

IT Human Performance Improvement

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Subject

Improving Human Performance in the Organisation

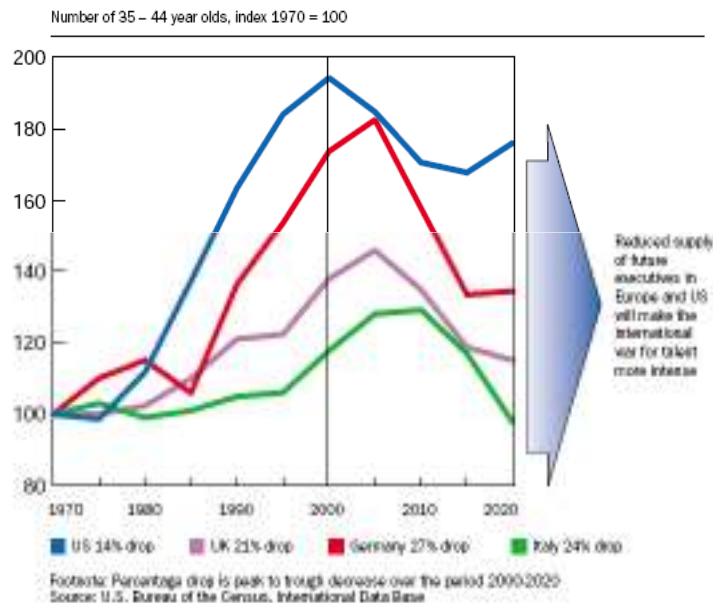
“If we keep doing what we're doing, we're going to keep getting what we're getting.”

Stephen R. Covey

Program

- Why concern ourselves with Performance?
- What is HPT?
- How and where can HPT be applied
- The Performance Assessment Process
- Snacks and Networking

What's Happening Out There?



- Retirement of “baby-boomers”
- Negative population growth rates
- Fewer university graduates
- US 500 largest companies – lose 50% senior management by 2012
- Lack of employee trust
- 83% searching for jobs in next 2-3 years
- Fierce competition for next two decades
- Reduction of EU economic growth by 3%

Economic Impact of Skills Loss

The lack of basic skills throughout much of the workforce, and the growing shortages of workers with specific skills that are increasingly needed, create a danger that the American economy will drift into what economists call a “low skills equilibrium”. ... [This can set in motion a cycle that will have destructive effects throughout our economy, and for a long time to come.]

Task Force on Workforce Development, 2004

Economic Impact of Skills Loss

It's not just a social or ethical issue - it's a business issue. When you start losing qualified and experienced people it costs the company money....not many managers do their sums and many do not even know the rate of their staff turnover.....as the improving labour market made it harder for corporations to find staff, managers would have to rethink the way they treat their people

Cost of Staff Turnover

- Research undertaken by the *Council for Equal Opportunity in Employment* (CEOE), for example, reveals that labour turnover costs can range from between 50 and 130 percent of an incumbent's salary.
- These costs are affected by the level of skill and experience required to perform a job and rise exponentially the greater the employee's influence on company decisions.
- Any reduction in these costs can make a major contribution to a business's profitability.

Cost of Staff Turnover

Turnover Rate		10%	15%	20%	25%
Assume CTC (annual) (Paterson C4/C5)		300000	300000	300000	300000
Direct Costs					
Separation Costs	50%	12500	12500	12500	12500
Acquisition Costs	20%	60000	60000	60000	60000
Learning Costs (3 Months)	30%	22500	22500	22500	22500
Training Costs	5%	15000	15000	15000	15000
Total Direct Costs		110000	110000	110000	110000
% of CTC		36.7%	36.7%	36.7%	36.7%
% of Payroll		3.7%	5.5%	7.3%	9.2%
Internal Costs (Rate of R300/hour)					
HR Dept Time (hours)	40	12000	12000	12000	12000
Managerial Time (hours)	15	4500	4500	4500	4500
Supervision/Project Management (hours)	10	3000	3000	3000	3000
Total Internal Costs		19500	19500	19500	19500
Total Costs		129500	129500	129500	129500
% of CTC		43.2%	43.2%	43.2%	43.2%
% of Payroll		4.3%	6.5%	8.6%	10.8%

What is “HPT”

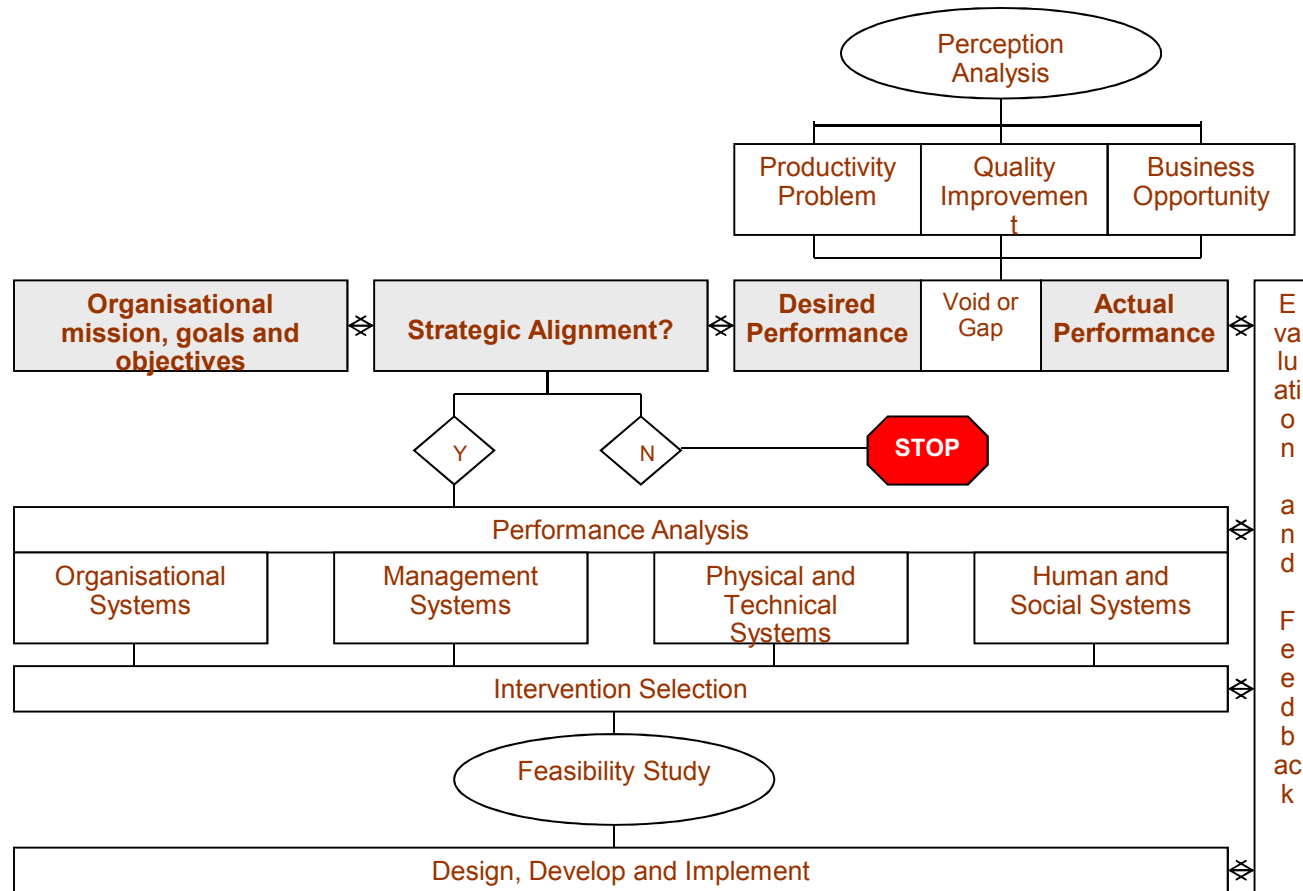
Human Performance Improvement is:
the systematic process of discovering and analyzing important human performance gaps,
planning for future improvements in human performance,
designing and developing cost-effective and ethically justifiable interventions to close performance gaps,
implementing the interventions, and
evaluating the financial and non-financial results.

*from ASTD Models for Human Performance Improvement,
Second Edition William J. Rothwell, ed.*

What is “HPT”?

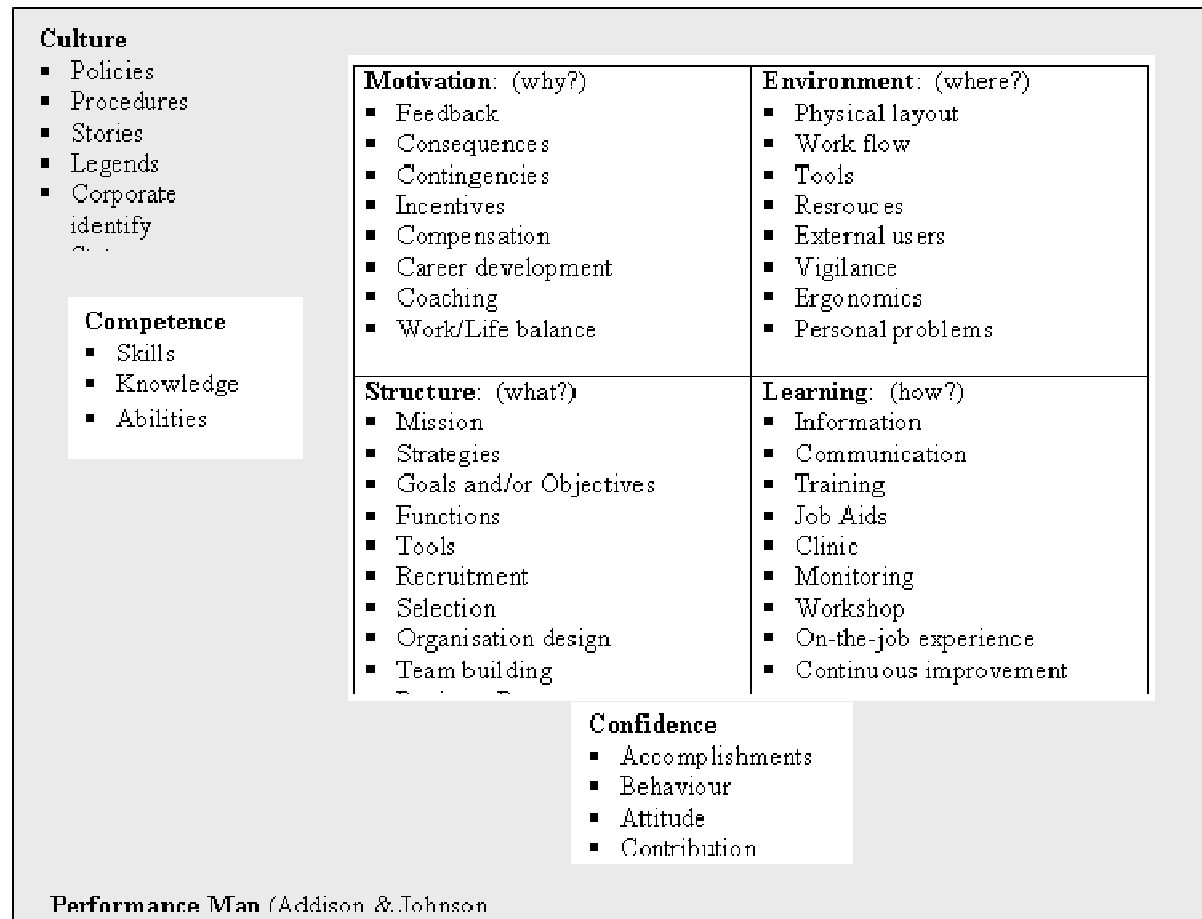
- A systematic approach to improving productivity and competence,
- Uses a set of methods and procedures for realising opportunities related to the performance of people
- Uses a strategy for solving problems
- A process of selection, analysis, design, development implementation and evaluations
- Systematic combination 3 fundamental processes:
 - Performance analysis
 - Cause analysis
 - Intervention Selection
- Broad application
 - Individuals
 - Small groups
 - Large organisations

Pershing HPT Process

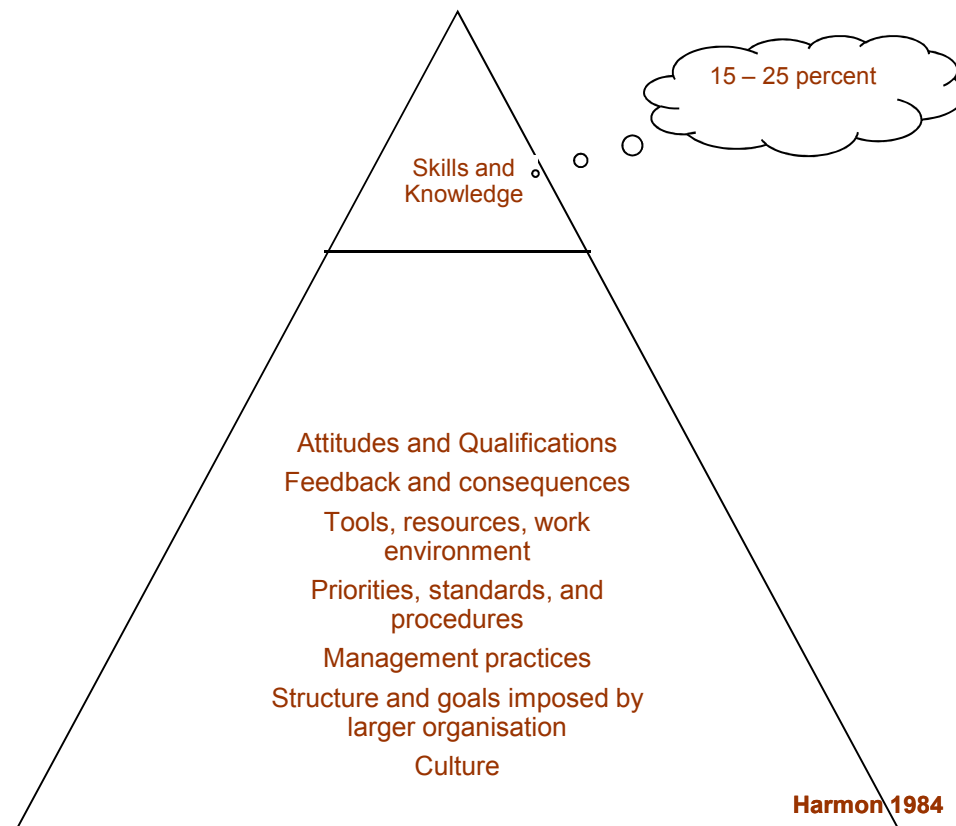


Pershing Performance Improvement Process

Performance Map



The Iceberg Model



Symptoms of When to Use HPT

- “Production in our Development team should be better”
- “Our staff turnover has increased!”
- “We’re finding it difficult to find and keep good quality staff”
- “We have a morale problem with our Support staff”
- “We don’t really have a ‘service oriented’ attitude in our Service Desk”
- “Our managers aren’t motivated”
- “Our staff aren’t taking control of their careers”
- “Our Service Delivery team don’t believe that they are empowered”

Example HPT projects

Performance Problem	Quality Improvement	Business Opportunity
<ul style="list-style-type: none"> ▪ Backlogs ▪ Client/Customer complaints ▪ Delivery delays ▪ Employee absenteeism ▪ Employee turnover ▪ Downtime ▪ Quality Control failure ▪ Security failure 	<ul style="list-style-type: none"> ▪ Improve processes ▪ Speed up delivery ▪ Improve organisational “climate” ▪ Increase ROI ▪ Increase outputs 	<ul style="list-style-type: none"> ▪ Expand product line ▪ Expand geographic market ▪ Merge business ▪ Acquire new business

What does HPT mean for organizations?

HPT specialists work with your staff to:
identify the root performance cause and
help to identify solutions/interventions that will
best close the gap in performance.

It is a partnership of departments working
together to find the best solution.

Phases of HPT

- **Phase 1 – Set HPT Goals**
 - Conflicting goals
 - E.g. more production = greater fatigue
 - Expand the concept
 - E.g. is more production the answer
 - Understand the “why”?
 - Clarify and document intended outcomes
 - Impact Analysis
 - Strategic alignment

Phases of HPT

- **Phase 2 – Performance Analysis**
 - Performance is not a single layer
 - Primary – “performers” behaviours and results
 - Secondary – changes to enhance capability
 - Tertiary – changes in support provision
 - Not one simple fix
 - Identify and clarify factors, interactions and interrelationships
 - Equivalent of “Requirements Analysis”

Phases of HPT

- **Phase 3 – Design Initiative**
 - Multiple elements
 - E.g. new input form
 - Technically sound and carefully integrated
 - Elements capable of improving performance
 - Practical and feasible
 - Vary per organisation
 - Suitable for use by intended people
 - Aligned with needs, interests, capabilities, values and preferences
 - Equivalent of “Functional Specification”

Phases of HPT

- Phase 4 – Feasibility Study
 - Evaluation of alternatives
 - Fit
 - Value for money
 - “Field test”, Prototype
 - Impact assessment
 - Risk assessment
 - Validate
 - Meets requirements

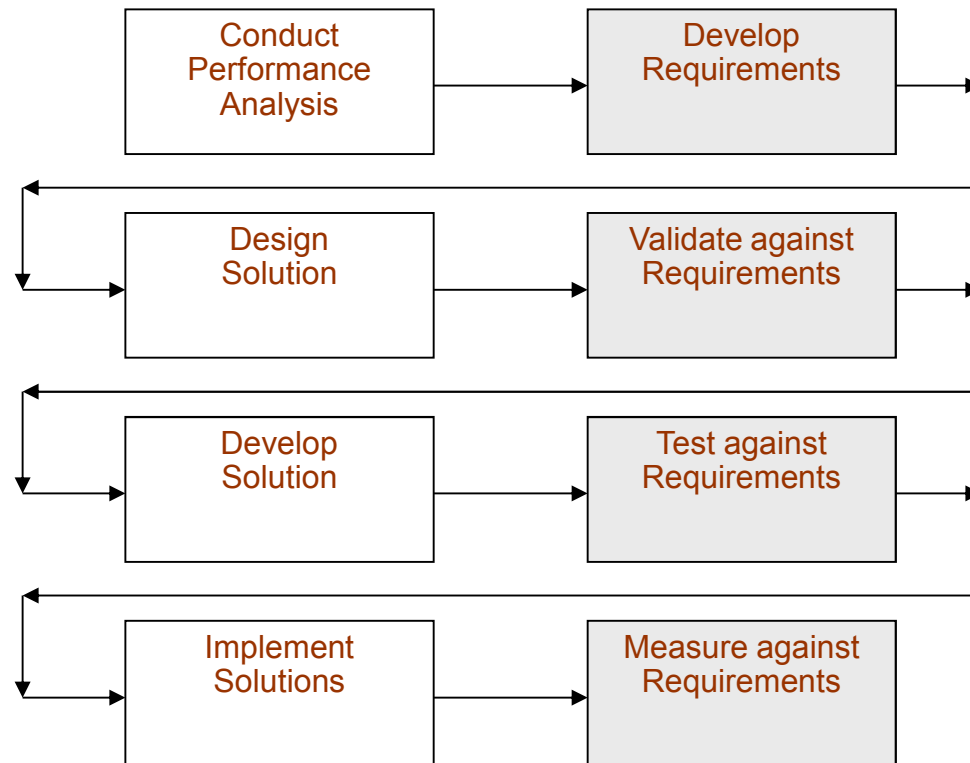
Phases of HPT

- **Phase 5 – Implement Initiative**
 - Project Management
 - Steering – track milestones, assess progress, provide feedback, reduce discrepancies
 - Accountability – professional implementation, achieving planned requirements, monitor support activities
 - Validate
 - Meets requirements

Phases of HPT

- **Phase 6 – Sustainability**
 - Were needs positively addressed
 - What results achieved
 - Results indicate lasting outcomes of value
 - Can it be made more effective
 - What worked, what didn't
 - Were goals achieved, and was it worth it
 - Impact on business goal

Simple Solution Example



What are Interventions?

An intervention can be as simple as changing the layout of a form, to an entire training program on a new process.

The intervention is selected based upon the root cause of the performance deficiency and the elimination of gaps.

Interventions – Worker Level

● Instruction

- Aimed at improving capabilities
- Information Giving vs. Instruction
- Cognitive Support vs. Instruction
- Delivery Environments
 - Face-to-face
 - Synchronous Distance Learning
 - Asynchronous Distance Learning
 - Games and Simulations
 - Independent Self Study
 - Blended Learning

Interventions – Worker Level

- **Engagement**
 - From behaviour to values
 - EVP
 - Flexibility
 - Reward and recognition
- **Mentoring**
 - Achieving business goals
 - Ownership of “program”
 - Technical and Professional skill development

Interventions – Worker Level

- **Motivation**
 - Develop self-confidence in work skills
 - Positive emotional environment
 - Accept and value own performance goals
- **Financial Incentives**
 - Quota Plan – additional bonus pay for work that exceeds a previous level achieved
 - Piece-rate – set output tied to set rate of pay
 - Tournament Plan – pay linked to performance ranking

Interventions – Work Level

- **Values**
 - Aligning personal and organisational values
 - Goals
 - Aligning personal and organisational goals
- **Culture**
 - Ensuring cultural “fit”
 - Cultural Diversity
- **Strategy**
 - Dissemination and communication of organisational and department strategy and alignment

Interventions – Work Level

- **Organisation Design**
 - Structures
 - Job Descriptions
 - Competency Profiles
- **Business Processes**
 - Process design
 - Process measurement
- **Policies**
- **Equipment and Materials**

Interventions – Workplace Level

● Management

- Employees leave managers who fail to:
 - provide clarity about expectations,
 - provide clarity about career development and earning potential,
 - give regular [feedback about performance](#),
 - hold scheduled meetings, and
 - provide a framework within which the employee perceives he can succeed.
- Management and Leadership Development

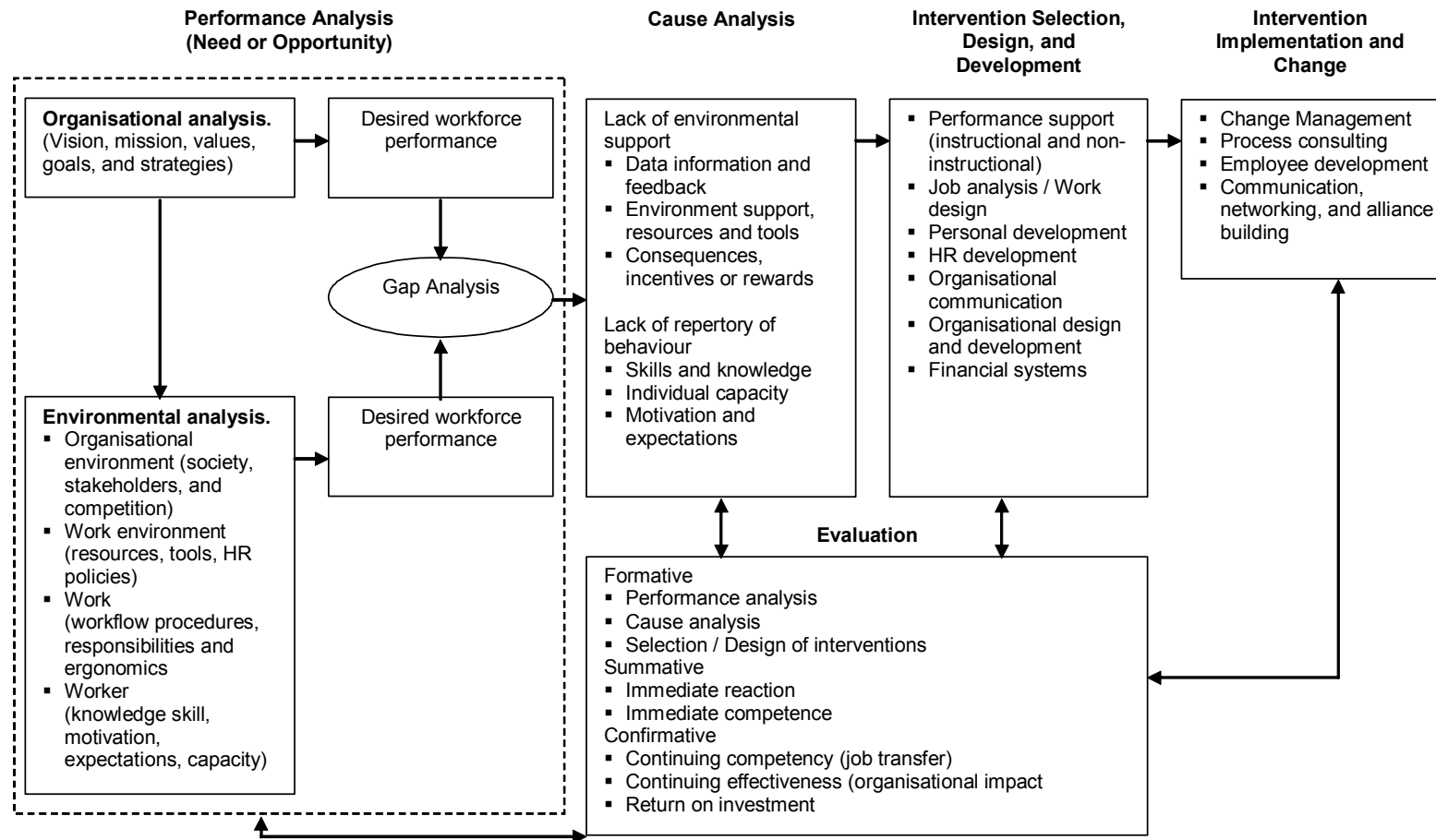
Interventions – Workplace Level

- Workflow
- Physical Layout
 - Layout
 - Privacy and Stimulation
 - Interaction
 - Comfort and safety
 - Personalisation
 - Control or influence
 - Ergonomics
 - Health and safety
 - Hand tools and machinery
 - Computers – hardware and software

Interventions – Workplace Level

- **Knowledge Management**
 - Contextualised information, cognition and skills
- **Tools**
- **Resources**
- **Job Aids**
 - EPSS
- **Quality**
 - Six Sigma

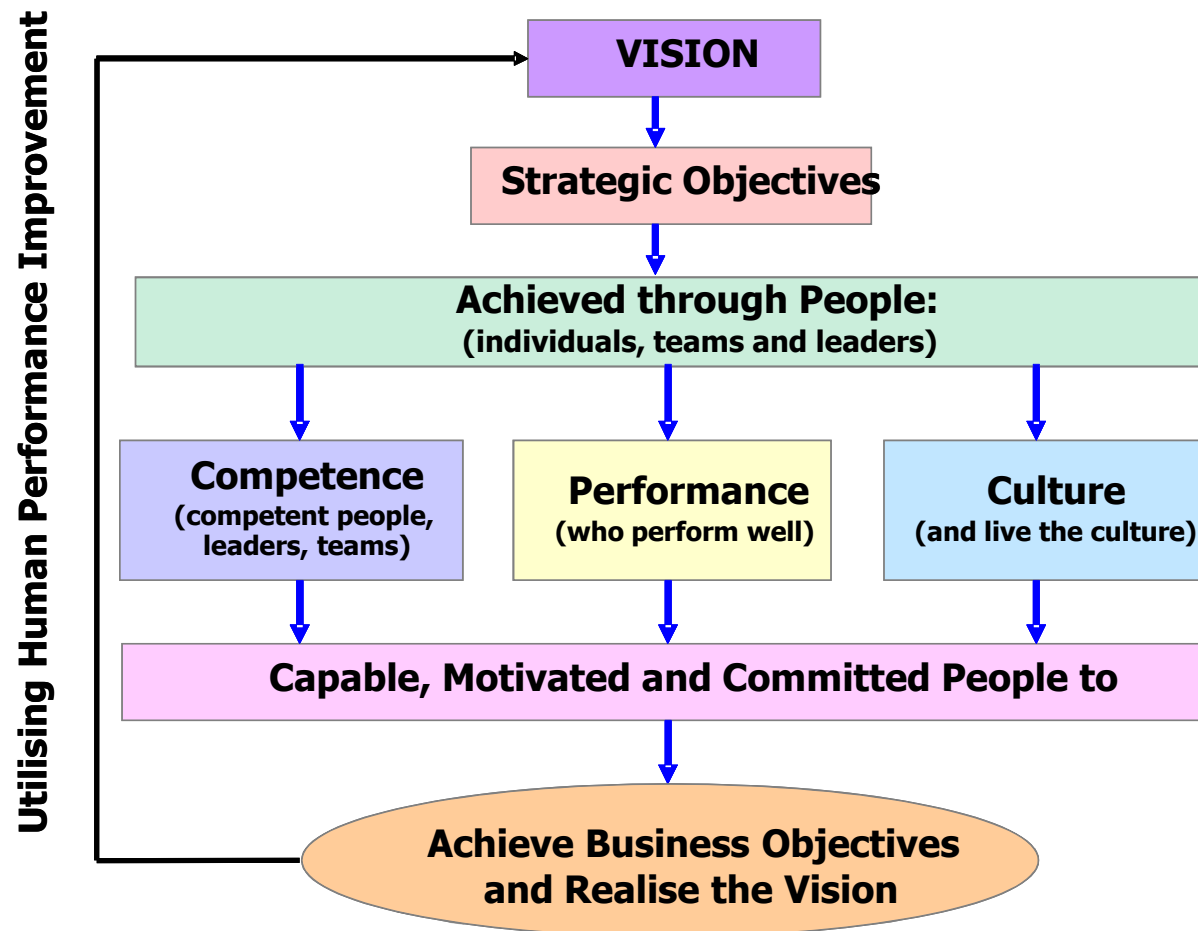
ISPI HPT Model



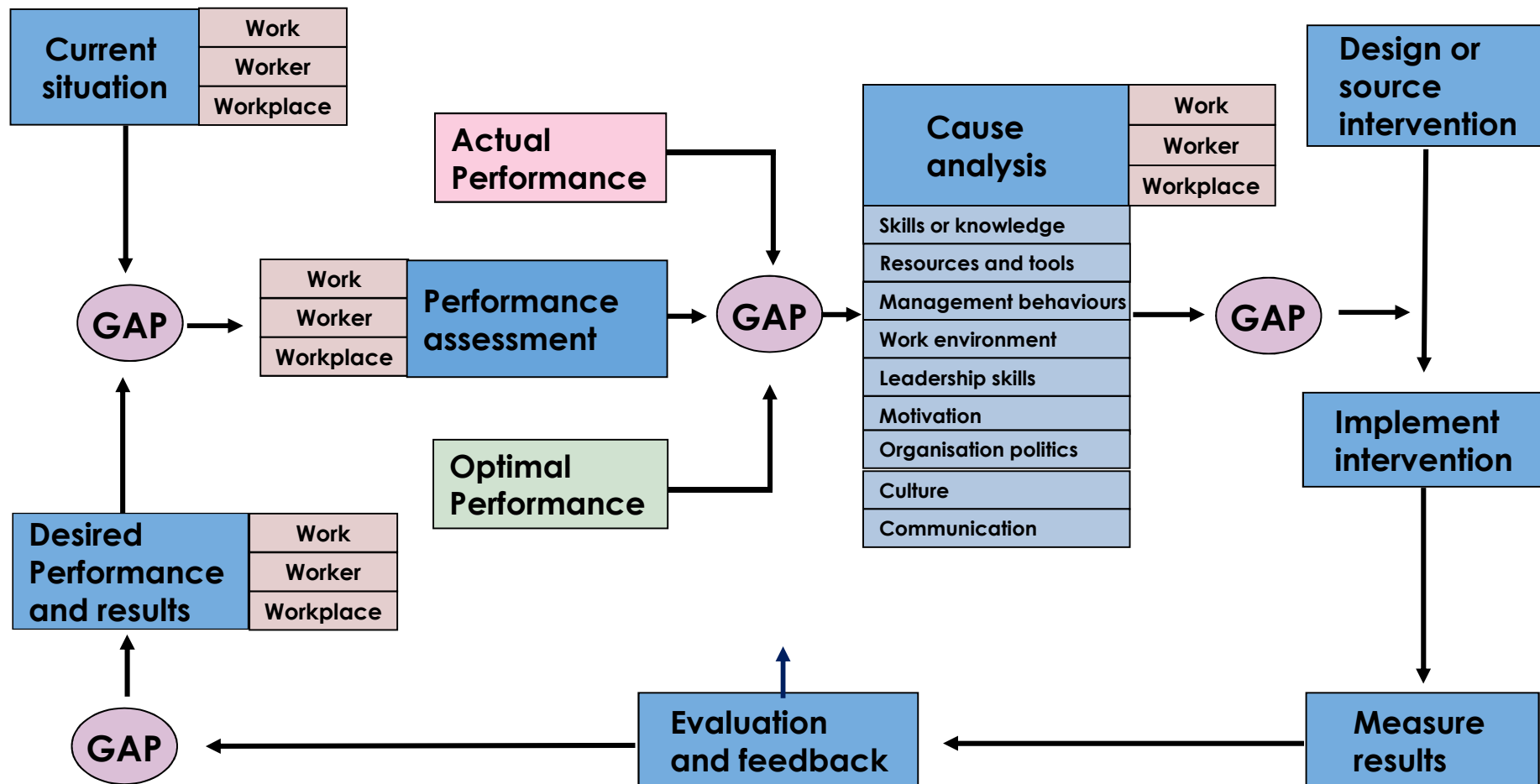
How HPT Can Be Applied

- How HPT can be applied
 - Generally
 - IT
 - Value Chain
 - How it fits together

The People Strategy Framework



Performance Improvement Alignment Process



Business Environment

Business strategy



Conditions

Legislation
 Environment
 Business practices
 Labour



Output

Deliverable work output

Measurement: How?

Measurement: How much?



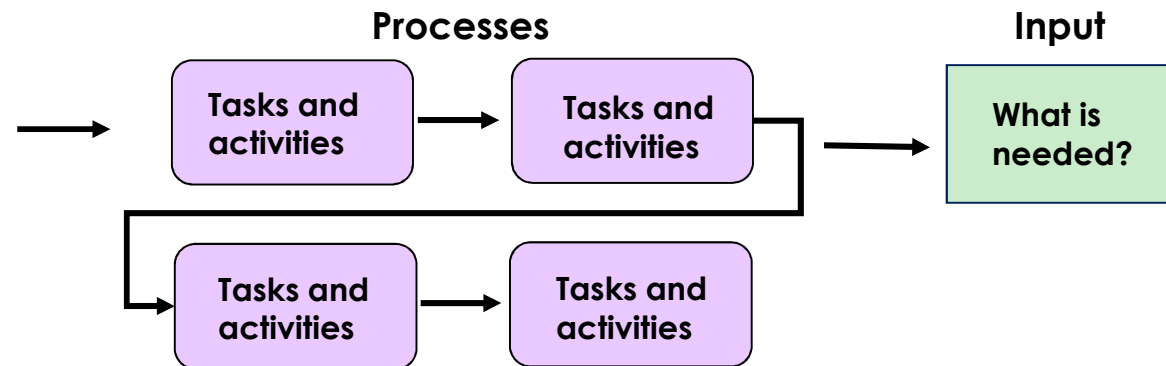
Receiving systems

Consequences



Feedback

Total Performance System



Case Study

- Financial Institution

Financial Institution: The Brief

Transforming HR

- Transformation
- Purpose
- Benefit
- Measure of success
- Constraints
- Assumptions

The Process

Perspective

- **Develop multiple views of the HR function**

Purpose Statement

- **Who are we?**
- **What should we be delivering?**
- **To whom?**

Value Chain Development

- **What should the elements in the value chain be?**
- **What are the current elements?**
- **Is it working?**
- **What is missing?**

Value Chain Analysis

- Define each element in the value chain:
 - ❑ What are the conditions and environment challenges?
 - ❑ What are the outputs (results)?
 - ❑ How will we be delivering (process/activities)?
 - ❑ Who and what will be delivering our services? (input)
 - ❑ Who will be the recipients of our services?

- How will we communicate and ensure feedback loops?**
- What will the consequences be for non-delivery?**
- How will we know we are delivering the right thing to the right customer?**
- What will the success indicators be?**
- How will we be measured?**

The Outcome

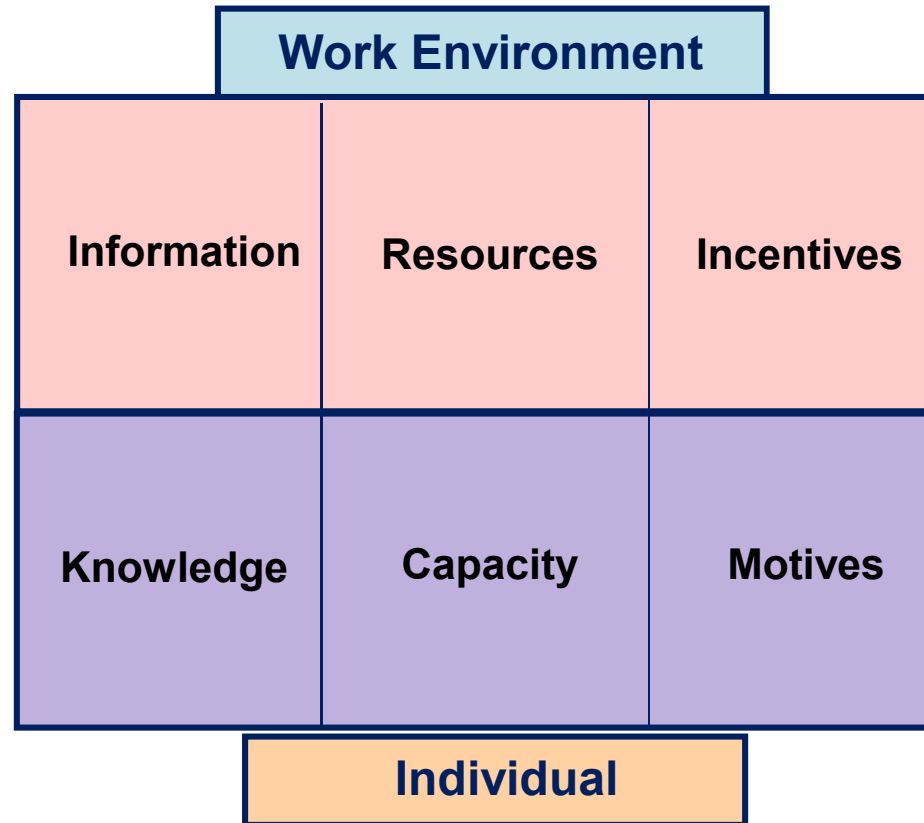
This resulted in a completely new structure which is currently being implemented

The Results Improvement Process Model

Request for "help"	1. Desired results determined	2. Barriers determined and changes specified	3. Changes designed, developed, and implemented	4. Results evaluated, and maintained or improved
	<i>What and where is the gap in results?</i>	<i>Why the gap in results and what is required to close it?</i>	<i>How are we closing the gap?</i>	<i>Did we close the gap in results?</i>

Source: Rummel, 2004: Serious Performance Consulting

The Performance Assessment Process



Performance Assessment Process

Phase 1: Results definition

- ❖ Define the problem or opportunity
- ❖ Determine desired results
- ❖ Establish the “measures of success”

Performance Assessment Process

Phase 2: Conduct

- ❖ Analyse barriers to performance

Work - processes

What you direct the people to do

Worker - people

How you manage and grow people

Workplace - tools

What people need

- ❖ Analyse causes at a work, worker and workplace level
- ❖ Determine performance enhancers

Phase 3: Implement

- ❖ Develop, design and implement changes

Phase 4: Measure

- ❖ Evaluate and measure results

Phase 5: Refresh

- ❖ Refresh the changes implemented
- ❖ Provide continuous feedback

Phase 6: Evaluate

- ❖ Evaluate whether gaps are closed

Principles of HPT

- Focus on results
- Take a systems viewpoint
- Add value to the organisation
- Establish partnerships with clients

Summary

- HPT is a powerful collection of techniques, procedures, and approaches
- Intended to solve problems involving human performance
- How it can be applied to solve problems
- Performance Assessment phase

Parting Thought

“It is an immutable law in business that words are words, explanations are explanations, promises are promises but only performance is reality.”

Harold S. Geneen

About TalentAlign.com

- Alignment of IT Talent Strategy with Organisational Strategy
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 - Revenue Generating
 - +120 Role Profiles
 - IT Role Progression Matrix
 - Competency Framework
 - Competency Management System (PeopleTree)
 - Consulting Services

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 - Over 1000 evidence-based Competencies
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