

Case History: Developing Performance Measures

Client: A Vertically Integrated Global Petroleum Corporation

Background

The executive leadership group established a strategy for profitable growth. The challenge was to link all employees to the Corporate strategy in a meaningful manner. As part of the solution, the client decided to use a balanced score card to create focus, understanding, commitment and accountability throughout the organization.

In a competitive request-for-proposal that included international consulting firms, T.J. McCoy & Associates, LLC, in partnership with Tercon, was selected to provide assistance in developing this score card. We were selected because of the simplicity of our development process, the rapid rate at which the assignment could be completed, and the high level of measurement detail that would be delivered to the client for use as a tactical tool.

The Assignment

The plan was to develop a “bottom-up” ScoreCard with measures that reached up to the corporate strategy. A pilot project focused on developing performance measures for the Human Resources organization. Over a period of six weeks, a total of twenty nine measurement sets were developed for the nine departments within HR. Based on this work it was relatively simple to develop two macro measures to represent HR’s overall contribution on the Corporate balanced score card.

The Outcomes

A multi-tiered performance ScoreCard was developed for each of the nine HR departments. In addition to the metrics, the process increased awareness of HR’s responsibilities to the organization. Specifically, the HR management team developed greater insight and commitment as to their roles in contributing to profit, developing the culture of the organization, and managing employee expectations.

During the process, department managers gained clarification and alignment of purpose. The tangible output of the process, department-level ScoreCards, will be used by them as a platform for the employee dialogue essential for continuous improvement.

This ScoreCard development process is now being considered for application throughout the Corporation.