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How to Gather Better Information to Improve Employee Performance

Executive Summary

HR executives today need more complete information to help improve the skills, training, and performance of employees. This information is typically gathered through surveys, questionnaires, or appraisals.

But using paper-based forms and doing reports by hand is not efficient. Real-time computerized systems can modernize these functions.

This white paper shows HR managers how an information-gathering and analysis system can help support an enterprise's goals, and the criteria for selecting the right one.

An ideal HR information-gathering and analysis system provides these four criteria:

- easy access to existing information
- unlimited scope for future expansion
- complete security
- low total cost of ownership (TCO).

The information gathered through employee surveys, questionnaires, and appraisals is very strategic and must be kept secure at all times.

For most enterprises, this need for rock-solid security makes the traditional software licensing model a better choice than the newer software-as-a-service model.

From the basic system design through ease-of-use to pricing, the ideal system provides the most effective operations at the lowest total cost of ownership.

Selecting the proper system can help HR gather better information, improve employee performance, and play a key role in the success of your organization.

How to Gather Better Information to Improve Employee Performance

To compete in the global economy, today's workforce needs continuous improvement. Managers need to learn "soft skills" to help motivate teams for top performance. And decision-makers need to continuously re-evaluate business strategies.

To meet all these challenges, HR needs to provide executives with strategic information that helps them see patterns, make effective decisions, and manage for better results. The stakes are high. Strategic information can lead to dramatic results, such as:

- immediate improvements in productivity
- reduced employee turnover and absenteeism
- streamlined procedures that save costs
- improved customer retention
- better bottom-line performance.

To achieve these benefits, HR executives need more complete information to help improve the skills, training, and performance of employees. This information is typically gathered through surveys, questionnaires, and appraisals.

But using paper-based forms for these tasks is not efficient, and sometimes impossible. The physical burden of printing, handling, analyzing, and storing so much paper creates a tremendous time delay between when a survey is sent out and when strategic results are presented to management.

Real-time computerized systems modernize these functions. These systems streamline the gathering and analysis of highly strategic information such as 360 degree feedback, performance reviews, employee satisfaction surveys, training needs analysis, and so on.

This white paper shows HR managers how an information-gathering and analysis system can help support an enterprise's goals, and the criteria for selecting the right one.

Three business drivers

Three factors drive the requirements for any HR information-gathering system:

- today's constant pressure for better performance
- the need for better metrics on employee performance, skills, and training
- the need to streamline paper-based surveying, analysis, and reporting.

Most functions in the enterprise now rely on computer systems, including accounting, logistics, payroll, production, and so on. The business drivers listed above create a compelling case for automating an organization's feedback mechanisms as well.

With the proper system in place, 360 reviews, surveys, questionnaires, or appraisals can all be performed in a more timely, cost-effective way, to generate faster results that enhance HR's role in supporting the mission of the enterprise.

But how does an HR manager go about selecting the right system to achieve all this? Fortunately, there are some key criteria to look for.

Four criteria for an ideal solution

An ideal real-time information-gathering and analysis system must meet several key criteria. An ideal system provides:

- easy access to existing information
- unlimited scope for future expansion
- complete security
- low total cost of ownership.

Let's look at each of these in some more detail.

Criteria #1 for an ideal system: Easy access to existing information

An ideal system can leverage the information already in your corporate databases, CRM, or HRIS. This removes the need to ask repetitive questions like name, title, and department.

In other words, when an employee signs in to take an online survey through the Web, the system can automatically match their user name with the appropriate employee record in an enterprise system. Behind the scenes, it automatically links in the information already on file, such as name, title, department, employee number, division, location, years with the company, salary level, and so on.

This means that every survey can be shorter, since many of the basic identification and demographic answers are not required. The proven rule of thumb for surveys is the fewer questions, the better the response rate. Therefore, easy access to existing information provides an interesting side benefit as well: better response to surveys and questionnaires.

IT people call this "integration with the existing infrastructure." Of course, they know any system can be linked to any other system, provided the company spends enough on programming, database conversion, and so on. The challenge is to do it quickly and easily, without undue cost or delay.

Criteria #2 for an ideal system: Unlimited scope for future expansion

An ideal system is powerful enough to support an unlimited number of users who need to create or respond to surveys, questionnaires, or appraisals. IT people call this "scalability." The ideal system must be able to scale up to handle your entire enterprise, numbering dozens of thousands of employees.

For instance, a 360 review process often starts as a pilot project in one department or at one site. If it proves effective, HR executives often roll out the 360 program across the next division, the next site, or perhaps the entire enterprise. But what happens if your system can't support the next wave of the rollout? The whole effort can be thrown into question by this false start.

Sometimes low-powered survey software is presented as everything an enterprise will ever need. This type of software provides another brand of limited scalability. For instance, instead of pushing one button to review 200 or 300 employees, you could be stuck creating 200 or 300 separate reviews and sending them out one at a time. Imagine trying to roll out a program like this to cover more and more employees!

Criteria #3 for an ideal system: Complete security

The information gathered through employee surveys, questionnaires, and appraisals is highly strategic. It must be kept secure and confidential at all times. This critical requirement helps to determine the most appropriate delivery model for an ideal system.

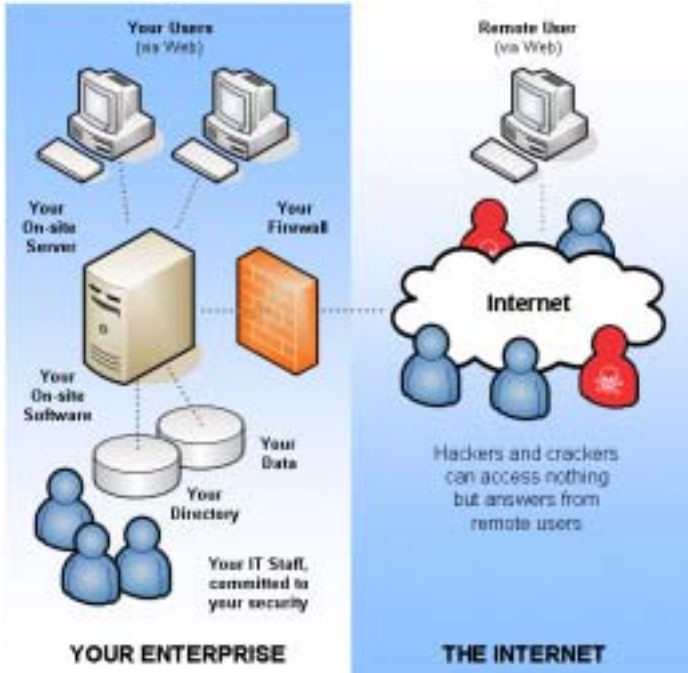


Figure 1: Security in the Licensed Model

There are two models for information systems today: the traditional licensed model, and the so-called “hosted” or “ASP” model.

In the traditional model, as shown in Figure 1, an enterprise pays for the rights to install and use the software on their own machines inside their own walls.

The company’s own IT staff is responsible for setting up security provisions and maintaining the system.

And, most important, all the company’s data resides safely on their own machines behind their own firewalls, tended by their own IT people.

The subscription model—sometimes called “software-as-a-service”—is quite the opposite, as shown in Figure 2 on the next page. In this approach, an enterprise subscribes to the software accessed via a Web site provided by the vendor. The software is not installed on the company’s machines. The software vendor’s staff (or staff at a third-party data center) is responsible for setting up security and maintaining the operation.

And, most important, all the company’s data resides at the data center, and every transaction takes place over the Internet.

While software-as-a-service is fine for some applications, it is questionable for an HR information-gathering system. Would you be comfortable with all your employee’s training and performance information transmitted over the Internet and stored off-premises by somebody else? Can you think of any competitors who might enjoy getting a sneak peak at all that data?

This is why an ideal solution should be delivered as traditional, licensed software that gives you total control of your own data. What’s more, this leaves your own IT people in charge of your system security. Who else is more motivated to safeguard your own data than your own people, at your own premises?

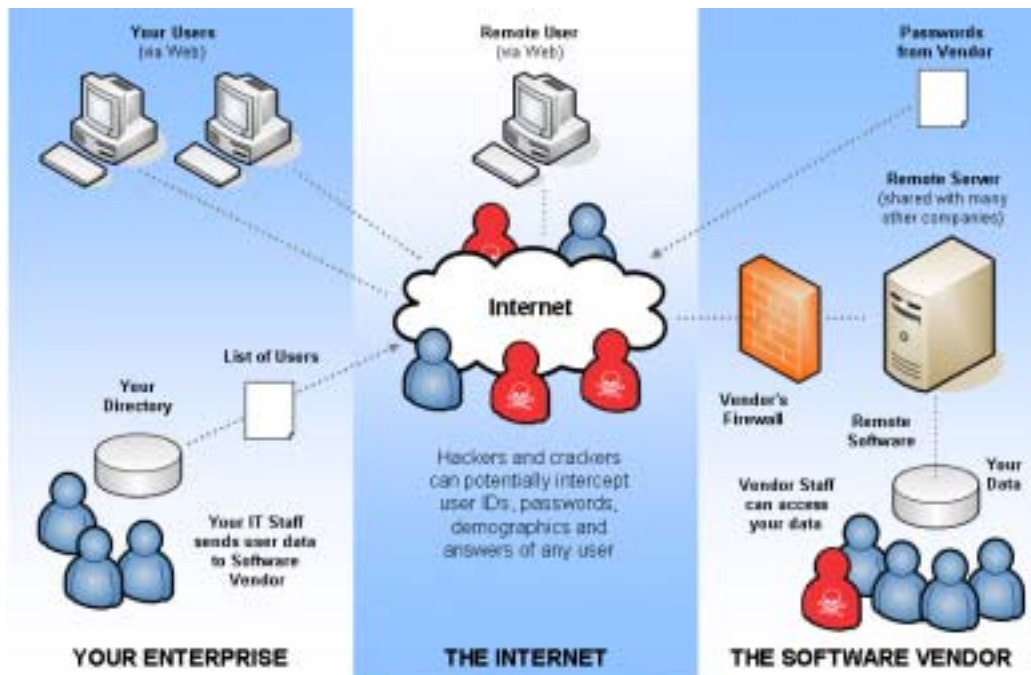


Figure 2: Security in the Hosted Model

Criteria #4 for an ideal system: Low total cost of ownership (TCO)

From the basic system design through ease-of-use to real-world pricing, the ideal system provides the lowest possible costs. IT people call this the “Total Cost of Ownership” (TCO), and they like it the lower, the better.

An ideal system enables an HR department to design its own surveys, forms, and reports without waiting for IT or bringing in an army of consultants. This means you can serve yourself without running up large outside costs.

An ideal solution does not require installing any software, browser plug-ins or Active-X controls. This means that there is no learning curve, no training or support costs, and no need for the headaches of upgrading every existing PC. The ideal solution does not require any new hardware, software, security, or anything beyond a PC with a standard Web browser like Internet Explorer or Firefox, which your employees already have.

As for pricing, many enterprise systems have one price, take it or leave it. This means you must pay the full bill, even to start with a small pilot project. Other systems charge by usage, so that every time you run the tiniest follow-up, you must pay all over again.

An ideal information-gathering and analysis system is priced in a way that makes sense:

- by employee (for review-based activities) or
- by administrator (for survey-based activities).

That means you pay once for every employee to be reviewed with the system, or once for every administrator who creates or manages surveys with the system. From then on, all authorized employees or administrators can use the system as much as they wish.

This also gives you the flexibility to start with a small pilot project and roll out the system, paying as you go.

What Powered by Blue means for you

Now that we have seen the criteria for selecting a system, how do the current offerings on the market stack up?

One in particular stands out: Blue from eXplorance.

Blue is an enterprise-class suite of four Web-based applications that can support HR in gathering the information and feedback you need. With Blue's help, you can gather information, analyze it in powerful ways, and deliver strategic highlights to decision-makers, faster and easier than ever before.

Some of the many HR programs that Blue can support are:

- 360 degree reviews
- employee satisfaction surveys
- exit interviews
- organizational climate surveys
- performance reviews
- policy communication
- training needs analysis.

Is Blue an ideal solution?

Blue was designed to meet all four criteria for an ideal solution, as described below.

1. Easy access to existing information.

Blue is designed for quick integration with existing systems. Blue links to all mainstream enterprise systems, such as employee directories (Microsoft Active Directory), corporate databases (SQL Server), Web portals (Microsoft SharePoint), and e-mail systems (Microsoft Exchange/Outlook). And Blue can support any CRM or HRIS system such as Oracle, PeopleSoft, SAP, or Siebel.

2. Unlimited scope for future expansion.

Because of its modular system design, Blue is scalable from 100 to 500,000+ respondents, or more. At the largest site installed to date, Blue supports 3.8 million users without any issues.

3. Completely secure.

Blue is most often delivered in the traditional licensed model. This makes it as secure as any other system within an enterprise. In this model, all your data resides on-site behind your own firewalls, protected by your own IT staff.

4. Highly cost-effective.

Blue runs on existing PCs, with no need for upgrades or downloads. HR managers can create surveys and reports, with no need for IT developers or expensive consultants. Blue is a one-time investment, rather than an ongoing cost. Clients pay either by employee (for review-based activities) or by administrator (for survey-based activities); from then on, all authorized users can access the system as often as required.

All this makes Blue an ideal solution for any HR manager seeking better information to help improve the skills, training, and performance of employees.

To find out more about how BLUE can help HR play a key role in the success of your organization, visit www.eXplorance.com and register for an online demo. This demo will be delivered through the Web at your convenience.