



## TenStep Supplemental Paper

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### **Employee Development = Ensured Organizational Success**

*The pros of concentrating on the performance aspect of employee development*

Good organizations know that focusing on employee development ensures employee success. However, in view of globalization and intensive competition, organizations find it difficult to sustain their efforts to invest in employee development and success.

Frequent changes in workforce demographics and skills that grow obsolete make it necessary for organizations to renew focus on employees' success.

#### **Nailing the culprit**

While examining the problem of constrained organizational performance, researchers found that most organizations lack three essential concepts:

*Alignment:* The need to align the strategic objectives of the organization to the competencies and goals of its employees.

*Development of competencies:* Executives are often uncertain about the impact of training and development on the abilities of the organization and its people to achieve objectives.

*Real-time visibility:* Employees are often ignorant about how their performance contributes to organizational success. Additionally, the lack of real-time visibility makes it difficult to measure ongoing progress against pre-determined corporate and individual objectives.

That corporate objectives are typically set either on a quarterly, semi-annual or annual basis does not mean they are measured on the same 'time' basis. Real-time visibility allows employees to predict outcomes and make real-time adjustments, making it easier for the employees to achieve objectives.

#### **Solutions in hand**

An integrated performance management plan that addresses the people processes of the organization is required to overcome this deficit. Only a real-time management system allows organizations to align, develop and collaborate with their people in a way that allows them to perform optimally. The lack of real-time systems leave important questions unanswered, such as "*What are the existing skills gaps?*", "*What are the current learning needs?*", and "*How will they affect an employee's and the organization's performance?*"

#### **Primitive approach!**

While organizations have invested in systems that measure and report supply chain, sales and financial performance, these systems fail to measure the people processes in the organization. However, according to a recent report, almost 70 percent of organizations are attempting to put together an integrated performance management initiative. The only problem with this approach is that it uses a very basic process.



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Every manager asks his or her employees to define objectives. These objectives are documented on a spreadsheet or any other desktop productivity tool (presentation document or word processing). The manager then compiles and consolidates individual goals into team goals and documents them on another spreadsheet. He or she then passes it on to his or her immediate superior, who does the same.

### **The need to improve**

While this approach appears simple and adequate, it creates organizational gaps that include misinterpretation of information, exclusion of critical information, heavy reliance on traditional managerial hierarchy and lack of flexibility.

Such basic processes fail to address an organization's emerging requirement - tying organizational processes to people processes in order to define a performance management plan. An integrated performance management plan is an agreement between the organization and the individual. It implies that the organization will not sideline employee development or people processes in their pursuit for corporate objectives.

### **The plan**

An integrated performance management plan combines the concepts of alignment, competency development and real-time visibility. An integrated performance plan crystallizes what is required of an individual to be successful. Therefore, unlike strategic directives that often lay buried under paperwork or are quickly forgotten, performance plans garner better involvement.

More importantly, an individual's learning and development plan is an integral part of the overall plan. This makes it easy to directly map an employee's skills and competencies into the objectives. Other benefits of an integrated performance management plan include:

- Integration of learning and development initiatives with people processes
- Provision for monitoring progress against pre-determined objectives
- Tweaking processes to respond to rapidly changing business needs
- Measuring individual performance against objectives
- Ensuring overall performance alignment in real-time
- Improving real-time visibility and accountability

### **The plan at work**

The following example illustrates the use of an integrated performance management plan. Financial service organizations aim to become current with the new compliance issues within a stipulated time-period. These organizations map this objective onto each employee's performance plan. As part of achieving the objective, the learning system then delivers training capsules on the new compliance requirements to educate the employees. Such an integrated effort ensures that the employees are compliant within the period.



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### **Techno support**

Advancements in technology make it easier for organizations to implement integrated performance management plans. Learning solutions now allow individuals to interact with the system using e-mails and other desktop applications. Additionally, with learning systems that provide progress against pre-determined plans, all a learner needs to do is open an e-mail to register for an update or a new course. Web-based integrated services can even provide expert help via e-mail.

### **As the plan unfolds**

A key aspect of a learning culture is the emphasis on remaining connected with the business of the organization especially while setting strategic goals. In future, their learning management system will integrate all people processes with technical learning and development. This integration provides learners with a seamless learning experience. The organization then delivers learning initiatives against the plan, allowing employees to serve themselves and the organization better.