

Driving Performance

Reviewing Organizational Work Design

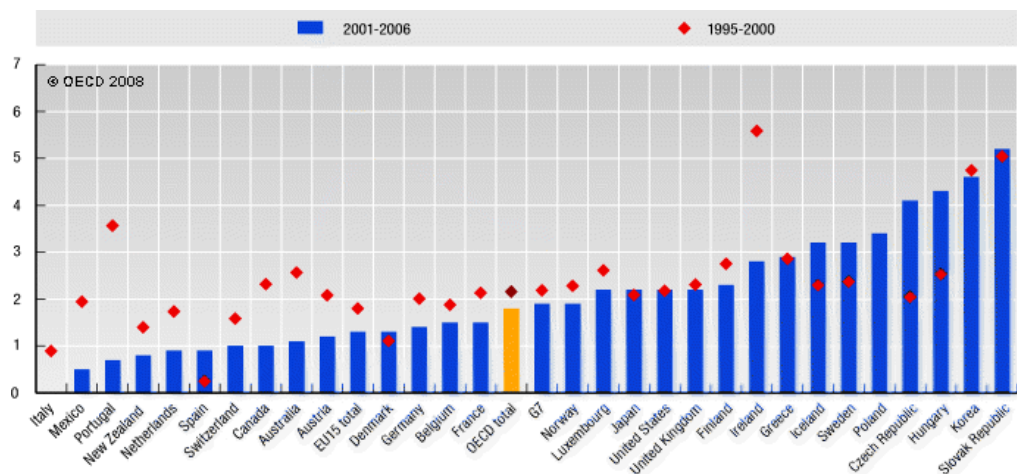
Doing More with Less
Increasing productivity



Whether your organisation is large or small, over time, it will have gradually developed significant inefficiencies that go unnoticed.

Productivity improvement potential

Even before the onset of recession in 2008 the rate of productivity improvement had slowed in most developed economies, reflecting the increasing importance of service industries where productivity gains from automation are harder to achieve.



Fundamentally there are only three ways to improve productivity;

- ⦿ increase sales volume;
- ⦿ increase product prices and maintain sales volume;
- ⦿ control costs.

In uncertain times CEOs cite maintaining sales volumes as their major concern. Many organisations may not be able to maintain their sales volume, or increase prices. Productivity improvement through improved effectiveness and cost control is critical.

It is relatively easy to cut costs on non labour inputs – use a line by line review of all expenses and categorise:

- ⦿ Nice to have - not required;
- ⦿ Must have but can be reduced and or;
- ⦿ Must have but can be deferred;
- ⦿ Critical – maintain as is.

But analysing how labour can be made more productive requires more complex analysis.

A proportion of labour costs will be spent on activities that are unnecessary.

At the same time organisational performance will be adversely impacted by activities that are performed poorly or not at all.

Effectiveness Audit

Identify current activities and performance

“The way we do things round here” is part of the unconscious organisational culture and is rarely questioned or challenged.

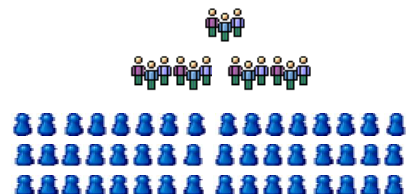
How much time is spent in your organisation on “checking” activities? How much on “rework”, delays or downtime waiting for materials, equipment, people or information? How much on activities that really add no value?

Business Process Analysis

The role of information technology in business management has grown to the point that it has replaced many front line and administrative positions.

To build such a comprehensive platform necessitated development of business models with standardised processes.

Such models have been almost universally adopted by IT professionals, and make an excellent analytical tool to identify both inefficient processes and key activities that have been overlooked.



Value chain analysis provides a high level starting point. The key activities in the organisation are divided into those that directly add value to products and services, and those that provide support for the primary activities.



Within each category list all the activities of your organisation. Compare to generic, not industry, benchmarks. The reason for this is that most industry sectors have themselves developed a culture – the way things are done - that is taken for granted, but may not be optimally efficient or effective today.

Then re-iterate the process with increasing level of detail.

Key Questions

1. Do all support activities deliver real value to internal customers engaged in primary value adding activities? For example:
 - Negotiation of the best deals for production of marketing collateral and for marketing campaigns?
 - Hiring the best salespeople? Developing top salespeople through excellent sales training, retaining them through recognising and rewarding top results?
 - Does technology support the sales people in the field with the information they need? Does it help deliver quality products/services, provide a stream of new or improved products for salespeople to promote?
2. Are all activities fully effective? Observe. To get a more detailed appreciation for what people are actually doing use activity logs. Observe again. Look for:
 - Steps/activities that are unproductive – do not add value.
 - Common mistakes, delays and problems.
 - Activities that are intermittent and/or require specialist expertise that could be outsourced cost effectively.
 - Activities that are labour intensive but could easily be automated.
3. What activities have been overlooked that are essential for success?

Human Capital Management

- Map out the existing organisational structure
- Identify communication and operational fail points
- Map out the division of key responsibilities to job roles
- Identify overlaps, grey areas, omissions, skills gaps
- Identify roles that are over loaded and lightly loaded
- Identify staff who have potential to do more

Planning Change

Review Strategy

The current economic crisis represents a time of discontinuous change – it is likely the new world order, at least in developed economies, will be substantially different from the last two decades with renewed attention to thrift and sustainability in the face of wealth destruction and reduced employment security.

All organisations will be reviewing their purpose and how they need to re-position their products and services to succeed in the new environment.

Review Key Drivers of success

Review and re-validate the key drivers of the organisation – those critical factors that really make the difference between success and failure.

It is useful to use a balanced scorecard to categorise key drivers across the domains of financial outcomes, customer relationships, development initiatives and business process effectiveness.



Today maintaining sales is a key survival factor for most organisations. Some other examples of key drivers are a continuing stream of new products, product innovation, design, staff expertise (development), low costs, price leadership (financial), winning new customers, repeat customers, great



customer service, strong brand (customer relationships), quality and operational excellence, project management (process effectiveness).

Most organisations have already cut where it's easiest – attention to the critical drivers of success ensures that activities and teams that are most vital for success are maintained and supported.

Improving Process Effectiveness

Business processes that have become inefficient over time were affordable in a booming market, but now must be aggressively reviewed.

Review the activities you identified in Question 2 above against relevant benchmarks:

- How can unproductive activity be minimised?
- How can delays and mis-communication be avoided?
- How can your processes be re-engineered to control for common errors?
- What can be outsourced?

Improving Staffing Effectiveness

Review your functional/departmental structure according to the value chain

- What is the most logical organisational structure to optimise internal customer service and communication?
- What is the most logical structure for primary value adding activities to ensure effectiveness and strong linkages between them?
- How should work be divided between departments?

Translate the key drivers and their performance indicators from your balanced scorecard to critical success factors relevant to each department.

Re align job roles

- Ensure job role purpose statements align to these critical success factors.
- Ensure the job title reflects the responsibilities of the role – over inflated titles result in over compensation and lower productivity.
- Ensure job descriptions list all responsibilities required to achieve success, the key tasks involved and measurable expected results.
- Review job descriptions to ensure all have a productive workload.
- Check the consolidated data to ensure all key value adding activities from your business process analysis are covered and there are no overlaps or omissions.

This is your model for success.

Re align objectives

For those staff who also have objectives – specific targets to achieve within a certain time frame – ensure each objective is measurable and clearly makes a contribution to one or more critical success factors.

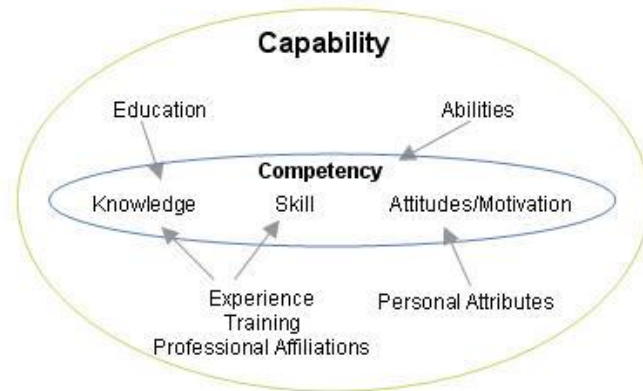


Ensuring Capability

Analyse role requirements

Review each job role to identify the Minimum required capabilities.

Capability & Competency



Over specifying capabilities results in over qualified staff, over compensation, higher staff turnover and lower productivity.

Define required competencies

Competencies are a subset of capability – observable behaviours or skills.

They can be categorised:

- Organisation Values;
- Citizenship competencies;
- Adaptive competencies;
- Job specific technical competencies.

Organisational values define those behaviours that support the essential philosophy and mission of the organisation.

Citizenship competencies are those behaviours that support the organisation as a whole - personal accountability and productivity, teamwork and communication.

Adaptive competencies are those behaviours that enable people to adapt to a changing environment, for example; learning, problem solving, innovation, entrepreneurship.

Technical competencies describe the specialist knowledge and skills needed in particular functional areas or job roles. Job knowledge – (relevant industry and market developments, scientific/technical principles, use of equipment, tools, resources and systems, job relevant processes, organisation products/services and context) is the key to excellence in job performance.

Define and build a competency framework that is relevant to your organisation.

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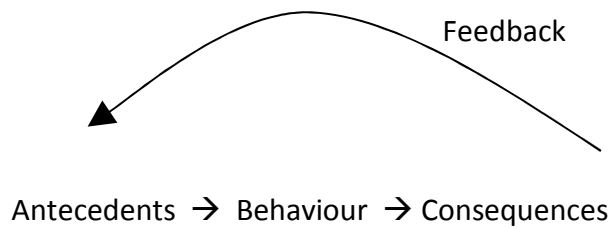


Identify competency gaps

Competency gaps are a prime cause of lost productivity. Map competencies to job roles and evaluate individuals to identify training needs. Most competency gaps can be rectified with on job training.

Implementing Change

Use the ABC model



Clearly communicate what you expect, not just in terms of tasks and behaviours, but also describe the expected results and how they will be measured.

What is measured sends a clear message about priorities – measure what is important – not what is easy to measure, but less important. Maintain focus on expectations by ongoing monitoring and feedback.

Ensure a supportive work environment by identifying capability gaps, providing training and removing barriers to performance.

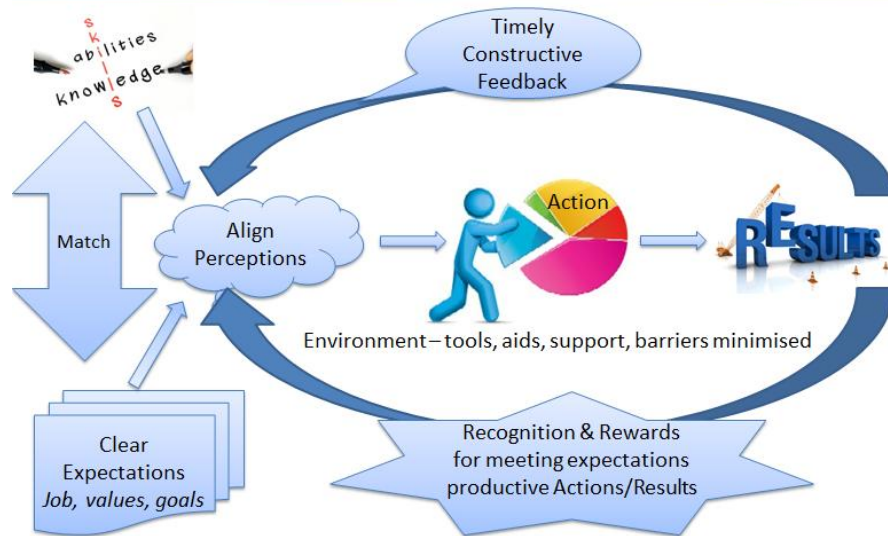
Send the right signals to reinforce the change – recognise and reward those who achieve the expected results, take immediate action where expectations are not met.



Tools for Change management

The Centranum[®] HRadvance suite integrates many of the people management tools you need to drive productivity – to do more with less. Built on a well validated model of work performance.

Performance model



The web based modular system provides a structure within which organisations can customise their:

- Balanced scorecard model;
- Capability and Competency Framework Management;
- Job Description Management;
- Goal Management;
- Performance and Competency tracking and evaluation;
- Individual development planning and progress tracking.

Management information includes:

- Organisational charts;
- Work allocation reporting;
- Advanced Capability and Performance Intelligence.

Centranum[®] HRadvance Making Complexity Manageable

Email us for a brochure or to take a test drive: info@centranum.com



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