The 3 Tests

of Effective Performance Measures for Business Analysts

Adriana Beal

To get better at our jobs, we must monitor our performance in an effective manner. Being aware of the common pitfalls of performance measurement isn't sufficient to avoid them, but a process can help. These 3 Tests of Effective Performance Measures will help you choose better indicators to monitor your own performance, or the performance of business analysts who report to you.

Studies about high-performance organizations provide overwhelming evidence that *monitoring performance* helps companies and individuals achieve drastic improvements in measures such as productivity, return on capital employed, and company survival[1].

However, because ill-conceived measures are as likely to cause performance to decrease as to increase, we need to be mindful of some common pitfall of performance measurement. The **3 Tests of Effective Performance Measures** will help you ensure that your performance measurement system focus on the right aspects of performance and can set up your BAs for success.

Test #1: Do the measures provide a complete picture of performance?

The question to ask first is, "**Are we capturing all relevant elements of achievement, or just a few pieces of it?"**

For example, if it's important for the BA manager that her business analysts establish a good rapport with business stakeholders, to ensure they continue to be engaged in the requirements process, you can't just measure aspects of quality and productivity of the BA's work. You'll want to include some sort of measure that reflects this other part of performance, perhaps using a survey at the end of each release, to understand how well the analyst is doing in this area.

1 *See for example "Does Management Really Work?" – HBR November 2012.*

Good performance measurement systems allow managers to monitor all relevant aspects of performance: impact, quality, quantity, timeliness, cost effectiveness and even manner of performance, if that's important for the results we are trying to achieve.

Test #2: Are the measures truly linked to value creation?

Many companies focus measurement on what's easy to measure, typically compliance with processes, or number of hours spent on each task. In one of my jobs, I had to estimate the number of hours that I would dedicate to each of my tasks, and then track actual hours worked against these estimates. I also had produce a minimum number of documents for each of my projects, just so the performance of the team could be measured.

This excessive need to control everything only serves to inhibit creativity, and limit what analysts can achieve. Smart companies want their employees to use their creativity to find innovative solutions for business problems, and thus focus on **measures that focus on strategy and vision, not control.**

Measuring things like number of hours spent on each activity, or documents produced, will just overcomplicate your performance measurement system without bringing any value. If a business analyst is providing timely, high quality software requirements that are leading to useful applications with high adoption rates and low requirements churn, and both business and technical stakeholders are happy with her work, why should her manager care if she spends more time creating use cases or interviewing users? This level of micromanagement only serve to alienate the people being measured.

Test #3: Are the measures responsive to the efforts of the person who is being measured?

If an individual doesn't control the process to produce something, then he shouldn't be held accountable for the outcome of that process. In practice this happens all the time, but that's not how we achieve top performance.

For example, it wouldn't be fair or effective to blame a business analyst for the late delivery of user manuals when the real problem was the late release to the testing environment of the functionality that the BA was supposed to document. But if a BA is put in charge of creating the requirements for a software project, and is given access to the right information, people and resources she needs to execute the work, there is no reason why she shouldn't be held accountable for the quality of her work products.

And it's true that in some cases the lines may be a little fuzzy -- is a requirements defect really the fault of the analyst, or was it caused by an external factor, such as poor processes, or lack of stakeholder involvement?

Using the 4 spans of job design to isolate performance problems attributable to individual BAs

Imagine that you are in a project implementing back office tools used by the marketing team of a company to set up products and promotions for their webstore. Stakeholders are submitting a large volume of change requests at the end of each development cycle, complaining that the solution doesn't really fit their needs. The CIO is not happy, as the problem is causing project slippage and waste due to constant rework. The analysts producing the requirements are blaming the business for the failure.

How can we tell who's responsible here? We don't want to blame the BAs for things that are outside their control, but we don't want to make allowances for poor performance either.

There's a useful tool that we can use to help isolate the root cause of this type of performance issue: the 4 spans of job design.

The 4 spans of job design

CONTROL	ACCOUNTABILITY	INFLUENCE	SUPPORT
What resources do I control to accomplish my tasks?	What measures will be used to evaluate my performance?	Who do I need to interact with and influence to achieve the goals assigned to me?	How much support can I expect when I reach out to others for help?

Designing High-Performance Jobs – Robert Simons – HBR Jul 2005

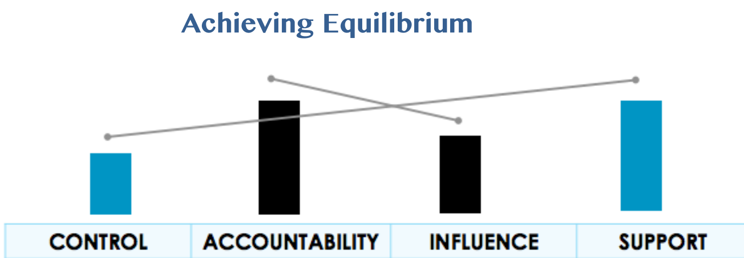
These 4 aspects apply to all jobs, from individual contributor to CEO, and they can tell us when a problem with job design is preventing a business analyst from operating at his maximum efficiency and effectiveness.

Two of the spans, control and support, reflect the supply of organizational resources the individual has.

The **span of control** represents the level of direct control over people, assets, and information we have to perform our jobs. **Span of support** reflects the supply of informal resources in the form of help we receive from others within the organization.

The two other spans, **accountability and influence**, determine our demand for organizational resources. **Accountability** indicates how our performance is being evaluated - the more things we're accountable for, the more resources we need (in terms of demands for time, assets, information) in order to accomplish our goals.

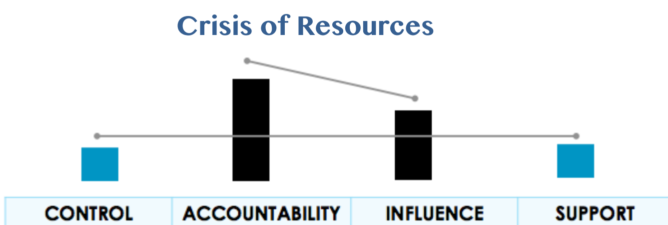
Influence represents a "soft" demand for resources. It reflects the extent to which we need to interact with others and persuade them in order to achieve our goals. When we join a multidisciplinary initiative, or work for two bosses, or get a stretch goal, we begin reaching out across units more frequently, and that increases our span of influence.



We can tell that a job is equilibrium if, when we draw a line connecting the two spans of demand for resources, and another connecting the two spans of supply , those two lines intersect, forming an X.

When demand for resources roughly equals supply , the job is properly designed for sustained performance.

If the lines don't cross, and the supply of resources is insufficient for the demands of the job, the result is a crisis of resources, and the person's or unit's goals won't be met.



Analyzing the 4 spans of job design for the group of BAs in our case study, this is what we found:

- The **span of control and support** were very narrow (the BAs didn't control the information assets they needed, and because there was no incentive for the business to help, they didn't receive any assistance to understand the problem domain).

- The **span of accountability** was much wider: the BAs were responsible for writing error-free requirements and preventing change requests from happening at the end of each development cycle, which required specifying solutions that supported the day-to-day business and user scenarios.

With this type of job design, no matter how much effort the BAs put in, the level of success they could achieve was limited . They couldn't really contribute to the expected results when they weren't given access to the resources required to understand the business problem and propose the right solutions. “Number of change requests” wasn’t a measure that was responsive to the efforts of the BAs, and therefore it shouldn’t be used as part of individual evaluation. It didn’t make sense to have individual BAs accountable for this particular performance problem that the project was experiencing, because until management fixed the problems with job design, this measure would not responsive to the efforts of the BAs on the team.

Fixing the problem with job design

With management involvement, it was possible to recalibrate the job design to remove the *crisis of resources* the analysts were experiencing. Executives on the business side created a performance goal for the marketing team to help widen the span of support of the BAs. As part of their individual performance evaluation, managers were going to be measured by the level of accuracy of a “capabilities matrix” mapping the tasks that the marketing team had to perform to the features and functions of the back office tools. Because understanding the capabilities and functionality gaps had become a priority for these managers, now they were motivated to collaborate with the team of BAs. As a consequence, the BAs were finally given access to the real scenarios the solution would need to support, and were in a much better position to propose the right solutions to meet and even exceed stakeholder expectations.

After the intervention, some of the workstreams experienced a drastic reduction in the number of change requests submitted at the end of each cycle, while others continued to underperform in this measure. But now that the job design was well-calibrated, any performance problems could be attributed to the individuals executing the work. The root cause could have been lack of motivation, or inadequate competence and skills, or any other issue that management would have to investigate or address, but with the 4 spans of job design in equilibrium, it was possible to make the individual analysts accountable for the number of change requests submitted after each release.

What we mean by accountability

Let us clarify what we mean by "individual accountability" here.

As Will Kaydos points out in his book "Operational Performance Measurement: Increasing Total Productivity", some people may equate accountability with saying "this is your fault, and you'll hang for it", but that's not what accountability means. Kaydos provides a good description:

> ***"This problem is coming from your area and you are responsible for solving it. I do not necessarily expect you to solve it all by yourself, but I do expect you to understand the problem, to know what's being done about it, and to be the driving force to eliminate it. If you need help, resources, or something from other departments, it is your responsibility to tell me and I will do what I can to remove the obstacle. However, make no mistake that it's your problem."***

This a useful script to read to ourselves to prevent us from becoming victims of the Self Serving Bias - the tendency to attribute our successes to internal causes and our failures to external factors.

We may need help to fix some performance issues, but that doesn't mean we are excused from understanding what's causing the problem, figuring out what we need to fix it, and communicating to management what the obstacles are.

Make sure your your performance measures pass these 3 tests, and you should start to see drastic improvements in the performance of business analysts in your organizations.

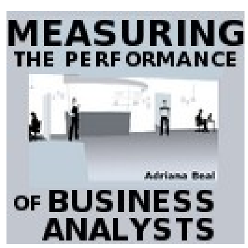
Test #1: Do the measures provide a complete picture of performance?

Test #2: Are the measures truly linked to value creation?

Test #3: Are the measures responsive to the efforts of the person who is being measured?

For more resources, visit bealprojects.com.

To be informed of new resources in business analysis or performance measurement for business analysts, sign up to our infrequent newsletter.



eBook Measuring the Performance of Business Analysts