



leveraging know-how for performance!


Beyond Competencies—

Managing Employee and Organization Capability

ISPI Conference
April 6, 2008




Peter R. Hybert
20 Danada Square West, #102
Wheaton, IL 60187
ph: 630.682.1649
web: www.prhconsulting.com

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 Overview: We Can Do a Better Job with
Employee Capability...And We Should



"It is not necessary to change. Survival is not mandatory."
W. Edwards Deming

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The Opportunity

Premises

1. Companies spend a great deal of *effort* trying to build, manage, and improve employee and organization capability
2. Currently, internal organizations work *independently*
3. As a result of Item 2, deliverables are *not integrated*, there is redundant work, and there are gaps.
4. There are *opportunities* to eliminate waste, improve productivity, and deliver increased benefits to the organization.



The key to the above is the framework of capabilities that connects needs to solutions

Success Factors—How We Can Realize the Opportunity

1. Use a common/shared *analysis* methodology
2. Create an *integrated solution* set for the business
3. Develop/use a common *data management* and storage taxonomy
4. Grow *communities* of knowledge and practice



Session Objectives

By the end...you will be able to

- ▶ Describe workforce capability from a general business leadership perspective
- ▶ Summarize where current methods for managing capability fall short
- ▶ Describe a model for linking work process, capability, and roles
- ▶ Describe how various strategies for managing capability (e.g., assessment, qualification, training, performance support) can be integrated across an organization





SITUATION: Many Stakeholders, Mostly Unsatisfied



"Your most unhappy customers are your greatest source of learning."

Bill Gates



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What We Want is Clear...

- ▶ **Leaders** need to know what the capability of their organization is and needs to be
- ▶ **Employees** need to know what capabilities they need to develop for advancement
- ▶ **HR** needs to know what capabilities are needed so they can recruit for and retain them
- ▶ **"Capability Providers"** (e.g., performance consultants, trainers) need to know what capabilities exist and are needed so they can develop them



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What We Have Can be Unclear...

Performance Appraisal
QUALIFICATIONS
Corp Initiatives
Role Profiles
Curriculum
Training
Career Maps
Learning Objects
Knowledge Management

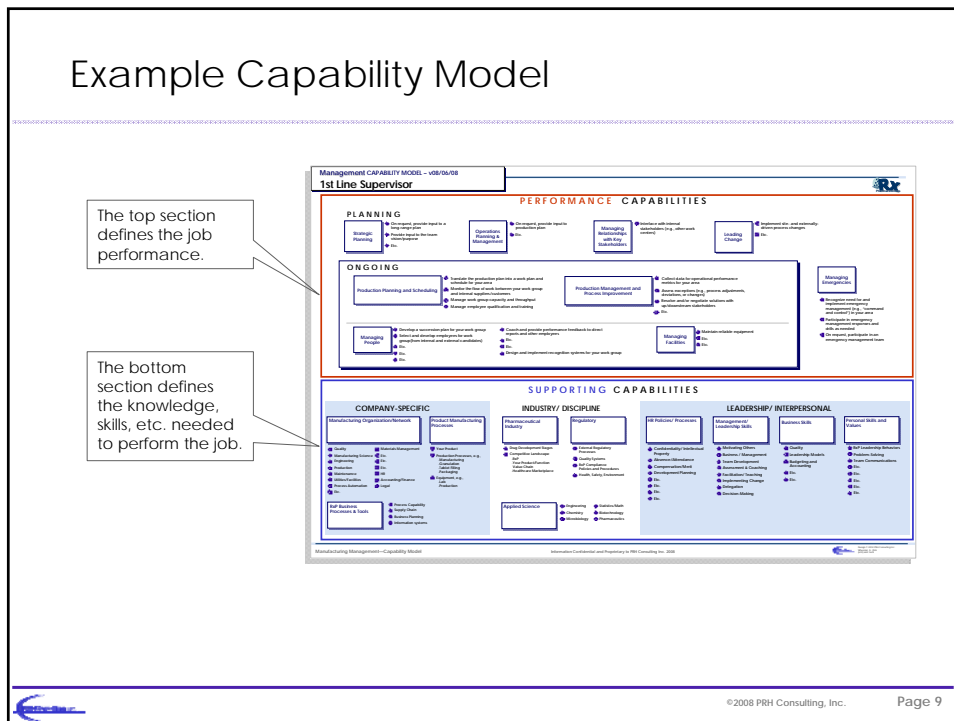
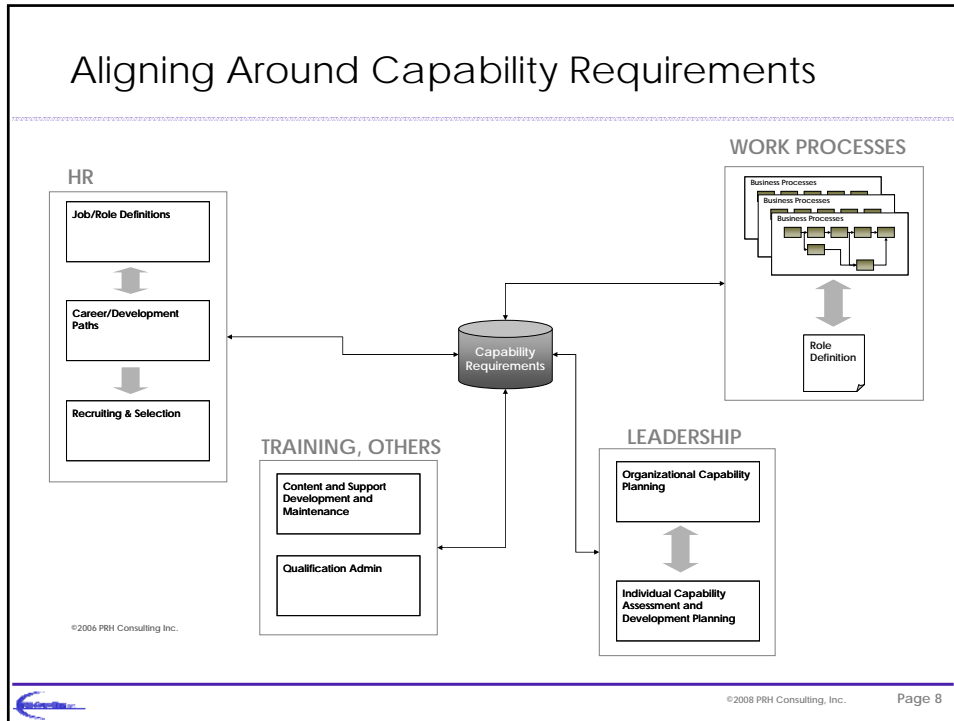
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€ The Opportunity: Alignment

"Honest disagreement is often a good sign of progress."
Ghandi

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PERFORMANCE CAPABILITIES

PLANNING

Strategic Planning

- On request, provide input to a long-range plan
- Provide input to the team vision/purpose
- Etc.

Operations Planning & Management

- On request, provide input to production plan
- Etc.

Managing Relationships with Key Stakeholders

- Interface with internal stakeholders (e.g., other work centers)

Leading Change

- Implement site- and externally-driven process changes
- Etc.

ONGOING

Production Planning and Scheduling

- Translate the production plan into a work plan and schedule for your area
- Monitor the flow of work between your work group and internal suppliers/customers
- Manage work group capacity and throughput
- Manage employee qualification and training

Managing People

- Develop a succession plan for your work group
- Select and develop employees for work group (from internal and external candidates)
- Etc.
- Etc.
- Etc.

Production Management and Process Improvement

- Collect data for operational performance metrics for your area
- Assess exceptions (e.g., process adjustments, deviations, or changes)
- Resolve and/or negotiate solutions with up/downstream stakeholders
- Etc.

Managing Facilities

- Maintain reliable equipment
- Etc.
- Etc.

Managing Emergencies

- Recognize need for and implement emergency management (e.g., "command and control") in your area
- Participate in emergency management responses and drills as needed
- On request, participate in an emergency management team

SUPPORTING CAPABILITIES

COMPANY-SPECIFIC

Manufacturing Organization/Network

- Quality
- Manufacturing Science
- Engineering
- Production
- Maintenance
- Utilities/Facilities
- Process Automation
- Etc.

Product Manufacturing Processes

- Your Product
 - Production Processes, e.g.,
 - Manufacturing
 - Granulation
 - Tablet Filling
 - Packaging
 - Equipment, e.g.,
 - Lab
 - Production

Pharmaceutical Industry

- Drug Development Stages
- Competitive Landscape
- Your Product/Function
- Value Chain
- Healthcare Marketplace

Regulatory

- External Regulatory Processes
- Quality Systems
- RxP Compliance
- Policies and Procedures
- Health, Safety, Environment

HR Policies/ Processes

- Confidentiality/ Intellectual Property
- Absence/Attendance
- Compensation/Merit
- Development Planning
- Etc.
- Etc.
- Etc.
- Etc.

Management/ Leadership Skills

- Motivating Others
- Business / Management
- Team Development
- Assessment & Coaching
- Facilitation/ Teaching
- Implementing Change
- Delegation
- Decision-Making

Business Skills

- Quality
- Leadership Models
- Budgeting and Accounting
- Etc.
- Etc.

Personal Skills and Values

- RxP Leadership Behaviors
- Problem-Solving
- Team Communications
- Etc.
- Etc.
- Etc.
- Etc.

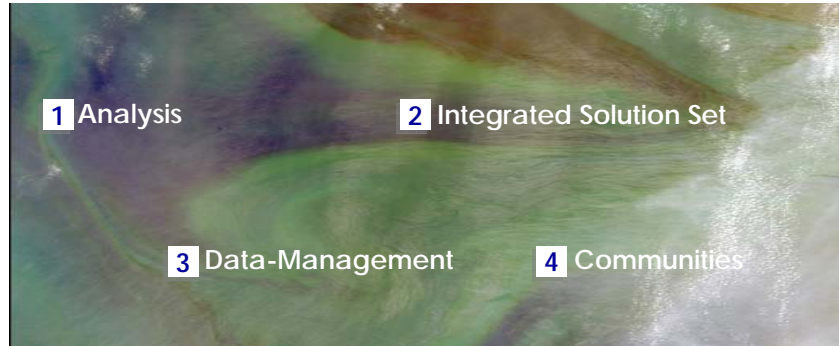
RxP Business Processes & Tools

- Process Capability
- Supply Chain
- Business Planning
- Information systems

Applied Science

- Engineering
- Chemistry
- Microbiology
- Statistics/Math
- Biotechnology
- Pharmaceutics

€ Success Factors: **Necessary Technologies**

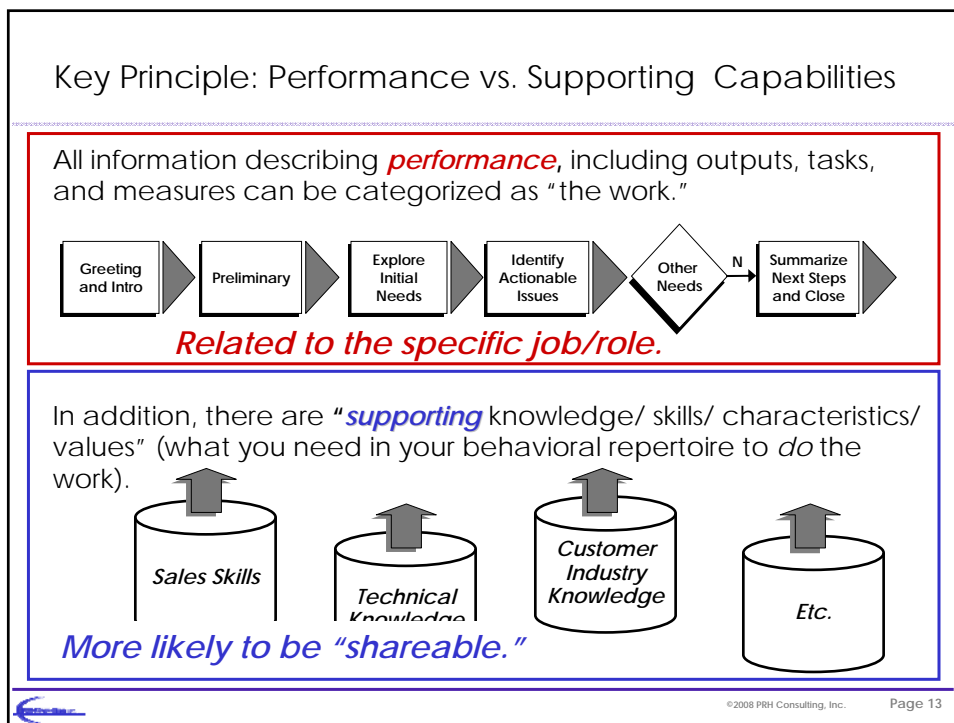
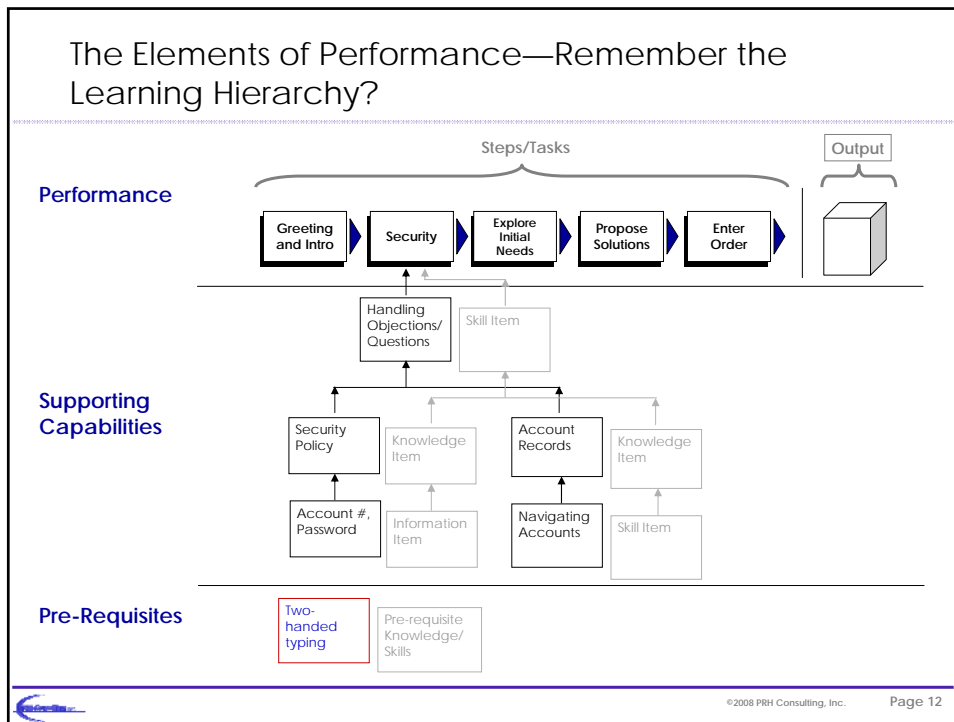


€ Technology **1** Analysis

Analysis consists of taking apart and examining something to find patterns, the internal logic, so you can better understand it.

“Frame by frame. Death by drowning in your own analysis.”
Adrian Belew





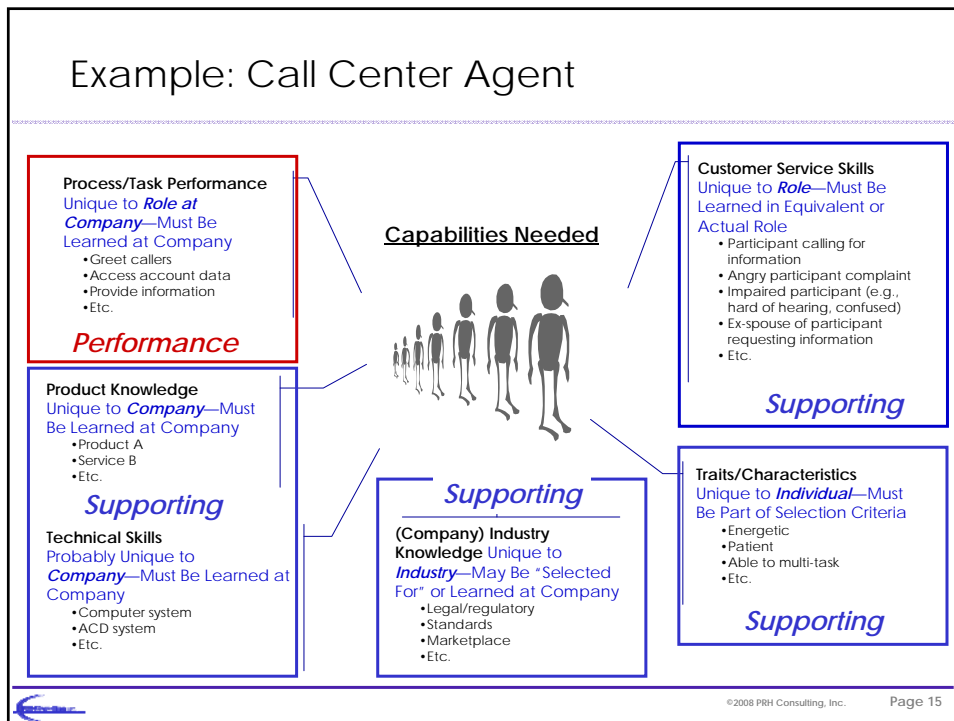
Practice: Performance vs. Supporting

Role	Example Capabilities	Performance	Supporting
Doctor	<ul style="list-style-type: none"> • Sterile environment practices • Suturing skills • Executing a specific procedure (e.g., angioplasty) • Principles of malpractice claims 		
Engineer	<ul style="list-style-type: none"> • Competitive product capabilities • How to use the CAD system • Materials characteristics (e.g., melting point) • Design a cruise control switch 		
Customer Service Agent	<ul style="list-style-type: none"> • Policy about credit for returns • Clarify the caller's initial question • How to navigate the customer account data systems 		

"Litmus Test" Questions

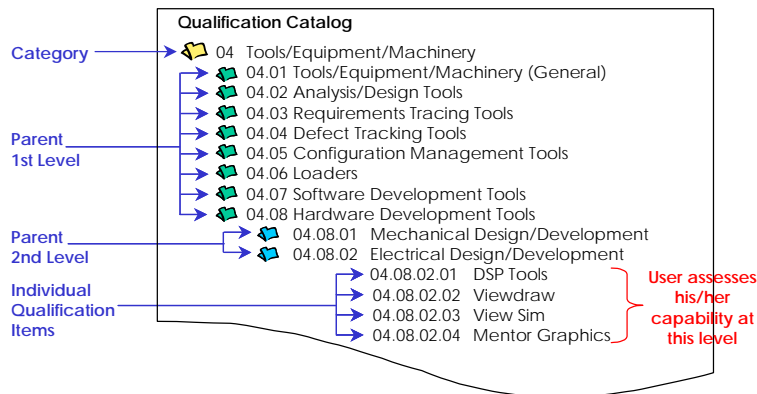
- Are you on the *payroll* to do this?
- Is it something you *do* or something you use to do something else?

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Example: Section of Engineer Capability List

Raw analysis data has to eventually be converted to an organized set of capabilities.




Activity: You Own a Cleaner/Laundry Business!

- Purpose:** Break a simple performance into capabilities
- ▶ Identify as either “performance” or “supporting”
 - ▶ Classify supporting capabilities


- Supporting Materials:**
- ▶ Diagram of the business
 - ▶ Worksheet
 - ▶ Three to four other participants and your imaginations



The Clothes Pin


Activity: The Business


You are the majority stockholder of a privately held laundry/ cleaning business. Overall, revenue is \$2.6M/yr.



Storefront (x3)

- Services
 - Laundry and pressing
 - Customer service
- Labor: Mix of part-time and full-time
- Hours:
 - Open to public from 6:30am to 8pm, M-Sat
 - Operations 24 hours


Clothes may be processed at either location, depending on workload and type of processing



Central Plant

- Services
 - Customer service
 - Laundry and pressing
 - Dry cleaning
 - Drapery cleaning
 - Fur storage
- Labor: Mostly full-time
- Hours:
 - Open to public from 6:30am to 8pm, M-Sat
 - Operations 24 hours

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The Clothes Pin


Activity: Your (Business) Goal

You would like to deliver consistent customer service at all locations and be able to move employees from site to site as needed. For that to work, you will need to be more systematic about the way you manage the capabilities of your workers.

Your first priority is customer service. Your current situation includes the following:

- ▶ The cash register/ order processing system at the plant is different (more complex and newer) than at the three sites.
- ▶ Sites 1 and 2 use the same equipment. Site 3 uses an older system that is mostly manual. (You purchased the third site last year from a competitor that retired.)
- ▶ Most of your labor at Site 2 are students from a nearby college. However, the majority of your labor force is made up of late/ middle-age, lower education workers. Many speak only minimal English.

You decide to analyze the process for receiving an order, from greeting the customer to transferring the order to operations. (This includes entering the order, sorting and bagging the clothes, and tagging the bag. The order is transferred when the bag is dropped in the "in" basket and the order is forwarded in the system.)

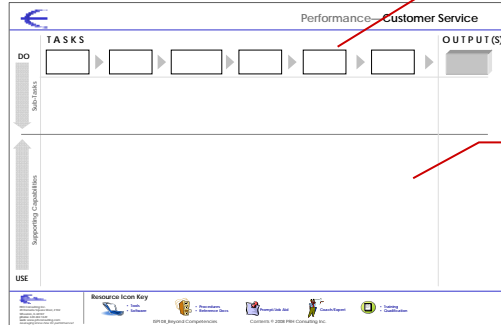
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Activity: Your (Activity) Goal



Work in groups of four to six people.

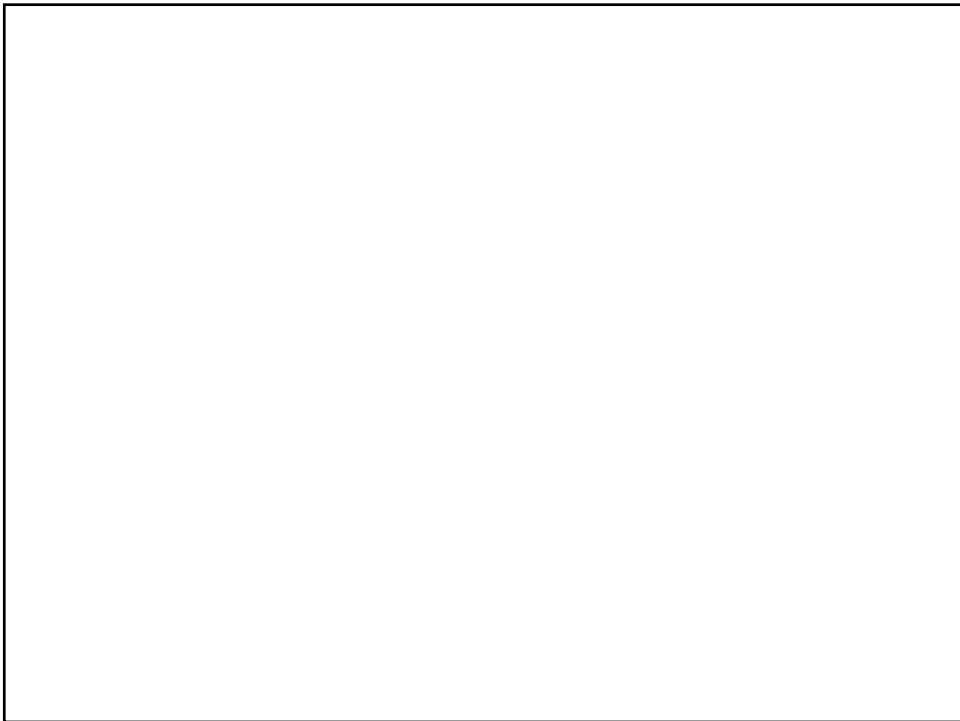
Break the customer service work into a set of capabilities. Go into as much (or as little) detail as you need to be able to



Identify process steps and job tasks.

Identify the supporting capabilities needed to perform the process steps and job tasks.

Tip: Don't worry about getting the supporting capabilities organized or linked to the performance at this point.



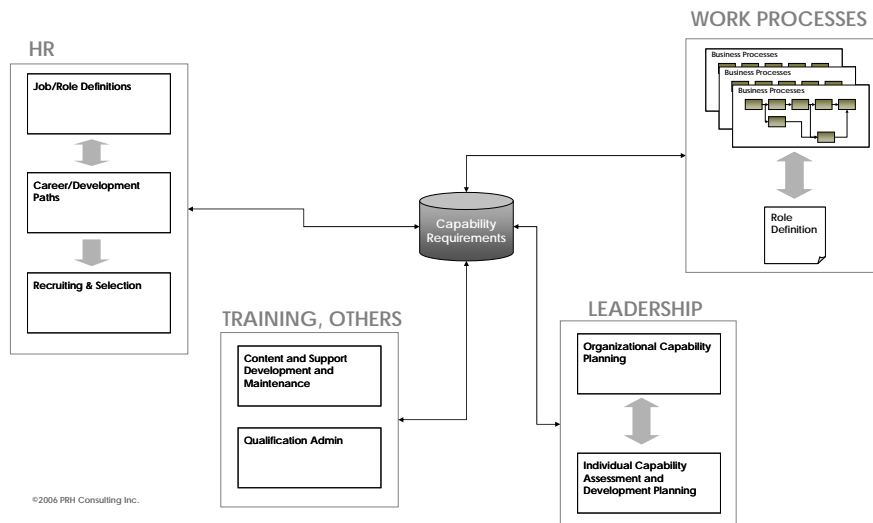
Technology 2 Integrated Solution Set

Solutions are specific ways of meeting a need—more than one will often work but there are always trade-offs.

“For a successful technology, reality must take precedence over public relations, for Nature cannot be fooled.”
Richard Feynman



Overall System View



Start from Capability Requirements...

...then design an integrated set of solutions.

<p>Requirements</p> <ul style="list-style-type: none"> • Capability A <ul style="list-style-type: none"> • Subcap 1 • Subcap 2 • Subcap 3 • Capability B <ul style="list-style-type: none"> • Subcap 1 • Subcap 2 • Subcap 3 • Etc. 		<p>Capability-Related Interventions</p> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px; width: fit-content;">Career Path</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px; width: fit-content;">Training</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px; width: fit-content;">Qualification Test(s)</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px; width: fit-content;">Selection Instruments</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px; width: fit-content;">Knowledge Management</div>
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...OR define a *library of components* that can be shared across the organization.

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Activity Part 2: You Still Own a Cleaner/Laundry Business!

Purpose:	<p>Consolidate/ clarify capabilities for communication</p> <ul style="list-style-type: none"> ▶ Distill wording/ consolidate to manageable level of detail ▶ Identifying categories to help with communication and sharing
Supporting Materials:	<ul style="list-style-type: none"> ▶ Starter capability model diagram ▶ Four to six other participants and your imaginations

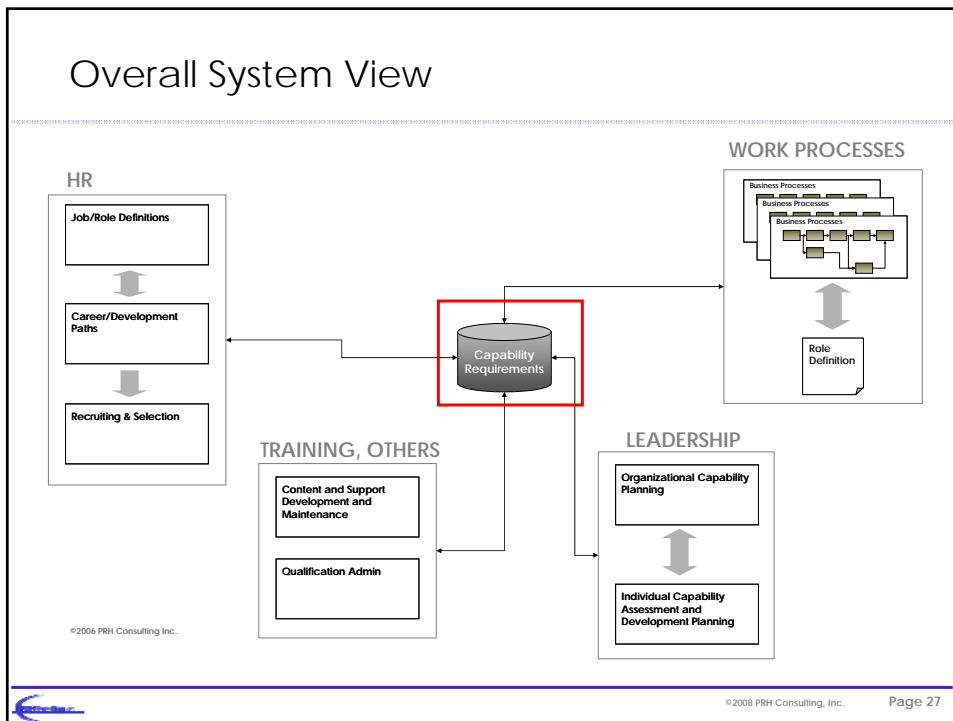
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Technology **3** Data-Management and Storage
Taxonomies

An effective approach requires an intuitive interface (for the user) but the ability to handle the necessary complexity.

"Not afraid?? You will be...You *will* be."

Yoda



Key: Managing Lots of Small Components

From the *Business User* Perspective

Org 1, Role 1

Org 2, Role 1

Interpersonal

A	E	I
B	F	J
C	G	K
D	H	L

Technical

M	Q	U
N	R	V
O	S	W
P	T	X

Legal/Regulatory

Y	CC	GG
Z	DD	HH
AA	EE	II
BB	FF	JJ

Etc.

KK	OO	SS	WW
LL	PP	TT	XX
MM	QQ	UU	YY
NN	RR	VV	ZZ

From the *"Supplier"* Perspective

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"Complex" and "Complicated" are Two Different Things

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There are basic components in a number of disciplines.

Cooking uses recipes...

Manufacturing uses the Bill of Materials...

Chemistry uses the Periodic Table...

Taxonomy

“Categories, which designate rank in a hierarchy, and taxa (plural for taxon), which designates named groupings of organisms, are thus two very different kinds of phenomena.

Controversy usually reigns supreme [emphasis added] over whether or not a particular group is truly distinct enough to be a new taxon. If it is a new taxon, taxonomists then determine which category the taxon will be placed in...”

The “Start and End” of Taxonomy and Classification



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What Would a “Human Performance Capability Taxonomy” Look Like?

Capability: Ability to “do stuff”—kind of like objectives

- ▶ It would describe **content vs. type** (e.g., rather than “concepts” it would contain the actual intended concepts)
- ▶ Organized in a way that **fits the business** (e.g., roles, technologies, functions, processes)
- ▶ Can be “**rolled up**” or “**drilled down**” but, ultimately able to go to small components (like Bill of Materials)
- ▶ **Discrete**, definable, specific—can be developed independently
- ▶ **Relational**—some are subordinate to one or many others

Example: Engineer Performance

Code	Name	Requirements		Description
		All Level	Senior Level	
01.04.0205	Conduct management and concurrent engineering reviews	1	1	<ul style="list-style-type: none"> • Describe management and concurrent engineering reviews process <ul style="list-style-type: none"> - Purpose/importance - Steps - Inputs/outputs - Roles - Documentation • Conduct management briefing/program review and document action items <ul style="list-style-type: none"> - Receive request/schedule management briefing (or per project schedule) - Prepare briefing <ul style="list-style-type: none"> - Previous action item follow-up - Status data - Risk - Action plans - Forecast to complete - Etc. - Conduct dry run and strategy/planning session (if applicable) - Deliver briefing <ul style="list-style-type: none"> - Email - One-on-one - Group - Document action items • Develop/document concurrent engineering review meetings decisions/action items (minutes) <ul style="list-style-type: none"> - Identify the concurrent engineering review agenda <ul style="list-style-type: none"> - Minutes - Transition to history - Etc. - Determine time/date/location - Identify attendees and invite (including representatives from all disciplines, e.g., PC drafting, production, etc.) - Lead/facilitate the review <ul style="list-style-type: none"> - Capture minutes of the review - Attendance - Date

"Assignable Chunk" (points to Code)

Tasks/Components (points to Name)

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Example Supporting Capabilities: Engineer


Certain capabilities *support* the performance of tasks

02.01.03	Computer interfaces (I/O)
02.01.03.01	RS232/423
02.01.03.02	Interconnect board design
02.01.03.03	Bus technology
02.01.03.04	Fiber optics
02.01.03.05	Digital I/O

The capability for each in this category may be

- Knowledge of what it is
- Knowledge of how it works
- Knowledge of its strengths and limitations
- Information sources for more detail

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Technology **4** Communities of Knowledge and Practice

To build, implement, and improve integrated solutions requires cross-functional participation and ownership.

“In the great cult of behavior, knowledge is given the place of honor—knowledge for its own sake.”

Thomas Gilbert





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What Type of Communities Do We Need?

<u>Providers</u>	<u>End-Users</u>
<ul style="list-style-type: none"> ▶ Leadership/champions to <ul style="list-style-type: none"> • Support the integration • “Referee” difficult decisions ▶ Cross-functional teams to <ul style="list-style-type: none"> • Analyze work, • Define the capabilities • Design solution elements ▶ “Subject area” liaisons 	<ul style="list-style-type: none"> ▶ “Subject area owners” to provide know-how and content to provider teams on performance and/or supporting capability areas ▶ Application users (i.e., managers and individual contributors) ▶ Leaders/champions



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€ So What? Potential Next Steps



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How to Make This Work Without Trying to "Boil the Ocean"

- ▶ Set up the structure—create prototypes of
 - The various deliverables (e.g., career path, capability model, etc.)
 - Simple data management plan
- ▶ Find toward a manageable "end to end" application (or even a focused pilot)
- ▶ Expand to other areas on a strategic need basis

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Summary and Q & A

- ▶ The business needs capable performers
- ▶ Competencies, skill dictionaries, and training curriculum alone are too static or unstructured to meet the business need—things change constantly
- ▶ Instead of continuous churn
 - Analyze work down to the components of capability
 - Construct an integrated HR solution set based on the components of capability
 - Build and manage the components of the system to keep them in alignment with the design
- ▶ Plan for upcoming business changes to get ahead of the impact on capability requirements



For More Information . . .

Contact

Peter R. Hybert
PRH Consulting, Inc.
20 Danada Square West, #102
Wheaton, IL 60187
phone: 630.682.1649
email: pete@prhconsulting.com
web: www.prhconsulting.com

See Also

Articles available on the website (or by request)

- Systems that Help People Get Work Done*
- Give the Customer What He Meant to Ask For (published in Performance Improvement, Vol. 40, #9)*
- Training versus Non-training Solutions
- Performance-Based Training is (a Little) Harder to Do
- Simulations for Corporate Training
- Curriculum architecture design for retail site managers
- Qualification system for engineers
- *And more...*

* Available here as supplies last. Other topics also available.



Session Presenter

Peter R. Hybert



Pete has been in the human performance improvement field since 1984 and has been a consultant since 1989.

His clients include many Fortune 500 firms. He has analyzed, designed, and developed training and development for almost every type of business function and process.

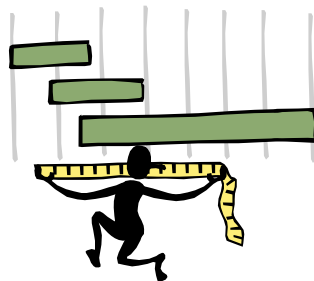
Pete is the author of more than twenty articles and has presented more than twenty times at international conferences and local chapters of ISPI, ASQ, and ASTD. He has also served as the chairperson for ISPI's Awards of Excellence Committee and a President of the Chicago Chapter of ISPI.

- ▶ Analyzed over 100 jobs and work processes
- ▶ Designed over 40 modular curriculum architectures and developed over 50 training and performance support solutions
- ▶ Designed, developed, and implemented qualification systems and instruments for engineers, technicians, validation specialists, project managers, and service engineers
- ▶ Designed, developed, and implemented performance-based competency systems, including assessment tools, coaching tools, and links to curriculum



Session Close

Thanks for your attention!



Please remember to fill out a session evaluation form!

