Measurement and the People CMM®

Improving the capability of your workforce

Measurement Users’ Group Conference
26 July 2007

Patrick Rabbath
Overview

• What is the People CMM®?
• Overview of the People CMM®
• Context of the People CMM®
• Measurement and the People CMM®
• Lessons learnt
• Case study
What is the People CMM®?

• The People Capability Maturity Model®
  – Provides guidelines for improving the workforce
  – Developed at the SEI
  – Supported by US Army and OSD
• A roadmap for implementing workforce practices that continuously improve the capability of an organization’s workforce.
What is the People CMM®?

• Philosophy (10 principles):
  1. Workforce capability is related to performance
  2. Workforce capability is a competitive issue
  3. Workforce capability linked to strategic objectives
  4. Focus shifted to workforce competencies
  5. Capability measured and improved at multiple levels
  6. Investment in improving critical competencies
     (*continued next slide*)
What is the People CMM®?

• Philosophy (continued):
  7. Management is responsible for workforce capability
  8. Improvement as a process of proven practices
  9. Organization provides improvement opportunities
 10. New technologies should evolve competencies
Overview of the People CMM®

- **Architecture:**
  - Comprises 22 process areas
  - Implementation practices
    - Unique to each Process Area
  - Institutionalization practices (four types):
    - Commitment to perform
    - Ability to perform
    - Measurement and analysis
    - Verifying implementation
Overview of the People CMM®

• Architecture (continued):
  – Workforce practices:
    • staff recruitment, retention and transition;
    • channels of communication, and coordination among teams;
    • work environment conducive to production and quality;
    • training and development;
    • attractive compensation and remuneration packages; and
    • measurement of performance of the individuals and teams.
  – Process Area Goals
    • Three to five goals stating objectives for each Process Area
Overview of the People CMM®

• Maturity Levels:
  – Staged Representation only
    • Maturity Levels 1 through to 5
  – Level 1: Initial
    • Inconsistent management of the workforce
    • Workforce practices ad hoc and inconsistent
    • Low staff retention
    • Shortage of available a talented workforce typically blamed
    • Heavy reliance on slogans and exhortations
    • Cultural belief that workforce issues are HR’s problem
Overview of the People CMM®

• Maturity Levels (continued):
  – Level 2: Managed
    • Basic ‘workforce practices’ applied consistently (i.e. staffing, coordinating commitments, resourcing, managing performance, skilling, and compensation decisions)
    • Focus is at the unit level
    • Executives commit the organization to workforce development
    • Staffing and performance objectives based on committed work
    • Unit managers responsible for performing these practices
    • Units identify and manage their skill needs
    • Establishes the foundation for organizational improvements
Overview of the People CMM®

• Maturity Levels (continued):
  – Level 3: Defined
    • Organization identifies ‘workforce competencies’ required (i.e. knowledge, skills and process abilities)
    • Competencies based on organization’s strategic plan
    • Workforce capability is linked to strategic business objectives
    • Focus is at the organizational level
    • Workforce planning develops the required competencies
    • Workforce practices tailored from competencies
    • Culture of participation through levels of autonomy
    • Establishes infrastructure for measuring workforce capability
Overview of the People CMM®

• Maturity Levels (continued):
  – Level 4: Predictable
    • Organizational assets established and trusted based on results from proven competency-based processes
    • Workgroups trusted with greater responsibility and authority
    • Managers turn their attention to more strategic issues
    • Integration of different competency-based processes into multidisciplinary processes
    • Competency-based process performance and capability are managed quantitatively to achieve strategic objectives (and set new ones)
Overview of the People CMM®

• Maturity Levels (continued):
  – Level 5: Optimizing
    • Organizational-wide focus on continual improvement of its competency-based processes
    • Competency-based process performance and capability are aligned across workgroups, units, and the entire organization
    • Establishes a process for proposing, evaluating and deploying innovations and new technologies to workforce practices (which can be originated at levels of the organization)
Overview of the People CMM®

<table>
<thead>
<tr>
<th>Levels</th>
<th>People CMM Threads</th>
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<tbody>
<tr>
<td>5 Optimizing</td>
<td>Developing competency</td>
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<td>Continuous Capability Improvement</td>
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<td>Organizational Performance Alignment</td>
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<td>Continuous Workforce Innovation</td>
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<td>4 Predictable</td>
<td>Building workgroups &amp; culture</td>
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<td>Competency Integration</td>
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<td>Organizational Capability Management</td>
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<td>Motivating &amp; managing performance</td>
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<td>Workgroup Development</td>
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<td>Shaping the workforce</td>
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<td>Staffing</td>
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Source: Figure 3.6, People CMM®, v2
Overview of the People CMM®

- Business Strategy & Objectives
- Core Competencies
- Workforce Plan
- Workforce Competency Needs
- Workforce Policies
- Workforce Practices (Processes, Procedures, Guidelines)
- Knowledge, Skills, Process Abilities
- Workforce Capability
- Workforce Competency

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Overview of the People CMM®

Executive Management

Values

Policies

Practices

‘Cultural’ Barrier

Feedback

Business Unit

Business Unit

Business Unit

Coordination
Context of the People CMM®

Technology

Industry Standards

People CMM®

CMMI®

People

Process
Measurement and the People CMM®

- Improving an organization’s workforce capability cannot be done without measuring performance.
- Measurement is the foundation of People CMM®.
- Measurement practices have been built into the model (see next slides).
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<tr>
<th>MATURITY LEVELS</th>
<th>GOALS</th>
<th>PROCESS AREAS</th>
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### Measurement Mapping to P-CMM Goals

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<td>Level 4 PAs</td>
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#### Goals

- **Goal 1**
- **Goal 2**
- **Goal 3**
- **Goal 4**
- **Goal 5**

#### Process Areas

- Staffing
- Communication & Coordination
- Work Environment
- Performance Management
- Training & Development
- Compensation
- Competency Analysis
- Workforce Planning
- Competency Development
- Career Development
- Competency-Based Practices
- Workgroup Development
- Participatory Culture
- Competency Integration
- Empowered Working Groups
- Competency-Based Assets
- Quantitative Performance Management
- Organisational Capability Management
- Organisational Performance Alignment
- Continuous Capability Improvement
- Continuous Workforce Innovation

#### Measurement Practices

- Measurement Practices Required for Implementation
- Measurement Practices Required for Institutionalization
Measurement and the People CMM®

• Establish measurable objectives for work that has been committed to:
  – At both the individual and unit levels

• Monitor actual performance:
  – Focus is to identify ways to improve performance

• Recognize and reward outstanding performance:
  – Creating incentives for improving individual, unit, and (ultimately) organisational performance through positive reinforcement
Measurement and the People CMM®

• Organisational objectives include targets, needs and end-states:
  – Objectives form the basis for strategic plans which in-turn are used to derive tactical, work-group and/or unit plans
  – Staff, processes, tools, facilities and other resources are needed to achieve targets, needs and end-states

• Measurement of performance is fundamental to ensuring harmonisation between individual / unit objectives and organisational objectives
Measurement and the People CMM®

Using performance measurement:
- Greater understanding of needs and objectives
- Improved management of actual performance
- Outstanding work reinforced and rewarded
- People feel valued and appreciated
- Foundation for an empowered workforce

Without performance measurement:
- Expectations are not communicated
- Performance doesn't meet expectations
- Confusion and uncertainty abounds
- People feel undervalued/unappreciated
- Poor morale
Lessons learnt

- Lack of policy direction
- Lack of executive sponsorship
- Lack of resources to undertake initiatives
- Measurement data used against people
- Other ‘cultural’ barriers

*The People CMM® assumes a hostile reception!*
Case study

- IT development organisation in a bank:
  - CMMI® Maturity Level 1 processes (ad-hoc processes or non-existent and heavily dependent on heroes)
  - Aim: to establish organisational-wide measurement program
  - Balanced-score card to ‘force’ improvement already in place:
    - Schedule Key Performance Index (KPI) of 95% or better (among a dozen other KPIs)
    - Bonus payments tied to achievement of Schedule KPI
Case study

• KPI selected arbitrarily:
  – Senior manager: ‘I thought it was a reasonable figure’

• Tying bonus to Schedule KPI encouraged ‘cheating’ on schedule performance:
  – Project Manager: ‘I re-baseline the schedule the day before we report KPIs to that I can get my bonus’

• Almost everyone received bonuses despite poor project performances:
  – Other KPI’s indicative of real schedule performance
For more information

http://www.sei.cmu.edu/cmm-p/version2/

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<th>Course</th>
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<td>The People CMM®, Guidelines for Improving the Workforce</td>
<td>Addison Wesley Book</td>
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<tr>
<td>Introduction to the People CMM®</td>
<td>3-Day Course</td>
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<tr>
<td>Intermediate Concepts of People CMM®</td>
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<tr>
<td>SCAMPI\textsuperscript{SM} for People CMM®</td>
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