



CASE STUDY HARVEY NICHOLS

Living the Brand - Performance Management with Harvey Nichols



Harvey Nichols is one of the world's most recognisable luxury brands specialising in high fashion and food retailing.

Background

In early 2003 the organisation embarked on a two-phase programme to bring clarity and consistency to its customer service standards, in line with the company's strong brand image.

The first phase involved re-launching the company's vision and values, and identifying the behaviours needed to underpin them. Phase two consisted of developing and putting in place clear measures and reward systems to reinforce the new values.

In order to implement this effectively over a period of time, the reward and measurement systems would require the development of a new competency framework, revised performance management systems, recruitment and selection processes, key performance indicators, 360 Feedback and a staff survey.

The Challenge

The company's workforce was spread across multiple retail sites, each with their own distinct culture and a diversity of frameworks and working practices had developed. The best of these needed to be integrated to form a structure aligned with the new corporate values.

Conscious both of cost and the need to get high levels of buy-in to any new proposals, the company's HR function asked Pilat to help them do as much as possible in-house, and to be as inclusive of staff as possible.

The Solution

After reviewing the situation with the organisation, we agreed that it would be best to introduce the proposed changes in a planned sequence, starting with the two most critical — a unified competency framework, and revised performance management processes.

Establishing a unified competency framework

A brief review of Harvey Nichols existing competency models and an initial meeting with the corporate HR team, produced the following top-level structure for the new framework:

- Core competencies - applicable to all roles and closely linked to the Vision and Values
- Non-core competencies - other important areas not applicable to all.
- Leadership competencies - applying mainly to those in managerial positions.

Pilat designed and facilitated a one-day competency workshop for the Personnel and Training Managers from all sites. This produced a more detailed draft framework of the core competencies. During the workshop the framework was mapped against various disparate roles to assess its suitability across the board.

A further consultation exercise was then carried out by the corporate HR team. Personnel and Training Managers conducted workshops with a cross section of staff in their own locality. Pilat designed the workshop, trained the facilitators, and provided a manual and toolkit to support them in running the events and capturing the outputs in a consistent format. By pooling the feedback from a number of sites, Pilat was able to construct the behavioural indicators needed to populate the different layers within the framework.

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Final validation interviews then took place with senior managers, this ensured the more detailed draft was still relevant to all roles and levels, and that two of the leadership competencies (Performance Through People and Strategic Focus) were adequately defined. Pilat designed the lines of questioning and a data capture framework for these interviews which were conducted by senior HR personnel within Harvey Nichols.

Review and Re-align Performance Management Processes

Initial feedback indicated that changes to the performance management system would need not only to incorporate the new competencies, but also to have a greater emphasis on on-going measurement, feedback and development. This was imperative for the company to embed the feedback culture required to truly drive and reinforce the values.

In order to check this initial view and to see where else there were real opportunities for improvement, Harvey Nichols conducted a survey of current practices based on Pilat's unique Performance Management Healthcheck.

The survey covered many areas including -

- Roles and Goals.
- Training and Development.
- Feedback and Coaching.
- Reviewing Performance.
- Rewards and Recognition.

The distribution of questionnaires and entry of data were all managed by the organisation. Using a software tool provided by Pilat, the results were then easily analysed and presented back to the HR team at a workshop to decide next steps.

The Result

Using the findings from the survey, the organisation has gone on to:

- Extend the competency framework to include additional roles such as Sales Advisor.
- Revise its performance appraisal documentation to include the new competencies.
- Launch new unified performance management processes, supported by written guidance and introductory workshops.
- Integrate the competency framework into leadership development and staff training, including their "Steps to Success" programme.

Such was the heightening of awareness and skills transfer during the earlier stages of the project that the HR team within Harvey Nichols has been able to carry out much of this further work with relatively little external support. However, Pilat continues to provide strategic advice on possible next steps including options for:

- 360° feedback and staff surveys.
- Redesigning recruitment and selection processes.
- Additional tools, guidance and coaching for managers, particularly on goal setting.
- The link between performance management and rewards.

Whilst it is somewhat early to evaluate the return on investment in financial terms, the changes so far have been very well received by the organisation and there is no doubt that they have helped align its measurement and reward systems to the company's new values following the Vision and Values launch programme last year.

The improvements have also been achieved with the widespread involvement and participation of staff and stakeholders, resulting in increased awareness of the Harvey Nichols vision and values, and the behaviours expected from employees in order to generate improved business performance.



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