

INNOVATION AND PERFORMANCE IMPROVEMENT INTEGRATION

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G2000's HR Execution Excellence—Retail Attendance System was one of the innovative projects to receive the ISPI Award of Excellence in 2016. It is a continuous improvement project that applies the concept of holistic human performance improvement using an ISPI HPT model (ISPI, 2012) to streamline the front-end and back-end processes of our Retail Attendance System. As a result, it leads us to achieve one of our business goals: employment regulatory compliance. In our case, the project team was tasked with seeking out solutions to ensure that the payroll process for retail staff could be performed accurately and in a timely manner. After applying the HPT model to conduct the gap analysis and identify the causes or factors that were limiting our performance, we integrated the concept of human-centered design (HCD) approach at the solution-design phase of the project, to lead us to innovative solutions.

The HCD APPROACH emphasizes the human/user community as an essential starting point if we are to design sustainable solutions that successfully address real-world problems. In the past, for any strategic initiatives, senior management asked only two questions: (1) is it financially viable and (2) is it technically and organizationally feasible? If both answers were positive, the project management initiation stage was completed and the implementation planning stage would follow. More recently, modern technological advances—3-D graphics, 3-D printers, and so on—have helped to reduce the cost and time involved in developing and implementing strategic initiatives. This leaves organizations with more time to ask a third question before embarking on the implementation planning stage: Is our solution or product what the people actually want? To ensure that our initiatives and solutions for the Retail Attendance System project were desirable, feasible, and viable, we combined a human performance technology (HPT) model (Van Tiem, Moseley, & Dessinger, 2012) with IDEO's 3I model (Brown, 2008), which is a human-centered design (HCD) approach, to guide a very creative approach for solution design.

IDEO'S HUMAN-CENTERED DESIGN (HCD) IS THE SOLUTION

Many high-profile organizations have already benefited from IDEO's HCD approach to progress and growth. As a leading global design firm, IDEO has successfully introduced the innovative HCD approach across a wide spectrum of industries—from developing a new mouse for Apple to reworking airport security checkpoints for the Transportation Security Administration (TSA)—and has received numerous design awards for its achievements.

The founder and chairman of IDEO, David Kelley, is highly regarded in the design industry, having founded Stanford University's Hasso Plattner Institute of Design (the d.school), and has long been a pioneer of the HCD approach. IDEO was founded on a commitment to the relationship between design and user experience, and Kelley continues to teach HCD methodology and design thinking to students and business executives alike.

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range of ideas and prototypes as well as to gather genuine, real-world feedback from the people who will actually be using your product. This creative approach is a collaboration between the designer and the users, one that helps to ensure that the final innovative product or solution really does meet a human need. Of course, there are other factors to consider as well, but as shown in Figure 1, the HCD approach emphasizes the human/user community as an essential starting point if we are to design sustainable solutions that successfully address real world problems.

PROJECT BACKGROUND

G2000 Group is a multi-brand specialty retailer, offering an assortment of men's and women's apparel and accessories under various labels. Strong product concepts and a passion for relentless innovation have made G2000 an institution of the apparel retail industry in Hong Kong. Today, the Group operates over 700 outlets in the Asia region.

In Hong Kong, all businesses are obliged to meet the Employment Regulatory and the Payment of Wages Ordinance, which requires them to "pay wages to an employee no later than 7 days after the end of the wage period." However, in our case, our front-end retail staff did not input their attendance into the Retail Attendance System (RAS) on time or correctly; therefore, the output of the RAS was not accurate. If the RAS output was not accurate, it affected the accuracy of the retail payroll process. If this back-end process was not accurate, it might lead to

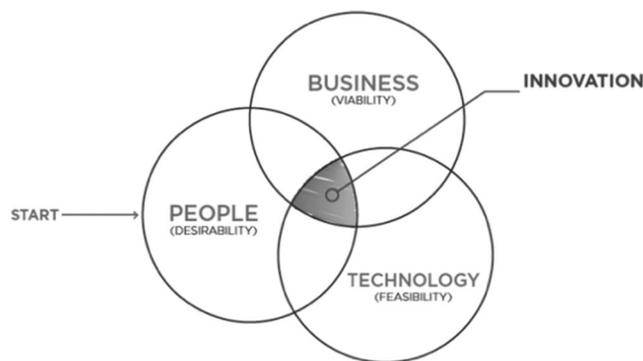


FIGURE 1. CREATE REAL IMPACT

a breach of the Payment of Wages Ordinance and might further lead to a labor-dispute case. If this were to happen we might not be able to achieve one of our business goals, which is Employment Regulatory Compliance. If we are not aware of the Employment Regulations Compliance, the results can be immensely stressful and expensive. In addition, it may lead to a negative image for our employer brand. In short, we cannot afford the consequence of noncompliance with employment regulations.

Our question, then, was how might we streamline the front-end and back-end processes to fulfill the Employment Regulatory requirement. Our HR Execution Excellence RAS project therefore applied an HPT model as a systematic performance improvement process, using the following instructions:

1. Assess a need or opportunity.
2. Identify causes or factors that limit performance.
3. Design solutions.
4. Develop solutions.
5. Implement the solutions.
6. Evaluate the results.

To meet our business goal (i.e., Employment Regulations Compliance), we had to comply with the Payment of Wages Ordinance, which we classified as the *workplace level*. But meeting this ordinance depended on the payroll process and the retail attendance process, which we classified at the *work level* of the retail operations. These processes depended on the retail attendance information being entered by the retail staff, which we classified as the *worker level*. The following explanation starts at the worker level and works its way up through the other levels.

Worker Level Gaps

At the worker level, retail staff was not meeting performance standards for entering attendance information. We require retail staff to input their attendance into the system four times a day (in and out, and before and after meal break). Through our analysis, we uncovered three causes for this gap. First, we had over 600 retail staff, of whom half are part-time. What we found was that part-timers did not know how to input the attendance record, especially on their first day. Thus, their attendance was missing or had the wrong data. We attributed this to a knowledge/skills deficiency in that this group did not know how to use the Retail Attendance System (RAS). Second, the RAS interface was not user friendly. Retail staff had to press a number of buttons to input their attendance records. Because they wanted to go to lunch quickly and save time, some staff decided not to input their meal-break record. We

classified this cause as a tools-and-resources deficiency that specifically involved the RAS user interface. Third, a small part of the performance gap was simply due to the staff forgetting to input their attendance information, which reflects the *capacity* category.

Work Level Gaps

At the work level, inaccurate data caused performance problems. Retail attendance data goes to the retail payroll process system at the first day of each month. The compensation and benefits (C&B) team then calculates the wages of the retail staff based on the data in the system. Thus, inaccurate data reduced the accuracy of the retail payroll process. District sales managers (DSMs) from Retail Operations discovered that some retail staff were not entering their attendance into the attendance record. Therefore, some attendance data were missing and appeared as “blank” in the system. With incomplete data, the C&B team could not calculate the payroll accurately, thereby risking a breach of the Payment of Wages Ordinance. We classified these causes in the *knowledge/skills* and *tools/resources* categories.

DSMs also discovered out-of-date transfer records. When staff transferred between shops, they had to fill out the staff transfer form. Since different shops have different commission schemes based on the size, the manpower, and the location of the shop, the payroll system could not calculate the commission correctly if the transfer form has illegible or incorrect information. We classified this problem also in the *knowledge/skills* and *tools/resources* categories.

The last issue we found was that when the system calculated the payroll, it needed to compare the attendance information entered with the preset roster data. This roster data was supposed to be uploaded by the DSMs or the shop managers every Sunday. However, this was an aging retail roster system, and it was constantly out of order, which made uploading the roster difficult. We attributed this gap to tools and resources.

Workplace Level Gaps

At the workplace level, we found gaps related to compliance with the Payment of Wages Ordinance. The labor dispute we experienced was a significant management challenge. The cause of it was inaccurate retail attendance and shop transfer data. We paid retail staff less than what we should have, and the case was brought to the court. This cause reflected the tools-and-resources category.

Solutions

After using the HPT model to analyze the performance and to identify the root causes of performance gaps, our project team used the HCD approach to generate five solutions. To secure the quality and accuracy of the attendance record, we decided to strengthen the retail attendance input method, the attendance record approval e-process, and the staff transfer e-process. To achieve sustainable improvement, we organized train-the-trainer workshops for shop managers to teach the retail staff to use the enhanced system effectively, and we developed automated management reports to monitor the attendance input performance. These solutions were selected based on the outcomes, outputs, values, costs, and benefits to G2000.

The key output for the design-solutions phase was a detailed design document. The purpose of the document was twofold. First, it specified that the solution development team should have enough information and understanding of what was to be built, how it would be used, and how they were expected to transform the design plan into a complete solution package of “tangible products and services.” Second, it provided senior management enough information to review, ask for revision, or reject the development and the implementation of the solution. In short, the design document was used to create confidence and gain support and approval from stakeholders, including senior management and solution developers.

INTEGRATING INNOVATION INTO PERFORMANCE IMPROVEMENT

To decrease the potential for a bad user experience that could result in extensive reworking or other costly remedies, it was essential to develop solution specifications. This ensures that the solutions are specifically designed (and have the capacity) to close the identified root causes and result in a good user experience. We used the HCD approach to achieve this, which involved three main phases: *inspiration*, *ideation*, and *implementation* (see Figure 2).

- *Inspiration* triggers the search for viable solutions by identifying a need or a problem and translating this into an opportunity.
- *Ideation* is the creative process of generating various ideas and testing them among potential users within the community the designer is aiming to serve.
- *Implementation* is the route from ideas and concepts to real-life solutions that benefit people in their daily lives.

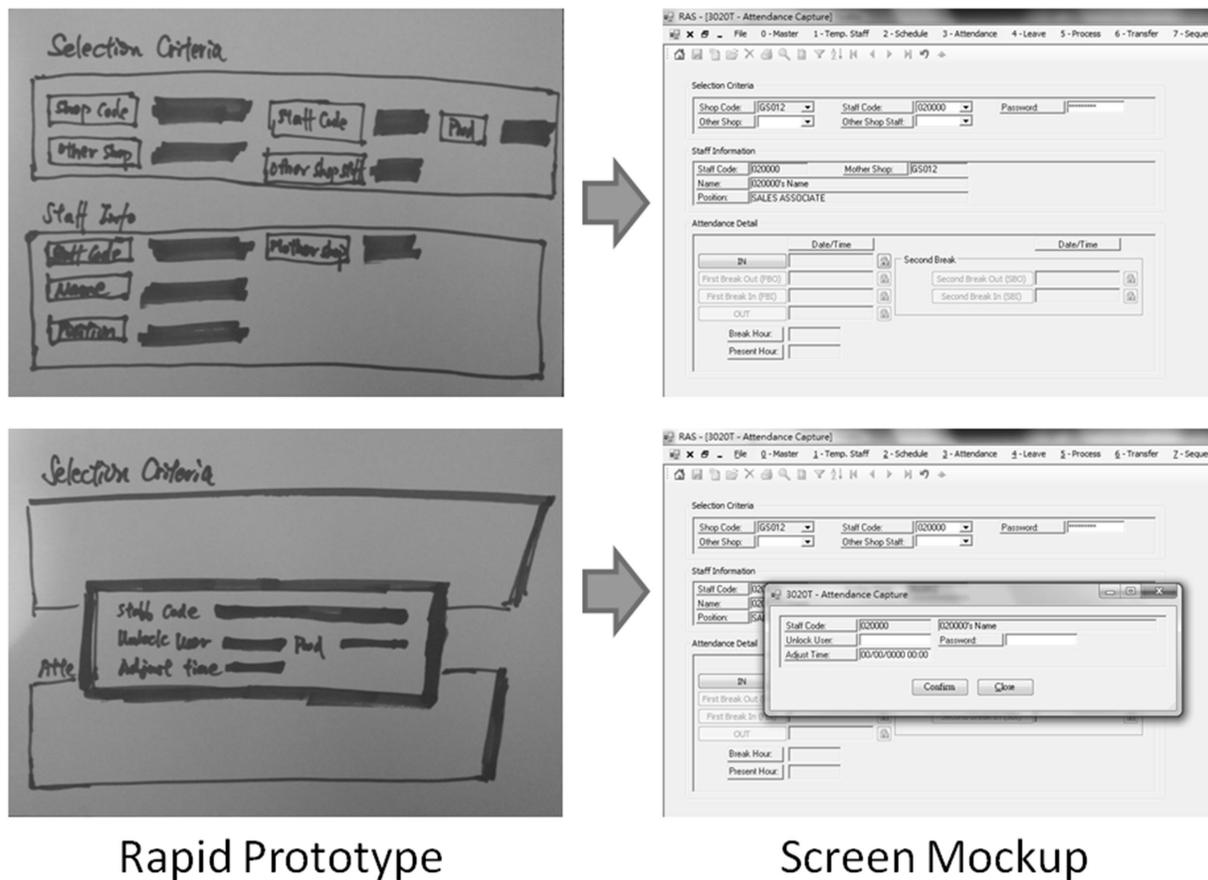


FIGURE 8. RAPID PROTOTYPE AND SCREEN MOCKUP

After implementation, it is crucial that you take the time to evaluate the results and their impact by developing a measurement strategy. Human-centered design integrates design and measurement methods in a continuous learning cycle. By encouraging ongoing measurement, evaluation, and iteration, the solutions stay grounded in real-world impact and continue to evolve.

Applying an HPT model to assess the needs and to identify the root causes of the limitations to our HR performance was an important place to start, as we needed to be sure of the essential problem before trying to work towards a solution. With the integration of the HCD approach, we then performed the inspiration phase to explore new perspectives on our need, the ideation phase to generate ideas, and the implementation phase to make these ideas tangible and usable. Following this, we returned to the performance improvement process, and through the implementation of the G2000 project, we have successfully exceeded our targets in the past year. To ensure the effectiveness of the project, we evaluated it by Kirkpatrick's four-level evaluation model (Kirkpatrick & Kirkpatrick, 2006). Even after the project had been

running for a year and responsibility for the solution was under the operations team, we still monitored the project results by using the balanced scorecard method (Kaplan & Norton, 1996). This was an evaluation journey (see Figure 9) that combined the balanced scorecard model and Kirkpatrick's four levels of evaluation model:

The results we have experienced thus far include the following:

- **Level 7 (L7)** (BSC–Financial Perspective) Risk rating of breaching the payment of wages: Before: 25 scores, Target: 5 scores vs. Result: 5 scores (meets target).
- **Level 6 (L6)** (BSC–Customer Perspective) The satisfaction rate of Retail Attendance System from retail staff and C&B team members is over 95%.
- **Level 5 (L5)** (BSC–Internal Process Perspective) Accuracy rate of Retail Attendance System: Before 79%, Target: 95% vs. Result: 95% (meets target).
- **Level 4 (L4)** (BSC–Learning and Growth Perspective): 100% new retail staff received the enhanced RAS user training on day one at their shop.

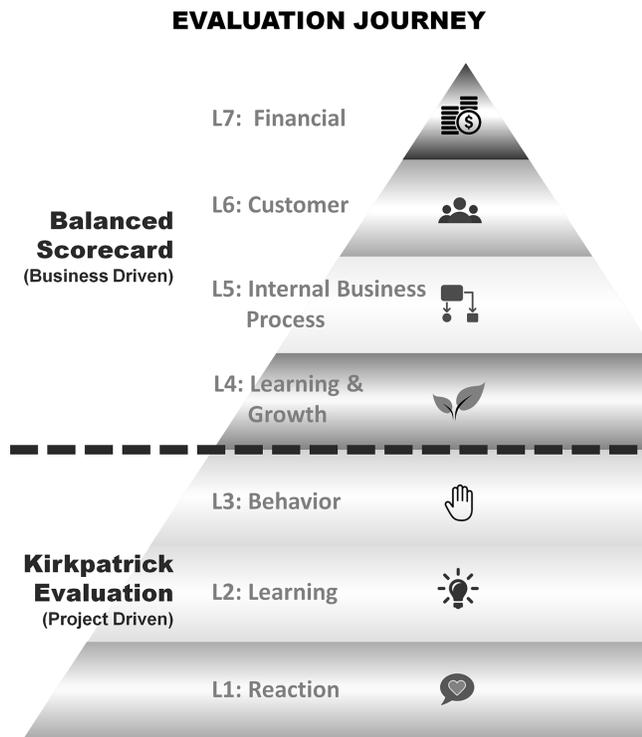


FIGURE 9. EVALUATION JOURNEY MODEL

- **Level 3 (L3)** (Kirkpatrick–Behavior) The majority of the retail staff are entering information into the RAS in a timely manner using the new input method: Before: 87%, Target: 100% vs. Result: 100% (meets target)
- **Level 2 (L2)** (Kirkpatrick–Learning) Shop managers can correctly apply and explain the changes of the project content and are confident in promoting the changes in their own shop: Target: 90% vs. Result: 92% (meets target)
- **Level 1 (L1)** (Kirkpatrick–Reaction) Shop managers perceive that the solving of the problem (enhanced RAS) is related to their daily operation: Target: 5 out of 6 vs. Result: 5.2 out of 6 (meets target)

All retail staff are now able to follow the enhanced attendance input method and workflow, and over 570,000 attendance records have been completed in an accurate and timely manner.

It is clear that HR efficiency has greatly increased through this internal improvement project. The ongoing evaluation and monitoring system also builds in a continuous improvement capability, which significantly empowers our strategic HR role of supporting our business goals.

CONCLUSION

Aside from the success of achieving the specified business goal using an HPT model, the integration of HCD for

creative and strategic solutions, especially through the inspiration and ideation phases, facilitated a smooth transition between the analysis and development phases of performance improvement. The advantage of this integrated approach also led to three more unexpected benefits to the company.

Staff Engagement

All of the solutions are focused on the real-life daily problems that our staff was facing. Their voices played a vital role in the development and iteration of our solutions, and throughout the process they knew that we were listening, caring for, and respecting their ideas. IDEO's 3I model was therefore a highly effective engagement tool.

Collaboration

Throughout the brainstorming and prototyping activities, members from different departments were invited to work together towards the defined common goal and to build on the ideas of others. This encouraged valuable communication and teamwork across departments.

Innovation Management

The HCD approach allowed the company to respond to external or internal opportunities and employed its creativity to introduce new ideas, processes, and products. This is not relegated or restricted to research and development (R&D); it included representatives at every level contributing creatively to a company's product development, manufacturing, and marketing. This innovative approach completed and enhanced the original HPT model and really brought it to life. By integrating HCD into our approach the new Retail Attendance System, many ideas came from them and they felt some ownership over its design. We have seen that our staff were also more willing to share their ideas with senior management because they knew that we were listening.

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