NorthStar Learning Systems: Performance Management System Design

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NorthStar is a learning organization focused on providing a strong performance management system to all our stakeholders. It needs to drive clarity, coaching, and continuous improvement for a hybrid team that builds courses, supports learners, and partners with clients. The design below draws from Goal-Setting Theory, the Balanced Scorecard, contemporary performance management research, and evidence-based HR thinking about what changes behavior at work (Aguinis, 2023). The aim is simple: align everyone on what great performance looks like, monitor progress in a fair and visible way, provide feedback people can act on, and connect results to rewards in a way that feels transparent and equitable.

Performance Planning

Every employee and their manager co-create three to five SMART goals that align directly with NorthStar's strategy. We use a brief goals canvas that captures the statement, the measure, the data source, the target, the timeframe, the dependencies, and the support the employee needs. Roles are clarified through current job descriptions and a concise role charter that outlines the purpose of the job, key responsibilities, key stakeholders, and decision-making rights. New hires complete onboarding with the charter in hand, then set initial goals within the first two weeks.

To maintain tight alignment, we cascade goals from organizational priorities to departmental plans and then to individual goals. To prevent tunnel vision, each person's goals map to the four Balanced Scorecard perspectives: learner or customer, internal process, learning and growth, and financial or stewardship (Kaplan & Norton, 1992). Weighting depends on the role. As a default, goals are weighted 60 percent on results and 40 percent on behaviors and

collaboration. In learner-facing roles we weigh quality and student outcomes more heavily. In design or operations roles, we weigh project process quality.

Integrating our Selected Theories

Cadence matters for commitment and follow-through. NorthStar runs quarterly planning and refreshes. We set or renew goals in Q1, check alignment and adjust in Q2, confirm stretch targets in Q3, and lock year-end targets in Q4. Managers hold monthly one-on-ones that include a five-minute review of goals. If priorities move, we update the goals in the system rather than working off stale plans. This combines the core principles of Goal-Setting Theory with practical application. Specific and challenging goals improve performance when people buy in and receive feedback, especially when they can see progress and adjust strategies as needed (Locke & Latham, 2002).

Linking goals to the Balanced Scorecard keeps attention on leading indicators like course quality, learner satisfaction, and team capability growth rather than only short-term numbers (Kaplan & Norton, 1992). Examples include:

Instructor: Increase on-time assignment feedback from 86 percent to 95 percent by December 15, measured in the LMS turnaround report.

Learning Designer: Reduce first-week defect rate in new course launches from 7 percent to 3 percent by the end of Q3.

Partnerships: Improve renewal rate from 84 percent to 90 percent this fiscal year, tracked in the CRM, with two client health checks per quarter per account.

Performance Monitoring

We maintain a KPI dictionary for each role, which includes clear definitions, formulas, data sources, and thresholds for green, yellow, and red statuses. Three categories of data feed the

system. First, results from our LMS, CRM, and finance tools. Second, quality indicators like rubric-based observations and QA audits. Third, experience data such as learner satisfaction, instructor peer feedback, and client pulse surveys. Managers and employees see the same dashboard. Instructors view student progress, completion rate, and feedback turnaround. Designers see cycle time, defects, and adoption, while partnerships see pipeline, renewals, and relationship health. We use monthly one-on-ones for formal check-ins. For at-risk metrics like student pace, the system triggers weekly nudges that prompt targeted outreach. Quarterly, HR and leadership review KPI validity and fairness across teams.

KPI selection and validation follow a two-step check. We begin with strategy and translate it into a concise set of leading and lagging indicators. Stakeholders review for face validity and unintended consequences, then we run a 60-day pilot with parallel tracking to test signal quality. We drop vanity metrics that do not predict outcomes and add context notes so a number is never read in a vacuum. This approach reflects evidence-based management guidance to measure fewer things, measure them cleanly, and ensure the data is useful for decision making (Cascio & Boudreau, 2011).

Performance Appraisal

NorthStar uses a semiannual appraisal cycle that combines 360-degree feedback with behaviorally anchored rating scales. Each employee receives input from self, manager, two peers, and one cross-functional partner. For roles that face learners or clients, we incorporate aggregated survey data rather than individual comments to protect privacy. The overall assessment blends a narrative summary with ratings on results and behaviors.

We use a five-point scale with behavior anchors that define what “meets” and “exceeds” look like in plain language. For example, “collaborates across teams” at level 3 describes regular

and reliable collaboration that moves work forward, while level 5 describes proactive alignment, constructive conflict management, and measurable impact on shared outcomes. Before each cycle, raters complete a short training on using the anchors and avoiding common biases such as recency, halo, and similar-to-me effects. After individual reviews, managers participate in calibration sessions by function to test for rating inflation or compression and to review evidence against the anchors. We do not force a distribution. The intent is fairness and consistency, not quotas. Employees may request a second review if they believe their appraisal misapplied the anchors or missed relevant evidence, and HR logs these cases to improve guidance.

This method fits NorthStar's context. Our work is collaborative and learner-impact focused, so a single vantage point can miss critical behaviors that make the system work. Multisource input increases perceived fairness and provides richer coaching material, which is linked to stronger developmental outcomes in the research (Aguinis, 2023). Behaviorally anchored scales increase clarity by describing observable actions rather than leaving raters to guess what each number means.

Feedback and Development

We separate two types of conversations. Monthly one-on-ones focus on progress, blockers, and light feedback tied to goals and anchors. Twice per year, we hold a dedicated development conversation that is not a compensation meeting. Managers use a simple coaching flow. Ask for the employee's self-assessment, share observations tied to goals and anchors, co-create one or two focus areas, and finish with clear next steps and support.

Every employee maintains an Individual Development Plan with one skill goal, one role stretch, and one career exploration goal. We use a 70-20-10 approach. About 70 percent on the job through stretch assignments, 20 percent through mentorship and peer learning, and 10

percent through courses or certifications. Examples include co-leading a course redesign, facilitating a client retrospective, or earning a credential in learning analytics.

Training is modular and applied. For evaluation, we use the Kirkpatrick model. Level 1 captures reactions such as usefulness. Level 2 measures learning, such as a scored activity. Level 3 checks behavior back on the job through observation or work artifacts. Level 4 looks for results such as faster launch cycles or better learner outcomes (Kirkpatrick & Kirkpatrick, 2006). When the data is available, we estimate business impact and reinvest in what works. When performance dips, we launch a 60-day improvement plan that specifies the gap, the standard, the supports, and the check-in cadence. The plan ends with a decision supported by evidence.

This approach matches a learning organization. We teach growth to our learners, so our internal system needs to model growth. Ongoing coaching keeps feedback timely. IDPs and stretch work build capability faster than courses alone. Measuring development closes the loop, allowing us to know which investments are paying off.

Reward and Recognition

Ratings inform, but do not dictate, compensation decisions. At year end, managers propose base pay adjustments within market bands using three inputs: performance, unique skills or critical roles, and internal equity. Eligible roles also offer an annual variable pay opportunity tied to results and the business's overall health. For example, “meets expectations” maps to a target bonus, while “exceeds” maps to a higher multiplier. We run pay equity analyses each cycle and correct disparities.

Recognition is not only financial. We run a visible program that includes peer shout-outs in monthly forums, quarterly NorthStar Impact Awards for cross-team wins, and spot bonuses for extraordinary effort on time-sensitive initiatives. We also fund learning stipends for

certifications and conferences, and we make career paths and criteria transparent so employees can see how to grow here. Publishing award criteria in plain language and offering a clear rationale for pay decisions support procedural justice, which improves perceived fairness and commitment (Colquitt, 2001).

Implementation Snapshot

We roll out in three waves. Wave 1 builds the KPI dictionary, anchors, and coaching guides with pilot teams and a change champion in each function. Wave 2 launches the dashboards and quarterly planning cadence, with rater training before the first appraisal. Wave 3 adds the recognition program and a light analytics layer to check for bias and calibration drift. HR publishes a one-page “NorthStar PMS at a glance,” runs office hours during the first cycle, and collects feedback for continuous improvement.

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