Module 3
Capstone Project

ADAPTING TO AGILITY: PROPOSING A NEW PERFORMANCE EVALUATION SYSTEM FOR IT EMPLOYEES AT IO HEALTH

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Capstone Details:

Considering all your work in LOs 1, 2 and 3, you are now ready to develop a new collaborative problem-solving and decision-making process for your organization. The process can cover the part of the organization you are responsible for or the whole organization. The process should clearly connect and be fully aligned with the strategic plan you developed in Module 1 and should the overall strategic mission of the organization. The process should identify all stakeholders that will be affected by it and give clear guidance on how it should be implemented at operational and strategic levels.

The process should consider organizational structure, style and people issues, organizational culture, resources, and capabilities.

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STATEMENT OF CONFIDENTIALITY AND NON-DISCLOSURE

The proposal presented in this assignment contains proprietary and confidential information. The author, got the approval from iO Health management to refer to these details, knowing that the information provided will only be used for the purpose of this assignment as part of the PhD programme of the author. The author trusts that the Swiss School of Business Research (SSBR), which is the recipient of this document, will respect the confidentiality of the content within this assignment. The author emphasizes that the content presented in this document cannot be duplicated, distributed, shared or published by SSBR or any of its employees without the author's written consent or the management of iO Health.

CONTEXT AND BACKGROUND OF THE AUTHOR AND THE ORGANIZATION

The author currently serves as the Executive and Human Resources Director at iO Health, Dubai, United Arab Emirates. Established in 2021, iO Health is a joint venture formed by merging two technology-driven entities that originated in Dubai in 2014 and 2017. These companies unified their efforts, teams, and intellectual property to create an Intelligent Care Journey Platform, where the author has been managing the human resources and administrative functions of the two original companies since their establishment and that of iO Health after the merger of the two companies.

This joint venture brought the two teams together under one management team in a new venture. The evolving company operates in a flexible, agile approach, giving room for the team leaders and managers to lead and engage their own schools for managing their team and have their own autonomy in this regard, especially since those leaders have extensive successful experience in managing teams in their previous history. Moreover, the company's leadership mainly focuses on business development and needs to focus more on internal team management.

Having the company formed of two companies of different schools of management with diverse teams and backgrounds has some advantages, but it also comes with challenges. Each team had a way of operations and an approach to dealing with the daily tasks, including the evaluation of resources, which sometimes caused misalignment between teams. The main challenge is creating and adopting an employee performance evaluation system across the teams where most IT staff used to work in an agile environment.

With over 15 years of experience in Human Resources Management, the author's career commenced in startups, evolving from a Human Resources Manager to a Director in a

corporate setting. Her role covers a broad scope of the Human Resources function, including overseeing employee performance assessments, predominantly within IT departments, which formed the majority of the team she served. This position has endowed her with significant insights into the practicalities and challenges of performance management in the technology-based industry, insights that she brings to the forefront in her PhD capstone project.

In the following sections, the author will present her proposal to iO Health's management regarding a new approach for assessing the performance of its IT employees, who constitute the majority of the company’s task force, while maintaining the existing performance assessment for the rest of the company.

THE PROPOSAL:

ADAPTING TO AGILITY: PROPOSING A NEW PERFORMANCE EVALUATION SYSTEM FOR IT EMPLOYEES AT IO HEALTH

1. INTRODUCTION

In the fast-paced and ever-evolving landscape of startup companies, particularly within the technology sector, the agility required to adapt and innovate rapidly is dominant. This adaptation should touch all aspects of companies' operations, and the human resource function should be no different.

A major part of the Human Resource function is the employee's performance appraisal or assessment, which is very important for employees, Human Resources professionals and organizations. Employees' performance management is crucial because it directly influences organizational success by ensuring that individual efforts align with business objectives. Effective performance management clarifies job expectations, enhances employee engagement through continuous feedback and recognition, and identifies developmental needs, facilitating targeted training and professional growth. This improves employee efficiency and productivity while fostering a motivated workforce capable of driving innovation and achieving strategic goals. Moreover, a well-implemented performance management system helps organizations retain top talent and maintain competitive advantage by systematically assessing and rewarding performance, contributing to overall organizational excellence and sustainability.

Performance assessment approaches adopted across the globe have different methodologies. Below is a table summarizing the most common ones, highlighting the features of each methodology along with its advantages and disadvantages:

Table 1: Most common evaluation systems, features, advantages and disadvantages.

Performance Management approach	Features, advantages and disadvantages
Management by Objectives (MBO) (Sullivan, 2016)	Features: The process involves setting specific, measurable, achievable, relevant, and time-bound (SMART) objectives for employees and then reviewing the performance based on the achievements Advantages: Goal Alignment, employee motivation, measurable outcomes, and employee development. Disadvantages: Rigidity, short-term focus, overemphasis on quantifiable results, and managerial burden.
360-Degree feedback (Lepsinger and Lucia, 2001)	Features: This method involves collecting feedback about an employee from various sources, including supervisors, peers, subordinates, and sometimes, clients. Advantages: Comprehensive Feedback, Personal Development, Team Dynamics and Balanced View. Disadvantages: Feedback Overload, Potential for Conflict, Implementation Complexity and Time-Consuming.
Key Performance Indicators (KPIs) (Franco-Santos et al., 2012)	Features: KPIs are specific, measurable metrics that relate directly to the strategic goals of the organization Advantages: Quantifiable Metrics, Performance Tracking, Goal-Oriented and Data-Driven Decisions. Disadvantages: Potential Misalignment, Overemphasis on Quantifiable Metrics, and Manipulation Risk, which comes with lots of Stress and Pressure.
Balanced Scorecard (Amado et al., 2012)	Features: The balanced scorecard method integrates strategic non-financial performance measures with traditional financial metrics to give managers a more 'balanced' view of organizational performance. Advantages: Strategic Alignment, Comprehensive Evaluation, Long-Term Perspective, and provides Feedback for Strategy. Disadvantages: Complexity, Requires Constant Updating and Potential Information Overload.

Competency-Based Management (Ahmad et al., 2011)	Features: This approach focuses on the specific competencies an employee needs to perform their job effectively. Competencies could include skills, knowledge, behaviours, and attitudes. Employees are assessed against these competencies aligned with the organization's strategic needs. Advantages: Developmental Focus, Future-Oriented, Customizable: It can be tailored to specific job roles and organizational needs, and it comes with lots of employee engagement. Disadvantages: Subjectivity, Time-Consuming, Potential for Inconsistency and it has some Complexity in Measurement.
Agile Performance Management (Weddle, Hancock and Plotkin, 2021)	Features: inspired by agile methodologies used in software development. This approach emphasizes flexibility, continuous improvement, and collaboration. Advantages: Flexibility, Continuous Improvement, Employee Involvement and Team Collaboration. Disadvantages: Lack of Structure, lack of long-term focus, potential overwhelm, resource-intensive, and dependent on team dynamics.

In this aspect, the traditional human resources evaluation systems, often rigid and designed around static, long-term objectives, are ill-equipped to handle the dynamic requirements of IT roles within their agile approaches and environments. This misalignment leads to a disconnect between employee evaluations and actual performance, contributing to significant gaps in performance assessment, ratings and appraisal. This can sometimes lead to confusion, goal fatigue and drop-off among employees. Accordingly, IT companies are shifting to the last approach of agile performance management, which is mentioned in the above table. However, even within the agile approach, there are multiple schools of thought and different understandings within the teams, which adds another layer of misalignment.

On the other hand, the rapid pace of technological change is continuously reshaping the business landscape, necessitating agile and adaptive performance management systems. Also,

the COVID-19 pandemic has fundamentally transformed how businesses operate, with remote work and digital collaboration becoming the new norm. This shift and the other factors mentioned above require re-evaluating traditional performance management approaches to support a distributed workforce and ensure continuous, real-time feedback.

For the past three years, the Human Resources Department at iO Health has been trying to implement a performance management process within the company as a whole and within its IT team, in particular, being the majority of the company's task force. Every year, the initiative fails for a reason referred to by the managers. They argued that the priorities are continuously changing. The company operates in an agile ecosystem, making it challenging to set evaluation goals; accordingly, the traditional evaluation systems could not be practical and fair. The senior IT team leads are requesting to implement a different approach.

Evaluating the matter with three IT directors at iO Health, each with more than 15 years of experience, they all confirmed that the traditional performance assessment approaches do not work in a startup like iO Health. They all proposed to use a more agile adaptive approach. When asked how they would like the agile performance process to look, they had some common concepts like having the evaluation function specific, development goals, and competency assessment. Nevertheless, significant differences in understanding and practicality appear when digging into each proposed approach's details. The most challenging thing was that they proposed something theoretical, not practical, which often depends on subjective assessment. Most importantly, the process is overwhelming to managers and employees who need a faster, more straightforward, and more practical approach.

Below is a summary of their proposal for the most suitable performance approach for the IT employees at iO Health:

Table 2: Performance management approach as proposed by the IT directors of iO Health

Technical Director 1	Technical Director 2	Technical Director 3
Assess other qualities and skills, such as collaboration and communication: Evaluate team members' ability to collaborate, communicate, and work together effectively.	Flexibility in Competencies: • Adjust for Special Projects: For projects like a new app launch, assess additional skills like crisis management. For example, see how well a developer handles unexpected bugs during the launch. •Include Team Input: Let team members suggest important skills they think should be evaluated, making the process more collaborative	Evaluate technical skills: Code Quality (readability, maintainability) Productivity Problem-Solving Skills Technical Knowledge and Expertise
Define team/function-specific metrics: Measure metrics relevant to each function to make the evaluation process more thorough and help various teams.	Tailored Assessments: • Use Clear Examples: For a UI/UX designer, link competencies to specific user feedback that improves product design. • Add Peer Reviews: Include feedback from colleagues to get a fuller picture of how individuals contribute to the team.	Evaluate Product Delivery: Timeliness and Deadline Adherence Contribution to Project Success Ability to Work Under Pressure Commitment
Focus on team performance and overall goal achievement: Evaluate team achievements, velocity, and overall delivery quality against planned business-themed goals.	Professional Development Section: • Create Clear Plans: Outline specific steps and timelines for achieving goals, like improving data analysis skills through specific workshops within six months. • Start Mentorships: Connect team members with mentors who excel in areas they wish to develop, like pairing a junior developer with a senior one for coding practices.	Evaluate Team performance and communication: Collaboration with Team Members Communication Skills (verbal and written) Supportiveness and Helping Others
Emphasize continuous learning and improvement: Set self-development learning goals that enrich	Continuous Learning: • Track Learning Progress: Encourage employees to keep records of training and	Evaluate professional development: Engagement in Learning New Skills

individuals' career paths, help upskill the team, and measure employees' willingness to learn, adapt, and improve processes and practices.	how they apply these new skills at work. • Personalize Learning Paths: Allow employees to choose online courses that match their career goals, such as advanced project management courses for aspiring team leaders.	Adaptability to New Technologies/Methodologies Initiative and Taking on New Challenges
Make it a continuous process: Performance evaluation should be ongoing, not a one-time event. Regularly review and adjust the evaluation approach to ensure it remains relevant and practical. Below is a list of software development team evaluation metrics: • Team velocity and capacity • Cycle time and lead time • Deployment frequency and quality • Defect count and resolution time • Value delivery and ROI	Agile Alignment: • Sprint-Specific Evaluations: For sprint-running teams, align evaluations with the end of sprint cycles to discuss achievements and areas for improvement, ensuring feedback is timely and directly relevant. • Align with Project Milestones: For teams that do not follow sprint cycles, base evaluations on major project milestones instead. • Flexible Goals: Adjust goals as projects evolve, ensuring they remain relevant and motivating.	Evaluate overall performance: Overall Contribution to the Product Alignment with Company Values and Goals Leadership and Taking Responsibility
Goals-based evaluation: Set clear, measurable objectives for each team member that are aligned with the team's and organization's goals.		
Peer feedback and Self-assessment		
Consider soft skills: Assess team members' soft skills, such as time management, problem-solving, and conflict resolution.		
Regular feedback and retrospectives		
Maintain a comprehensive documentation of employee performance summaries on a cyclical basis.		

For the aspects mentioned above and related challenges, the following proposal is submitted to the management of iO Health. The proposal is not intended to offer a new approach to

performance management but rather to adapt to the needs of the team of iO Health, considering the factors that impact the different performance management process perceptions within the team as well as the other aspects of the company's operations presented in figure 1

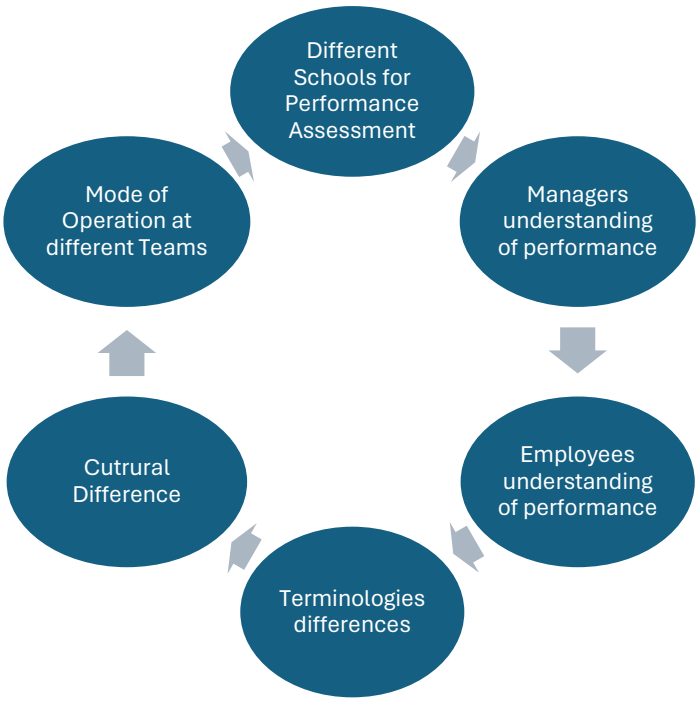

Figure 1: Factors that differ among the managers and impact the evaluation process.

2. PROBLEM STATEMENT

The Human Resources Department in iO Health has been trying to implement a performance management system since the establishment of the joint venture. The system proposed in the past years was a combination of the two most commonly used approaches in corporate ecosystems: the management by objectives and the competencies assessment. However, this system could not accommodate the flexible and rapidly changing priorities that define the company's operational reality. These systems assess performance based on long-term goals and fixed metrics that fail to capture the essence of agility and flexibility, which are crucial in a technology-driven startup such as iO Health. There was an ongoing struggle about this topic

between the HR and the IT managers and directors who opposed the traditional performance management system of annual goal setting. However, they come from corporate businesses as well. They argue that the company's priorities are continuously changing, making it challenging to keep the goals updated with every change that happens to the company's priorities. Nevertheless, when getting input from the directors about the topic and how they expect the agile performance management system to be done in iO Health, they came up with something that is so theoretical. They also could not agree on a joint approach as each of them had his own way of management and a different understanding of performance, as explained earlier.

In this context, Human Resources referred to some literature insights to help deal with this challenge. There were multiple solutions to this problem and approaches for implementing IT companies' agile performance management systems. Many studies have referred to the use of project management tools in agile performance evaluation as they provide data-driven assessments. Since the iO Health technical team already uses a well-known software called ClickUp for project management and task tracking, this should have solved the misalignment between managers. It is worth considering activating a dual transformation model, which guides businesses in repositioning their current activities while creating new propositions that add value to the company (an approach proposed by Scott Anthony, Harvard Business Review, 2017). The surprising fact was that some key metrics that are commonly used for assessing performance should be recorded in ClickUp, but currently they are not!

Nevertheless, a lot of data is still captured in the system that can be utilized for employees' performance evaluation. Unfortunately, currently at iO Health, it is not used in this aspect, and the IT managers have yet to indicate that they can use that data for this purpose. When checking with them why the data that is available on ClickUp is not utilized for performance assessment purposes, some of them had yet to answer. One came with excuses that they like to have

personal follow-ups with their team rather than having automated ratings. These personal follow ups ended up in subjective assessments that are not data-driven.

Below is a screenshot of ClickUp that shows the tracking of the tasks, the assignees, the starting date and due date and the status of each task:

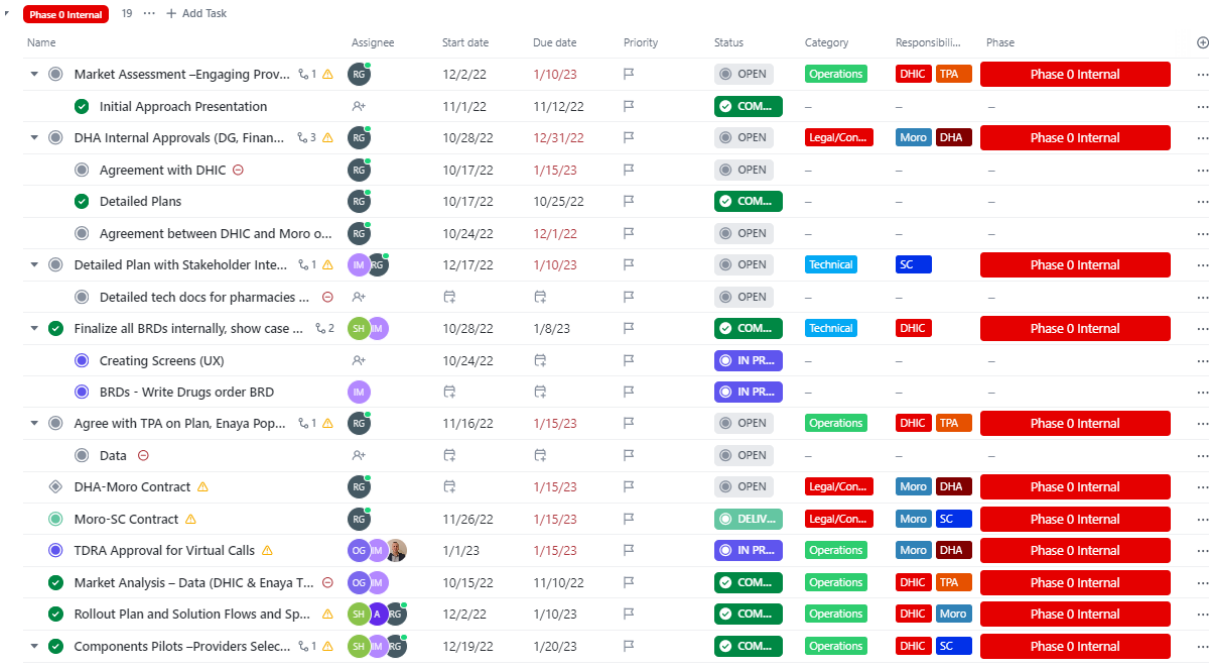

Figure 2: Screenshot from click up for project tracking

To this end, although the challenge of IT team evaluation was highlighted by the human resources department to the management of iO Health several times in the past three years, the company's management did not give much attention to this and did not push the IT team leads to do it as they were mainly focused on product development and delivery, as well as stabilizing the business. Now that the company is getting more stable, with a more precise road map set, iO Health's management agrees that it is the right time to set a framework for an adaptive performance management system that can deal with the misalignment of the previous initiatives with the operational reality facts and challenges mentioned above. As per Dough Andrew's article about prioritizing initiatives (Andrew, 2017), when new ideas fall in line with

the business goals and come with enhancements to existing processes, they should be given high priority. This is crucial to avoid evaluation inefficiencies, employee dissatisfaction, and retention challenges. Failing to do so and insisting on a rigid performance management system can demotivate employees from pursuing innovative solutions or experimenting with new ideas if they feel these efforts need to be recognized and valued. Referring to the article by Dan Cable (2018), when there is a risk to employee motivation, it is the manager's role to take proactive steps to avoid this from happening.

3. PROPOSED SOLUTION

To address these pressing issues, depending on the input of the IT directors and findings of the Human Resources team, it is proposed that a performance evaluation system explicitly tailored to the unique requirements of the IT employees in iO Health be developed. This system will feature adaptive performance metrics and Key Performance Indicators (KPIs) that reflect the agility and flexibility required by the company's projects. The essence of this proposal is to construct a performance management framework that is both clear and simplified, yet robust enough to accommodate the agile nature of startup operations.

The proposal is to manage performance by combining multiple approaches and introducing some automation to the process. This will facilitate the assessment, making it easier for managers and employees to use the existing tracking tools implemented in the company.

The proposed performance management approach consists of these three components:

1. Adopt a competencies-based evaluation tailored to each function. This is done once every year, preferably towards the end of each year, and would run across all teams and all functions including the IT team of iO Health. It is critical to have it function-specific, as each function requires its team to acquire certain skills and competencies. This

should also include personal development goals for employees that are to be updated annually per each position's requirements.

2. For the non-IT team, adopt the management by objectives-based evaluation system, which depends on setting SMART goals at the beginning of the year. The assessment will be done towards the end of each year.
3. Most importantly, adopt an agile performance evaluation system compatible with the dynamic work environment of the IT team, which is the core of this proposal. This is to be done frequently throughout the year to accommodate changes in priorities as per the business needs.

This system will facilitate more relevant and empowering evaluations and enhance the strategic alignment between individual performance and organizational goals.

Key Features of the Proposed System

The features of the proposed system depend on each component and the target employees.

1. The competency-based performance assessment evaluates employees based on their ability to demonstrate specific competencies, skills, and behaviours critical to their roles and the organization's success.
    a. It is proposed to have two sets of competencies. The first set, which is often categorized as *core*, is applicable to all employees, such as communication skills, cooperation, teamwork, etc.… The second set is *role-specific*, depending on each function and each position. For IT employees, being the main focus of this proposal, these competencies would be critical thinking, problem-solving, innovation, adaptability to new technologies, etc.…. It would include leadership skills as a critical assessment competency for the senior team.

b. The system should include personalized plans to address competency gaps and enhance strengths, as well as training, mentoring, and experiential learning opportunities.
c. The system should also include ongoing feedback mechanisms to support continuous development.
d. Assessment will be conducted during the regular annual performance review.

It is essential to ensure that assessment results are directly linked to personalized development plans so the system can be fruitful for employees and the company.

By implementing a competency-based performance assessment, iO Health can ensure that employees not only achieve their goals but also develop the critical skills and behaviours necessary for long-term success.

2. For the non-IT employees, or the employees that are not on the project tracking software, the proposal is to use the traditional management by objectives approach. The key feature of this approach is to have SMART goals that are set as per the overall roadmap of the company and the objectives of each department. As this is not the main focus of this proposal, it will not be discussed further.
3. The key features of the agile performance management proposal presented to the management are as follows:
    a. Adaptive Performance Metrics: It is proposed to use flexible performance metrics that can be adjusted as project requirements shift. These metrics are regularly updated in ClickUp with every biweekly sprint planning session. This ensures that evaluations remain relevant and timely, reflecting IT employees' real-time work.
    b. Customizable Key Performance Indicators (KPIs): The proposal depends on KPIs specifically designed to capture the agility and technical expertise required

in various projects. These KPIs will be directly linked to daily tasks and broader project outcomes, ensuring they are deeply aligned with actual work. These KPIs can be automatically derived from the project management and tracking tool ClickUp. The Human Resources team will work directly with the IT directors and managers to customize ClickUp to capture all the needed parameters for employee evaluation if these parameters still need to be set. Automatically generated reports from ClickUp will be activated to get assessment results every quarter. Below is a sample of the KPIs that can be assessed from ClickUp, the definition of each KPI, the contribution to the employee's evaluation, the needed parameters to capture and the equation that will be used for the assessment of each employee:

Table 3: Selected KPIs and related parameters to capture from ClickUp

KPI	**Definition**	**Contribution to Employee Evaluation**	**Parameters**	**Equation**	**Setup in ClickUp**
Sprint Velocity (Asana, n.d.; Kissflow, n.d.)	Measures the amount of work completed in each sprint.	Evaluate the team's productivity and efficiency over time.	Total Story Points Completed Number of Sprints	Total Story Points Completed / Number of Sprints	Use the Sprint feature to create sprints and track story points.
Burndown Chart (Kissflow, n.d.; Atlassian, n.d.)	Tracks the progress of work in a sprint.	Visualizes if the team is on track to complete the sprint goals.	Total Planned Work Completed Work	Remaining Work = Total Planned Work - Completed Work	Use Burndown Chart view in Dashboards.
Cycle Time (Businessmap.io, n.d.; Hubstaff, n.d.)	The total time from when a task is started to when it is completed.	Identifies bottlenecks and evaluates efficiency in task completion.	Start Date End Date	Cycle Time = End Date - Start Date	Use Custom Fields for start and end dates and Automation to move tasks between statuses.

Lead Time (Kissflow, n.d.; Businessmap.io, n.d.)	The total time from when a task is created to completion.	Provides insights into the overall efficiency of the process from request to delivery.	Creation Date Completion Date	Lead Time = Completion Date - Creation Date	Use task creation and due dates; utilize Custom Fields if necessary.
Completed Story Points (ClickUp, n.d.; Asana, n.d.)	Measures the total story points completed in a sprint.	Assesses productivity and throughput of the team.	Story Points of Completed Tasks	Sum of Story Points of Completed Tasks	Use Custom Fields for story points and complete tasks; use Reports to aggregate completed story points.
Work In Progress (WIP) (Businessmap.io, n.d.; Planview, n.d.)	Tracks the number of tasks that are currently being worked on.	Ensures that the team is not overburdened and is focusing on priorities.	Number of Tasks In Progress	WIP = Number of Tasks In Progress	Use statuses to indicate task state (e.g., To Do, In Progress, Done); use Dashboards to show task counts.
Throughput (Businessmap.io, n.d.; Planview, n.d.)	The number of tasks completed in a specific period.	It measures overall productivity and helps understand trends over time.	Number of Tasks Completed Time Period	Throughput = Number of Tasks Completed / Time Period	Use task completion statuses; visualize in Dashboards.
Task Completion Rate (Plandek, n.d.; UseMotion, n.d.)	The ratio of tasks completed to tasks assigned in a given period.	Evaluates the team's ability to complete assigned work efficiently.	Number of Tasks Completed Number of Tasks Assigned	Task Completion Rate = Number of Tasks Completed / Number of Tasks Assigned	Use statuses and due dates; use Reports in Dashboards to show completion rates.
Blocked Time (Asana, n.d.; Zoho, n.d.)	The amount of time tasks spend in a blocked state.	Identifies and addresses issues that prevent progress and cause delays.	Blocked Date Unblocked Date	Blocked Time = Unblocked Date - Blocked Date	Use statuses or Custom Fields for blocked tasks; use Dashboards to show blocked durations.

Below is an example of the graphs that can be customized in ClickUp for the reference of managers.

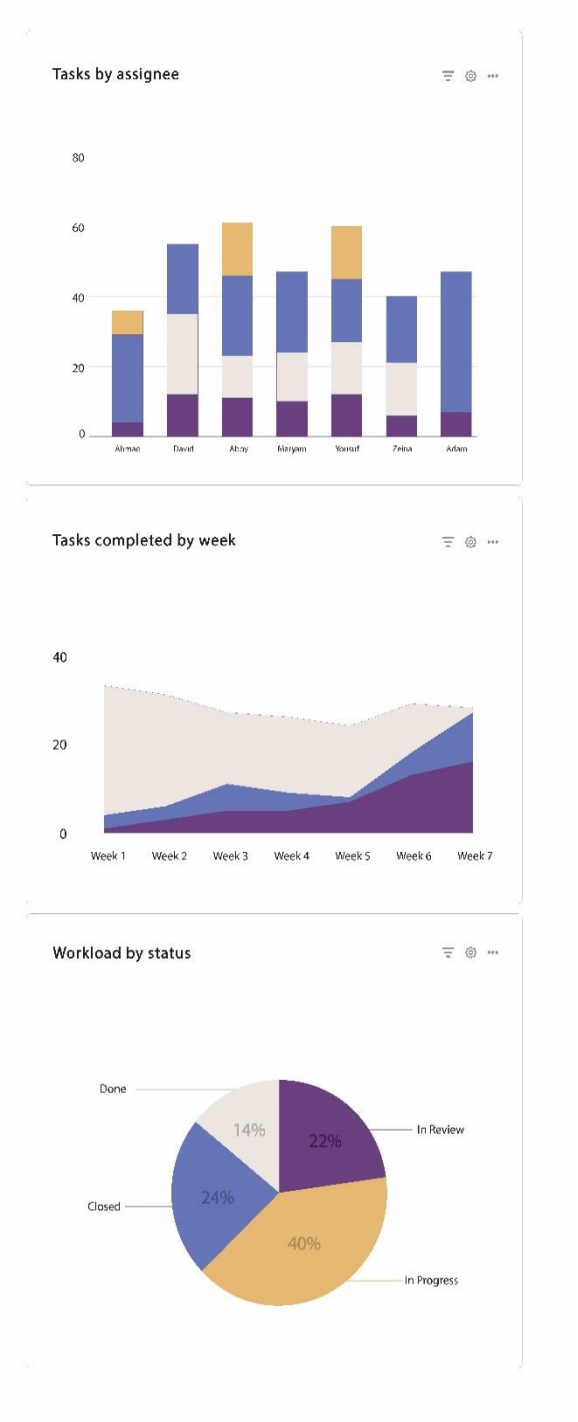

Figure 3: Sample dashboards for Clickup driven KPIs

c. Simplified and Clear Framework: The proposed framework is expected to be straightforward and easy to understand for all IT employees. It will eliminate

complex and bureaucratic elements that often exist in traditional systems. This clarity will help IT employees see how their performance directly contributes to organizational goals.

d. Empowering Evaluations: By introducing the new framework, the evaluation process is expected to be more empowering, providing constructive feedback, supported with concrete data, and directly applicable to employees' work and professional growth.

e. Enhanced Strategic Alignment: With the proposed approach, individual performance metrics with organizational goals are used to ensure that each employee's contributions are connected to the larger business objectives by deriving performance results from the project management and tracking tool.

Benefits of the Proposed System

1. Relevance: Evaluations will accurately reflect IT staff's current responsibilities and achievements, making them more relevant and timely.
2. Motivation: Clear and direct feedback mechanisms and visible alignment of individual contributions to company success will boost employee motivation and engagement.
3. Flexibility: The system’s adaptability will ensure it remains effective even as the company grows and project scopes evolve.
4. Strategic Contribution: By aligning individual performance evaluations with strategic goals, the system will help steer all employees towards outcomes that benefit the company’s overall objectives.

5. Talent Retention: A fair and responsive performance management system will improve job satisfaction and aid in retaining top talent in a competitive tech industry.

This approach to performance management is designed to support iO Health's dynamic environment and ambitious growth plans, providing a solid foundation for developing a highly motivated and aligned IT workforce. The system also harnesses the power of advanced technology platforms like ClickUp to streamline task tracking and performance evaluations. This approach enhances efficiency and ensures that the company can quickly adapt to technological advancements and industry changes. With this agile performance assessment, the company can address the challenges of the post-COVID business environment, as the proposed solution is also designed to support remote work and continuous feedback, which is the case within the iO Health team being distributed in multiple locations. By facilitating digital collaboration and real-time performance tracking, the company can aim to maintain high employee engagement and productivity levels, regardless of physical location.

4. IMPLEMENTATION STRATEGY

The proposed Agile Performance Evaluation System implementation strategy for IT employees at iO Health is structured into four comprehensive phases, designed to ensure a smooth transition and effective integration into the company's operations. Here is an elaboration on each of the proposed phases to enhance clarity and ensure thorough execution:

Phase 1: Planning and Development (duration: 1 month)

Objective of phase 1: Establish a solid foundation for the performance evaluation system by ensuring it is well-designed and tailored to meet the specific needs of IT roles within iO Health.

Actions:

• Collaborative Framework Development: Engaging stakeholders from both IT and HR departments in multiple workshop sessions to map out the essential performance criteria and agile metrics that reflect the dynamic nature of IT roles. Utilizing tools like SWOT analysis to identify system needs and Agile methodologies to plan the framework is recommended.

• Documentation: Creating comprehensive documentation of system requirements, including functional and non-functional aspects, to guide the development process and to support the managers and employees when the system is rolled out.

• Timeline Development: Construct a detailed timeline with milestones and deadlines for each stage of the implementation process, ensuring realistic scheduling and adequate time for each phase.

Phase 2: Pilot Program (duration: 3 months)

Objective of phase 2: Test the newly developed system with a selected group of IT employees to evaluate its effectiveness and make necessary adjustments before a full rollout.

Actions:

• Selection of Pilot Team: Identify a diverse group of IT employees who represent different roles within the department to participate in the pilot program. These could be a selection of employees from the development, quality assurance, or infrastructure and DevOps teams. Considering varying levels of seniority and job functions is recommended to get a comprehensive view of the system's performance.

• Implementation of the Pilot System: Deploy the system within this controlled group, ensuring all members and managers are trained on how to use it.

• Data Collection and Analysis: Systematically collect data concerning the pilot users' usability, effectiveness, and satisfaction levels. Use surveys, interviews, and direct observation to gather qualitative and quantitative data. Before implementing the new process, it is recommended to

compare each participant's results with the manager's perception of performance to get insights into the system's accuracy and the old perception.

• Feedback Incorporation: It is recommended that review sessions be held to discuss feedback from the pilot program and analyze this feedback to identify trends and issues that need to be addressed, adjusting the system accordingly.

Phase 3: Production Full Implementation (duration: 6 months)

The objective of phase 3: Implement the refined system across the entire IT department, ensuring all employees are trained, and the system is fully functional.

Actions:

• System Rollout: Launch the performance evaluation system across the IT department, with clear communication about the changeover dates and processes.

• Comprehensive Training: Conduct detailed training sessions for all IT staff and their managers to ensure they are proficient in using the new system. Include practical demonstrations and Q&A sessions to address any concerns.

• Regular Check-Ins: Initiate regular check-ins with team leaders to monitor the integration of the system into daily operations and to collect ongoing feedback.

Phase 4: Review and Continuous Improvement (duration: ongoing)

Objective of phase 4: Continuously monitor the system's performance and make iterative improvements to ensure it remains relevant and practical as business needs evolve.

Actions:

• Ongoing Monitoring: Continuously monitor the system usage and results. Regularly assess user satisfaction and the accuracy of the performance data being generated.

• Regular Reviews: Schedule periodic review meetings with IT managers to discuss the system's impact and any potential improvements.

•Adaptation to Change: It is crucial to utilize the system's flexibility to adapt to changes in organizational goals or technology. Therefore, it is important to regularly update the performance metrics and evaluation criteria to align with any new strategic directions, project updates, or market conditions.

By elaborating on each phase with these detailed actions, the implementation plan for the Agile Performance Evaluation System will be better positioned to succeed, offering a robust framework that supports iO Health's dynamic and innovative environment.

5. EXPECTED OUTCOMES

Implementing a comprehensive Agile Performance Evaluation System in iO Health's IT department is expected to yield several significant and holistic outcomes that transcend the phased approach and positively impact the organization as a whole:

- Enhanced Organizational Agility

The new system will enhance the organization's agility by aligning performance management with the rapid pace of change inherent in the tech industry. This alignment ensures that employee evaluations reflect real-time demands and contributions, allowing the organization to respond swiftly to technological advancements and market shifts.

- Improved Employee Engagement and Morale

The system is designed to boost employee engagement and morale by integrating continuous feedback and recognition into the performance management process. Employees will receive immediate recognition for their efforts, fostering a motivating work environment that values and rewards contributions regularly and transparently.

- Increased Accuracy in Performance Assessments

The system's reliance on tailored KPIs and real-time data will increase the accuracy of performance assessments. This precision allows managers to make more informed decisions about promotions, compensations, and professional development based on reliable and up-to-date performance data.

- Strengthened Alignment with Strategic Goals

With performance metrics directly linked to the company's strategic objectives, the system ensures that all team members' efforts contribute to the broader organizational goals. This strategic alignment helps streamline efforts and resources, driving the company towards more effectively achieving its mission and vision.

- Fostering a Culture of Continuous Improvement

The system promotes continuous learning and improvement by encouraging employees to set and revise goals regularly, engage in self-assessment, and participate in ongoing professional development. This culture enhances individual and team performance and aligns with the agile philosophy of iterative progress and adaptation.

- Enhanced Decision-Making Capabilities

With comprehensive data, leaders and managers will be equipped to make better, more informed decisions. Whether reallocating resources, adjusting project timelines, or implementing new policies, data-driven decisions can reduce risks and enhance outcomes.

- Retention of Talent

The system will likely improve job satisfaction and loyalty among IT professionals at iO Health by addressing career development and recognizing achievements appropriately. In the competitive tech industry, retaining skilled professionals is crucial, and a fair, transparent performance evaluation system plays a key role in this retention.

- Reduction in Bias

The use of multiple feedback sources and clear, quantifiable metrics helps minimize biases that can often infiltrate performance evaluations. This objectivity ensures evaluation fairness, contributing to an inclusive workplace where diversity is genuinely valued.

- Scalability and Flexibility

The agile evaluation system is designed to be scalable and flexible, accommodating growth and changes within the organization without losing effectiveness. As iO Health expands or shifts its business focus, the performance management system can adapt seamlessly, supporting sustainable growth.

- Comprehensive Organizational Development

Ultimately, the Agile Performance Evaluation System is expected to drive comprehensive organizational development by enhancing operational efficiencies, improving employee capabilities, and ensuring that performance management is a catalyst for business success rather than just an administrative routine.

By achieving these outcomes, iO Health can expect to see improvements in individual employee performance and a significant enhancement in overall organizational health and success.

6. CONCLUSION

Implementing an agile performance management system at iO Health represents a crucial step towards optimizing the performance and engagement of its IT personnel. This tailored system aligns with the company's dynamic and innovative nature, ensuring that performance evaluations are relevant, continuous, and directly tied to its strategic goals.

Integrating sustainability into the performance management practices of iO Health is not just a strategic move but a necessity for long-term success. By adopting an agile approach, iO Health is committed to reducing its environmental impact and promoting a culture of

sustainability. This includes moving to digital tools and encouraging remote work to adapt to the new work trends.

On the other hand, the current global and political climate is marked by uncertainty and rapid changes, which can significantly impact organizational priorities. A flexible performance management system is essential to adapt to these shifts and ensure that iO Health remains resilient and responsive to external challenges. The proposed solution will ensure that iO Health can navigate these uncertainties and continue to achieve its strategic objectives.

Furthermore, technological disruption continuously reshapes the business landscape, necessitating agile and adaptive performance management systems. The proposed system harnesses the power of advanced technology platforms like ClickUp to streamline task tracking and performance evaluations. This approach enhances efficiency and ensures that the company can quickly adapt to technological advancements and industry changes, maintaining its competitive edge. It can also deal with the existing challenges of the previously implemented performance management system taking the previous challenges as a driver for enhancement and transformation as per McKinsey's article ("Innovation In A Crisis", 2020).

Moreover, the Covid-19 pandemic has fundamentally transformed how businesses operate, with remote work and digital collaboration becoming the norm. This shift requires a re-evaluation of traditional performance management approaches to support a distributed workforce and ensure continuous, real-time feedback. The new system is expected to enhance employee engagement and productivity by supporting the remote work model and facilitating continuous feedback, which is crucial for thriving in the post-COVID business environment.

The support and commitment from management are crucial to the successful implementation of this system. As per the article by McKinsey titled Celebrating Creativity and Innovation ("Celebrating Creativity and Innovation", 2021), executives need to be drivers to foster

creativity and integration of data enhancements in the company's operations. This is the expectation from iO Health's management. By embracing this proposed agile performance evaluation process, iO Health will enhance its competitive edge and foster a more innovative, responsive, and productive organizational culture. This initiative promises to optimize the company's most valuable asset—its people—ensuring sustained growth and excellence in the rapidly evolving healthcare technology sector.

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APPENDICES

APPENDIX 1: Strategic Plan Summary for iO Health (2024-2028) (Module 1- LO4)

Strategic Objectives:

The strategic plan for iO Health for the years 2024-2028 centres around three core pillars: Market Expansion, Operational Efficiency, and Customer Experience. These pillars will guide the company in achieving specific, measurable, and time-bound objectives, with an overarching goal of positioning iO Health as a leader in the healthcare industry.

Key initiatives include:

The company’s strategy is focused on three main initiatives:

- Partnerships: Forming strategic alliances with regulators and key private companies to enhance operational capabilities and market reach.
- Technology Development: Advancing the platform with state-of-the-art solutions to meet healthcare providers' and patients' current and future needs.
- Stakeholder Engagement: Implementing an onboarding and engagement plan to rapidly increase user enrolment and participation.

SWOT Analysis:

Strengths: Strong leadership with extensive industry connections and experience in healthcare systems; advanced technical solutions aligned with current digital transformation trends.

Weaknesses: Potential resistance to new healthcare management approaches from various stakeholders; dependency on a broad and diverse stakeholder group that includes government bodies, providers, and payers.

Opportunities: There is a high demand for innovative healthcare solutions, strong potential for growth in target markets, and strategic relationships that facilitate market penetration.

Threats: Funding delays and the challenges of navigating complex stakeholder landscapes that could impede quick market entry and expansion.

PESTLE Analysis:

Political: Stable political climates in target markets conducive to business operations.

Economic: Favourable economic conditions support entrepreneurial ventures despite high healthcare spending, which the platform aims to reduce.

Social: Social stability in target regions, facilitating the adoption of new health technologies.

Technological: Adoption of the latest technologies in healthcare and digital systems, positioning iO Health at the forefront of industry innovation.

Legal: Compliance with health regulatory standards ensuring legal operations.

Environmental: Operating in technologically advanced environments, favourable for launching innovative health solutions.

Resource Analysis:

iO Health leverages human, technological, and financial resources to support its strategic objectives. Key resources include a highly experienced team and advanced technological infrastructure. Financially, iO Health is initially backed by significant investment from founders and is seeking additional funding through external investors to sustain its growth.

Implementation and Financial Strategy:

The strategic plan includes detailed implementation steps, budget allocations, and revenue projections. It emphasizes a phased approach to deployment and scaling, with substantial

investments in team development, infrastructure, and marketing. The financial strategy outlines various revenue streams, including licensing and subscription models, aiming for iO Health to become self-sustaining by the end of Year Two.

Conclusion:

iO Health's strategic plan is a comprehensive roadmap designed to navigate the complexities of the healthcare sector while driving innovation and operational excellence. The leadership is committed to adapting strategies as needed to meet market demands and overcome potential challenges, ensuring the company's success and growth in the dynamic healthcare market.

APPENDIX 2: Enhancing Problem-Solving and Decision-making Process at iO Health – (Module 2- LO4)

Overview and Proposal Introduction:

iO Health, recently formed from a joint venture, is growing rapidly and faces increasing complexities that necessitate innovative problem-solving approaches. The author proposed a new Collaborative Problem Solving (CPS) approach to management designed to utilize the collective expertise and perspectives of iO Health's diverse team.

Proposal Alignment:

The proposed approach is aligned with iO Health's established vision, mission, core values, and goals, aiming to significantly enhance the organization's problem-solving capabilities. These strategic alignments ensure that the new problem-solving model addresses immediate operational challenges and supports long-term strategic goals, fostering a culture of innovation and collaboration.

Organizational Context and Need:

iO Health operates in a dynamic sector that blends healthcare and technology, where traditional problem-solving methods are insufficient. The company's background as a joint venture brings additional challenges due to the integration of different corporate cultures and operational practices. While a strength, this diversity can also hinder unified decision-making and problem-resolution.

Problem Solving and Decision Making Stakeholder:

The key stakeholders are the Board of Directors, the leadership team, various department heads, and the HR team. Having the stakeholders involved in the new approach is crucial for

the successful implementation of the initiative. It emphasizes understanding and addressing the expectations and potential resistance from these stakeholders.

Objectives of the collaborative problem-solving and decision-making approach:

The primary objectives include enhancing collaboration across teams, accelerating problem resolution, boosting creativity and innovation, increasing employee engagement and ownership, and enhancing adaptability to the rapidly changing business environment.

The proposed solution:

The author proposed forming multi-level and multi-functional committees, starting with the executive steering committee and moving on to function-specific committees. The proposal also introduced documented project tracking tools to help bring data-driven problem analysis to the decision-making process.

Implementation and Monitoring:

The new approach's implementation plan is divided into phases: pre-implementation, rollout, and post-implementation. Each phase includes specific actions such as stakeholder engagement, training, pilot testing, and full deployment. The plan stresses the importance of a robust monitoring and evaluation framework to assess the effectiveness of the new approach using key performance indicators and continuous feedback mechanisms.

Communication and Change Management:

A comprehensive communication plan is critical to the successful rollout of the collaborative problem-solving approach. It is designed to ensure that all stakeholders are informed, engaged,

and supportive of the changes. This plan includes regular updates, feedback opportunities, and clear messaging about the benefits and expectations of the new process.

Conclusion:

Introducing the collaborative problem-solving and decision-making approach is key to transforming iO Health's operations to a more successful level. By aligning the new approach with the company's strategic objectives and fostering a collaborative culture, iO Health can tackle complex challenges and drive significant organizational improvements.