



Six programs demonstrating key factors in creating a high performance workplace. Includes major case studies of Mobil and Centrelink.

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VIDEO WORKBOOK



SEVEN DIMENSIONS

SEVEN DIMENSIONS is a Melbourne-based video and training resources production company, specialising in business training products. Eve Ash, a psychologist and trainer, established Seven Dimensions in 1979.

Eve Ash is one of Australia's most successful producers of training films, videos and resources. Since 1979, Eve has produced over 400 training video titles which are distributed in 40 countries and have won over 110 international awards for creativity and excellence.

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Overview

Creating a High Performance Workplace is a training package which includes:

- ♦ six videos
- ♦ a workbook with self-paced learning modules for each video.

This training package will take you through key factors and processes in creating a high performance workplace. The six videos provide a comprehensive strategy for achieving high performance through effective leadership, team-based work systems, quality customer service, the Balanced Scorecard and Key Performance Indicators (KPIs) and systems of reward and recognition.

The series follows the experience of two very different Australian workplaces, each at a different stage in the process of achieving high performance - a Mobil Oil lube plant which has already achieved dramatic new levels of high performance, and Centrelink, a government agency, which is in the early stages of the process of change. The videos include expert comment, information and analysis from staff, managers and workplace consultants.

Target Audience

A high performance workplace is one where everyone in the organisation contributes to those levels of performance. This package is appropriate for executives, managers, supervisors/team leaders, team members and even frontline employees. Whether you are the CEO, a senior executive, manager, consultant, team leader or team member, **Creating a High Performance Workplace** will assist you in:

- ♦ exploring the issues and concepts related to high performance
- ♦ developing skills and strategies for creating a high performance workplace.

Creating a High Performance Workplace has been uniquely designed to be used with a diverse audience. The training package (videos and workbook modules) can be completed by individuals in self-paced learning, or it can be used in group training workshops and discussions.

Description of Videos

The six videos in **Creating a High Performance Workplace** are:

VIDEO 1: STRATEGIES FOR CHANGE (14 mins)

This video sets out the fundamental steps needed to move to high performance - benchmarking, developing a framework for change, identifying and strengthening partnerships with stakeholders and creating an environment which facilitates and maintains continuous growth and ongoing development.

- ♦ Benchmark to Improve
- ♦ Develop a Blueprint for Change
- ♦ Improve Partnerships
- ♦ Create a Learning Environment

VIDEO 2: SUCCESSFUL LEADERSHIP (14 mins)

Effective leadership is an essential factor in achieving high performance. This video identifies key leadership qualities and skills for leaders at all levels of an organisation. Find out what makes a good leader and explore how you can become a successful leader.

- ♦ Develop Trust
- ♦ Be a Motivator
- ♦ Show Competence
- ♦ Be Supportive
- ♦ Provide Direction
- ♦ Empower Others

VIDEO 3: PUTTING CUSTOMERS FIRST (15 mins)

This video covers key training areas for achieving superior customer service by putting customers first. These include identifying customers, asking for feedback, injecting service enthusiasm and streamlining service procedures to provide personalised service and ensure customer satisfaction.

- ♦ Know Your Customers
- ♦ Ask for Customer Feedback
- ♦ Create Service Enthusiasm
- ♦ Streamline Procedures
- ♦ Personalise Service
- ♦ Ensure Satisfaction

VIDEO 4: SUCCESS FACTORS FOR TEAMS (12 mins)

Organisations must recognise the value of teams in achieving high performance and put time and resources into making sure teams are successful. This video outlines six key factors to increase commitment and accountability and improve the productivity, efficiency, morale and overall performance of teams.

- ♦ Clarify Purpose
- ♦ Determine the Game Plan
- ♦ Clarify Roles
- ♦ Develop Ground Rules
- ♦ Communicate and Consult
- ♦ Energise the Team

VIDEO 5: THE BALANCED SCORECARD (13 mins)

This video shows how Mobil and Centrelink are using the Balanced Scorecard to measure performance. The Scorecard uses both financial and non-financial Key Performance Indicators. Management and staff establish KPIs for the whole organisation as well as for each level of the organisation.

- ♦ Introduce a Balanced Scorecard
- ♦ Develop and Implement KPIs
- ♦ Review Progress

VIDEO 6: REWARDING PERFORMANCE (13 mins)

Organisations need to recognise and reward individual, team and organisational achievements. This video sets out steps for achieving high performance by establishing appropriate and successful systems of reward and recognition.

- ♦ Make a Commitment
- ♦ Choose Rewards
- ♦ Negotiate Agreements
- ♦ Maintain Momentum

Video 5

THE BALANCED SCORECARD



1. TARGET AUDIENCE

This module of the workbook is designed to be used in conjunction with the video **The Balanced Scorecard**. It introduces the Balanced Scorecard and Key Performance Indicators as a framework for measurement and management systems which take into account all aspects of the organisation - financial, customers, internal processes and people. It will be useful for people at all levels of your organisation.

2. BACKGROUND

Traditionally, organisations have used financial indicators to measure performance. Two organisations *Mobil* and *Centrelink*, recognised the value of the Balanced Scorecard approach to measuring performance and the need to put time and resources into having realistic performance indicators.

3. KEY TRAINING POINTS

This module will challenge you to think about how a Balanced Scorecard approach to performance measurement and Key Performance Indicators can really improve overall workplace performance.

Improving performance by improving the measurement system involves three key steps:

- ♦ Introduce a Balanced Scorecard
- ♦ Develop and implement Key Performance Indicators (KPIs)
- ♦ Review progress (using the Balanced Scorecard and KPIs)

4. USING THIS MODULE

This module comprises a series of activities and discussions. Taking an active role whilst watching the video and working through this workbook will enable you to gain the most value from your investment in time and resources.

This video and workbook module can be completed by individuals in self-paced learning, or it can be used in group training workshops and discussions.

The best way to use this video and workbook is to complete the activities and watch the video segments in the following way.

Before the video

Complete activity 1

*Watch the video to the end of **Introduce a Balanced Scorecard***

Complete activities 2 & 3

*Watch the video to the end of **Develop and Implement KPIs***

Complete activities 4, 5 & 6

Watch to the end of the video

Complete activity 7

Activity 1

What do you Know?

Complete this activity before watching the video **The Balanced Scorecard**.

Make notes about the following.

What are Key Performance Indicators?

What is a Balanced Scorecard?

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Activity 2

What is a Balanced Scorecard?

Complete this activity after watching the **Introduce a Balanced Scorecard** segment of the video **The Balanced Scorecard**.

The Balanced Scorecard is a way of measuring performance from both financial and non-financial perspectives. It covers both quantifiable outcomes and subjective performance. It's a holistic view, providing a measure of the whole of the business, not just parts of it, thus the term 'balanced'. The concept is based upon the work of R. Kaplan and D. Norton's, *The Balanced Scorecard*, HBS Press, 1996.

The Balanced Scorecard translates an organisation's/team's vision and strategy into a set of objectives. These objectives are then translated into a system of linked performance measures that communicate a proactive and strategic focus to all in the organisation and within each team. It measures performance from four major perspectives:

- ♦ a financial perspective
- ♦ a customer perspective
- ♦ an internal business process perspective
- ♦ a people, learning and growth perspective.

Think about your workplace/team and what you currently measure. To what extent do you have a balanced scorecard?

One of the areas you may be measuring is profit and your shareholders may have been an influencing factor in that decision.

You may be measuring costs and expenditure and other budgetary concerns.

When organisations use only financial indicators to measure performance, these are often not relevant to the day-to-day work of many employees. As a result, employees do not value the performance measures, nor do they identify with them, therefore they do not commit to them.

To be successful, a Balanced Scorecard needs to be established at every level with everyone's involvement. They need to understand it, own it and be committed to it.

Activity 3

A Balanced Scorecard

Complete this activity after watching the **Introduce a Balanced Scorecard** segment of the video **The Balanced Scorecard**.

Continue to focus on your organisation, and write down:

- a) Who would need to be involved in creating a Balanced Scorecard?
- b) What would need to be done to create a Balanced Scorecard?

We would need to involve	We would need to do

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The Balanced Scorecard ensures that performance measurement becomes a positive in the organisation, rather than a negative.

Activity 4

Key Performance Indicators

Complete this activity after watching the **Develop and Implement KPIs** segment of the video **The Balanced Scorecard**.

Key Performance Indicators

- ♦ are developed after key result areas, or key success factors, have been identified
- ♦ show how well actual performance matches agreed targets, set out in the Balanced Scorecard
- ♦ should measure the level of performance against the specific targets agreed on for day-to-day business, such as delivery times, expenses, safety and profit
- ♦ should measure processes as well as outcomes
- ♦ are a measure of how healthy the business is
- ♦ need to be appropriate to individual workers in their own workplace
- ♦ need to be aligned with the organisation's corporate KPIs
- ♦ must be substantially within the control of the people using the KPIs

What are the Key Performance Indicators your company uses?

What needs improvement or maintenance is not the same in every organisation. The selection of appropriate KPIs is subjective. There are some performance areas common to many organisations such as quality, cost, staff development and customer service. Some performance indicators may be determined entirely by staff or work teams for their own purposes.

What KPIs do you have for your team or your areas?

Activity 5

Building a Balanced Scorecard and Choosing KPIs

Complete this activity after watching the **Develop and Implement KPIs** segment of the video, **The Balanced Scorecard**.

Complete the table on page 71 by following these steps.

1. Identify all Key Success Factors relevant to a particular perspective. You may finish with four or five per perspective.
2. Translate these KSFs into team performance objectives.
3. Identify the indicators that will be used to monitor performance against each objective. Indicators chosen must be linked directly to these objectives. In certain cases it will be important to identify Key Performance Drivers, ie. those processes that drive the achievement of specific outcomes. A balance between outcomes and drivers as indicators and between lag (historical) and lead (real-time) indicators is recommended.
4. Do similarly for each perspective in turn.

The Financial Perspective

If we are to succeed financially, how should we appear to our shareholders?

- ♦ Common KSFs are profitability, return on funds, low cost base, balanced budget, revenue growth, productivity improvement, asset utilisation, survival, revenue to budget, expenses to budget, etc.
- ♦ For each of these KSFs we need to translate them to performance objectives and then to KPIs, ie. how are we going to measure our progress? Common KPIs may be EB IT (\$), profit (\$), cost reductions (\$), plan to budget (%), cash flow (\$), etc.

The Customer Perspective

To achieve our vision, how should we appear to our customers?

- ♦ Common KSFs are satisfied customers, few complaints, superior service delivery, healthy market share, retaining our customers, acquiring new customers, operating cost, customer increase, satisfaction after the sale/transaction, etc.
- ♦ Common KPIs are customer satisfaction index (5 or 7 point scale), market share (%), customer complaints (#), customer complaints resolved (per 1000 complaints), customer acquisition (#), share of customer's business (%), customer retention (% of customers retained), sales from new products (%), DIFOT (%), etc.

The Internal Business Process Perspective

To satisfy our customers, what internal business processes must we excel at?

- ♦ Common KSFs include safety, response time, cycle time, development time, zero defects, zero waste, zero rework, improve productivity, reduce machine downtime, improve inventory accuracy, products in speculation, enhance technology capability, create innovative products, etc.
- ♦ What KPIs need to be created to track progress on these objectives? Common KPIs are related to time, volume, percentages, LTI frequency rate, quality audits, time taken, accuracy of, machine downtime (%), inventory accuracy (%), products in speculation (%), etc.

The People, Learning and Growth Perspective

To achieve our vision, how will we sustain our ability to change and improve?

- ♦ Key Success Factors here commonly relate to our people, their competency and learning. Common KSFs relate to styles of management, empowerment, competencies of people, innovation of products/services and employee satisfaction, develop strategic skills, improve access to information, etc.
- ♦ Common KPIs are levels of employee satisfaction (scaled), levels of empowerment, number of individual development plans fulfilled (%), competency of people (% compared to target), staff productivity, staff cross-trained (%), product knowledge rating, revenue, etc.

Activity 5

Building a Balanced Scorecard and Choosing KPIs (continued)

1. Financial Perspective <i>To succeed financially, how should we appear to our shareholders?</i>	2. Customer Perspective <i>To achieve our vision, how should we appear to our customers?</i>	3. Internal Business Process Perspective <i>To satisfy our customers, what internal business processes must we excel at?</i>	4. People, Learning & Growth Perspective <i>To achieve our vision, how will we sustain our ability to change and improve?</i>
<p>What are the Key Success Factors in achieving success in each perspective? Translate these Key Success Factors into Performance Objectives covering both outcome objectives and the Key Performance Drivers of the objectives.</p>			
<p>What are the Key Performance Indicators to track progress with our Key Success Factors?</p>			

Activity 6

Your Team's KPIs

Complete this activity after watching the **Develop and Implement KPIs** segment of the video **The Balanced Scorecard**.

Using what you have identified from your work in creating the table in Activity 5, and combining this with existing higher level KPIs, it is now time to decide on the five or six KPIs for your team. The Balanced Scorecard is an expression of the links between the measures, not simply a sum total of all measures. Link these indicators as you decide on your final KPIs.

1. Transfer the KPIs and the measurement tool to be used to the relevant perspective.
2. Denote what your current performance is.
3. Decide on a stretch target to achieve over a given time.

Financial Perspective	Current	Target
Customer Perspective	Current	Target
Internal Business Process Perspective	Current	Target
People, Learning & Growth Perspective	Current	Target

You now have your Balanced Scorecard. As with all scorecards, display it in a prominent place and use it to drive team performance. Continuously improve your scorecard over time.

Activity 7

Reviewing Progress

Complete this activity after watching to the end of the video
The Balanced Scorecard.

In order to maintain high performance, progress needs to be regularly reviewed and evaluated.

Tick the boxes which best describe how often you review your KPIs.

	Months			
	3	6	9	12
Organisation KPIs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Division/Area/Department KPIs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Team KPIs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

What is the best strategy for your organisation to review

a) Organisation KPIs?

b) Division/Area/Department KPIs?

c) Team KPIs?

Notes

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