

Improving Performance

March 2005



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Greetings! In this new quarterly column I intend to consider strategies for addressing the human variable in process performance improvement initiatives, and in post-improvement operations.

One of my mental images for viewing this process variable is the familiar Ishikawa diagram, also known as the fishbone diagram or the cause-and-effect diagram. Any changes required in the process or its output will require changes in the enablers. And any improvements to one of the enabling variables has the potential to impact the requirements of the other 3 variables.

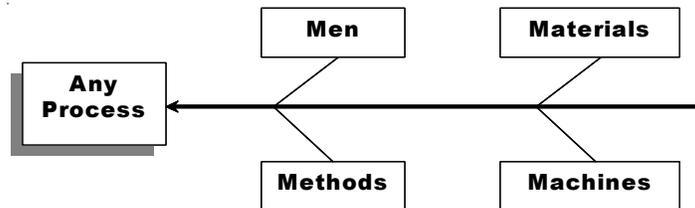


Figure 1. The Ishikawa Diagram

Once a process or bundle of processes has been designed, or redesigned to meet the requirements and constraints of all of its stakeholders to the optimum balance, and once all of the appropriate non-human elements are in place, how can the appropriate enterprise support systems and processes better “deploy” and “continuously improve for ROI” the human performers in the process? It is still all about better, faster, and cheaper.

In my article series, I will present a set of Human Performance Technology (HPT) models, steps, and tools that I have developed and use in my consulting practice. I believe that their use can help you better align your human capital support systems and processes to “better meet” the needs of your processes – or “exactly meet” the needs of the process. The need for one versus the other is situational – and chock-full of ROI assessments.

Declaration: I do not believe in improvement for the sake of improvement itself. I only believe in improvement for the sake of the stakeholders and their various ROIs – and that will always make improvement somewhat situational and almost always subject to some level of continuous change. The improvement interventions must be robust in design to evolve with the ever-changing situation.

The column’s first year will be spent on the potential impacts and uses of a specific and common set of *human performance data* and *human enabler data* on those enterprise support systems and processes that address the human variable. The second year will be spent exploring a series of case studies from my projects as a set of demonstrations of the applications of the models and methods.

My hope is that you might see how to integrate a similar approach into your improvement efforts.

Performance Improvement

by
Guy W. Wallace

March 2005

The enterprise systems and processes that address the human variable, in my model, are those that address

- Job design and organization design
- Staffing strategies and succession planning
- Recruiting and selection systems
- Training and development
- Performance measurement, certification, and management
- Compensation and benefits
- Rewards and recognition.

For a little more background on this model, you might wish to review my BPTrends article on "Performance Modeling & Human Asset Enabler Analysis" published on July 01, 2003. (Search on BPTrends for: Wallace)

My Background

After finishing my degree in 1979 in Radio-TV-Film I began my career at the Wickes Lumber headquarters in Saginaw, developing video-based, performance-based training. There I was first exposed to the work of Geary Rummler. I worked directly for his brother-in-law and worked alongside others who themselves had worked in Detroit with Geary's brother in applying the methods of Rummler and Tom Gilbert. Everyone I worked with was a Rummler-ite.

Two years later I joined the forerunner of Motorola University, working for Bill Wiggernhorn, and working with Geary Rummler, Neil Rackham, and several other renown experts in improving human, process and enterprise performance. At Motorola I was also exposed to the quality concepts and work of Deming, Juran, Crosby, and others from the TQM movement.

In the early 1980s I joined a small consulting firm of 5 and, as a partner, helped grow it to 27. Since 1982 I have served 39 Fortune 500 firms in addressing the human variable in their most critical processes – and many repeat projects, using my quick and effective methods. I plan projects, meet with stakeholders, conduct team-based analysis, conduct team-based design, and oversee development teams.

I specialize in performance-based instructional systems design (ISD) methods. I have conducted 74 Curriculum Architecture Design projects (the systems engineering level) and 46 Modular Curriculum Development projects (the new product development level) since 1982, in addition to other consulting efforts in the areas of the task list above.

I am a model and methods builder. I have 2 sets: EPPI and PACT.

My Models and Methodology Sets

My PACT Processes for T&D resulted from my participation in a project that failed while I was at Motorola – a Geary Rummler-based Instructional Design method – too many cooks from differing schools of thought. When I left, in late



Performance Improvement

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March 2005

1982, I was determined to finish that effort. I did, and eventually published a book: *lean-ISD*, after over 100 real world ISDs – Instructional Systems Design project applications. Geary Rummler designed the cover for me.

When I designed the overall process and outputs of PACT, I was mindful of my ultimate desire. I wanted to develop a front-end training and development analysis methodology that would, with only minor adaptation, serve as the front-end for both the design/development methods and, simultaneously, for other, non-instructional interventions.

That methodology-set is EPPI – Enterprise Process Performance Improvement that would provide my cliental – typically T&D organizations – with a path for taking themselves “beyond instruction,” as instruction, dealing with deficit knowledge and skills only, can address only about 20% of the root causes for performance issues.

Two Key Analytic Tools

At the root of both PACT and EPPI are two data gathering tools and reports: the Performance Model and the Enabling Matrices. This article series is really about how these two data sets can impact the enterprise systems and processes that deal with people.

The Performance Model documents two things: ideal-mastery human performance, and a gap analysis of the current state(s) against that ideal.

The gap analysis identifies where the process’ outputs are not meeting the metrics, and then identifies the probable causes (as input to additional root cause analysis purposes later, as needed) and cause type. Most of the time the “probable cause”

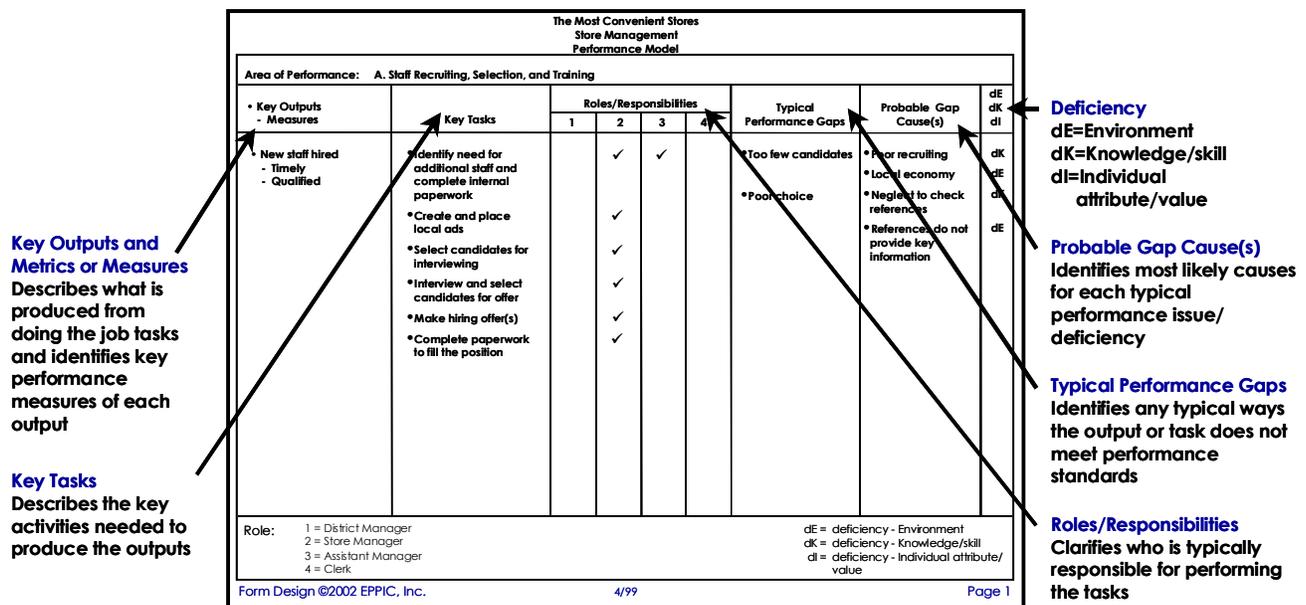


Figure 2. A Performance Model Chart for one Area of Performance

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Performance Improvement

by
Guy W. Wallace

March 2005

is attributed to something other than the performers' knowledge/skills. I have spent over 25 years now helping clients see where training will not do anything but consume resources for a negative ROI, or where it can have a positive ROI. The Performance Model and its data have been central to my approach for getting that insight in front of them. (See Figure 2.)

The Enabler Matrices then documents those enabling human knowledge, skills, attributes, and values required for mastery performance, and links them back to that performance. Here is an example chart for Company Policies/Procedures, one of 17 Knowledge/Skill Categories. (See Figure 3.)

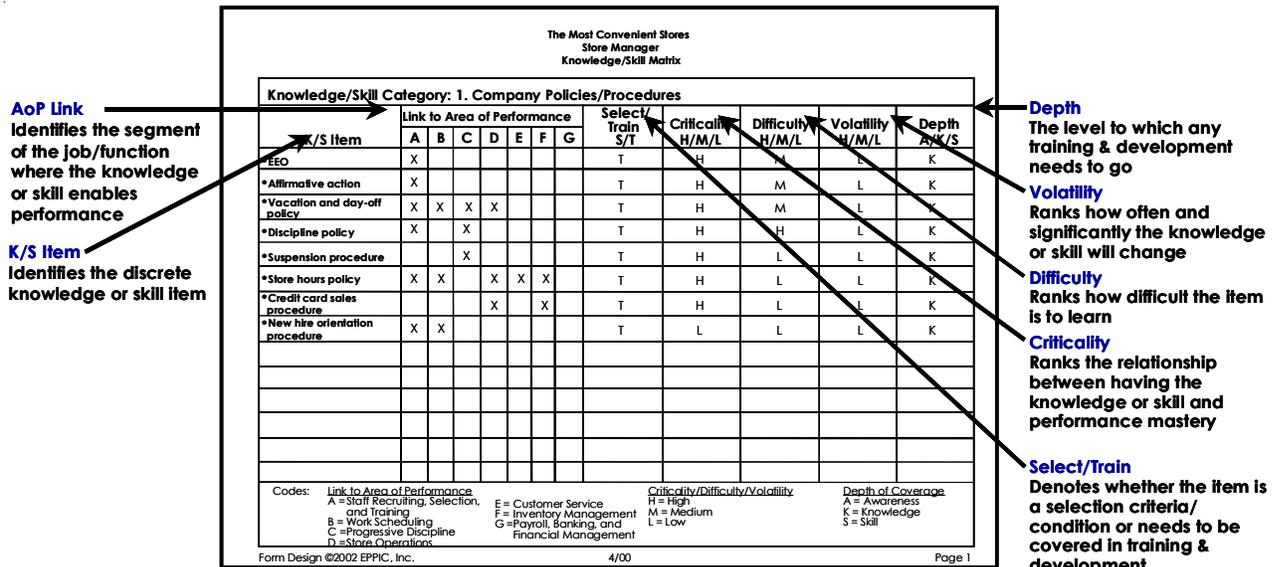


Figure 3. A Knowledge/Skill Matrices Chart for one Knowledge/Skill Category

There are 5 major categories of Human Asset Requirements that the Enabler Matrices capture:

1. Knowledge/Skill requirements
2. Physical requirements
3. Intellectual requirements
4. Psychological requirements
5. Personal Value requirements

This 2-part approach has been looking at *competencies* at two levels since 1982 – before Competencies became a big thing: *performance competence* and *enabler competence*. Performance competence is what you want. Enabler competence is just a necessary means to that end. Too many efforts focus on the latter. Unfortunately, research has shown that *transfer* of generic learning to specific situations is problematic – therefore a waste of resources.

Both the Performance Models and Enabler Matrices should be produced using the insights and experience of Master Performers and other Subject Matter



Performance Improvement

by
Guy W. Wallace

March 2005

Experts. Just as one pulls together the right people to map a process, the Performance Model is as good as its sources. I typically facilitate groups of 8-12 Master Performers in a 3-4 day Analysis Team meeting. Of course, the length of the meeting depends on the scope, complexity, newness, and controversy level of the targeted performance to be captured.

And if a Process Map already exists, we typically follow that structure to inform our Performance Model's structure so as not to create two views of one process performance. The Performance Model allows one to look more closely at the human role in the processes, and serves to inform additional data gathering efforts, such as the enabling knowledge/skills, but also other non-human, environmental enablers.

Why produce them? To provide input to the enterprise functions, systems, and processes that deal with the human variable, *and* to the enterprise functions, systems and processes that deal with the non-human variables in the targeted processes. Those are the HAMS and EAMS of the EPPI methodology-set.

The Enterprise Enabling Systems

The HAMS and EAMS of the EPPI are the non-operational functions of the enterprise.

They are non-core, but critical to the core operations and core processes. They provision and maintain all of the "enabling stuff" that brings a paper process design to reality. Some – not all — but perhaps many missing or inadequate enabler pieces may prove the process design robustness inadequate. Then either the process is redesigned to fit the human and environmental assets available, or those need to be changed. Or both.

HAMS – Human Asset Management Systems are those enterprise systems and processes that attend to provisioning the right people with the right competencies and the right time and right place, regarding the peoples'

- Awareness, knowledge, skills
- Physical attributes
- Psychological attributes
- Intellectual attributes
- Values

The various processes where the performers work across a complex enterprise require specific versus generic approaches when it comes to putting the right people with the right stuff in the right place at the right time and growing them as continuous change might require – and to not treat all jobs as if they have the same risk/reward potential. They don't.

EAMS – Environmental Asset Management Systems are those enterprise systems and processes that attend to provisioning the right environmental supports



Performance Improvement

by
Guy W. Wallace

March 2005

at the right time and right place – environmental support item assets of the following types:

- Information/data
- Tools/equipment
- Materials/supplies
- Facilities/grounds
- Budget/headcount
- Culture/Consequences (+/-)

These enterprise systems and processes provide the process with “all things non-human.”

Both the HAMS and EAMS must operate their systems to provision the proper assets to the processes of the enterprise in a balance that ensures peak performance. And in most cases there is more than one way to achieve the balance. And, of course, the right balance or mix of assets changes over time due to changes in the process.

So my update to the Ishikawa diagram – with some Geary Rummler and other HPT expert influences — one that I use to frame my narrow or wide analysis efforts is shown in Figure 4.

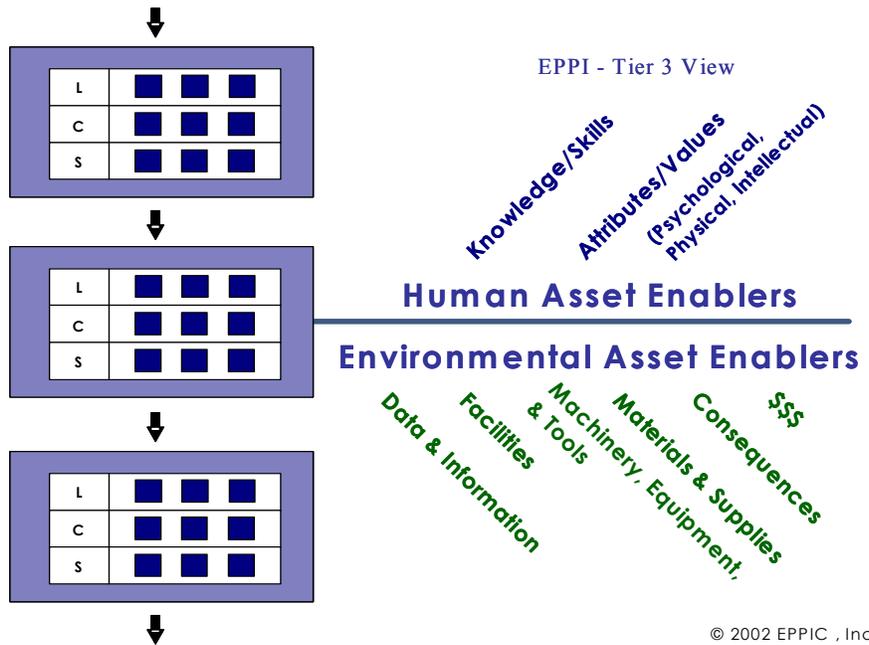


Figure 4. An EPPIC Diagnostic Model at the Enabler Level

This is just one part of the overall analysis data framework. It is intended to be scalable from a single job up to a department, a function, a business unit, and to the enterprise. This model is usually applied in projects focused on the total



Performance Improvement

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March 2005

job of a performer or group of performers, or on a process with several-to-many jobs performing process roles.

Having the performance and enabling data organized in this fashion, I can more clearly see and communicate the human variable and its interface with “all things non-human” in pursuit of process improvement for ROI. If one does not quickly see more clearly the host of variables that have high probability for required “improvements” to support an initiative, the ROI calculation will miss these real costs. That impacts the improvement decision-making process negatively.

The HAMS - Human Asset Management Systems

The HAMS in my EPPI model are the

- Organization & Job Design Systems
- Staffing & Succession Systems
- Recruiting & Selection Systems
- Training & Development Systems
- Performance Appraisal & Management Systems
- Compensation & Benefits Systems
- Rewards & Recognition Systems

The HAMS’s **Organization & Job (Re-)Design Systems** provide a set of job designs and an organization design conducive to the needs of the process and its volume, and are configured for the likely abilities and capabilities of the human performers who will be selected into those jobs in the locations where the performers will perform.

The job designs then roll up into the organization design. It is a “bottoms-up” approach, driven by the visible top down “end goals” of the process performance.

The HAMS’s **Staffing & Succession Systems** provide the strategies, plans, and mechanisms for staffing plan development and succession, and the strategies, plans, and mechanisms necessary to populate the organization’s jobs with people in an efficient manner, providing career and growth opportunities where possible/feasible.

Staffing & Succession Planning Systems take the job designs, their process performance requirements, and the enabler requirements, and determine who to recruit, how many, from where, and how.

The HAMS’s **Recruiting & Selection Systems** provide the strategies, plans, and mechanisms for first recruiting and then selecting the best candidates in the right quantities, consistent with the Staffing & Succession plans, and populating the organization’s jobs.

This system must bring humans into the enterprise that have as many of the human attributes needed as possible.



Performance Improvementby
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March 2005

The HAMS's **Training & Development Systems** provide the strategies, plans, and mechanisms to train and develop the new hires and incumbents, consistent with their performance requirements in the organization's jobs, as they have been designed.

This system takes the individual and *back-fills* them with the missing key knowledge and skills not acquired during the recruiting and selection processes.

The HAMS's **Performance Appraisal & Management Systems** provide the strategies, plans, and mechanisms for appraising the job task performance and managing all issues (problems/opportunities) as appropriate, and consistent with laws/regulations/codes and enterprise policies/procedures.

Where performance is falling short of the requirements, performance management – including “development planning” (back to the T&D System) as well as last resort efforts such as “progressive discipline” and possible “termination” – may be required to resolve the issue and meet the process needs.

The HAMS's **Compensation & Benefits Systems** provide the strategies, plans, and mechanisms to ensure that the total pay and benefits attract and retain competent staff, and that they are appropriate for the various labor markets in the various locations of enterprise operations, and are consistent with laws/regulations/codes, any labor contracts (if applicable), and enterprise policies/procedures.

Pay for performance, or knowledge, or skills, is fairly easy to structure, build, and maintain when you understand clearly the process performance requirements and the human enablers – and it is ultimately more equitable.

The HAMS's **Reward & Recognition Systems** provide the strategies, plans, and mechanisms for providing non-monetary and small-monetary rewards and recognition to appeal to the ego needs of staff, consistent with laws/regulations/codes, any labor contracts (if applicable), and enterprise policies/procedures.

Recognizing a job well done requires understanding what a *well done job* looks like.

Those are the Human Asset Management Systems in the EPPI methodology-set.

Leveraging Human Performance

How your improvement efforts approach the human variable can be key to your improvement success, regardless of the primary focus of the change. Many tools exist today to help you manage this with data. But all of the ERP database systems for managing the enterprise will not do you much good if they are filled with questionable data. Beware generic data sets. On the surface, they always have face validity. But if they would work just as well for your competitors as for you, they will not get you where you need to be...enabling your specific process performance requirements!



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In the next 3 quarters, this article series will address

- How the Performance Model and Enabler Matrices data can be used to impact the quality of both your Organization & Job Design Systems and the Staffing & Succession Systems.
- How the Performance Model and Enabler Matrices data can be used to impact the quality of both your Recruiting & Selection Systems and the Training & Development Systems.
- How the Performance Model and Enabler Matrices data can be used to impact the quality of your Performance Appraisal & Management Systems, your Compensation & Benefits Systems, and your Rewards and Recognition Systems.

Guy W. Wallace, CPT , is the president of EPPIC. He was president of the International Society for Performance Improvement in 2003-2004.

