


4th Annual Balanced Scorecard for HR Conference

Workshop: Linking the Balanced Scorecard to Operational & Corporate Strategy

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About TPSI




**Total Performance
Scorecard®**

- ☑ Solutions for Individuals
- ☑ Solutions for Businesses
- ☑ Certification

Linking Human Capital to Business Success
Enhancing Personal and Company Values

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**Chairman of the Board,
President and
Chief Executive
Officer**

Total Performance Scorecard (TPS) is a new holistic management approach, which refers to the maximum personal development of all corporate associates and the optimal use of their capabilities for the realization of the highest organizational performance. This approach differs substantially from traditional management concepts.

The natural next step in management evolution

The Total Performance Scorecard® concept and principles are all about improving the performance of organizations, public and private, small and large. Improving the performance through an increase of productivity and a decrease of absenteeism and error as well as recognition of the individual and corporate roles and responsibilities in society.

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> Certification Program

TPS certification confirms the professional management qualities of the certified company, that the company achieves high productivity and efficiency quotes with low error rates.

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> Code of Ethics

The TPS Code of Ethics is based on the following six principles (see also ISPI Performance Standards): Add Value Validated Practice Collaboration

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> Standards

These standards are intended to promote ethical practice in the profession of total performance technology en reflect the TPSI core values:
Focus on results

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> Seminars

- The most outstanding paper for Training and Mgmt Development Methods
- This article has been published in the journal Training and Management

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TPS BOOKS


TPS books confirms the professional management qualities of the certified company, where structure and culture confirm that the...

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Linking the Balanced Scorecard to Operational & Corporate Strategy

The True Value of HR & Balanced Scorecards

“This session shows how change initiatives gain order-of-magnitude improvement in operational results when deployed in the context of an organizational scorecard that is aligned with the individual employee’s own scorecard.”

Agenda

- 1. The Business Context.....** a value-driven customer strategy is a prerequisite for successful service delivery
- 2. Employee Culture Change....** is the key to sustained organizational performance, by aligning personal and organization scorecards
- 3. Looking for Results....** makes the difference

1. The Business Context

What if: You Were The Chief Marketing Officer (instead of VP of HR)

You need to increase *Customer Relationship* profitability:

- **Deepen** current relationships – volume, value, frequency, referrals
- **Win-Back** important customers
- **Acquire** new relationships

How are you going to:

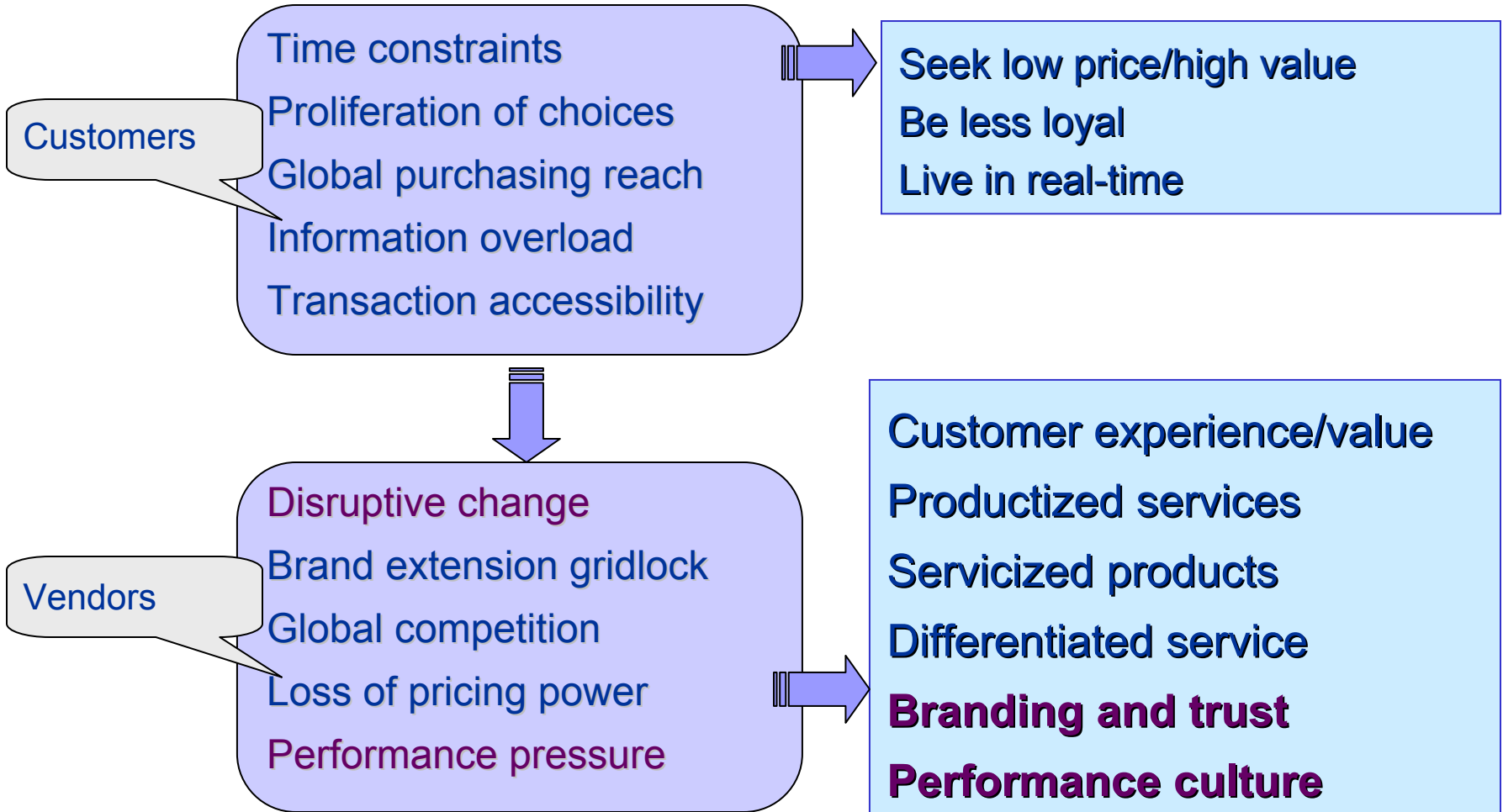
- Drive cost out of customer facing activities
- Move interactions to lower cost channels
- Build in responsiveness to your customers' needs and circumstances



Without impacting top-growth or losing any profitable customers?

Adjusting HR to the New Market Reality

Market Realities



"Sustaining profitable customer relationships requires real leadership", Bob Angel, Ivey Business Journal, November-December 2004

Objectives Driven Performance



Source: CRMA

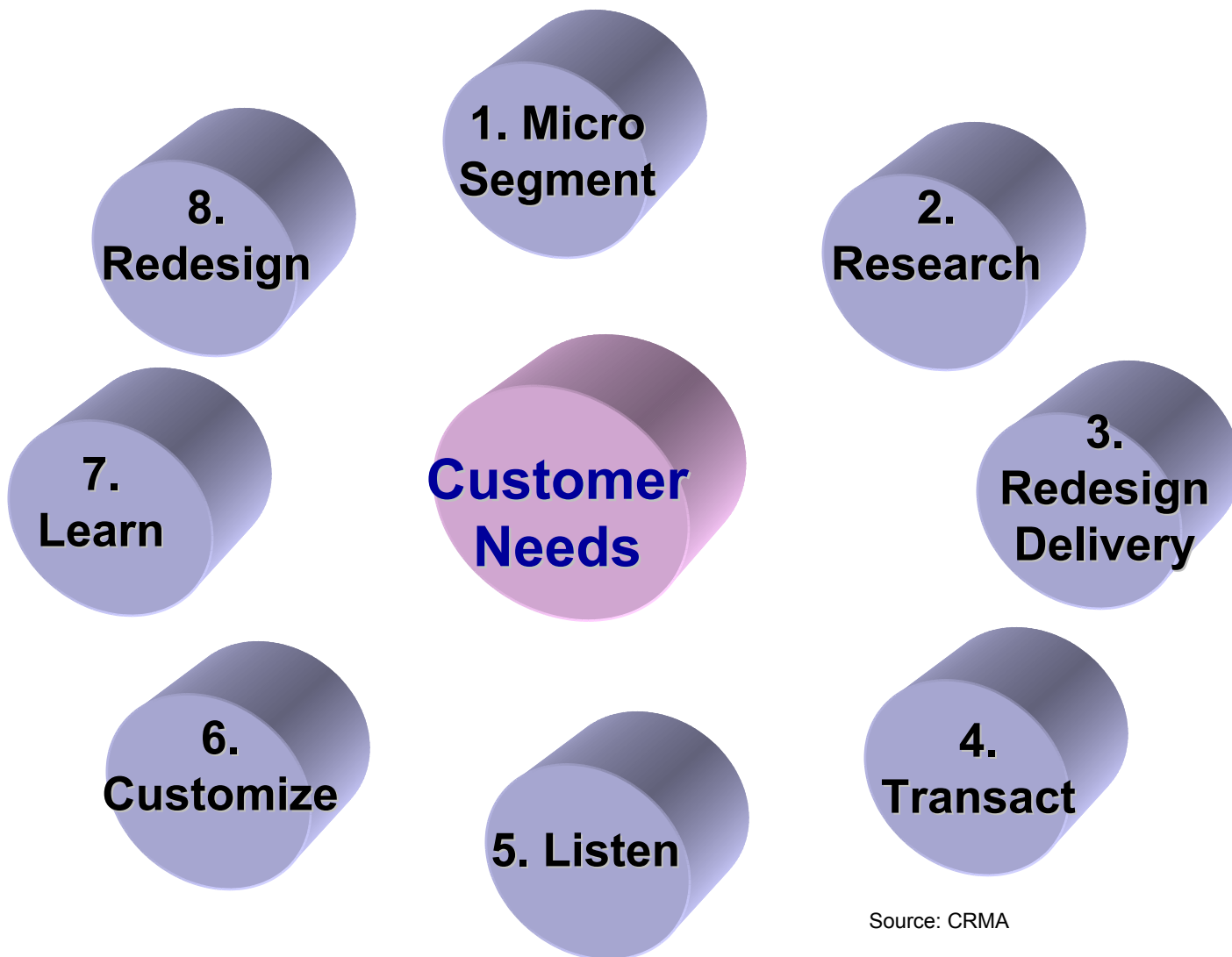
Silos, internally-focused, customers frustrated

Technology driven: Sales & marketing automation, web tools

Superficial business cases

Result: poor understanding of customers' & employees' individual needs

Customer-Centric Performance



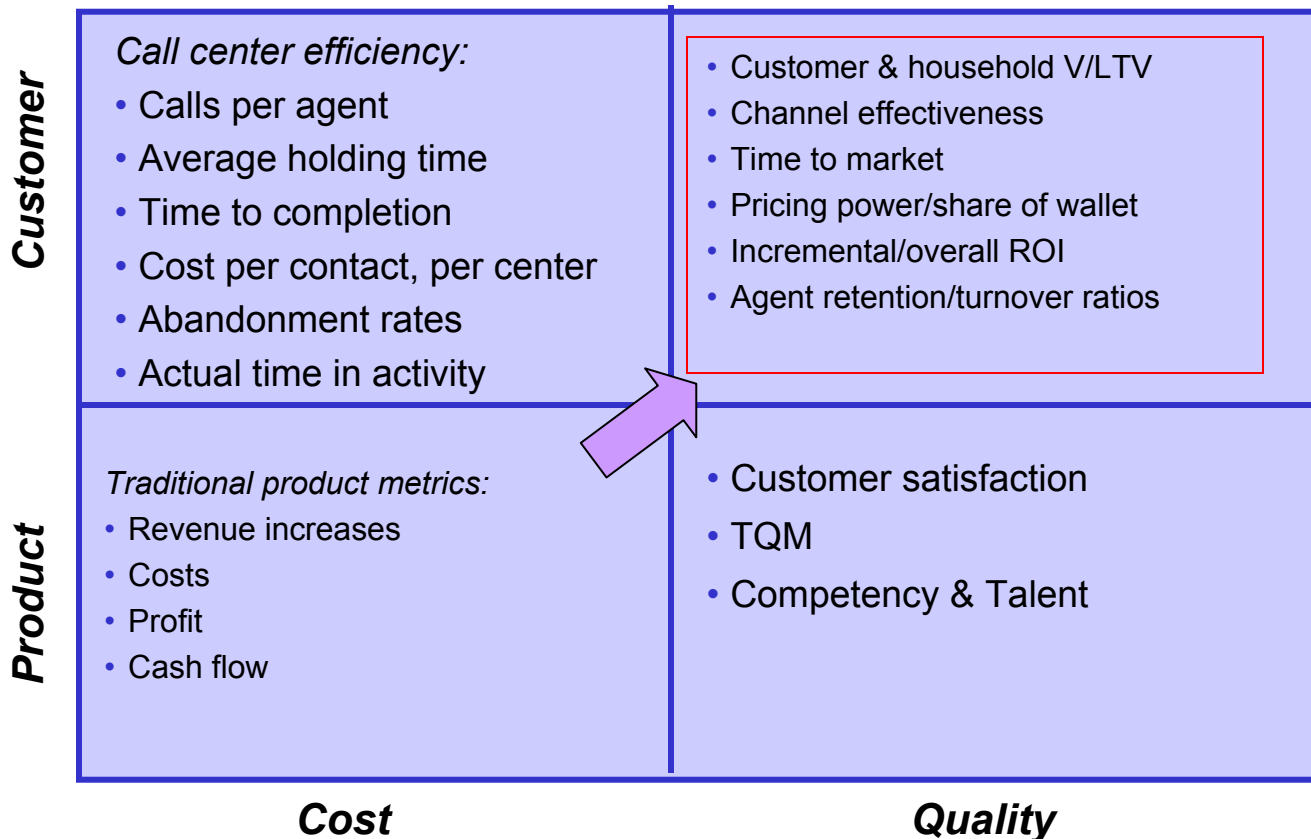
Customer strategies supported by tangible business case

Employee culture change required to move organization from MBO mindset

Source: CRMA

Outside-in relationships, enterprise-wide, teams, adaptive

Move From Cost Performance to Service Performance



*Metrics & measurement needs to be followed by
Action*

Organizational Culture Shift Required



Organizations must shift from:

- Marketing communiques
- Data silos
- Aggregated view
- Customer value
- Integration management

To:

- *customer dialog*
- *enterprise-wide customer knowledge*
- *granular view*
- *value for the customer*
- *performance management*

2. Employee Culture Change through Balanced Scorecard Linkage

Mental Absence → Major Cost

Mental absence = being physically present but not focused on the job

- Employees indicate that 20-50% of their capacity is not used
- 25% mental absence – annual costs of least US\$3 million per 100 employees
- 60-80% of absences caused by loss of motivation, not an illness

- TPS Research in the Netherlands, 2003-4

Employee Disengagement

Canadian workers feel neglected

- 43% rate their company as a good place to work
- 24% believe excellent performance is rewarded
- 52% have been given the training they need to properly perform their jobs

- Watson Wyatt's WorkCanada 2004/2005 survey

Innovation and Employee Performance

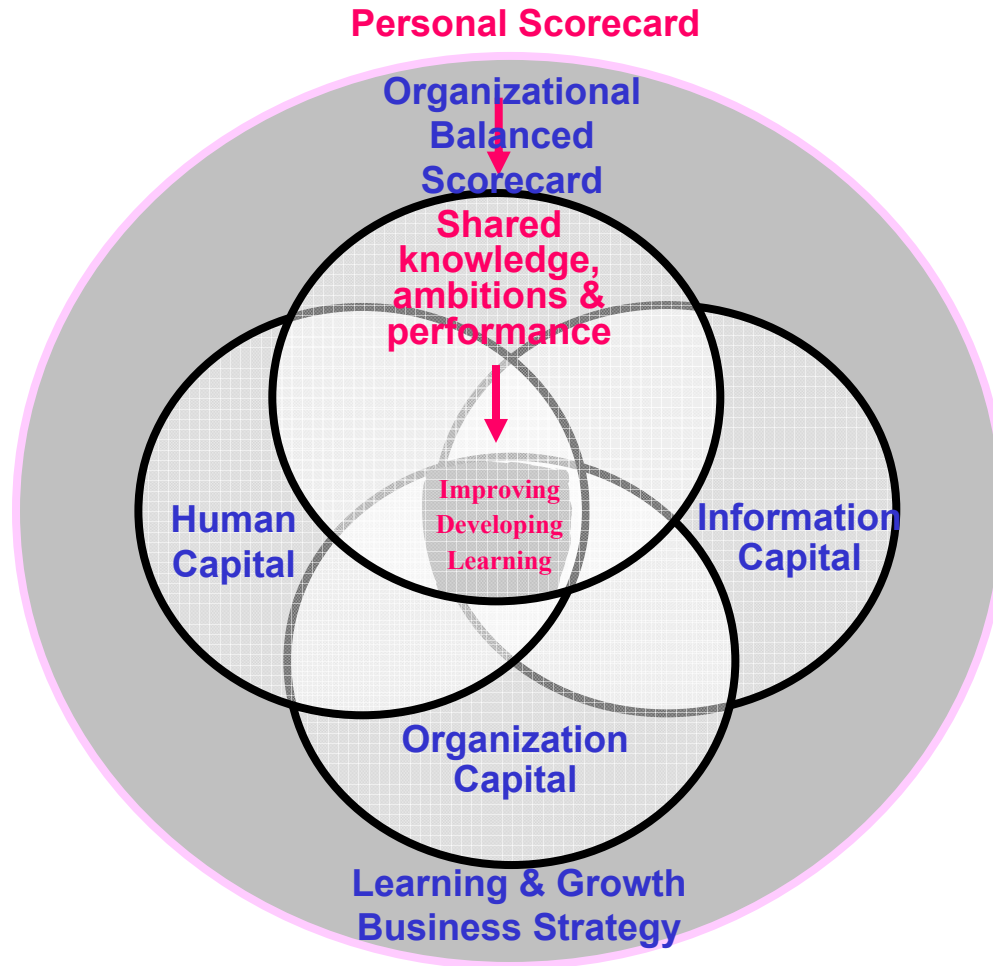
Performance Critical Success Factors

- 1. Performance Vision**
- 2. Linkage and alignment of goals**
- 3. Leadership development**
- 4. Talent and retention planning**
- 5. Ongoing support for performance culture**

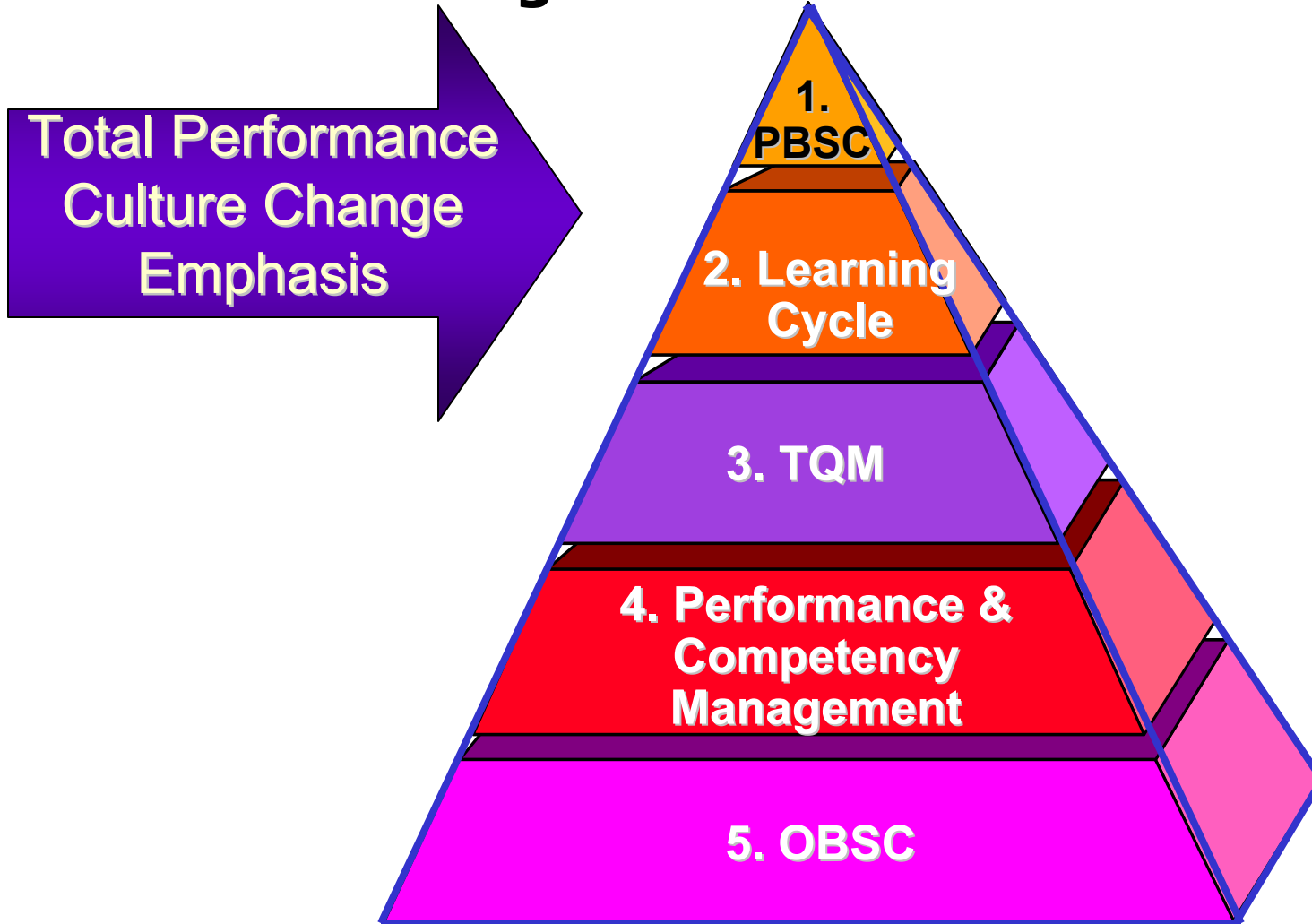
Prerequisites for Future Growth

Linking Organizational and Personal Goals

Goal: Sustained
High
Performance
Culture

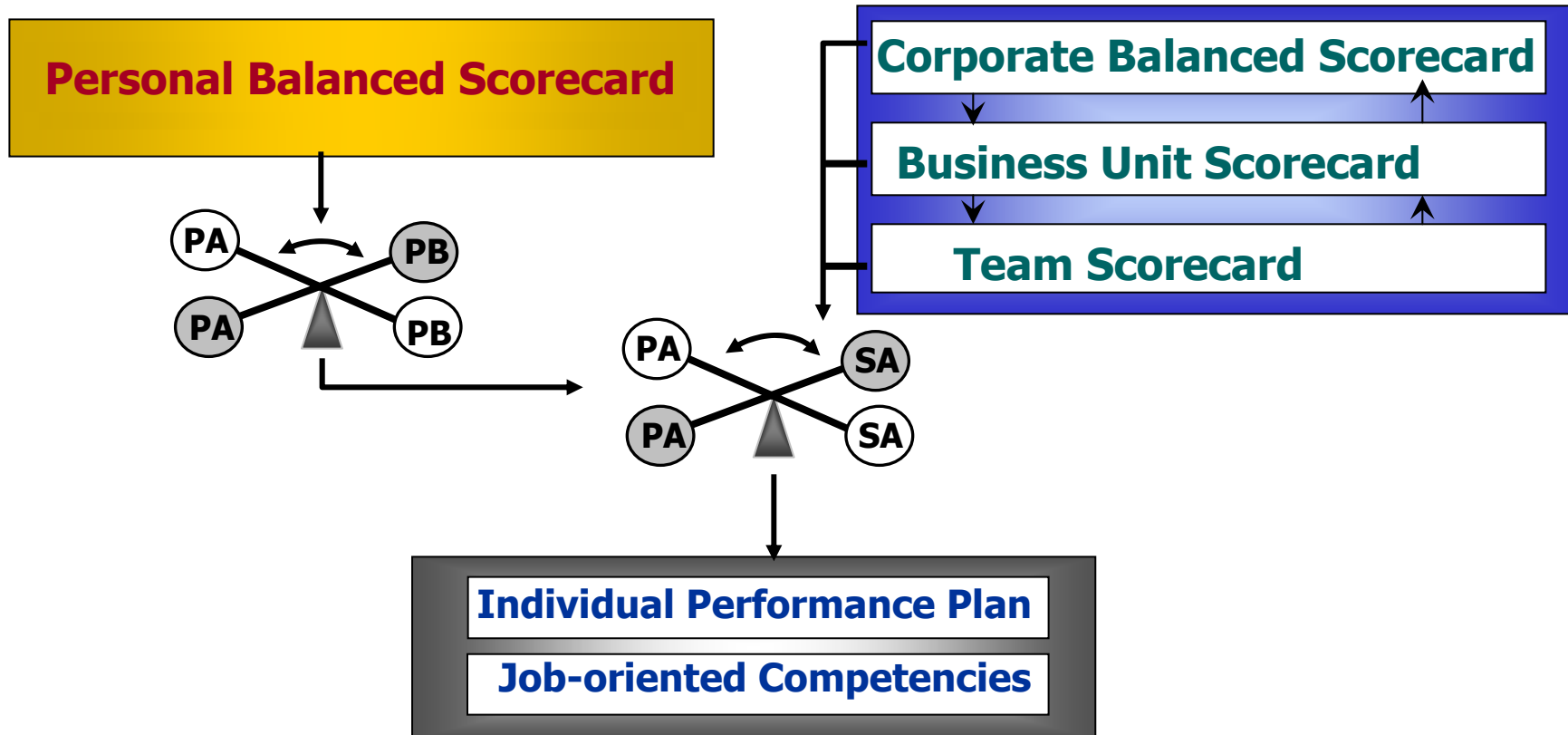


Total Performance: Creating a High Performance Culture



Fully integrated high performance environment to close the performance gap

Balancing the Scorecards



“The Missing Link”
Concordance between Personal Ambition (PA) and Personal Behavior (PB)

“The Missing Link”
Concordance between Personal Ambition (PA) and Shared Ambition (SA)

Balancing the Scorecards



ORGANIZATIONAL BALANCED SCORECARD

Organizational Mission

WHY DO WE EXIST?

Organizational Vision

WHERE ARE WE GOING TOGETHER?

Organizational Critical
Success Factors

WHICH FACTORS MAKE US UNIQUE?

Organizational Objectives

WHAT RESULTS DO WE WANT?

Organizational Performance
Measures and Targets

HOW CAN WE MEASURE THE RESULTS?

Organizational Improvement
Actions

HOW DO WE WANT TO ACHIEVE THE RESULTS?

PERSONAL BALANCED SCORECARD

Personal Mission

WHO AM I?

Personal Vision

WHERE AM I GOING?

**Personal Critical Success
Factors**

WHICH FACTORS MAKE ME UNIQUE?

Personal Objectives

WHICH PERSONAL RESULTS DO I WANT TO ACHIEVE?

**Personal Performance
Measures and Targets**

HOW CAN I MEASURE MY PERSONAL RESULTS?

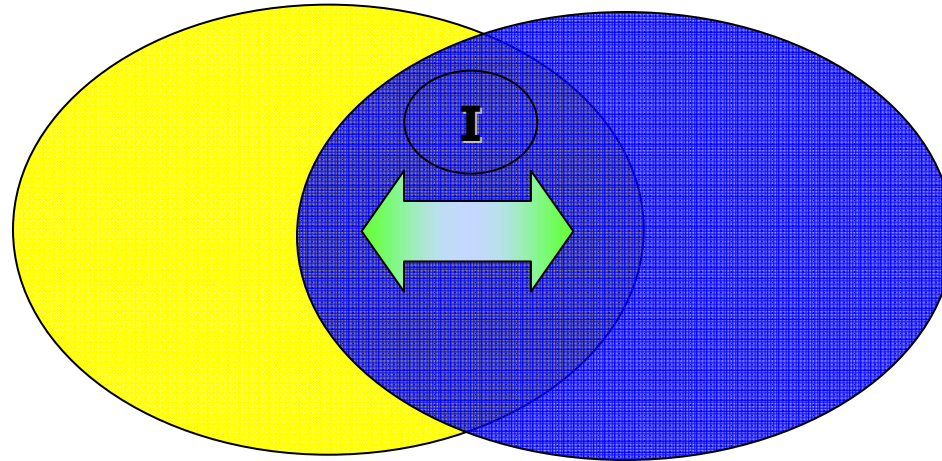
**Personal Improvement
Actions**

HOW DO I WANT TO ACHIEVE THE RESULTS?

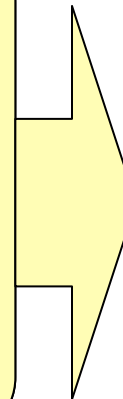
The Larger the Intersection Area, the Better

Personal ambition

Shared ambition

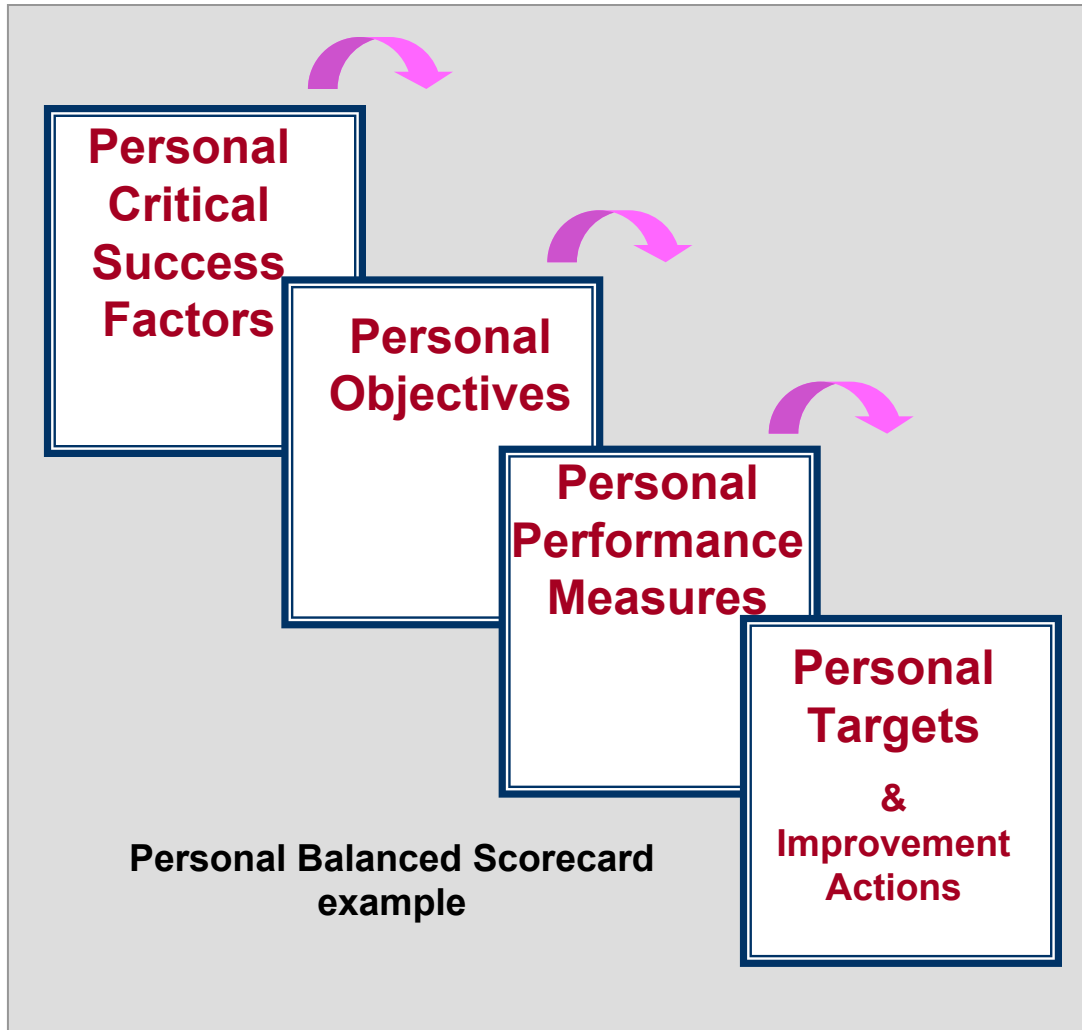


- **Sense of direction**
- **Inner Involvement**
- **Motivation**
- **Empowerment**
- **Proactivity**
- **Responsibility/commitment**
- **Trust**



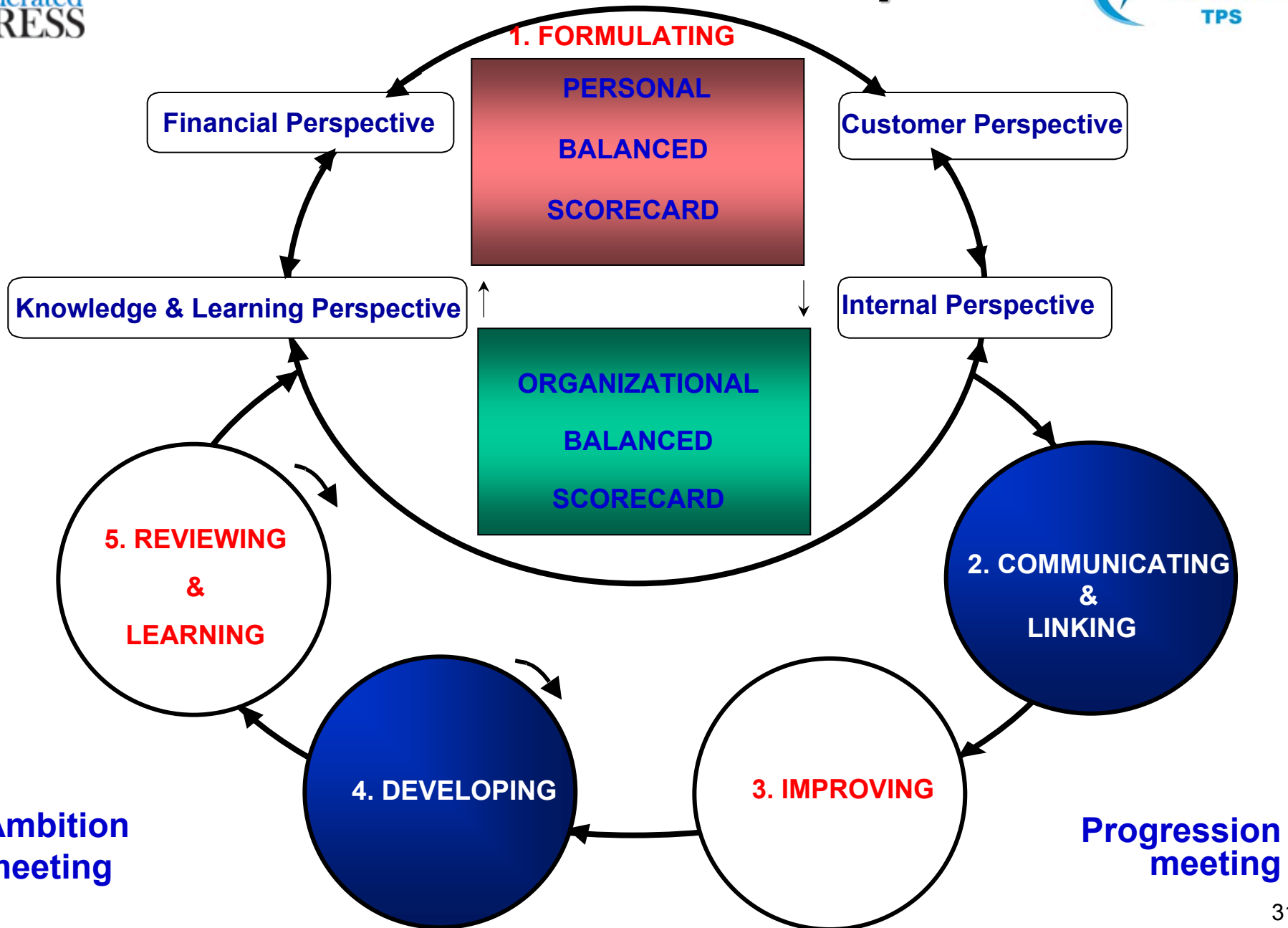
**Higher
 Performance**

Formulating Scorecards



- Personal and Organizational
- Actionable targets, measurable metrics
- Five phases:
 1. Formulating
 2. Communicating & linking
 3. Improving
 4. Developing
 5. Reviewing & Learning
- Align personal ambition with personal behavior
- Align personal ambition with organizational ambition

The TPS Five-Phase Cycle



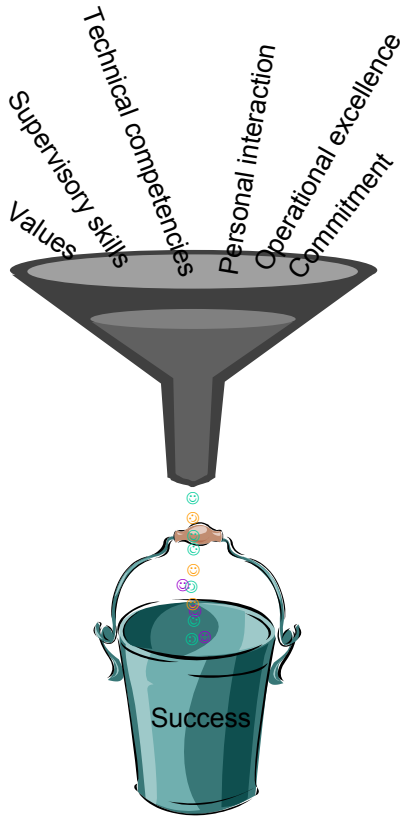
3. Looking for Results

<u>Organization Culture Diagnostic</u>	
<ul style="list-style-type: none"> • Process oriented • Job-oriented • Professionally linked • Closed • Tight Control • Normative 	<ul style="list-style-type: none"> • Result oriented • Personal-oriented • Organizationally linked • Open • Easy Control • Pragmatic

Service department diagnostic:

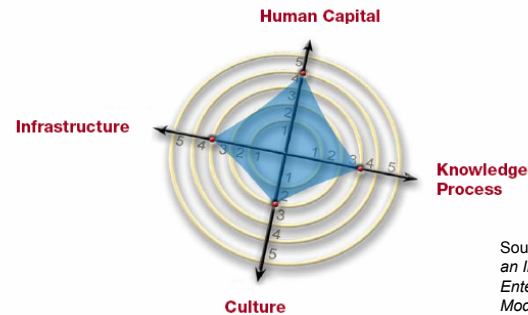
- Poor team approach and shared learning
- CEO's leadership style neglects personal - tight control stifles creativity and improvement
- Internal processes do not support staff and customers
- Poor financial performance, customer dissatisfaction

Case Study – Distribution



- Senior management personal score cards
- Performance plans aligned to organizational score card
- Group decision making sessions
- Coaching and competency skills addressed (talent management)
- Risk analysis of security enhancement project
- Next step: improvement plans for departments and individuals

Expected TPS Outcomes



Source: SAS *Five Steps to Evolving into an Intelligent, High-Performance Enterprise (The Information Evolution Model)*

- A more energized Leadership Team because of:
 - Clearer executive sense of direction transmitted to managers
 - Aligning executives and managers through developing PBSCs and sharing ambition
 - Linkage of individual to shared ambition and IPP
 - Improved coaching ability in Leadership Team
- Clarity of vision, objectives, sustainable culture, etc.
- Sustained measurable changes in key metrics, including in down-line managers

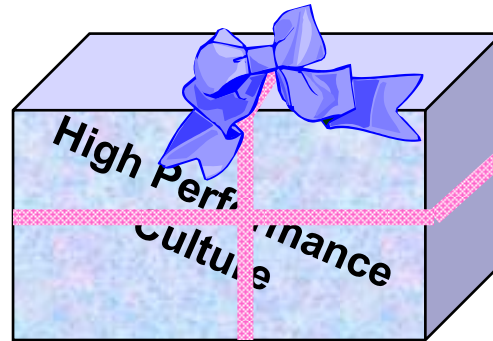
Potential: Towards a Learning Organization

- **Typical benefits over time:**
 - > **50% higher employee satisfaction**
 - > **20% higher usage of people's capacity & labour productivity**
 - > **20% higher customer satisfaction**
- **Working smarter instead of working harder**
- **Improved motivation, enjoyment and inner commitment**



Source: TPS Research in the Netherlands, 2003-4

Any Questions?



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