ROADMAP FOR
CONTINUOUS IMPROVEMENT

ALPHA COMPANY

5 LEVEL 5
OPTIMIZED

4 LEVEL 4
INTEGRATED

3 LEVEL 3
STRUCTURED

2 LEVEL 2
EMERGENT

1 LEVEL 1
INITIAL

INDEMNITY STATEMENT

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EXECUTIVE SUMMARY

Alpha Company has initiatied its journey towards improved performance management practices in November 2015, when in collaboration with GPA Unit the KPI Project started.

The purpose of this project is to refine the current Performance Management System in the organization, in order to achieve better alignment between clinical and non-clinical units, to raise awareness on the best practices in working with KPIs and ensure the right premises for Alpha Company to achieve its vision.

The KPI Project lasted for 9 months (November 2015-June 2016) and it was structured in 6 phases:

1. Change Management: Training and Communication
- The educational programs delivered were the Certified KPI Professional Training Course for top management (2 groups), and the KPI Masterclass for middle management (5 groups). Overall, 176 stakeholders were trained on how to measure performance.
- Project communication was enhanced through posters and roll-up displayed in the organization in order to engage employees and inform about the importance of having a performance oriented culture.

2. Strategy Review and KPI Selection
- The organizational strategy was reviewed to meet customers' expectations and the latest industry standards.
- During the KPI selection workshop, by involving key stakeholders the most relevant KPIs were chosen to enable strategy monitoring.

3. Strategy and KPIs Cascading
- 40 KPI selection workshops were deployed to align all clinical and non-clinical units in the hospital. Scorecards and Dashboards were develop for each, while the portfolios of projects were updated to meet new objectives.
- More than 400 employees were involved in the workshops.

4. KPI Activation
- More than 800 KPIs were documented as part of this project, to facilitate KPI activation and consistent performance measurement.

5. Capability Development
- An extensive analysis of the performance management system was undertaken to evaluate its maturity level and offer improvement recommendations.
- The roadmap presented hereby is part of the Performance Management Audit Report meant to also, identify what lies ahead for Alpha Company in terms of further improvement.
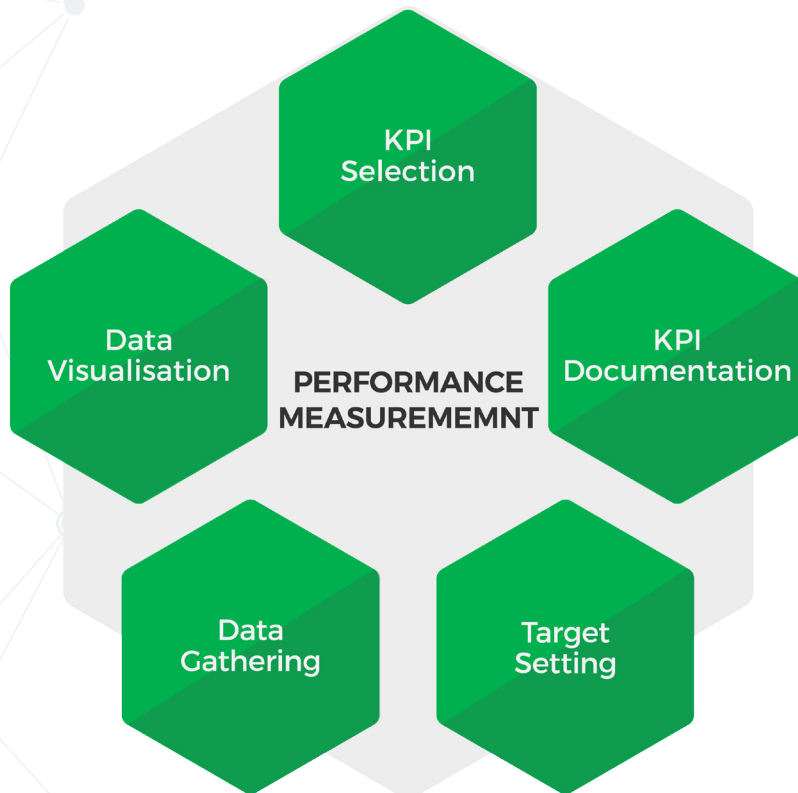
6. Formalization
- The Performance Management Manual will be developed as a comprehensive handbook that comprises all tools, processes and practices related to performance management within Alpha Company, to offer guidance for KPI owners and data custodians. This manual is not yet finalized, will be provided before project closing.

Although, some of the tools or practices introduced to Alpha Company during the KPI project were already used, the value added of the project consisted in increasing awareness levels among employees and restructuring the entire performance management system for a better alignment of efforts and standardization of practices. It the needs analysis deployed before starting the KPI Project, it was revealed that overall Alpha Company's performance management maturity is at level 2.
The Performance Management Audit performed towards the project's end, revealed a significant improvement, moving the organization one level up.

The journey towards performance excellence is a continuous process, and for this endeavour we propose the following approach to elevate Alpha Company to maturity level 4:

1. PERFORMANCE MEASUREMENT

PERFORMANCE MEASUREMEMNT

- KPI Selection
- KPI Documentation
- Target Setting
- Data Gathering
- Data Visualisation

KPI Selection

Evaluates the processes, tools and techniques employed by the entity to select KPIs. Statements refer to the usage and standardization of tools and practices, but also to the relevancy and alignment of KPIs to strategy.

KPI Documentation

Aims to identify whether KPIs are documented within the entity and how this process takes place in terms of tools deployed, people involved and information management. It also analyzes the complexity of the KPI documentation form.

Target Setting

Assesses the extent to which target setting relies on data and ensures a stimulating environment to reach and exceed targets.

Data Gathering

Refers to analyzing the data collection process in terms of clarity of data sources, integration of systems to facilitate data consolidation, availability in time and accuracy.

Data Visualisation

Provides an evaluation of the entity's approach in terms of the visual design of data. Measuring and reporting KPI results can be facilitated by deploying best practices in data visualization.

1. Performance Measurement

1.1 To maintain the relevancy of KPIs on the long term, it is recommended to use a similar format for the KPI selection process as the one delivered by GPA Unit for the following selections, even if they will be done without external assistance.

1.2 The KPI documentation form can be improved by eliminating the sections Quality Dimensions and Classifications, which as explained in section 5 of this report, can create confusion and lack of standardization when it comes to allocation KPIs in the respective clusters.

1.3 Once all KPI documentation forms are validated by KPI owners and the Quality Department, the consolidation of the organizational library should take place. All files should be located in one place and communicated to all data custodians and KPI owners so that awareness on this matter increases.

1.4 A change log for objectives and KPIs, so that when adjustments are made there is a historical tracking of all decisions taken.

1.5 Extensive internal and external research should be embedded in the target setting process. Industry standards and benchmarks can be considered when setting a target. However, on the extent to which it is possible historical performance levels should be considered, as well so that the target remains realistic.

1.6 Awareness on best practices in visualizing data can be enhanced among employees by providing infographics which explain in a grasp best ways to display data.

1.7 Data collection can be optimized by implementing a software solution for the scorecards and dashboards in the organization. Moreover, this solution should be integrated with other software used already in Alpha Company, to ensure high quality data and fast processing.

In the lack of a software solution, data gathering can be optimized by creating standardized Microsoft Excel sheets, which can be specially formatted to reduce data input errors.

2. PERFORMANCE IMPROVEMENT

Data Analysis

Assesses the complexity level at which data analysis is employed in the organization, identifying any special techniques or software used.

Reporting

Focuses on the efficiency of the reporting process, whether it is supported by a software solution or not, if reports are well structured and ready on time.

Decision Making

Evaluates how performance review meetings are approached from the preparation stage until the follow-up actions. It provides a picture on the discussion focus during such meetings. Statements also refer to an essential characteristic of a performance review meeting - the decision making process.

Initiatives Management

Refers to the organizational project management capability. The maturity level of this cluster depends on how well the framework to implement initiatives is structured. Sound project management frameworks enable delivery of projects on time, in budget and in accordance the quality standards established. Furthermore, they facilitate the evaluation of the project's impact on the business.

Review and Evolution

Illustrates the ability of the performance management system to adapt to changes based on regular reviews of strategy and the manner in which these changes are coordinated. It analyses if there is consistency between the entity's strategy, objectives and the KPIs monitored.

2. Performance Improvement

2.1 Create a process map that reflects the monthly reporting process, so that reports can be ready on time and with all necessary data included.

2.2 Decision making can on one hand be leveraged by knowing how to use information, but also through the right process. Besides the daily decisions which are necessary at operational level, during each performance review meeting several decisions are taken in regards to KPI results. In this context, the decision making process can be optimized through streamlining, meaning avoiding unnecessary approvals or reviews and diminishing the approval cycle.

2.3 Data analysis can be improved by using more frequently, in practice, root cause analysis and even by investing in software solutions that can get insights into large data sets. Having the internal expertise of a business analyst can leverage the value added by reporting performance and can bring important information in the attention of decision makers.

2.4 Dedicate more time to documenting projects (business cases, project plans) and progress reporting (weekly, monthly), so that initiatives' implementation will be more effective.

3. PERFORMANCE CULTURE

Performance
Management
Architecture
Governance

Communication
and Leadership
Support

Awareness and
Accountability

Motivation and
Engagement

Learning and
Improvement

PERFORMANCE
CULTURE

Performance Management Architecture Governance

Identifies how the Performance Management System is coordinated, indicating accountability and governance. It assesses the clarity regarding the role of each stakeholder involved in the system.

Communication and Leadership Support

Indicates the efficiency of the communication process and the transparency of the organization towards internal stakeholders. The impact of effective communication is reflected in the employees' awareness on latest strategic decisions made, current performance level, new directions or desired performance achievements.

Awareness and Accountability

Consists in evaluating the awareness level in performance management terminology, the understanding of stakeholders regarding the instruments and processes involved by the performance management system.

Motivation and Engagemenet

Evaluates the organization's approach towards measuring and rewarding employee performance. Another component analyzed is the ability to stimulate, engage and manage employee innovation.

Learning and Improvement

Assesses the entity's capability to learn and improve based on the feedback provided by KPI results. Refers to how the organization can grow by developing its human capital, using modern technology and building a performance culture.

3. Performance Culture

3.1 Develop a Performance Management Manual that presents clearly to all employees how performance is monitored within Alpha Company.

3.2 Create Communities of Practice not only among medical staff, but also among administrative team members, such as a community for data custodians.

3.3 To increase motivation and engagement performance should be awarded, but not only through financial bonuses, but also through non-financial rewards such as gifts, days off, diplomas, event tickets. The measurement of employee performance and rewards system should be measurable, fair and objective.

3.4 Feedback from employee appraisals should be implemented and followed up.

3.5 Autonomy can be encouraged by empowering employees and career plans should be available for each employee.

3.6 Gamification initiatives can contribute significantly. Gamification refers to setting up games and contests for employees to stimulate team work and positive behaviors. For example, initiate a contest for less paper consumption or longest distance walked by a team (steps counters).

4. STRATEGIC PLANNING

STRATEGY ENVISIONING
Strategy Envisioning

STRATEGY & BUSINESS PLANNING

- Strategy Envisioning
- Strategy Planning
- Strategy Focus
- Strategy Implementantion and Alignment
- Strategy Review and Realignment

Strategy Envisioning

Refers to corporate identity elements like vision, mission and values. Maturity is assessed from three perspectives: existence of such elements, their relevancy and authenticity for the organization and employees' awareness of them.

Strategy Planning

Contains statements mean to reveal to how the strategic planning cycle takes place, its frequency, what instruments are used and employees' awareness of strategy.

Strategy Focus

Provides an overview in regard to how strategy is reflected through simple actionable objective, how progress can be monitored through assigning KPIs and whether there is link between plans (strategic objectives) and actions (initiatives).

Strategy Implementation and Alignment

Indicates the extent to which there is consistency between the strategies of different business units or departments of the same organization, including the contribution of each employee to corporate strategy. It also looks into how the Performance Management System is integrated with the other organizational systems.

Strategy Review and Realignment

Presents the ability of the organization to adapt to changes and keep an updated strategy, through a rigorous continuous strategy review process.

4. Strategy and Business Planning

4.1 Create a strategic planning process map and communicate it to all internal stakeholders.

4.2 Transform this process into a yearly cycle and align it with other key processes in the organization, such as budgeting.

4.3 Use tools like strategy maps, scorecards and dashboards, but enhance communication among employees on the usage of these tools and any strategy related changes that may arise. When new tools or practices are introduced in the organization, to internalize the change in the working practices of each individual, continuous communication and monitoring is needed, as part of the change management initiative.

4.4 The responsibility to overseeing change implementation, as mentioned above and the entire performance management system can be assigned to a dedicated team, in the form of a Strategy Office.

4.5 Strategy can be reviewed on a yearly basis, but not necessary changed. However, when changes are necessary they should also be reflected in the KPI set, in order to ensure that the performance data reported is still relevant for the decision making process.

4.6 Communicate the strategy on various channels. Besides the online environment (email, intranet), consider displaying the one-page strategy map on Alpha Company's corridors, in the managers' offices to raise awareness of both internal and external stakeholders on what matters for the organization and what lies ahead. Employees awareness on strategy can be assessed during the employee appraisals.

4.7 Cascading the entire Performance Management System from corporate level to operations and to employee level.

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