT area if the process of performance planning and evaluation requires a technological tool and online authorisation process, as is usually the case in the firms studied.

The involvement of the entire team of evaluators and evaluees will also be required to guarantee the system’s credibility. Their degree of involvement will be directly linked to their participation in the same. This requires the system to be sanctioned by company management and to have secured the commitment of all employees to carrying it out.

To achieve this involvement, we propose a series of measures linked to the management of the entire process:

(1) Cascaded planning and deliberation of objectives, from the highest hierarchical levels to the most basic functions of the company (operations core);

(2) Evaluation of individual performance from the bottom up, from the lower hierarchical levels up to the highest, and, concurrently, evaluation of overall company objectives and area objectives at management levels in the organisation, with the support of the strategic planning area;

(3) Creation of a multi-area committee with regulatory functions, ensuring consistency throughout the system. This committee will be responsible for:

(a) Checking the consistency of the standards required throughout the organisation, as well as the objectivity of criteria used by the evaluators.

(b) Designing an internal communication plans which:

- Demonstrates the usefulness of the system for all organisational levels;
- Detects fears and mistrust of the figure of the evaluators;
- Increases the degree to which evaluators and company management are involved.

(c) Putting forward suggestions for improvement aimed at ensuring standards required at all organisational levels are equal, as well as raising the need to redefine processes and policies that ensure the working of the performance management system.

(d) Arbitrating in conflicts between evaluator and evaluee in the stages of monitoring and evaluation of performance levels.

Conclusions

Finally and in conclusion, it must be emphasised that any firm deciding to implement a performance management system must be clear about the need to involve its management team from the outset and secure the commitment of all employees. Only then will the system be credible and serve as a motivational tool. From a strategic point of view, the business plan of a start-up presents to investors and creditors a bunch of objectives and deadlines to be met by the organisation. Because of this compromise, one of the first priorities of the entrepreneurship team should put their efforts into planning aimed at coordinating its professionals' performance so as to guarantee those objectives are ultimately met.

Analysis of the performance management and appraisal process in technology start-ups, through the implementation process generally accepted for the group of firms which we studied (planning of objectives and professional qualities, monitoring of objectives and values and evaluation), has allowed us to identify a series of organisational implications which should be kept in mind when establishing the conditions that will ensure it functions correctly. We also proposed a supportive tool, which enables the necessary documentation to be used in order to carry out the process successfully.

The success of a performance management system does not occur in isolation. It requires that the design of wage, training, and professional development policies favours achievement of the objectives in the business plan, and an organisational structure which guarantees the consistency and fairness of evaluation criteria, on which the system's credibility rests. Only then will performance management allow the organisational behaviour of emerging companies in a changing and hostile environment to be planned and prioritised, affording them an understanding of which resources they require and enable them to direct the efforts of their professionals toward a common goal.

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