



# BA Manager Forum

## **Measuring the performance of business analysts: a white paper**

This paper provides guidance and performance measures for use when monitoring business analysis work.

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# MEASURING THE PERFORMANCE OF BUSINESS ANALYSTS: A WHITE PAPER

## Introduction and recap on previous research

An initiative looking at measuring the performance of business analysts was launched at the BA Manager Forum in January 2015. The topic led to a working group of over 20 senior BA leaders who together proposed a core set of BA performance measures. This work resulted in the 2015 white paper “Measuring BA Performance –A white paper on recommended best practice”.

Since this influential work, business analysis has continued to evolve and there have been significant changes in the ways that many business analysts perform their work, as well as an increased level of maturity in managing business analysts and business analysis services following the publication of the BCS book *Delivering Business Analysis* (Paul and Lovelock, 2019).

This paper summarises many of those changes and provides an updated view of over 120 practising BA leaders in the UK. While the focus of this paper is business analysts, many of the points made could apply equally to other roles and knowledge professionals.

## Challenges of measuring business analyst performance

### SMART objectives

Many organisations encourage the use of “SMART” objectives (Specific, Measurable, Assignable, Realistic, and Time-bound) with the Chartered Institute of Management suggesting they are “firmly established within most successful companies and sit comfortably alongside most end of year appraisals”. Despite the popularity of the SMART acronym with organisational HR departments, the approach isn’t a natural fit for business analysts, who are “knowledge workers”. The definition of a knowledge worker is “a professional who generates value for the organization with their expertise, critical thinking and interpersonal skills” (IBM Education, 2023). As the Chartered Institute of Professional Development stresses, “while in manual work the targets and outputs are usually clear, knowledge work and its results are less tangible, and therefore harder to define, measure and evaluate”.

Trying to conform to an arbitrary framework doesn’t necessarily result in higher quality objectives. For example, specific objectives do not align naturally with roles that are expected to operate with a high degree of autonomy. A senior business analyst operating at SFIA Level 5 is expected to “exercise substantial personal responsibility and autonomy” (SFIA

Foundation) so SMART objectives may be perceived as micro-management. Rather than insisting on the imposition of all SMART elements for every objective, managers should agree objectives that are appropriate to the role and context. Even the creator of SMART objectives, George T. Doran, admitted “in certain situations, it is not realistic to attempt quantification” (Doran, 1981).

### **The surrogation snare**

As the old adage goes, “what gets measured gets done”. Approaches such as Critical Success Factors (CSFs) and Key Performance Indicators (KPIs), or Objectives and Key Results (OKRs) are widespread, and linking performance measures to strategy has become accepted best practice.

Measures not only monitor results, but also drive behaviour, particularly in situations where they are closely coupled with compensation. Taken in isolation, performance measures can result in outcomes that are unintended at best, or the opposite of what was intended at worst. This tendency is called “surrogation” and occurs when employees mentally replace the goal with the measure. A Harvard Business Review article (Harris and Tayler, 2019) used the harrowing case study of Wells Fargo to illustrate the devastating effect that surrogation can have on organisations. In reality, we are surrounded by the effects of surrogation every day.

Doctors’ surgeries refusing to allow patients to book appointments in advance and telling them to call on the morning of the required day is a well-known source of frustration for those of us enduring the 8am “switchboard lottery” of trying to speak to a surgery member of staff to secure an appointment. The reasoning behind this maddening practice is the imposed target of x% of patients being able to see a doctor on the same day. The purpose behind the target was to improve patient outcomes but the behaviour driven by the measure caused diametrically opposed outcomes.

A similar situation occurs with rail journeys. To avoid being fined for arriving at a connecting station behind schedule, a rail company amended its schedule so that it no longer stopped at the connecting station. The outcome for the rail company was that its punctuality improved and the fines reduced, but passengers were left with a journey that was 20 minutes longer and more expensive; clearly not a better outcome for passengers.

Business analysts are not immune from surrogation so consideration must be given to the possible behaviours that are driven by performance measures. Examples of such behaviours are shown in Table 1.

**Table 1: example behavioural responses to measures**

Measure	Potential behavioural responses
% of work packages delivered to time	Business analyst compromises on quality to achieve a deadline.
# Business analysts attending customer focus group per quarter/year	Business analysts attend sessions that have no relevance so that they can tick a box.
# negative feedback comments (from stakeholder survey or 360 feedback)	Business analysts ask colleagues to refrain from making developmental feedback comments that could help them to improve performance.

Almost every quantifiable measure has the potential to drive dysfunctional behaviours. Given this, it may be preferable if, when formulating measures, managers start from the point of the behaviour they wish to drive and then establish a performance measure while accepting that not everything can be counted.

### The importance of context

Performance measurement typically assumes that if something is good, more of it is better. Business analysis is context dependent which makes it difficult to define objective measures of effectiveness. For example, if an effective business analyst challenges requirements that do not contribute to the project goals, is this desirable behaviour and does that mean that more challenges are better? Well, it depends. Peer review comments result in a similar situation; comments are encouraged because they ultimately lead to a higher quality output but does an increasing number of comments demonstrate good or poor performance?

When agreeing performance measures it is helpful to consider the information value it offers and ask, "why is this measure relevant and important?". The book *How to measure anything* (Hubbard, 2014) states "Business managers need to realise that some things seem intangible only because they just haven't defined what they are talking about. Figure out what you mean and you are halfway to measuring it".

For example, measuring the ratio of permanent staff to contractors is likely to be a proxy for measuring cost. While it is easy to calculate this ratio, the measure itself doesn't necessarily provide the full picture, particularly if there is little cost differential between employed and contract resources. Understanding why something is being measured is essential if the required information is to be elicited, analysed and applied.

### **Cost of measurement**

Just because something *could* be measured, it doesn't mean that it *should* be measured. The value and impact of the measurement must be greater than the cost of measuring it.

Many aspects of business analysis can be difficult to measure without implementing robust control processes. For example, the number of peer review comments or the % of requirements meeting quality standards.

*Delivering Business Analysis* stresses the importance of using both leading (forward looking) and lagging (backward looking) performance measures. Leading measures tend to be easier to use because they typically monitor and control inputs. For example, recording a set of 'lessons learned' is relatively simple but assessing and measuring how many of these lessons have been applied and have led to an improved project outcome, is much more difficult. If a lesson doesn't lead to an improved outcome for future projects, recording it offers little or no value.

BA leaders/managers should also consider using observation and feedback alongside set measures as a way of evaluating performance. The benefit of observation is that it is relatively accessible and can ensure greater understanding of the context. Using observation and feedback to augment defined measures may well enable higher levels of performance.

### **Individual vs team goals**

The increased adoption of Agile development practices has, in some organisations, had a major impact on business analysts and their ways of working. Formal artefacts such as business requirements documents are increasingly being replaced by backlogs of user stories in Jira, Confluence or similar tools. These changes also have an impact on the accountabilities of business analysts. If a user story is simply "a placeholder for a conversation" to be elaborated by the team, the quality of the requirement becomes the responsibility of the team, not just the business analyst. Traditional requirement quality measures may not easily translate to iterative delivery methods.

The world of performance measurement and goal setting also evolves, with many organisations favouring OKRs over the more traditional CSFs and KPIs. However, a Harvard Business Review article (Gothelf, 2020) highlighted that challenges of applying OKRs at an individual level included selecting areas that were easy to count but added little value, and "gaming" the system, where the key results selected end up driving the wrong behaviours. It seems that while the goal setting framework might be new, the same old challenges remain.

Gothelf's article stresses that OKRs are a team-based goal-setting methodology and suggests "instead of attempting to define OKRs at an individual level, it's far more effective to take a team-level view in which performance reviews and compensation are tied not to individual goals and measures, but to the extent to which individual contributors support their team's objectives and key results."

This viewpoint is supported by the Chartered Institute of Professional Development, whose evidence review of knowledge work performance found that "studies show that group goals may yield higher performance in knowledge work than individual goals."

The book *The 6 Enablers of Business Agility* (Harbott, 2021) called for a "twenty-first century approach" for established HR practices. Perhaps it is time that organisations considered changing their performance management and compensation practices to align with changes in ways of working. Until this happens, consideration should be given to how performance measures support and encourage team working and collaboration, and frequent feedback should be sought from the business analyst's immediate colleagues.

## **Performance measures revisited**

### **Approach**

The topic of business analyst performance measures was re-visited at the BA Manager Forum in November 2023 by Debra Paul and Michelle Shakesheff. The session drew on several of the frameworks covered in *Delivering Business Analysis* and also discussed the challenges of SMART objectives and surrogation.

During a workshop that followed, over 120 BA Managers proposed appropriate performance measures for business analysts, retaining the existing Balanced Scorecard approach. The workshop outputs were collated and refined by the authors of this paper.

### **Suggested performance measures**

The key suggested performance measures are shown in Table 2, using the four dimensions from the Balanced Scorecard.

**Table 2: Summary of suggested performance measures**

Financial	Customer
<ul style="list-style-type: none"> <li>• % business analysis services/work packages delivered within budget/time</li> <li>• % projects delivered within scope</li> <li>• % requirements confirmed as meeting quality standards</li> <li>• % predicted financial benefits realised (per project)</li> </ul>	<ul style="list-style-type: none"> <li># award nominations per business analyst</li> <li># negative feedback comments about an individual business analyst</li> <li>% customers very satisfied or satisfied with service/activity offered by the BA Practice</li> <li>% growth in demand for BA Practice's service/activity</li> <li># business analysts attending customer focus group per quarter/year</li> <li># NPS score or above for the BA Practice</li> <li># requests for a particular service per month/quarter/year</li> <li># business analysts considered trusted advisors by stakeholders</li> </ul>
Internal/Process	Innovation/Learning & Growth
<ul style="list-style-type: none"> <li>• % requirements confirmed as meeting quality standards</li> <li>• # standard techniques and templates used in a quarter/year</li> <li>• # processes improved in a quarter/year</li> <li>• % project team feedback that a set of requirements are fit for purpose</li> <li>• # peer reviews conducted by the business analysts within a BA Practice</li> <li>• % projects where business analysts had responsibility for planning the analysis activities</li> </ul>	<ul style="list-style-type: none"> <li># learning events attended per quarter/year</li> <li># personal development plan achievements per year</li> <li># business analysts who hold a recognised BA Certification</li> <li>% business analysts within the BA Practice who attend each community event</li> <li>% business analyst retention rate per year</li> <li># BA knowledge sharing events per quarter/year</li> </ul>

### Detailed performance measures

The performance measures for each Balanced Scorecard dimension are elaborated in Tables 3-6. Targets have not been allocated to any of the measures as these should be determined in line with the organisational, team or project context.

Commentary relating to each measure covering the following areas is provided:

- Considerations. An explanation of the measure and any factors to consider when using the measure to monitor performance.
- The level of surrogation risk. The risk level may be from low, medium or high and is supplemented by an explanation of the rationale for the allocated level.

**Table 3: The Financial dimension**

Measure	Considerations	Surrogation Risk
<b>Individual Measures</b>		
% business analysis services/work packages delivered within budget/time	This measure provides an indicator of a business analyst’s ability to plan own work and deliver against plan. However, could be more of an indicator of planning skills than business analysis skills. Could be an ineffective measure if a business analyst has not been engaged in project planning.	Medium: Could lead to quality being compromised to hit an arbitrary deadline.
% projects delivered within scope	Provides an indicator of a business analyst’s ability to challenge requirements that are not within the project scope. This should be measured through requirements traceability rather than simply counting the number of Change Requests, which could be an unreliable indicator. Care should be taken if the business analyst was not involved in Discovery/Scope definition. May not be appropriate for iterative delivery methods that welcome change.	Low: Business analysts may accept requirements to avoid a CR being raised.
% requirements confirmed as meeting quality standards	Assesses the quality of the business analyst’s deliverables. Can be onerous to measure and requires quality standards to be defined. May not be suitable for iterative delivery methods.	Low: Business analysts may be encouraged to “gold-plate” or over-engineer requirements, spending time on low value activities



<p>% predicted financial benefits realised (per project)</p>	<p>Provides an indicator of the accuracy of a business case and the influence of a business analyst in ensuring requirements contribute to benefits. Care should be taken if the business analyst was not involved in Business Case definition.</p>	<p>Low: Benefits realisation may measure what is easy to count, including benefits that cannot be attributed directly to the project.</p>
<p><b>BA Practice/Team Measures</b></p>		
<p>Ratio of permanent staff to contractors</p>	<p>Provides a leading measure of the organisation’s business analysis capability. The optimum balance for the organisation must be understood in order to provide context to this measure. This could be a surrogate measure for cost.</p>	<p>Low: Individual business analysts are unlikely to influence this measure.</p>
<p>% business analyst utilisation</p>	<p>Provides an indicator that the BA Practice is “right-sized”. Again, likely to be a surrogate measure for cost.</p>	<p>Medium: Business analysts focus on project deliverables but miss out on other important tasks such as wider BA Practice or organisational activities, learning and development.</p>
<p>% variance of BA Practice budget against actual spend</p>	<p>Provides an indicator of budgetary management, a surrogate for cost.</p>	<p>Low: BA Manager/Leader may spend budget on low value activities rather than lose it.</p>

**Table 4: The Customer dimension**

Measure	Considerations	Surrogation Risk
<b>Individual Measures</b>		
# award nominations for an individual business analyst	Provides an indicator of the BA “going over and above” the expectations of the stakeholders.	Low: Feedback from several stakeholders would support the nomination
# negative feedback comments about an individual business analyst (from stakeholder survey or 360 feedback)	Provides an indicator of any upskilling required, both for the individual and potentially the practice. This could include soft skills such communication.	Medium: Stakeholders focus on the negative aspects of performance rather than the positive and can remember this when engaging personnel on future projects.
% customers very satisfied or satisfied with service/activity offered by a business analyst (must have survey response rate of 50% or higher)	Provides a measure of individual performance, potentially across several initiative and stakeholders. Consideration should be given to the questions given that the BA may have worked on differing projects.	Low: Feedback from several stakeholders should provide balanced feedback.
<b>BA Practice/Team Measures</b>		
% customers very satisfied or satisfied with service/activity offered by the BA Practice	Measures the quality of a business analyst’s work within the context of the project or initiative. Also provides an indicator that the BA Practice provides the correct skill sets for the customer. Enables review of BA practice upskilling required.	Medium: Senior managers may focus on the overall scores rather than the data behind them.
% growth in demand for BA Practice’s service/activity	Provides an indicator that the BA Practice is providing the service expected by the customer. The customer perceives value in the BA	Medium: Increased BA activity could equate to increased project

	role. This could be a surrogate measure for cost.	costs which may be viewed as negative by the sponsors.
# business analysts attending customer focus group per quarter/year	Provides an indicator of the BA's focus on customer engagement and communication.	Low: This measure should drive the correct engagement behaviours to work with stakeholders.
# NPS score or above for the BA Practice	Provides an indicator of the promotion of the BA service by its customers and stakeholders.	Medium: Can depend on recent BA engagement and activity, rather than the longer term role.
# award nominations for the BA Practice	Provides an indicator of the BA Practice provide a level of service and engagement above the expectations of the stakeholders.	Low: Feedback from several stakeholders would support the nomination
# requests for a particular service per month/quarter/year	Measures the effectiveness of specific BA led services to the customer. May require addition BA resource or upskilling to meet customer expectations.	Medium: Customers may focus on the inability to provide that particular service at a point in time, rather than the overall skills available in the BA practice.
	Measures the credibility of the BA Practice and the level of confidence stakeholders have regarding the business analysts working within the Practice.	Low: This measure should drive the behaviours required to work effectively with stakeholders, particularly those at a more senior level.
# business analysts considered trusted advisors by external	Measures the credibility of the BA Practice and the level of confidence stakeholders have regarding the	Low: This measure should drive the behaviours

stakeholders/project sponsor/project manager	business analysts working within the Practice.	required to work effectively with stakeholders, particularly those at a more senior level.
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**Table 5: The Internal/process dimension**

Measure	Considerations	Surrogation Risk
<b>Individual Measures</b>		
# peer reviews conducted by an individual business analyst	Measures the extent of collaboration between business analysts and the extent to which an individual business analyst supports the quality of the business analysis work within the BA Practice.	Low: Business analysts may be encouraged to offer a peer review in order to improve their result. However, typical volume of work experienced by business analysts will mitigate this risk.
# standard techniques and templates used by an individual business analyst in a quarter/year	Measures the quality of a business analyst's work within the context of the standards applied in their employing organisation. May also be applied per project but this would also require alignment with the project context.	Low: Business analysts should be encouraged to apply standard techniques and templates. This measure should drive the required behaviour.
# processes improved following analysis and redesign by an individual business analyst in a quarter/year	Measures how well proposed process improvements are received by the employing organisation. May not be relevant to all business analysts as some may not be involved in process improvement tasks.	Low: Business analysts should be encouraged to analyse processes rigorously and identify relevant, innovative improvements. This measure

		should drive the required behaviour.
% project team feedback stating 'agree' or 'strongly agree' when asked to confirm that a set of requirements defined by an individual business analyst are fit for purpose.	Measures the quality of the requirements definition work as perceived by project colleagues. Feedback could be influenced by stakeholders' understanding of the business analyst role.	Low: This is a measure that reflects the perceived quality of a business analyst's requirements definition work.
<b>BA Practice/Team Measures</b>		
# peer reviews conducted by the business analysts within a BA Practice	Measures the extent of collaboration between business analysts across the entire BA Practice. Also measures the extent to which the business analysts support the quality of the business analysis work within the BA Practice.	Low: Business analysts may be encouraged to offer a peer review in order to improve their result. However, typical volume of work experienced by business analysts will mitigate this risk.
% projects where business analysts had responsibility for planning the analysis activities	Measures two aspects: the extent to which business analysts are conducting the analysis planning work; the level of authority/credibility assigned to business analysts.	Low: More experienced business analysts should aspire to have influence over the business analysis approach adopted on their projects so this measure should drive the desired behaviour.
# business analysts in a BA Practice who have applied standard business analysis techniques and	Measures the volume of business analysts within a BA Practice that are able to apply standard techniques and templates and are	Low: Encourages business analysts to apply standard techniques and templates. This

templates when carrying out business analysis	using them when carrying out their business analysis work.	measure should drive the required behaviour.
% services/work packages/projects where standard business analysis techniques and templates have been applied	Measures the ratio of business analysis assignments where standard techniques and templates are, or are not, applied.	Low: This is an aggregated measure relating to the application of standard techniques and templates across the BA Practice. This measure should drive the required behaviour.
# business analysts attending each project team meeting	Measures the engagement of business analysts with their project teams.	Medium: This measure aims to encourage business analysts to attend project team meetings and engage with their project teams. However, it may cause attendance to increase without enhancing the engagement.
% of business analysis deliverables ready for gateway reviews on time and aligned with gateway requirements.	Measures the ability of the BA Practice to produce deliverables at the required level of quality and within defined timescales.	Medium: There is a possibility that this measure may cause the BA Practice members to submit deliverables that are not at the required level of quality in order to achieve the stated deadlines.

**Table 6: The Innovation/Learning and Growth dimension**

Measure	Considerations	Surrogation Risk
<b>Individual Measures</b>		
# learning events attended per quarter/year	Measures an individual business analyst's growth mindset and enthusiasm for learning. Events may be formal (such as training courses) or informal (such as lunch and learn events, podcasts or online learning content). May be supplemented by requiring business analysts to share their learning.	Medium: Attending events does not guarantee learning or enthusiasm for learning. May drive behaviours that are focused on achieving a target rather than genuine learning.
% success rate in professional examinations	Measures benefits gained from attending certification training or self-study for certification examinations. Achieving this measure is only beneficial for the organisation if what is learnt is put into practice There is a risk that this measure leads to business analysts avoiding training if they feel under pressure to pass examinations.	Low: Acquiring knowledge and skills to pass examinations is likely to be beneficial for the individual business analyst and the BA Practice.
# personal development plan achievements per year	Measures how much progress individual business analysts have made in responding to development needs identified in their current personal development plan.	Low: This measure should drive behaviours that confirm achievement against required areas of personal development.
<b>BA Practice/Team Measures</b>		
# business analysts who hold a recognised BA Certification	Measures the number of business analysts who have been successful in achieving a recognised certification and the level of certification within the BA Practice. Provides an indicator of the level of professional knowledge and skill within a BA	Low: This measure should encourage the BA Manager/Leader to enable the BAs to achieve certification.

	Practice. This is a meaningful measure only if the organisation has the capacity to provide BA Certifications and may disadvantage candidates applying for roles who have not had the opportunity to gain certification.	
# BA forums run per year	Measures the BA Practice Manager/Leader's focus on building the BA Practice and sharing insights and ideas.	Medium: There is a risk that the forums are run as a means of achieving the target so do not have the required focus or coverage.
% business analysts within the BA Practice who attend each community event	Measures the extent to which the business analysts engage with the business analysis community within an organisation.	Low: This measure should drive the required engagement with the BA Practice.
% of employed business analysts promoted within BA Practice per year	Measures the approach to internal promotion and development within the BA Practice.	High: This measure could cause business analysts to be promoted within the BA Practice just to meet the target.
% business analyst retention rate per year	Measures the volume of business analysts who have remained within the BA Practice during the year.	Low: This is an objective measure of the extent to which business analysts remain working for the BA Practice and the organisation.
# BA knowledge sharing events per quarter/year	Measures the volume of knowledge sharing events held within the BA Practice. This measures the activity within the BA Practice rather than the engagement by those attending the events, so does not necessarily lead to a benefit for the organisation.	Medium: There is the potential for this measure to drive behaviour that aims to achieve the target so could reduce the quality of the learning events.



# business analysts with an 'active' personal development plan	Measures the commitment of the BA Practice Manager/Leader to supporting the development of the business analysts.	Low: This measure should drive the required behaviour from the BA Practice Manager/Leader.
# artefacts created and shared within BA Practice community	Measures the information sharing amongst the business analysts in the BA Practice. This measures the business analysts' work to create and share artefacts but does not guarantee that they are used. Therefore, this work does not necessarily result in benefits for the organisation.	Medium: This measure could drive behaviour where artefacts are created (or requested) purely to achieve the target. This should be mitigated by the desire of business analysts to demonstrate their professional knowledge and expertise.

## Conclusion

Business analysis performance measurement is complex and has been acknowledged as an area requiring research and guidance. This paper provides performance measures for each of the four dimensions from the Balanced Scorecard and aims to provide a basis for considering measures and setting targets that are relevant to a particular organisation, BA Practice or change project context.

The research for this paper was conducted at the BA Manager Forum event in November 2023. Two separate workshop sessions were held during this event. Participants of these sessions were asked to identify performance measures that should be used to monitor business analysis work.

A white paper developed from an earlier research session (in 2015) provided additional input and validation for this paper.

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