IMPROVING ACCURACY AND ACCOUNTABILITY
AT
XYZ CORP.

A PROJECT REPORT
SUBMITTED TO THE FACULTY
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Oklahoma City, Oklahoma
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IMPROVING ACCURACY AND ACCOUNTABILITY

AT

XYZ CORP.

A PROJECT REPORT APPROVED FOR THE

MANAGEMENT OF HUMAN RESOURCES PROGRAM

By

______________________________

Project Director

This report is not to be regarded as confidential and its use as a
sample in future classes is not restricted.

By

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Site Contact
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ABSTRACT

XYZ Corp., a global telecommunications equipment and services provider, is dedicated to world-class customer service. Accordingly, one of the company’s core values is accountability. In support of this value, the company utilizes monthly performance reviews and measures workforce effectiveness based on various criteria for each job function.

A number of associates within the XYZ Corp. Global Customer Care Center organization were concerned about the persistent and increasing errors produced by another division. To substantiate the errors, as well as establish validity for the associates’ concern, a detailed system of error tracking was developed and utilized.

This study focused on the resultant data. It was completed in order to evaluate the need for and effectiveness of the implementation of a new performance measurement based on accuracy.

Subsequent to the gathering of data and the research phase of the study, a significance test was conducted. This paired t-test compared the rate of errors before and after the implementation of the new performance measurement. The results of this experimental study demonstrated a statistically significant difference in the reduction of errors.

Based on the findings of the study, recommendations for further increasing and encouraging employee accountability were issued to XYZ Corp. management. It was also recommended that similar research be conducted in an effort to resolve deficiencies in other areas of the company.
Chapter One

Introduction and Statement of the Problem

Statement of Purpose

The purpose of this project was to determine the types and rates of errors generated within the contract management division of XYZ Corp., Inc. The information was then used to establish and implement a new performance measurement based on accuracy. The goal of this measurement was to reduce error rates.

The project involved tracking error rates for a period of 5 months to identify the need for a process change. A performance measurement tied to employee accuracy was implemented. The measurement required a 98% accuracy rate. Error rates were reassessed for a period of 5 months following the effective date of the new measurement. Statistical data were compared to assess the impact and effectiveness of the new performance measurement. The results lead to recommendations for future changes in quality and performance management strategies.

Organizational Context

Setting of the problem. XYZ Corp. was a global provider of innovative and sophisticated telecommunication systems, applications and services. The company designed, built, deployed and managed networks for all types and sizes of enterprises. Customers ranged from small businesses and nonprofit agencies up to more than 90% of the companies in the FORTUNE 500, as well as the U.S. government.

XYZ Corp. was headquartered in Basking Ridge. It had offices worldwide, including two large customer care facilities in the United States: one in Atlanta and the other in Oklahoma City. XYZ Corp. was consistently recognized as a global leader by industry and technology experts. The company achieved worldwide leadership in IP
telephony, voice messaging, PBX maintenance, and call center operations. XYZ Corp. employed nearly 20,000 people globally, including over 2,500 research and development professionals.

XYZ Corp. was founded upon a performance-based corporate culture. The company’s Core Values of customer value, accountability, diversity, innovation, and velocity, as well as its Vision and Mission Statements characterized the goals and objectives of XYZ Corp.’s leadership and employees.

---------------
Insert Figure 1 Here
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XYZ Corp.’s U.S. operations were divided into six individual organizations. Among these were Sales, Services, Contract Management, Global Customer Care, Finance, and Staff. Each organization had its own budget and structure, as well as policies and procedures. However, each was interdependent on the others. Additionally, all organizations shared the same vision, mission, and values.

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Insert Figure 2 Here
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Fulfilling multi-million dollar orders for XYZ Corp.’s customers involved a painstaking contract management process. As such, a large team of Sales Process Associates (SPA) was responsible for thoroughly reviewing contractual documentation. This team was also charged with sales quote preparations. Upon completion of the required procedural steps, the SPA submitted a completed project package. This
XYZ Corp. Mission Statement

Provide the world's best communications solutions that enable businesses to excel.

XYZ Corp. Vision Statement

XYZ Corp.'s vision is to be known as a leader in six keys areas by 2007.

XYZ Corp. Core Values

Customer Value. We deliver unparalleled value to our customers.

- Only by serving our customers well do we justify our existence as a business.
- We view our success as dependent on our customers’ success, both now and in the future.

Accountability. We keep our commitments to our stakeholders.

- We earn the confidence of our stakeholders by acting with integrity and behaving ethically.
- We do what we say we will do.

Diversity. Our value as a company is realized by recognizing the value of each individual.

- We embrace diversity as a competitive advantage essential to our success.
- We are a global company in every sense - geographically, strategically and culturally.

Innovation. We embrace change, for ourselves and for our customers and partners.

- We foster creativity, innovation and risk-taking that will enhance shareholder value and improve our customers' businesses and our own.
- We use technology as a strategic tool.

Velocity. We win by combining speed and direction.

- Our sense of urgency is manifested in timely, customer-focused execution.
- We understand that the best decisions balance thoughtfulness and speed.

FIGURE 1. Vision and Mission Statements and Core Values
FIGURE 2. XYZ Corp. Organizational Chart
package consisted of a signed contract, customer purchase order, and statement of work. The package was sent to the XYZ Corp. Global Customer Care Center (GCCC) organization for processing.

The GCCC projects team received the completed package and conducted a detailed review for accuracy. This team experienced persistent and increasing SPA error rates among the packages. Errors resulted in a dead-on-arrival (DOA) rejection of the entire project. The SPA was required to resolve the issues and resubmit the project to the GCCC. Increasing and repeated DOA errors resulted in order delays for customers, wasted time, and unnecessary company expense at multiple operational levels.

Common errors included incorrect or missing customer payer numbers, missing or incomplete documentation, and value discrepancies among contracts, sales quotes, and customer purchase orders. In addition, SPA’s frequently neglected to fully complete required quote preparation steps. This process involved pricing discounts, adding various system status codes, and ensuring proper validity dates.

History and Background. XYZ Corp. was formed in October 2000. It was the offspring of Lucent Technologies. However, XYZ Corp.’s origins spanned over a century as a descendant of Western Electric, AT&T, and Lucent.

In its first five years, the company was in a continuous mode of change trying to streamline and improve its operations. For example, the GCCC organization underwent major restructuring. In 2000, there were five regional GCCC offices. However, a sell off of XYZ Corp.’s smaller business customers mitigated the need for this number of locations. Consequently, the care center operations in both Tucson and Cincinnati were
closed. Following these closures, accounts were redistributed among the remaining offices located in Oklahoma City, Atlanta, and Maitland.

In addition to restructuring efforts, XYZ Corp. created the position of SPA. The SPA was an intermediary and support position between the Sales organization and Global Customer Care. The function of the SPA was to finalize sales quotes and prepare the related contractual documentation. The SPA would then submit the completed quote and documentation, collectively in a project package to the GCCC for processing and order issuance.

All project packages were filtered to a single associate in the GCCC office. This person was referred to as the Front Door. The Front Door reviewed the entire package for completeness and accuracy. Any omissions or errors resulted in a dead-on-arrival rejection. Examples of common errors included missing customer signatures and incomplete or erroneous customer information on sales quotes. Packages with such errors were returned for corrections, and the errors were coded and logged.

Scope of the Project. This project focused on the Contract Management and GCCC divisions of XYZ Corp.. Contract Management was responsible for reviewing contractual documentation and customer agreements. They were charged with verifying the accuracy of sales quotations, and ensuring that all necessary signatures were acquired.
## DOA REASON CODE CATEGORIES WITH EXPLANATIONS

<table>
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<tr>
<th>REASON CODE</th>
<th>CATEGORIES &amp; DESCRIPTIONS</th>
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<td><strong>Purchase/Service Agreement (PSA) / Equipment/Service Supplement (ESS)</strong></td>
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<td>1A</td>
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</tr>
<tr>
<td>1B</td>
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</tr>
<tr>
<td>1C</td>
<td>Project Definition field reflects incorrect Project Code</td>
</tr>
<tr>
<td>1D</td>
<td>Project Definition field is not populated with the Project Code</td>
</tr>
<tr>
<td>1E</td>
<td>T&amp;C's are not referenced in the Remarks Section</td>
</tr>
<tr>
<td>1F</td>
<td>T&amp;C's referenced in the Remarks Section are incorrect</td>
</tr>
<tr>
<td>1G</td>
<td>T&amp;C's referenced on PO and P/SA or E/SS do not match</td>
</tr>
<tr>
<td>1H</td>
<td>Change Order Form Not Provided</td>
</tr>
<tr>
<td>1I</td>
<td>Document is illegible</td>
</tr>
<tr>
<td>1J</td>
<td>Not attached in Voyager</td>
</tr>
<tr>
<td>2</td>
<td><strong>Statement of Work (SOW)</strong></td>
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<tr>
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<tr>
<td>2C</td>
<td>Contract No. field not populated with Project Code and Quote Number</td>
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<td>2F</td>
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<td>3</td>
<td><strong>Terms &amp; Conditions (T&amp;C's)</strong></td>
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<td>Customer Agreement Not Countersigned</td>
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<tr>
<td>3B</td>
<td>Expired Terms</td>
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<tr>
<td>3C</td>
<td>Transactional Agreement Not Provided in absence of Customer Agreement</td>
</tr>
<tr>
<td>3D</td>
<td>Phasing Addendum Not Provided</td>
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<tr>
<td>3E</td>
<td>Bifurcation Amendment and Pre-approvals Not Provided</td>
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<tr>
<td>3F</td>
<td>Document is incomplete</td>
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<tr>
<td>3G</td>
<td>Document is illegible</td>
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<tr>
<td>3H</td>
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<tr>
<td>4</td>
<td><strong>Purchase Order (PO)</strong></td>
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<td>Not Signed</td>
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<tr>
<td>4C</td>
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</tr>
<tr>
<td>4D</td>
<td>PO is less than the Quote</td>
</tr>
<tr>
<td>4E</td>
<td>PO is expired</td>
</tr>
<tr>
<td>4F</td>
<td>Document is illegible</td>
</tr>
<tr>
<td>4G</td>
<td>Not attached in Voyager</td>
</tr>
<tr>
<td>4H</td>
<td>PO does not match quote; requires line item accuracy</td>
</tr>
<tr>
<td>5</td>
<td><strong>Quote</strong></td>
</tr>
<tr>
<td>5A</td>
<td>Expired Beyond 120 Days (Quote extension approval not provided)</td>
</tr>
</tbody>
</table>

Figure 3. DOA Reason Codes, Categories, and Explanations
5B Pricing Does Not Match signed P/SA or E/SS
5C No/Incorrect intricacy level material codes
5D No/Incorrect install material codes

6 Funding Documents
6A C&OC Not Provided
6B C&OC Does Not Match Quote
6C PAAC Form Not Provided
6D PAAC Form Not Signed
6E Tax Exemption Certificate Not Provided
6F Document is illegible
6G Not attached in Voyager

7 Discount Approvals
7A Approvals Not Provided with Feathering Tool
7B Zero-Rate Form Not Provided
7C ISO Pricing Summary Not Provided
7D Promotional Pricing Document Not Provided
7E Business Systems Commitment Agreement (BSCA) Not Provided
7F Not attached in Voyager

8 Payer
8A Not Provided
8B Multiple Quotes with different payers
8C Not attached in Voyager

9 F & T (2 Quotes Are Required)
9A Did not provide de-install and re-install quotes
9B Did not provide "from" and "to" Sold To's
9C Equipment quote created on de-install Sold To

10 Other
10A Copy of Advance Payment (A/P) check missing or payment not posted
10B Please Explain
10C COSA error (information conflicting or missing due to COSA error)
10D Approval to Transmit w/o Signed Contract Not Provided

11 E-Rate
11A USAC Funding Commitment Decision Letter Not Provided
11B USAC Form 486 Notification Letter Funding Commitment Report Not Provided
11C FRN Expired. Extension Approval Not Provided
11D Separate Quotes not provided for Eligible and Non-Eligible Products/Services
11E Schedule A (Eligible Equipment Locations) Not Provided
11F Transactional or Other Agreement referenced instead of State/Local Contract
11G FCC rules require applicant to sign a contract.
11H Equipment locations on Item 21 Attachment not identified

Figure 3. DOA Reason Codes, Categories, and Explanations (Cont.)
The GCCC received completed project paperwork and sales quote from the SPA. GCCC associates were ultimately accountable for the accuracy and totality of the project packages. Accordingly, they carefully reviewed each quote and document. In doing so, they discovered recurring errors in the packages and quotes.

GCCC management determined that in order to substantiate the problem, as well as reduce or eliminate it, it would be necessary to compile concrete data regarding the errors. It recommended a comprehensive system of error tracking. After sufficient data were collected, management reviewed the information to establish a plan for resolution.

Significance of the Problem

This research project will supply evidence of the types of SPA errors and their frequency. The information will be used to justify and implement a new SPA performance measurement based upon accuracy. The new measurement will potentially reduce the rate of errors.

A reduction in error rates would result in fewer order delays, increased productivity, and reduced labor expenses. Furthermore, fewer project packages would be rejected. This would help decrease frustration levels among the Contract Management, GCCC, Sales and Provisioning organizations.

The results of this project could be used to establish similar performance measurements within all of XYZ Corp.’s organizations. Improving quality and accuracy would serve to increase profitability. In turn, XYZ Corp.’s stock value would rise, which would help ensure the future of the company.
Definition of Terms

DOA – Dead on arrival. This is term used to describe a project package that is rejected for one or more errors.

Front Door – The XYZ Corp. associate who receives project packages from the SPA and assigns them to appropriate Global Customer Care Center staff.

GCC – Global Customer Care Center. Three central offices that receive input from the XYZ Corp. Sales, Services, and Contract Management organizations. It fulfills customer orders, issues invoices, and resolves customer inquiries and collections problems.

Project Package – A compilation of contracts, purchase orders, discount schedules and quote information for a customer order.

Project Payer – A customer-specific billing identification number against which project invoices are billed.

SPA – Sales Process Associate working within the Contract Management organization of XYZ Corp.
Chapter 2

Literature Review

Lack of accountability in any company can have disastrous effects. At the highest level, stockholders hold a company’s senior leadership accountable for generating a profit. To help ensure this goal, managers must impose strict accountability at all levels within the company. Without this, there can be no sustainable structure. Without structure, the company cannot grow and prosper.

In recent years, Americans have witnessed several notable accountability catastrophes. Among these are the collapse of both Enron and WorldCom. Whatever the reasons, the leaders of these two companies did not hold themselves personally accountable for the accuracy of information supplied to their respective stockholders. The consequences were dire and widespread.

This chapter begins by identifying some of the elements required for a company to succeed. Next, the significance and function of company culture are discussed, followed by the role of performance goals. Lastly, the importance of accuracy is explored, as well as several methods of motivating for accuracy in an organization.

Requisites for Success

For a company to have succeeded, tremendous time, planning, effort, and money were all required. Additionally, a company’s leaders must have effectively anticipated market trends, assessed customer needs, and managed its resources. The most important resource of any company was arguably its employees.

In order for employees to have performed their jobs well, they must have had a thorough understanding of the role within the company, as well as the purpose and importance of work role. Thus, it was vital that management established clearly defined
goals and objectives. These not only included the company’s overall goals, but also those of each individual within the company. Without the knowledge of why one was performing a job, one had little rationale for doing so.

In addition to focusing on goals and objectives, a company’s leadership must have also played a key role in motivating its employees to perform well. According to Rhodes and Wedel (n.d.), people were motivated to work by their economic, social, and psychological needs. These needs affected motivation, attitude and behavior. Considering their direct connection to worker performance, effective management sought to fulfill these needs. Companies accomplished this primarily with monetary compensation. However, most companies also helped to satisfy employee needs by offering some form of supplemental benefits, such as medical coverage, paid sick leave, and retirement or savings plans.

In exchange for providing salary and benefits, successful companies expected a certain level of performance from workers. Thus, for a company to ensure that it achieves its goals and objectives, it held employees accountable for individual performance. To be sure, an organization would have been short-lived if it failed to hold its employees to any standards of operational quality.

Of course, enforcing accountability required that companies implement an effective method of measuring performance. Performance measurement typically occurred in the form of regular employee evaluations. Management could have conducted such evaluations at any desired interval, but most organizations did so monthly, quarterly, and/or annually. It was usually unnecessary to evaluate workers more often than monthly. What is more, excessive evaluation might have lead to problems with employee morale. Conversely, if employee performance went
unmeasured for too long, a company might not have known if it was underutilizing, or worse, overpaying its human resources. Ultimately, by monitoring employee performance, companies were able to reduce wasted time and lessen unnecessary expenses.

Company Culture

Rhodes and Wedel (n.d.) defined company culture as “the set of shared values and norms…” (p. 67). These values and norms influenced the daily interactions among a company’s employees, as well as the exchanges with others outside the company, including customers and vendors. A company’s culture had a profound influence on decision-making, organizational effectiveness, and its overall success and future.

Examples of common core values used in defining company culture included communication, respect, integrity, excellence. While values were the foundation of a company’s culture, Lencioni (2002) suggested that the words alone were void of any real value. Enron, for example, used the same four aforementioned words in its value statement. Considering the company’s scandal and ultimate bankruptcy, the values were largely meaningless. There was little dispute that core values were beneficial, but they have also been found problematic.

According to Lencioni (2002), companies have spent tremendous time and effort writing value statements since the book, Built to Last, was published in 1994 by Jim Collins. The book held that the most successful companies wrote and adhered to core value statements. This resulted in a sort of values fad (Lencioni, 2002). The problem was that while most company leaders were serious about values, they viewed them as a one-time initiative. A company had to constantly reinforce its values, indeed its very culture, for them to be of any relevance.
Another concern with values was that they were often vague or universal among many different companies. Integrity, customer satisfaction, and innovation were examples of ubiquitous values. In fact, Lencioni (2002) reported that 55% of all Fortune 100 companies listed integrity as a core value, 49% proclaimed customer satisfaction, and 40% mentioned teamwork. “Cookie-cutter values don’t set a company apart from competitors; they make it fade into the crowd.” (Lencioni, 2002, p. 113). This effect was counterproductive to having values in the first place.

Potential issues aside, Michael Critelli, CEO of Pitney Bowes, emphasized the role and importance of core values. “Certain values are critical to our brand and our success in the marketplace” (Crainer, 2003, p. 89). Critelli’s company handled billions in other people’s money. Thus, he believed it was important to hold and communicate values such as honesty, trustworthiness, and reliability (Crainer, 2003). Critelli was not alone in his thinking. In fact, while conducting research for his book, *What Matters Most: Corporate Values and Social Responsibility*, Jeffrey Hollender found that in response to the plight of Enron and WorldCom, companies were making fundamental changes in their cultures and values (Hollender, 2004). Hollender also believed business leaders have discovered that an increased focus on a strong culture based on a solid, and carefully considered set of values significantly improved the bottom line.

However, for them to be truly effective, values had to be properly integrated into employee and management development programs. In addition, they required constant reinforcement. Enron’s approach to values was merely to print, post, and pray that employees complied (Hatcher, 2003). This mode failed miserably. Instead, companies reaped great benefits by designing and implementing performance goals that supported their own values.
Performance Goals and Incentives

Similar to developing and using a set of values, companies also utilized performance goals and incentives to improve accuracy and increase accountability among employees. Ideally, individual performance goals were derived from, and directly supported an organization’s overall objectives. According to Sanders (2005), it was difficult, if not impossible, for an organization to succeed unless it developed clearly defined objectives. At the same time, the organization’s members had to be aware of, and fully understand the objectives for them to be of any real value. The distinction between organizational goals and performance goals was that the latter applied to a specific division, or person (Sanders, 2005). To illustrate, an example of an organizational goal was that ABC Company wanted to become the global leader in its industry. A corresponding performance goal was for ABC’s sales staff to increase total sales by X% over a specified timeframe.

It was important that performance goals outlined individual activities or outputs that accurately reflect the organization’s goals. Sanders (2005) wrote, “A performance goal must answer the question, Who has to do what, better, cheaper, faster, or safer to make the organizational goal a reality?” (p. 58). Omitting one or more of these elements from the stated goal not only reduced its effectiveness, it also caused confusion and frustration.

As stated above, individual performance goals had to remain inline with overall company objectives. However, according to Sanders (2005), companies often failed to make this connection. Instead they focused too much attention on either the organization’s, or employee’s goals without relating them to each other. The effect of this disconnect seemed to increase in proportion to the size of the organization. In
other words, the more separate divisions or groups found within an organization, the
greater the chance for misalignment of goals. Another complication was that goals
were sometimes vague or poorly written. The effectiveness of performance goals was
not only dependent on detail and clarity, but also how well management communicated
and reinforced them.

One technique of reinforcement used by many organizations was incentives.
Incentives came in different forms, including both monetary and non-monetary.
Companies have awarded such things as cash bonuses, time off, or various prizes to
those who achieved or exceeded stated performance objectives. According to Bénabou
(2003), incentives promoted effort and performance. “Contingent rewards serve as
positive reinforces for the desired behavior” (Bénabou, 2003, p. 489). However, Knight,
Durham, and Locke (2001) explained that the relationship between goals and incentives
was complex. He agreed that incentives may have increased an individual’s dedication
and performance. At that same time, he argued that if employees perceived objectives
as unrealistic or unattainable, incentives actually decreased motivation. The key with
incentives, then, was to assign them to challenging, yet reasonable goals (Knight,
2001). Incentives can be especially useful in motivating employees to achieve high
levels of accuracy.

The Importance of Accuracy

At every level within a company, accuracy was important, and in many cases, it
was absolutely critical. Indeed, there was little point in doing any job incorrectly.
Furthermore, as the complexity and importance of a job increased, so too did the
requirement for accuracy.
For example, accuracy was especially vital in the accounting profession. In recent years, companies such as Enron and WorldCom were mired in scandal, and eventually went bankrupt due to serious errors in their accounting practices. These errors had enormous and far-reaching consequences. First, thousands of employees lost their jobs, as well as their company-invested savings, which, for many, represented the complete sum of their retirement funds. Similar to the employees, stockholders of these companies suffered huge financial losses. In addition, numerous criminal charges of conspiracy and fraud were filed against top-level executives, several of whom were subsequently convicted.

In the aftermath of these accounting disasters, Congress enacted the Sarbanes-Oxley Act of 2002 (SOX). This legislation enforced strict procedures and guidelines for financial reporting. Moreover, it held a company’s leadership directly accountable for the accuracy of such reporting. However, according to a survey conducted by PricewaterhouseCoopers, only 68% of respondents, which included 136 chief financial officers and directors, believed their companies were in compliance with SOX (Associated Press, 2003). While it was only the CEO, CFO, and President of companies that certified the accuracy of financial statements, they alone were not to blame. On the contrary, accuracy was a necessary aspect of every job within a company. It had to be a key component of a company’s culture.

The need for accuracy was equally important in the banking industry. Banking errors have had ruinous effects on personal finances, credit scores, and business transactions. Additionally, just as accounting errors have destroyed global companies, banking errors have also influenced the global economy. Charles Wood (2000)
reported that the stock markets in Asia, Europe, and the United States have seen
"significant fluctuations" due to banking errors.

One final example of an industry where accuracy was unquestionably essential
was healthcare. According to Sakowski (2005), "medical errors result in 44,000--98,000
deaths per year" (p.2619). This was more than the number of deaths caused by
highway accidents, breast cancer, or AIDS (Sakowski, 2005). This statistic included an
estimated 7,000 annual deaths related to medication errors. Moreover, the New York
Health Research Organization reported that within the past two years approximately
34% of U.S. patients have experienced a medical error (Higgins, 2005).

While errors have always existed, the importance of striving for accuracy was clearly
evident. The question was how to motivate employees toward high levels of accuracy
in their work.

Methods of Motivation

A company may have invested endless amounts of time, money, and effort hiring
the best employees, providing quality training, and cultivating a strong organizational
culture. However, all of this was of absolutely no consequence if employees were not
motivated to achieve the company’s goals. How, then, did an organization’s leadership
effectively motivate its employees?

To understand the methods for motivation, one had to be aware of why people
worked in the first place. A common assumption was that money was the only reason
people work. While this was certainly a significant incentive for people to pursue
employment, it was by no means the singular motivator for quality job performance.

What, then, has motivated people to be accountable for their work? Rhodes and Wedel
(n.d.) asserted that an individual’s personal needs played a key role in his or her
motivations. Material and economic needs were largely universal among workers. Therefore, one could have argued that most people automatically performed jobs well in order to fulfill one or more of these needs, such as the desire for a salary increase or promotion.

Charles Woodruffe (2005) offered several suggestions to help stimulate workers to perform to the best of their ability. First, he stressed the importance of treating each employee as an individual, as well as learning and accommodating each person’s needs at work. This was a key motivator because it communicated that the worker was valued as a person. Next, Woodruffe (2005) proposed that management should conduct employee satisfaction surveys on a regular basis. Consistently seeking employee feedback conveyed that individual opinions, ideas, and concerns truly mattered. When employees perceived that they were making valued contributions to the success of the organization, it was an especially strong motivator for performance. Devany (2005) supported this idea. He recognized that “all employees want to be asked their opinion now and then” (p. 18). He cautioned, however, that asking for opinions without acting on them “is even more ineffective and disheartening” than not asking at all.

Another significant motivational tool was employee development (Woodruffe, 2005). By investing in ongoing training, education, and career advancement, companies demonstrated a solid commitment to the growth and success of its employees. Workers highly valued such investments in their future. A few of the more obvious motivators noted by Woodruffe (2005) included respect, challenging work, a pleasant atmosphere, trust, autonomy, and praise for accomplishments. Moreover, employees tended to perform at the level expected of them. Thus, when management
consistently demanded high standards of performance, employees felt challenged and motivated to meet those demands (Devany, 2005).

Performance evaluations were yet another form of motivation for workers. Fred J. Drakeman said, “People will do what you measure and review” (Trump, 2004, p. 85). However, the manner in which employees are measured was of no small importance. Roberts (2002) indicated that by directly involving employees in the appraisal process, the result was increased acceptance and satisfaction of the process itself. This acceptance was vital to ensuring the evaluations were not counterproductive. Roberts (2002) also stressed that this kind of “participatory appraisal” was essential to the success of the performance evaluation system as a motivational device.

Conclusion

When reviewing the literature on successful businesses, the focus was on the core values and leadership of great companies. Core values provided direction for the leadership and employees alike. Companies that took the time to develop and implement core values were able to remain focused and achieved objectives.

Individual performance goals were essential in supporting a company’s core values. It was important, however, that performance goals were well written, detailed, and directly related to core values. Otherwise, the effectiveness of goals was adversely affected. Other factors, such as employee awareness and management reinforcement, also had a direct impact on the efficacy of performance goals. Incentives were a common means of goal reinforcement.

Incentives were also used as a means of increasing employee accuracy. The need for accuracy was proportionate to the complexity and importance of a particular
Improving Accuracy and Accountability

Job. Employee errors have had dire consequences extending to entire companies, industries, and the global economy.

Achieving high levels of accuracy often required motivation. Motivation was accomplished through a variety of methods. Examples included understanding employee needs, valuing their contributions, and demonstrating worker appreciation. Employee training and career development were also strong motivators.

The purpose of project was to determine error rates, and a method of reducing them, within the Contract Management organization of XYZ Corp.. The project involved tracking errors for a period of 6-months. A performance measurement was implemented that required the Sales Process Assistant to check for the presence and accuracy of project payers on sales quotes. Error rates were re-assessed 6-months after the measurement became effective. The results were compared in order to determine the effectiveness of new measurement.
Chapter 3
Methods and Procedures

Hypothesis

The purpose of this research was to determine if the implementation of a new performance measurement based on employee accuracy would result in a reduction in payer ID error rates within the Contract Management division of XYZ Corp., Inc. It was hypothesized that the new measurement would lead to fewer errors. The independent variable was the performance measurement, with the rate of errors the dependent variable. A before-after, quasi-experimental study was selected to compare the rate of payer ID errors both before and after the implementation of the new performance measurement.

Data Source

The data for this research was obtained by tracking and recording every payer ID error produced by the XYZ Corp. Contract Management division. The sample consisted of ten months.

Instrumentation

The operational definition for the independent variable, a performance measurement for accuracy, was to reduce payer ID errors. On June 1, 2005, XYZ Corp. management implemented a new performance measurement for its Contract Management division. The measurement was designed to hold each employee of this division directly accountable for the complete accuracy of the project payer ID number used for every project he or she processed. Departmental performance metrics were revised to include this measurement. The division director explained the new measurement to every affected associate at least one day prior to the effective date.
Each payer ID error was tracked and recorded in a central log by the Global Customer Care Center (GCCC) staff. Errors negatively impacted the Sales Process Associate’s overall monthly quality measurement. In addition, monthly quality scores were included in the associate’s annual performance and salary reviews.

The operational definition for the dependent variable was the rate of payer ID errors as determined by the data compiled by GCCC staff. Errors were tracked for a period of 5 months following the effective date of the performance measurement. The dependent variable of error rates was an interval measurement using experimental independent samples.

**Procedure**

This was a before-after, quasi-experimental research study. The data were obtained in the following manner. First, for a period of 5 months, an Excel spreadsheet was used to track the total number of projects processed, the number of payer ID errors, the month in which the errors occurred, and the associate responsible for the error. Next, the performance measurement was implemented. Finally, the same data types were recorded for another 5 months. The before and after data were compiled and statistics were calculated. The results were analyzed and reported in a table, graph, and text.

**Data Analysis**

When the data from this research were analyzed, the arithmetic mean and standard deviation were calculated for the dependent variable of payer ID error rates before and after the implementation of the performance measurement. The variability of measures of range, variance, and standard deviation were calculated for the dependent
variable. The data were represented with a bar graph which showed the number of errors before-after on the Y-axis, and the reporting months on the X-axis.

This research tested the null hypothesis that the performance measurement had no effect on payer ID error rates. The alternate hypothesis was that the implementation of the performance measurement would result in reduced payer ID errors. The analysis technique used to test the hypothesis was a paired t-test at the .05 level of significance.

Limitations

A limitation of this study was that it involved only one type of error. It was not known whether the results would apply to studies involving other error types. During the period of this study, other variables may have affected the final results. Among these were the months involved. A similar study conducted over a different timeframe may have yielded different results. In addition, associate absences and varying project counts per associate may have affected the outcome.
Chapter 4

Summary of Results

This chapter summarizes the information obtained via project payer error tracking. It contains a comparison of the data collected for a 5-month period prior to the implementation of the performance measurement to that of a 5-month period following said implementation. The experimental data is included. In addition, an analysis of the effectiveness of the performance measurement is discussed. The data from the experiment is statistically evaluated, and found to support the legitimacy of the performance measurement.

Restatement of Hypothesis

The hypothesis stated that the purpose of this research was to determine if the implementation of a new performance measurement based on employee accuracy would result in a reduction in payer ID error rates within the Contract Management division of XYZ Corp. It was hypothesized that the new measurement would lead to fewer errors. The independent variable was the performance measurement, with the rate of errors the dependent variable. A before-after, quasi-experimental study was selected to compare the rate of payer ID errors both before and after the implementation of the new performance measurement. Comparison of the data revealed that a decrease in error rates did occur at a statistically significant level.

Descriptive Statistical Information

The hypothesis stated that the implementation of a performance measurement would result in a significant decrease in the rate of project payer errors. Upon analyzing the error rate for a period of 5 months prior to implementation of the performance measurement, the following relevant statistical data were determined: Mean = 43.20,
Standard Deviation = 5.31. For the 5-month period following implementation, the resultant data were as follows: Mean = 17.60, Standard Deviation = 11.28. Figure 4 illustrates the before-after comparison. Post-implementation, error rates decreased by 59.3%. The bar graph in figure 5 reflects the actual monthly number of errors, and provides a visual representation of their decline.

Results of the Significance Test

The before-after quasi-experimental study was chosen for this project as there were two distributions of interval data compared for possible differences. The hypotheses used in this project were as follows: Ho = μ Before ≤ μ After; Ha μ Before > μ After. The degrees of freedom, df=N-1, were 4. The level of significance used for this research was α = .05.

A paired t-test was the analysis technique utilized in testing the hypothesis. The t ratio was calculated to be 4.47. The calculated value was assessed for significance using critical t \( .05(4) = 2.776 \). Because the obtained t value exceeded the critical value, this researcher rejected the null hypothesis. It was therefore concluded that the implementation of the performance measurement significantly decreased error rates.
Figure 4. Total Project Payer Error Rates Graph
Monthly Project Payer Error Rates

Number of Errors

Month

Figure 5. Monthly Project Payer Error Rates Graph
Chapter 5

Discussion and Conclusion

The purpose of this project was to evaluate the effectiveness of a new performance measurement based on accuracy. Data was compiled by tracking project payer error rates for a period of five months both before and after the measurement became operational.

The objective of the performance measurement was to reduce the number of project payer errors. It was anticipated that such a reduction would result in three primary benefits, including: a reduction in processing times, the elimination of unnecessary company expenses, and an increase in customer satisfaction.

General Discussions and Conclusions

An analysis of the statistical data supports the researcher’s original hypothesis that the rate of project payer errors within the SPA organization at XYZ Corp. would be reduced following the implementation of a performance measurement predicated on accuracy. The intended goal of the measurement was to realize a significant reduction in project payer errors.

The research process involved manual tracking of all project payer errors for a combined period of ten months. The performance measurement was implemented on the first business day of the fifth month. Thus, equal timeframes of 5-months pre- and post-implementation were compared. Associates within the SPA organization were versed on the measurement prior to its effective date.

A before-after, quasi-experimental study was used to analyze the data for the project. The results demonstrated a statistically significant difference in the before and
after error rates. This difference is possibly due to the implementation of the new performance measurement.

**Strengths and Weaknesses of the Study**

The strength of this study lay in the availability of the usable data to be analyzed. All projects were submitted to a single department within the Customer Care Center. Thus, it was easy to control the incoming data. A simple spreadsheet was created for error tracking. To help ensure data integrity, one associate performed an initial package review for the presence of a project payer error. Then, a second associate would confirm the findings. This two-person approach was employed to help avoid human error in recording the data. Another strength of the study was the cooperation of XYZ Corp. management, as well as the diligence of those involved in conducting the experiment.

A weakness in this study could be that during a 10-month timeframe, a number of unforeseen and unknown variables may have influenced the results. One such variable is that of fluctuations in staffing within the SPA organization. For example, if certain associates were out of the office for vacation or illness, this could have concentrated the project workload on fewer associates who may or may not have been cautious with regard to accuracy. The research study did not account for individual error rates. Thus, such variations in staffing might have skewed the overall error rates. Similarly, the study did not account for projects processed per SPA associate.

Next, although an effort was made to incorporate redundancy in confirming the actual rate of project payer errors, the data were still manually compiled by humans. Thus, the possibility exists that the data was not 100% accurate. However, given the
duration of the study, it is likely that human error, if any, had a negligible effect on final results.

Recommendations

Considering the encouraging findings of this project, it is recommended that XYZ Corp. management continue tracking error rates to monitor the ongoing effectiveness of the performance measurement. If rates continue to decline or remain constant, XYZ Corp. management should investigate other areas where productivity, cost-savings, and customer satisfaction could benefit from changes to employee performance measurements. Similar research could then be performed in these areas to resolve deficiencies. Such resolutions increase company profitability, which helps ensure organizational longevity.

In addition, it is recommended that management engage in a concentrated and ongoing effort to fully integrate the value of accountability into everyday work. It must continuously convey the direct connection between individual accountability and the company’s success. Indeed, this value must become a daily mantra and a routine way of thinking. In support of this, it is suggested that management should implement simple awards or incentives programs to further demonstrate its commitment to the value, and to express appreciation to employees who exhibit exceptional dedication to personal accountability. Such a program need not be based on monetary reward. Rather, it could be established around peer recognition and small gestures of esteem. If managed properly and readily reinforced, such programs could have a significant impact on the level of personal accountability within the company.

Lastly, XYZ Corp. management could also investigate the effects on job performance and personal accountability derived from increased employee
empowerment, as well as regular inclusion in the company’s decision-making processes.

**Suggestions for Future Research**

Additional research should be conducted among the various departments and job functions within XYZ Corp. The results of such research would serve to corroborate or disprove the initial findings. It would also demonstrate whether the performance measurement is universally effective, or job-specific. However, it is suggested that future research take into account variances in staffing that could possibly skew results.
References


