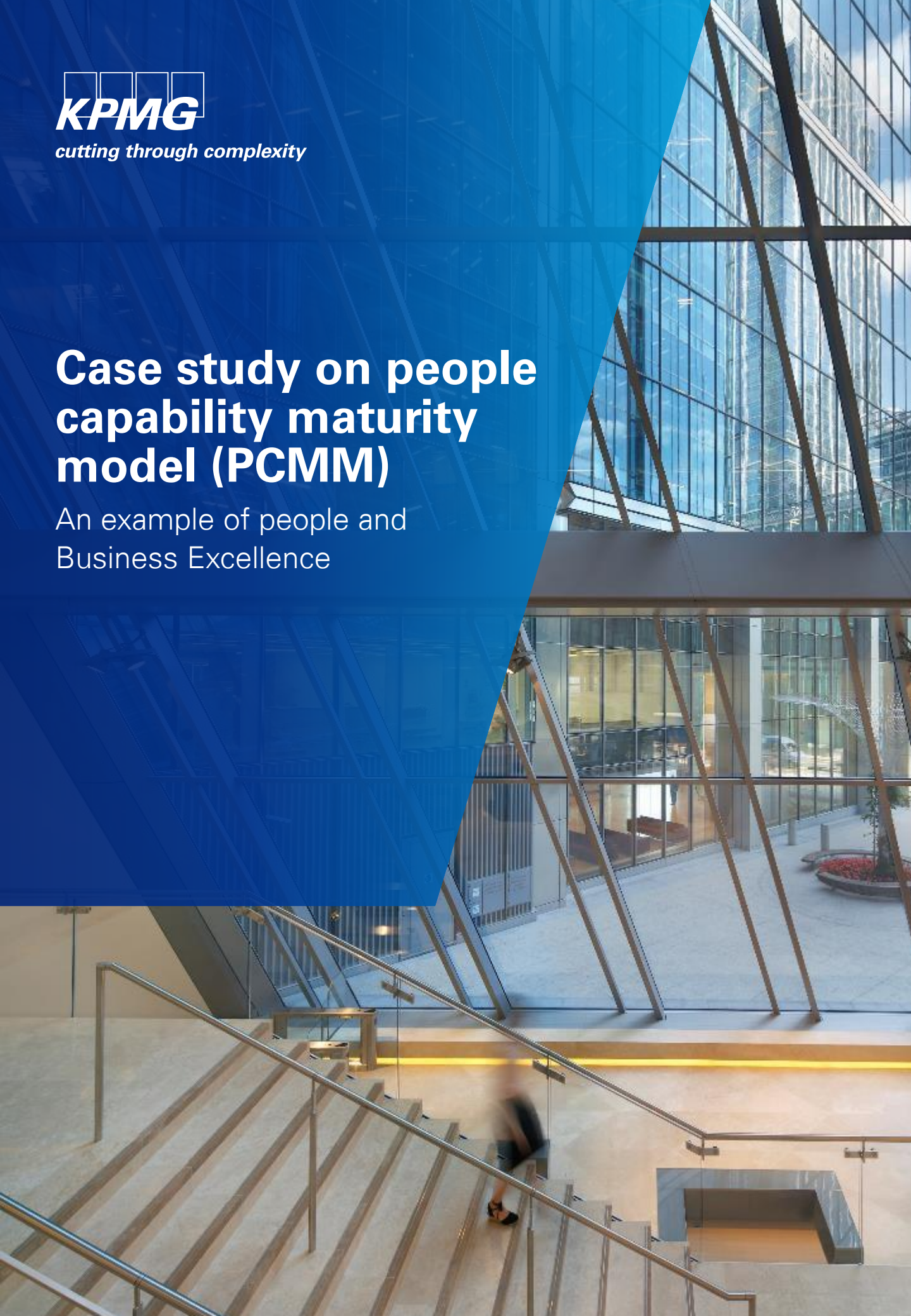




cutting through complexity

Case study on people capability maturity model (PCMM)

An example of people and Business Excellence





Case objective and client background

Case Objective

This case study is designed to share with the reader key business concerns (aligning to people practices and metrics) of a company situated at 22 geographical locations with 10000+ employees and how they addressed the adaption of People CMM practices. It also highlights the approach taken, challenges faced & benefits derived during the journey.

Client background

A leading IT/ITeS organisation had taken up a bold decision of strong structure cutting across verticals/domains and geographies. Work profile includes application development, maintenance, production support, infrastructure technology outsourcing and BPO.

Clients' primary business challenges

Given the aggressive growth strategy, the organisation has been facing steep challenges in the following areas:

- Very high talent attrition in the range of 30 per cent to 34 per cent
- Slow succession planning and execution

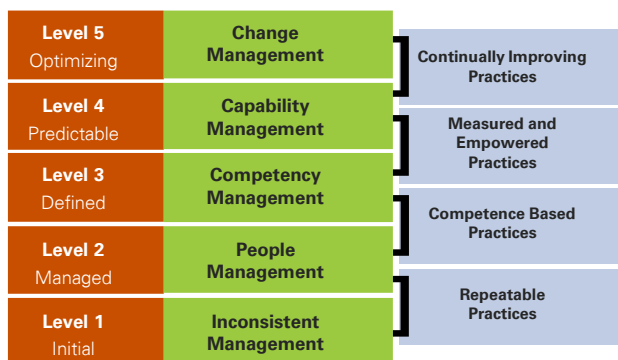
- Lack of integration of verticals and geographies: operating in silos
- Misalignment of objectives and goals
- Weak communication and information distortion
- Poor score on employee satisfaction/engagement with satisfaction index being around three (on a scale of one to seven with seven being the highest on a positive note) and participation in employee engagement survey was in a range of 50 to 53 per cent
- Huge variations observed in the utilisation of resources in the range of 40 to 58 per cent.

KPMG in India's Proposition

KPMG's proposition

With the organisation facing such concerns, KPMG proposed the adaption of People CMM model in a structured and systematic manner to establish a system based approach keeping in mind long-term view of the growth. KPMG further customised the PCMM journey as per the business and organisation needs. KPMG advised an approach that could enable the organisation to leverage and use the PCMM model to instill a stronger set of workforce practices combined with sound programme / account management. Given the depth of business challenges, KPMG undertook an employee centric approach enabling the client to adapt People CMM to help ensure the challenges on hand are not only resolved but also reduced in the future. KPMG also assisted the client in identifying the barriers to realising the overall organisational vision.

Evolutionary improvement path - Maturity levels in PCMM



Source: CMMI Institute

Threads of People CMM

Levels	Developing Competency	Building workgroups & culture	Motivating & managing performance	Shaping the workforce
5 Optimizing	Continuous Capability Improvement		Organisational Performance Alignment	Continuous workforce Innovation
4 Predictable	Competency based assets Mentoring	Competency Integration Empowered Workgroups	Quantitative Performance Management	Organisational Capability Management
3 Defined	Competency Development Competency Analysis	Workgroup Development Participatory Culture	Competency based practices Career Development	Workforce Planning
2 Managed	Training and Development	Communication & Coordination	Compensation Performance Management Work environment	Staffing

Source: CMMI Institute

Approach Taken

'**CARE**' approach leveraging the PCMM principles was adapted. CARE stands for Commitment, Adaption, Review and Engagement. **Commitment** phase emphasized on Executive Leadership involvement, **Adaption** phase focussed on deep study of granular -level practices across the organisation to gain in-depth and first hand understanding of challenges and explore possibilities of current set of practices that require benchmarking with the PCMM model. In this phase key goals in measurable terms were evolved to resolve current and potential challenges. **Review** phase focused on establishing and mapping specific set of practices from PCMM model to achieve the set goals and constant review / evaluation of adaption efficiency and effectiveness. **Engagement** phase being the final phase involved benefit realisation and formal appraisal to evaluate the achieved outcomes.

Time taken

PCMM adaption can take from initiation to PCMM ML3 in 14 to 15 months and subsequently to ML5 in 24 to 26 months.

Resource involvement from client side

Close to 45 to 50 members were involved directly with representations from across locations and verticals to disseminate the PCMM principles.

Challenges faced

- Gaining leadership confidence took a little longer than expected due to delay in evolving and aligning workforce practices with the business goals till the successful pilot completion
- Given the complexity of multiple locations, PCMM programme structure posed a significant challenge for the client, until their structured steering committee and governance team was established with representations from all locations
- A variety of communication vehicles were installed, enabling the sharing common terms and language across the company to seek to avoid information distortion
- Leveraging online technology and innovative ways of sharing policies with the large workforce, helped increase awareness
- Cultural sensitivity was a new concept to the KPMG team as the leadership emerged with a cultural sensitisation programme that enabled the PCMM program group to leverage and use the stronger part of localised culture to customize the workforce policies and cross pollinate leading practices across the organisation
- As effective strategies evolve, team had sporadic challenges in converting them to specific and concrete actions till the time the PCMM group evolved a strong working committee with battalions of young and energetic staff members were appointed in all locations to deploy and implement actions on the ground to realise the benefits of high-level strategy
- Involvement of representatives those selected very carefully with adequate knowledge of geographies, verticals, functions and so on to make the PCMM program a collective and highly a collaborative organisational development initiative that made visible changes in a positive direction.



Outcome

Key Benefits

Quantitative

- Employee attrition decreased 11 to 12 per cent due to constant demonstration of employee connect and serious engagement
- Utilisation improvement between 67 to 75 per cent due to the structured competency assessment and development programs instilled across the organisation enabling employees to assess self and expert to imbibe inputs for skill upgradation
- 7 out of 10 engagements had expanded scope earning larger work volumes from key client accounts covering multiple domains and geographies. This enabled effective integration among the multiple groups
- Customer Satisfaction Index and Employee Satisfaction Index showcased a higher satisfaction ratings in the range of 6-7 supported with more than 75 per cent participation in such surveys and initiatives.

Qualitative

- Cycle time reduction observed across various employee engagement lifecycle covering processing of resource requests, interview schedule, offer release, offer acceptance, induction and making the new incumbent productive
- Perception handling became more proactive and structured with variety of communication vehicles established
- Various employee connect programs evolved and deployed
- Competency development programs were conducted and outcomes were supported with structured empowerment to individuals and groups

- Succession planning was proactive and cycle time monitored to invoke a back-up on account of failed retention
- Collaborative work recognition programs rolled-out to encourage integration of multiple verticals and geographies.

Voice of business leaders

‘Embarking on this, PCMM journey, I feel I am concerned with the impending business – Head HR

‘Business success is directly proportional to competent workforce. Premise of PCMM nicely aligned with this paradigm that made us take the irrefutable decision to adapt this framework for our company. PCMM model enabled us towards the path of developing the workforce in a way that they would further develop the business’ – Chief Executive Officer

Present state/journey forward of the client

- Sustenance program agreed with the client with periodic SCAMPI appraisals so as to enable the habituated implementation of PCMM practices and PCMM based competency assessment for key roles to constantly enhance the contributions of key stakeholders those are directly aligned with the organizational goals.
- Continual improvement journey of adopting methodology to further improve the people centric metrics.

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