



Six guiding principles for performance

By Michael Carman

Organisations and businesses want to improve their performance. Here are six guiding principles of performance improvement that organisations can adopt, and the possible implications of each for learning and development (L&D).

Every organisation wants to improve its performance, and one of the key tasks of management is to create a context in which this improvement can take place. Skill levels and organisational capability are key drivers of performance, and L&D can be used strategically to improve organisational results.

Other drivers of performance include clarity of mission, strength of leadership, degree of collaboration and organisational unity, strategy, capacity for innovation, incentives and level of motivation, stakeholder involvement, technical expertise, and systems and processes.

1. Performance must be defined and regularly measured, monitored, reviewed and adjusted

Performance must be front and centre in an organisation if results are to improve; it must be the subject of discussion and must be made thematic. If performance isn't the main topic of conversation then what is? Management must define what constitutes results, ensure plans and processes are in place, oversee implementation and execution, track and report performance,

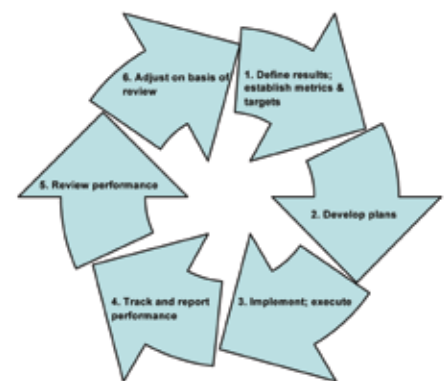
review performance and then make any necessary adjustments on the basis of this review. The cycle repeats iteratively and continuously (see Figure 1).

When CEO Alan Mulally arrived at Ford in 2006 he established systems to focus on performance. Every Thursday morning at 8.00am a Business Plan Review meeting takes place with reports from all profit centres and 12 functional areas. Reports are colour-coded red, yellow or green to indicate their status. The walls of two rooms adjacent to where the meetings are held are lined with 280 performance charts arranged by area of responsibility.

Mulally says the review meetings create unity since all the players know the organisation's plan and are on the same page.

L&D Implications: Train managers in performance measurement, the performance management cycle and continuous improvement. Provide training in specific performance-related skills such as the use of cause-and-effect diagrams (such as 'fishbone' diagrams) or the identification of critical success factors.

Figure 1:
The Performance Management Cycle



2. Focus is critical to achieving results

Spreading resources (whether financial or human) in a diffuse and scattered fashion militates against high performance. The dissipation of effort and management attention, as well as the reduced impact in the minds of customers and stakeholders, softens the capacity for achieving results.

Apple's Steve Jobs says "Certainly the great consumer electronics companies of the past had thousands of products. We tend to focus much more. People think focus means saying 'yes' to the thing you've got to focus on.

But that's not what it means at all. It means saying 'no' to the hundred other good ideas that there are. You have to pick carefully."

L&D Implications: Focus boils down to having the discipline to say 'no'. One-to-one coaching can help executives to keep to the chosen path. Training in Pareto analysis or goal-setting can also assist.

3. Performance responds to the level of demand placed upon it

Expectations shape performance – this is known as the Pygmalion Effect. Set high standards in order to achieve them – they're not likely to be achieved by accident.

Your organisation's output levels and organisational capability represent a given 'performance system' and the limits of that system can be changed. Setting stretch targets is one way of doing this. Boosting staff capability through targeted L&D programs is another.

Parkinson's Law is the (somewhat tongue-in-cheek) opposite of this principle: it states that work expands so as to fill the time available for its completion – a work scenario familiar to most people.

L&D Implications: Educate senior management in the Pygmalion Effect on performance so that it is reflected in the performance management system and utilised in the setting of key performance indicators and targets.

4. Individual efforts must be welded into joint performance

Teamwork does not necessarily mean that people like each other or that the workplace is guaranteed to be harmonious. Rather, it means that individuals' work is effectively bound together through unity of purpose and a marshalling of effort towards the organisation's goals.

People cooperate in teams because it is inherent in the nature of their work, rather than because they want to. The task for management is to improve performance by allowing teams to draw on the full range of staff expertise and capability. This is particularly potent for problem-solving and continuous improvement efforts.

Cultivating teamwork is less about applying motivational theories or playing team-

building games than it is about undertaking business tasks jointly.

L&D Implications: Teams take time to evolve. L&D can coach team members through the phases of team development (described by Ken Blanchard as the four stages of Orientation, Dissatisfaction, Integration and Production).

5. Implementation and execution are critical to high performance

Napoleon said "The art of war is a simple art and all in the execution – it is all common sense. You engage, and then you wait and see."

Operational excellence can be a vital strategic weapon (to borrow Jeffrey Liker's phrase in his 2004 study of Toyota).

Improving operational performance is a matter of technical expertise and mastery of the specifics of the organisation's business, combined with a commitment to the 'soft' aspects associated with nurturing a culture of improvement. If specific process improvements are put in place in the absence of a vital and ongoing culture of improvement, there is likely to be only a short term 'spike' in performance, and then a relapse to previous levels.

L&D Implications: Provide training in process improvement and formal methods of problem-solving, as well as organisational development initiatives aimed at fostering a culture of improvement and innovation.

6. Performance reflects the match or degree of 'fit' between an organisation's strengths with that of market need or opportunity

A high degree of organisational competence and technical mastery will not take an organisation anywhere if there is no market demand or need for it. Likewise, a clear market need which an organisation is not competent or equipped to meet is an 'opportunity' that is outside that organisation's grasp.

Organisational success relies on the confluence of those two factors; when they fully align there is a perfect storm of high performance. Strategy boils down to being able to clearly distinguish those two

factors, and facilitating the organisation's adaptation to the environment. McDonald's used their market presence and competence in fast food to align with the trend towards healthier eating by offering new ranges of salads and reducing the sugar content of their hamburger buns.

L&D Implications: Management may require training in critical success factors, strategy formulation, and implementation. L&D can be used to reinforce strategy by upskilling the workforce in areas where the business wants greater market presence but organisational capability is lacking. ■

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