

## Linking Organisational Objectives to Individual Job Roles & Performance.

### Introduction

This paper is intended to outline some of the principles of establishing and implementing what has been proved over the years to be an effective model for organisational design. I have tried to make what can be made an overly complex process simple, logical and practical.

Let's start with a bit of Kipling:

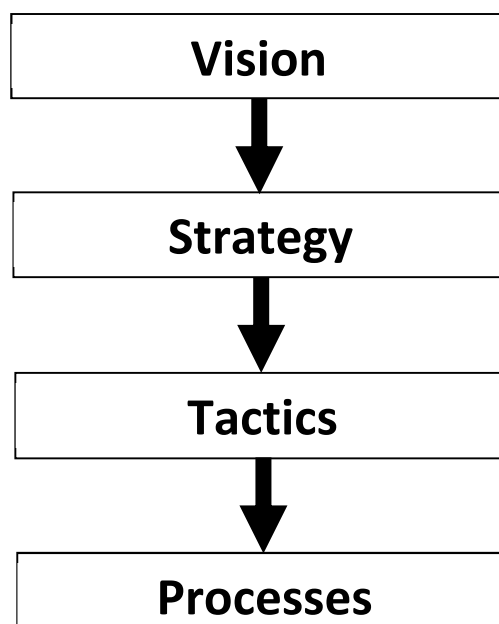
*"I keep six honest serving-men  
(They taught me all I knew);  
Their names are What and Why and When  
And How and Where and Who.  
I send them over land and sea,  
I send them east and west;  
But after they have worked for me,  
I give them all a rest" ...*

Most job descriptions are pretty good on four of these: 'What' needs to be done; 'When' it needs to be done by; 'Where' it needs to be done (i.e. 'normal place of work') and 'Who' is involved (the person doing the work, the people they need to liaise with and report to). However, many fall down on the 'Why' and 'How'. In other words, the full purpose of the role, how it fits into the organisation and its objectives and how the work is undertaken is not fully defined. Beyond providing an excuse for the job holder to experience an 'existential crisis', this makes effective performance management difficult, may cause a lack of cohesion and sense of 'common purpose' within the organisation as a whole.

### Building Blocks

Typically, the four 'building blocks' of an organisation are given as Vision (or sometimes Mission), Strategy, Tactics and Processes as illustrated below:

**Fig. 1: Building Blocks of an Organisation**



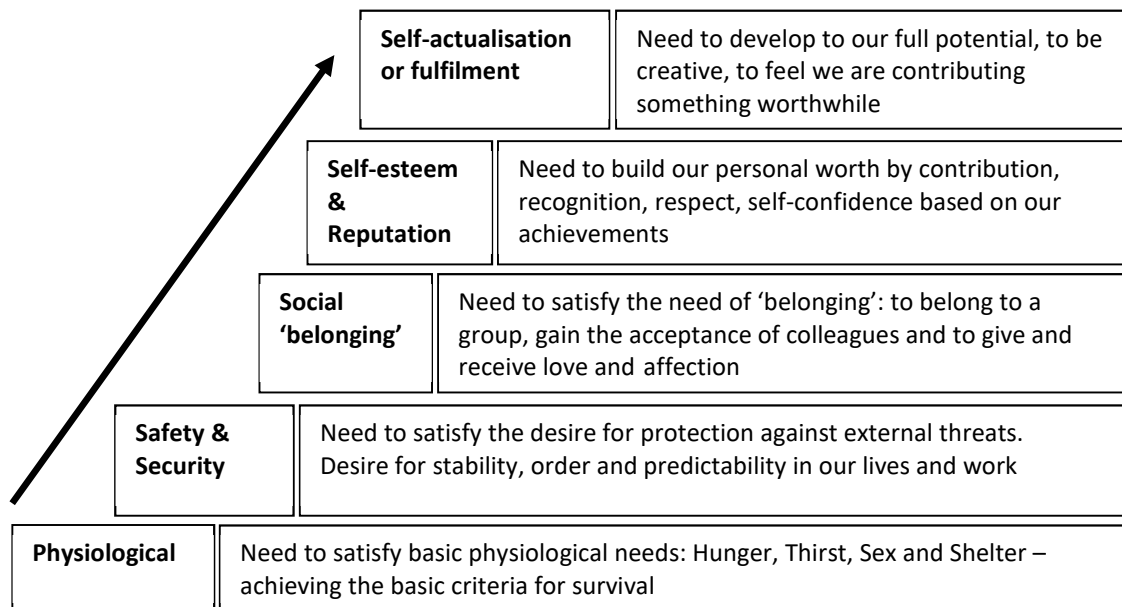
**Vision**

This requires a statement that tries to answer the question, “**Where** are we going?” This should not be confused with the often banal ‘mission statements’ that could be found in nearly every annual report in the 1980’s and 1990’s. The ‘vision’ is an end goal that the founder or owner of the business is emotionally engaged towards reaching. It is what the organisation looks and feels like in this person’s mind’s eye when this goal is achieved and the emotions these evoke. So, for example: these could be pride, a sense of achievement, satisfaction, contentment, self-confidence and self-esteem. Answering the question “**Why** are we going there?” is both superfluous and potentially risky as the relative value of the various emotional consequences of achieving the goal will be different for each individual business owner and, most importantly, for the variety of individuals who work within the organisation.

Formulating the ‘vision’ itself is difficult: articulating it in both spoken and written form so that it is easily understood and is both meaningful and unambiguous presents an even greater challenge.

One could somewhat cheat and, despite its well-known flaws, use *Maslow’s Hierarchy of Needs* as a template. This is on the assumption that these ‘needs’ are readily recognisable as being common to the majority of people and are therefore intuitively, if not scientifically, valid.

**Fig.2: Maslow’s Hierarchy of Needs**



**How organisations can meet these needs:**

**Physiological:** Salary to provide food and shelter.

**Safety:** Secure, predictable, habitable, and non-threatening working conditions that are free from potential physical or psychological harm, and conflict. Job security and clarity of expectations.

**Social:** Team-based working environment. Office parties, sports events and out-of-work social events.

**Self-esteem:** Awards, reward and recognition (public), promotion.

**Self-actualisation:** Enabling and freeing employees to work to their maximum potential, belief in the organisation’s objectives and feeling of contribution towards their achievement.

Applying these ‘needs’ should accommodate the motivational needs for the majority of people. They will not accommodate the needs of those who are ‘Mad, Bad or Sad’: psychotics, sociopaths and neurotics; there are plenty of these around. Those that have a need to control and or manipulate others or those that have the need to be a perpetual dependent ‘victim’ will not be satisfied by this model.

There is a risk of over-analysing this idea and constructing an over-lengthy, jargon-ridden vision statement. Something short and simple but which relies on a variety of components to make true is best. This would work for me:

**“An organisation we can all take pride in; where it is a joy to work.”**

No-one could argue that this is not a virtuous objective. When and if true it would mean that the constituent parts necessary to need make it so have been taken care of.

### Strategy

Now we can move on to “**How** are we going to get there?” For this I’m going to use a simple Balanced Business Scorecard model as a tool to define the strategic imperatives that may be needed to reach the ‘vision’. An example of such a model is given below:

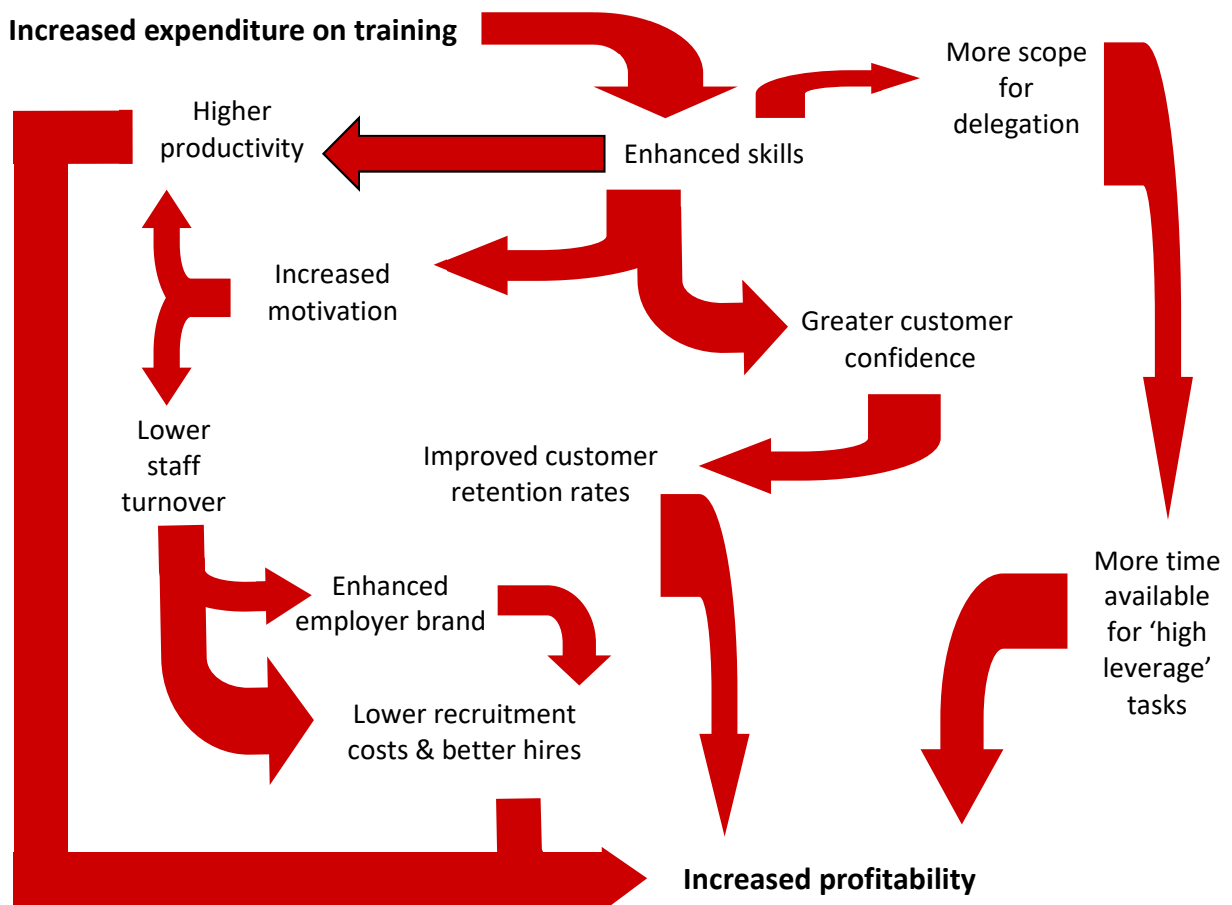
**Fig.3: Balanced Business Scorecard (example)**



This is given as purely an illustrative example: the ‘perspectives’ may be different from organisation to organisation. The requirements at the ‘core’ should be specific and relevant to the vision of the organisation concerned.

Whatever the perspectives and their component parts may be, they need to be ‘fleshed out’ and their meaning clearly defined. It is only when this is done that we can define what needs to be done on a tactical basis and by whom and in what manner. This will involve some time and thought to achieve; especially as initiatives in one area will impact upon others. This is particularly the case when it comes to looking at the Financial Perspective (which will inevitably form part of any Balanced Business Scorecard). Here, in order to gain a true picture of the real financial impact of initiatives we should consider applying some of the principles of econometric modelling and causal loops. Accountants don’t like this as, by virtue of their training, they tend to be more comfortable looking at things purely in terms of income and expenditure (i.e. in a purely linear manner). So, although Training and Development activity may be referred to as being an ‘investment in people’ I have yet to see an organisation produce a detailed ROI analysis of this activity; it still appears as a ‘cost’ in the accounts. The illustration below is an example variety of impacts an investment in training and development may have:

**Fig.4: Causal Loop (example)**



Calculating the actual monetary value of these implied benefits will inevitably be more of an art-form than a precise science as other factors will have a causative impact upon them. However, a rough estimate as to this value will be at least better than having no information at all.

Another useful model to consider before moving on to define what is done on a tactical basis and constructing job descriptions is a matrix of what constitutes high and low leverage activities within the organisation and their relative urgency. An example of this matrix is given below:

**Fig.5: High and low leverage/urgency tasks**



It is unfortunate that high urgency tasks often take priority over tasks that may have a more substantial long-term benefit to the organisation. When time allows low leverage (possibly easier) less urgent tasks seem to be undertaken before the high leverage tasks that may require more effort and greater challenge.

## Tactics – translating strategy into day-to-day tactics and job roles.

There always tends to be a 'rhetoric vs. reality gap' between strategy and tactics. The measure of an organisation's health is how wide this gap is and how much effort is being expended in order to close it. A critical review of what functions/departments actually do and how this contributes towards strategic goals will often reveal unnecessary, unproductive activities that detract from the main purpose. Some of these will have become ingrained practices that persist for historical reasons although their usefulness will no longer be of relevance. A good 'Spring-clean' to identify and consign these to the scrap heap can be useful before redefining individual roles as part of a change programme.

In this section we shall look at **what** people do and **how** they do it.

The '**what**' should be the easy part; but it's often under-thought through. This should include the component tasks that result in the desired output(s) for the role. The output(s) should ideally be measurable. This ideal becomes more difficult to achieve where the outputs are essentially of a qualitative nature rather than quantitative. These elements should form the principle accountabilities and responsibilities within a job description. The execution of these will require the incumbent to have specific skills, qualifications, experience and knowledge in order to produce the required output. These attributes are correctly termed as 'competences' (not to be confused with 'competencies' below). If, for example, there is a strategic objective of 'Delivering exceptional customer service' this needs to be fleshed out in terms of responsibilities that fall within job specifications. Such responsibilities could be:

- Ensuring that order processing systems are efficient and that products are delivered to promised deadlines;
- Ensuring that customers are treated with courtesy and respect when contacting the organisation; calls are answered or returned promptly, enquiries are handled efficiently by knowledgeable employees who can answer and resolve queries to the customer's satisfaction, returns policies are fair and equitable etc.
- Ensuring that employees communicate with customers in a manner that reflects the organisation's espoused values and objectives and which promote a positive image of the organisation;
- Ensuring that customers feel that they are *genuinely* valued and that the organisation is interested in them and/or their business;
- Establishing a customer complaints procedure to ensure that any complaints are treated seriously, handled promptly and are resolved to the customer's satisfaction;
- Soliciting feedback on service quality from customers in a unobtrusive manner and demonstrating that feedback is being acted upon – (e.g. customer satisfaction surveys, publication of outputs of these on say, the news section of the

organisation's website or emailed newsletter and the actions/initiatives to be implemented as a result of the feedback ...);

- Developing and implementing appropriate quality management systems (e.g. ISO 9001) to demonstrate a commitment to consistently provide products and services that meet customer and regulatory requirements.

The **'how'** concerns the manner in which these tasks are carried out. These will be the behavioural characteristics that the job holder will need to demonstrate in order to fulfil the role to the standard required to meet the organisation's strategic objectives and needs. These behavioural characteristics are 'competencies' and can be defined as below:

"An underlying characteristic of an individual which is causally related to effective or superior performance in a job" *Richard Boyatzis, The Competent Manager (1982)*

-or, perhaps more clearly;

"The set of behaviour patterns that the incumbent needs to bring to a position in order to perform its tasks and functions with competence" *Charles Woodruffe, (1992)*

'Behaviour' should not be confused with 'personality'. An individual's personality is largely formed by the time he or she reaches his or her late teens or early twenties; whether by nature or nurture, or both. It will change little over the rest of his or her life (some traits such as social confidence will typically 'move' with age but only by, say, one standard deviation point from the mean). Personality will influence an individual to behave in a certain manner; but people can learn to modify their behaviour.

Competency Frameworks come in many different forms and sizes. Many are made impractical by defining too many which in turn results in confused constructs. 24 discreet competencies are given in the table overleaf:

**Table 1: Sample competency framework**

<p><b>Communication &amp; Interpersonal</b></p> <p><b><i>Influence &amp; Assertiveness</i></b>            Demonstrates self-confidence and maturity, shows respect for others' opinions and needs yet capable of putting across their own point of view and achieving desired outcomes.</p> <p><b><i>Written Communication</i></b>            Capable of expressing facts and ideas in writing. Produces clear and accurate documents. Demonstrates command of language and grammar and sensitivity to the reader.</p> <p><b><i>Oral Communication</i></b>            Expresses himself/herself clearly and fluently. Considers the audience and adapts spoken communication accordingly.</p> <p><b><i>Interaction</i></b>            Establishes rapport with others and creates a positive impression through presenting confidently and encouraging open communication.</p> <p><b><i>Listening Skills</i></b>            Listens to others attentively and patiently to ensure that he/she gains a full understanding of what others are saying.</p>
<p><b>Personal Qualities</b></p> <p><b><i>Organisational Awareness</i></b>            Understands the impact and implications of decisions and activities on the organisation. Aware of and sensitive to organisational politics.</p> <p><b><i>Self-Development &amp; Willingness to Learn</i></b>            Understands the need to develop skills and competence. Aware of personal development needs and actively pursues self-development activities to improve effectiveness.</p> <p><b><i>Energy &amp; Enthusiasm</i></b>            Demonstrates energy and enthusiasm for work.</p> <p><b><i>Interpersonal Sensitivity</i></b>            Shows respect for others and recognises their concerns and interests; is sensitive to the impact and implications of decisions and activities on individuals.</p> <p><b><i>Resilience &amp; Stress Tolerance</i></b>            Remains effective despite of difficulty and disappointment and when under pressure.</p> <p><b><i>Flexibility &amp; Adaptability</i></b>            Adapts personal approach and operates effectively within a variety of situations and with various individuals, groups and cultures. Adjusts to changes in the organisation or job requirements and in some cases determines what the future requires.</p> <p><b><i>Initiative &amp; Change Orientation</i></b>            Takes the initiative to develop and implement valuable ideas, approaches and solutions for the benefit of the business and to drive these through into action.</p>



<p><b>Problem Solving</b></p> <p><b><i>Decision Making &amp; Judgment</i></b> Has the ability to evaluate data and courses of action in an unbiased, rational way in order to make sound, logical decisions.</p> <p><b><i>Analytical Problem Solving</i></b> Analyses complex situations by breaking them down into manageable parts and identifies appropriate solutions based on that analysis.</p> <p><b><i>Exploration/Information Search</i></b> Seeks out information and gains alternative insights and perspectives to improve all areas of job performance.</p> <p><b><i>Creative &amp; Constructive Thought</i></b> Displays constructive and original thinking; capable of re-conceptualising situations and positively challenges assumptions. Takes account of contextual factors and uses lateral thinking to resolve problems and create opportunities.</p>
<p><b>Business Management</b></p> <p><b><i>Planning &amp; Organising</i></b> Plans projects in advance, sets realistic objectives and courses of action, anticipates resource requirements for the work in question.</p> <p><b><i>Goal Orientation</i></b> Strives to achieve results, persists with a problem until the desired goal is achieved. Concentrates and is not easily distracted.</p> <p><b><i>Quality</i></b> Shows concern for quality and excellence; consistently sets and maintains high standards.</p> <p><b><i>Strategic Perspective</i></b> Has an appreciation of the strategic direction of the organisation and its market, products and services, and its commercial objectives and achievements. Understands the contribution their job makes to the organisation.</p> <p><b><i>Customer Service</i></b> Demonstrates an understanding of both internal and external customers' needs and interests and focuses on customer satisfaction.</p>
<p><b>Working with People</b></p> <p><b><i>Team-working</i></b> Operates effectively as an integrated team member. Encourages co-operation within the team, putting team interests ahead of personal interests.</p> <p><b><i>Leading People</i></b> Represents and motivates team members. Provides a focus for the team. Maintains a positive attitude and clarifies objectives. Makes optimal use of the team's resources. Encourages commitment to team and organisational objectives.</p> <p><b><i>People Development</i></b> Encourages others to take responsibility for their own development and demonstrates an understanding of and interest in the development needs of others.</p>

These 'global' competency definitions can be broken down further into different levels of capability within them that may apply to different roles. Broadly speaking these could be

applied to the level of capability required by, for example, a team member, a team leader, a business unit leader or a member of the organisation’s senior executive management. A maximum of 4 defined levels of capability is usually enough; some will only merit 3 differing definitions. For example, the competency Decision Making & Judgement could be broken down as follows:

**Decision Making & Judgement**

Has the ability to evaluate data and courses of action in an unbiased, rational way in order to make sound, logical decisions.

Level 1

Required to make decisions on job-related issues in an unbiased and rational way.

Level 2

Required to demonstrate sound judgement and make effective decisions affecting operational tactics on behalf of the team.

Level 3

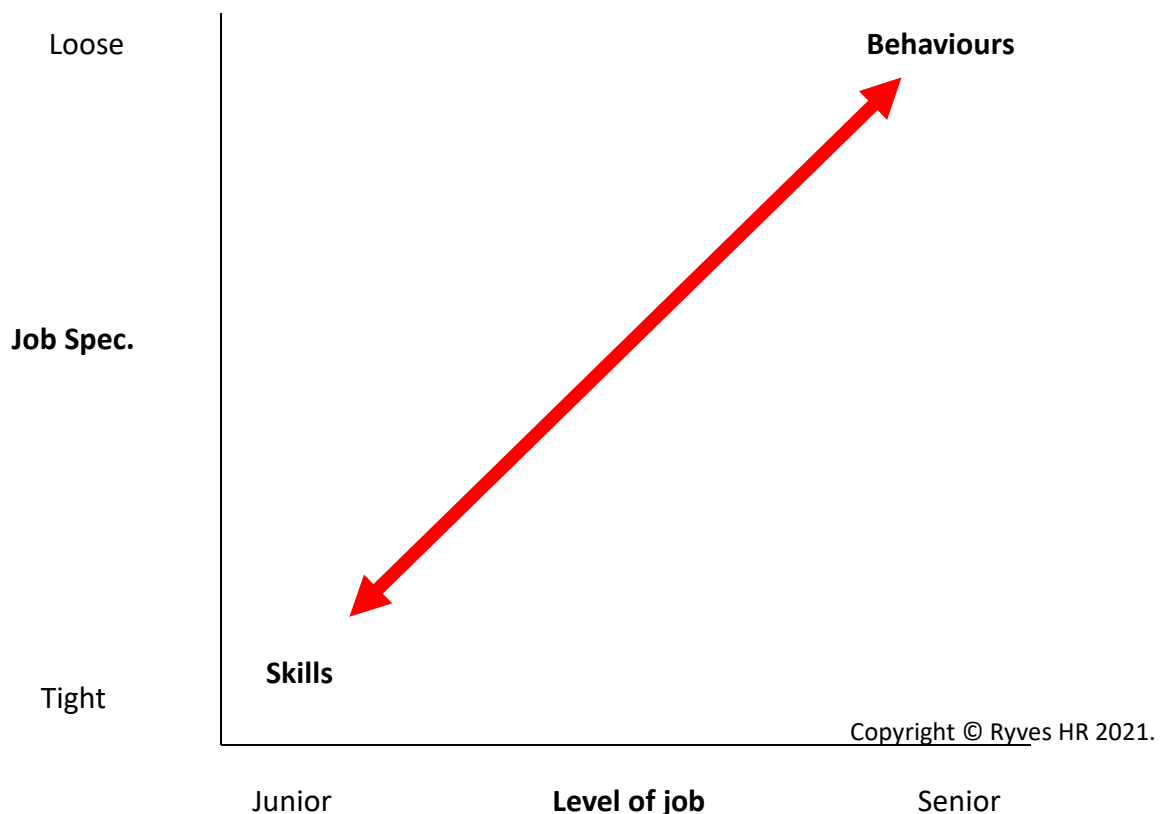
Required to make rational and unbiased decisions on issues which have significant implications for the business and to display confidence in his/her judgement.

Level 4

Required to make confident decisions on significant issues affecting the whole organisation; even when available information is incomplete or inconsistent.

A further consideration could be the relative importance and relevance that skills (competences) and behaviours (competencies) have to a given role. Generally speaking, the more senior a role is the more important competencies are to its successful performance.

**Fig. 6: Critical Success Factors**



Both accountabilities and the behavioural competencies required to perform a role effectively should be enshrined within a job description. This should also be the core document used to inform recruitment and performance appraisal. There should be a clear line of sight between the job description and the organisation's strategic imperatives and its guiding vision. An example of such a job description is given below.

**Table 2: Example Job Description**

## **Job Description - Accounts Department Supervisor**

### **Main Purpose**

To ensure the smooth running of the Accounts Department and to compile accounting information to agreed deadlines, as directed by Line Manager.

### **Key Responsibilities**

- To prepare accurate financial reports in the required format and to the required deadlines;
  - To ensure that all relevant financial information is communicated to relevant managers in a timely manner;
  - To make effective use of accounting software and financial reporting systems and to ensure that these adequately meet the needs of the Company;
- To ensure compliance with legislative guidelines/regulations and that these are rigorously adhered to with particular regard to HMRC and Government directives.

### **Duties**

- To deliver a high quality of service to Team Members, Management and Directors;
- To liaise and communicate effectively with relevant internal and external departments and individuals;
- To monitor stock control systems, identifying and reporting on any identified discrepancies;
- To maintain accurate accounting records;  
To enter and reconcile data as appropriate on relevant systems;
- To control debtors by applying effective credit control procedures and maintaining debtor levels to within agreed limits;
- To analyse and interpret business data as required and prepare financial reports in respect of the same to assist in business decision making;
- To maintain the confidentiality and security of sensitive information;
- To ensure compliance with Payment Card Industry (PCI) standards and Data Protection Act requirements;
- To supervise and coordinate the work of the accounting team;
- To consult with Line Manager in order to determine and implement improvements to Accounts Department practices;
- Other ad hoc duties as required by the Group.

### **Required Competencies**

**Energy & Enthusiasm:** Required to motivate others and set an example to people within the

business by exhibiting high levels of energy, enthusiasm and drive;

**Flexibility & Adaptability:** Required to make changes own work plans to meet the requirements of changing circumstances and adapt own working practices to meet the needs of change;

**Resilience & Stress Tolerance:** Required to remain motivated and be capable of operating at an effective level even when facing some personal difficulty, disappointment, work pressure or problems;

**Analytical Problem Solving:** Required to approach typical work related problems in a structured, thorough and analytical way and identify appropriate solutions based on that analysis;

**Influence & Assertiveness:** Required to demonstrate self-confidence and maturity, showing respect for others' opinions and needs yet capable of putting across own point of view and achieving desired outcomes;

**Customer Service:** Required to demonstrate an understanding of customer needs and interests and put an emphasis on achieving high levels of customer satisfaction;

**Planning & Organising:** Required to plan own work in advance, set realistic objectives and courses of action;

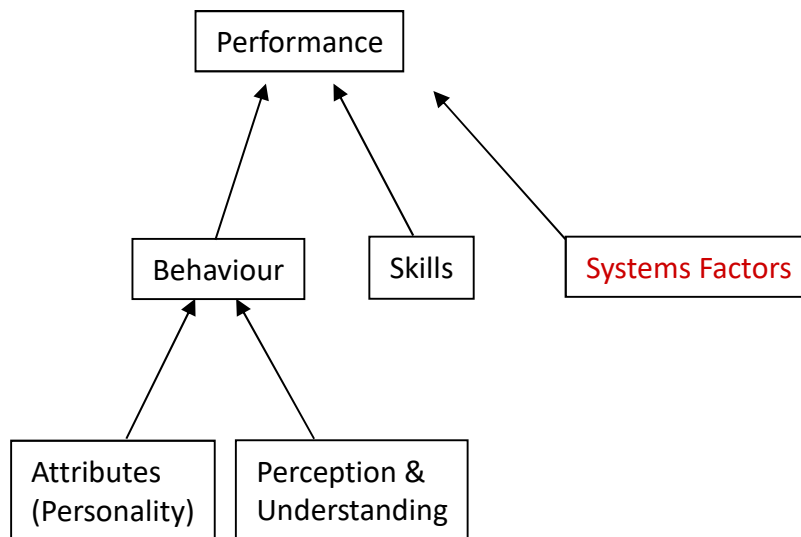
**Quality:** Required to demonstrate a concern for quality and excellence and consistently set and maintain high standards in own work;

**Leading People:** Required to represent those working within the business area and provides a focus for the team. Maintains a positive attitude and clarifies objectives. Makes optimal use of the resources and encourages commitment to business objectives and ensures that team members co-operate and communicate constructively with each other and other teams.

**Systems/Processes**

Systems and processes within an organisation should actively support its objectives and the tasks being performed by those working within it. Even those with exactly the right skills and competencies will find their performance compromised if ‘system factors’ are working against them.

**Fig 7: Individual performance – influencing factors**



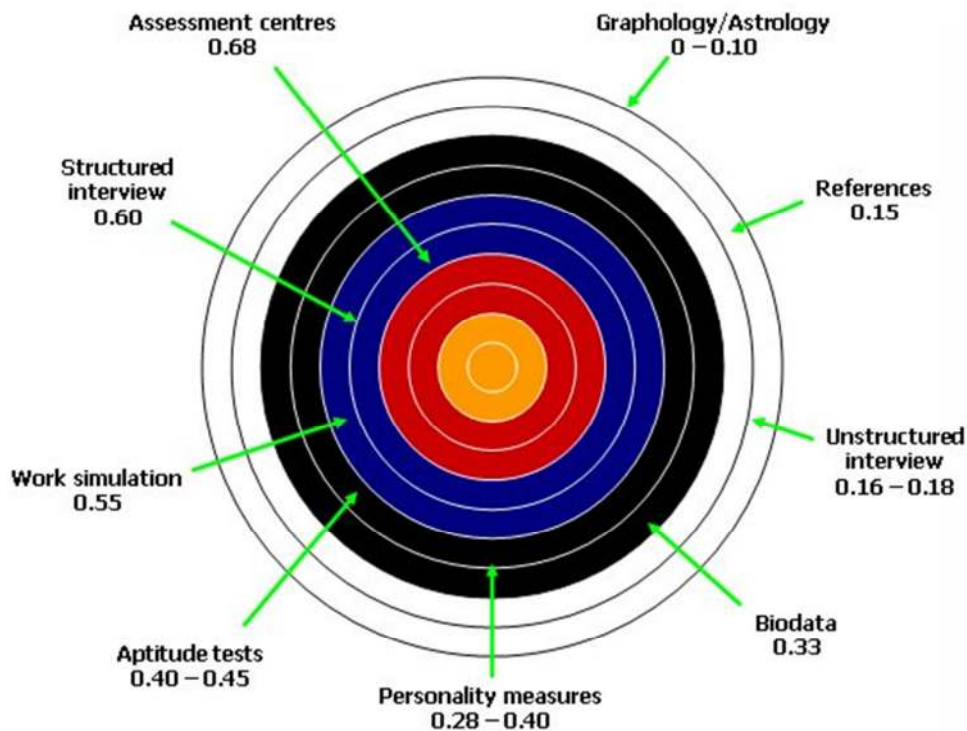
Potential negative systems factors can incorporate everything from an unhealthy working environment, badly formulated and inconsistent policies and procedures, internal politicking and conflict, inefficient operational and IT systems to more directly de-motivational elements, such as poor rates of pay.

From purely an HR perspective it is important to ensure that recruitment and performance management processes are directly aligned with individual job descriptions. A very brief comment on these is given below.

**Recruitment**

Selection processes should be based upon an objective assessment of a candidate’s skills, abilities and competencies against those required by the role in question. Traditional ‘unstructured’ interviews are notoriously inaccurate at predicting in-role job performance and structured interviews that include some behavioural-event questions based upon the competencies required should be used. A warning here is that job applicants are becoming increasingly familiar with this type of structured interviewing and therefore prepare for it (there are even websites that give ‘helpful’ advice on how to answer such questions. It is therefore important to probe beneath the initial response and example given. However, the predictive validity of adopting this approach is illustrated by the figure overleaf:

**Fig: 8 Correlation between the outputs from different selection approaches and actual job performance.**



**Performance Management/Appraisal**

Performance should be a dynamic, ongoing process and not be limited to a bi-annual or annual appraisal where the record of the previous meeting is retrieved from the filing cabinet where it has been gathering dust for the 6 or 12 months since it was put there.

The appraisal criteria applied should be directly against the requirements given in the job description and shortfalls against expectations should be addressed and remedied with the action/development plan that is the result of the appraisal. Appraisals should be objective and evidence based and care should be taken to avoid the common rater errors (recency, central tendency, horns & halo etc.)

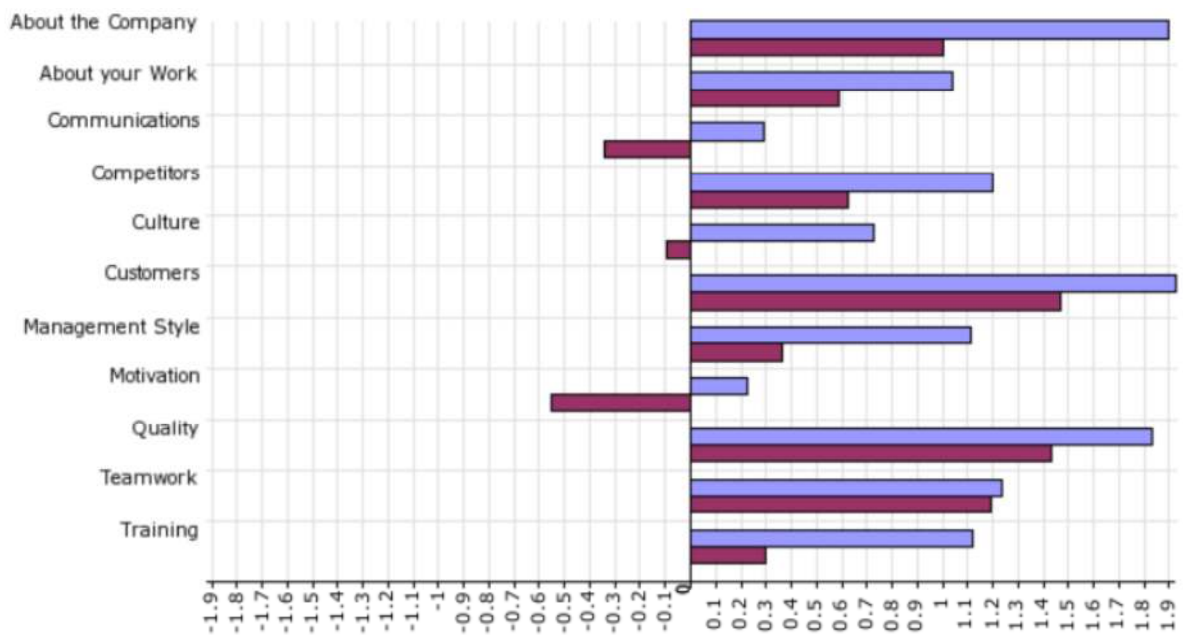
### Conclusion - Does it work?

Where we have been able to evaluate the impact of implementing this manner of approach to organisational design it does appear to have produced significant, positive results.

Employee survey results from an organisation we introduced this change to illustrate this positive effect. We were able to compare outputs from one survey undertaken before the implementation of this model to one undertaken 12 months after its implementation. Whilst correlation does not necessarily confirm cause and other factors may also have played a part, we do believe that the change made a significant contribution in a dramatic strengthening of employees' positive views towards their employer.

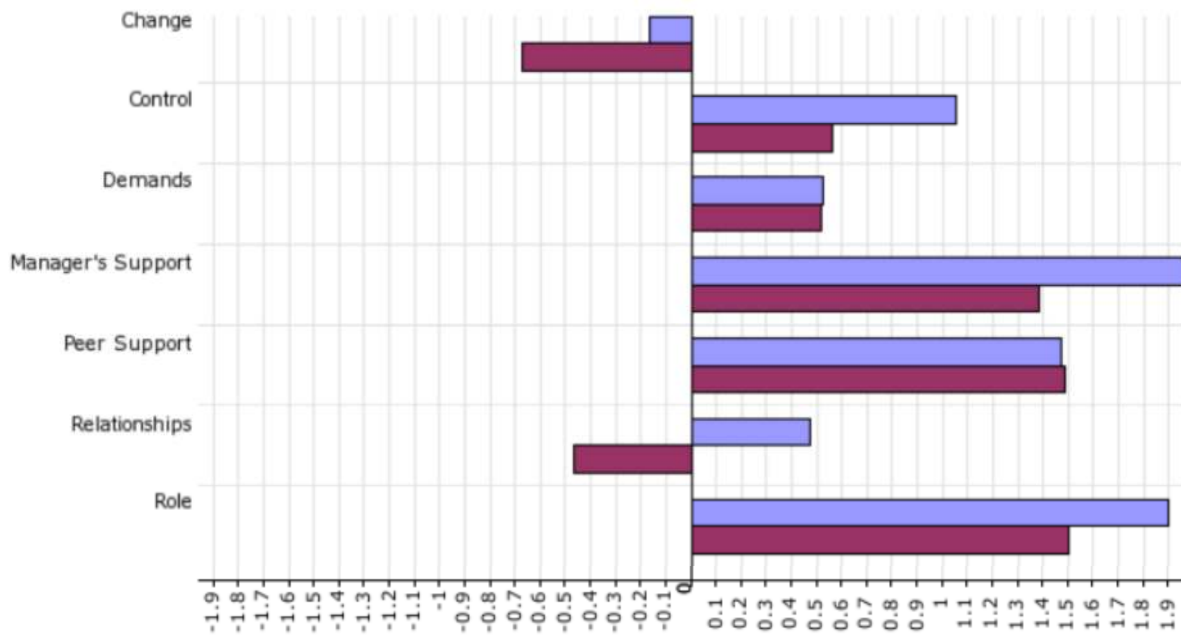
The first graph below gives the average response scores across a variety of aspects with positive/favourable responses being above zero and negative responses below zero. The lower series (purple) gives the results of the initial survey and the upper series (in blue) the results of the survey conducted 12 months after the new organisational structure had been adopted.

**Graph 1: Comparative results of employee surveys conducted before and after the introduction of new organisational structure.**



The two surveys included within each category questions that also fed into scales concerned with workplace stress. These questions were aligned to the Health & Safety Executive's defined areas of potential sources of workplace stress. Responses within these categories indicated a significant reduction in workplace stress.

**Graph 2: Comparative results for 'stressor' categories from employee surveys conducted before and after the introduction of new organisational structure.**



The improvements shown particularly related to the areas of Management Support (the extent to which an employee feels that they have the support of his or her manager), Control (the extent to which the employee feels that he or she has a degree of self-determined control over how they go about their job), Role (the extent to which the employee feels clear as to the requirements of his or her role and feels competent to perform the role), Relationships (the extent to which the employee is comfortable with their peers and colleagues and feels able to work within a 'politics-free' and 'conflict-free' environment). These were very positive results because not only is action to monitor and reduce work-place stressors a requirement under Health & Safety legislation but also a low-stress workplace tends to be more productive and therefore profitable.

Perhaps most tellingly, Group revenue for the year following the introduction of the new structure increased by 15% and a return to profitability after three years of trading at a loss.