



**The Eight Steps
to a
High Performance
Organisation**

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The Eight Steps to a High Performance Organisation

High performance organisations have three key characteristics.

1. They have leaders that know how to set the direction in a way that allows the people of the organisation to contribute on how we get there. These leaders will also seek evidence to monitor how the journey is progressing and coach the teams on how to improve.
2. They have teams that have selected to buy in, and are engaged in learning how to improve performance.
3. They have a performance measurement system in place that provides quantitative feedback on, not only what performance is doing, but also on the impact their initiatives are having.

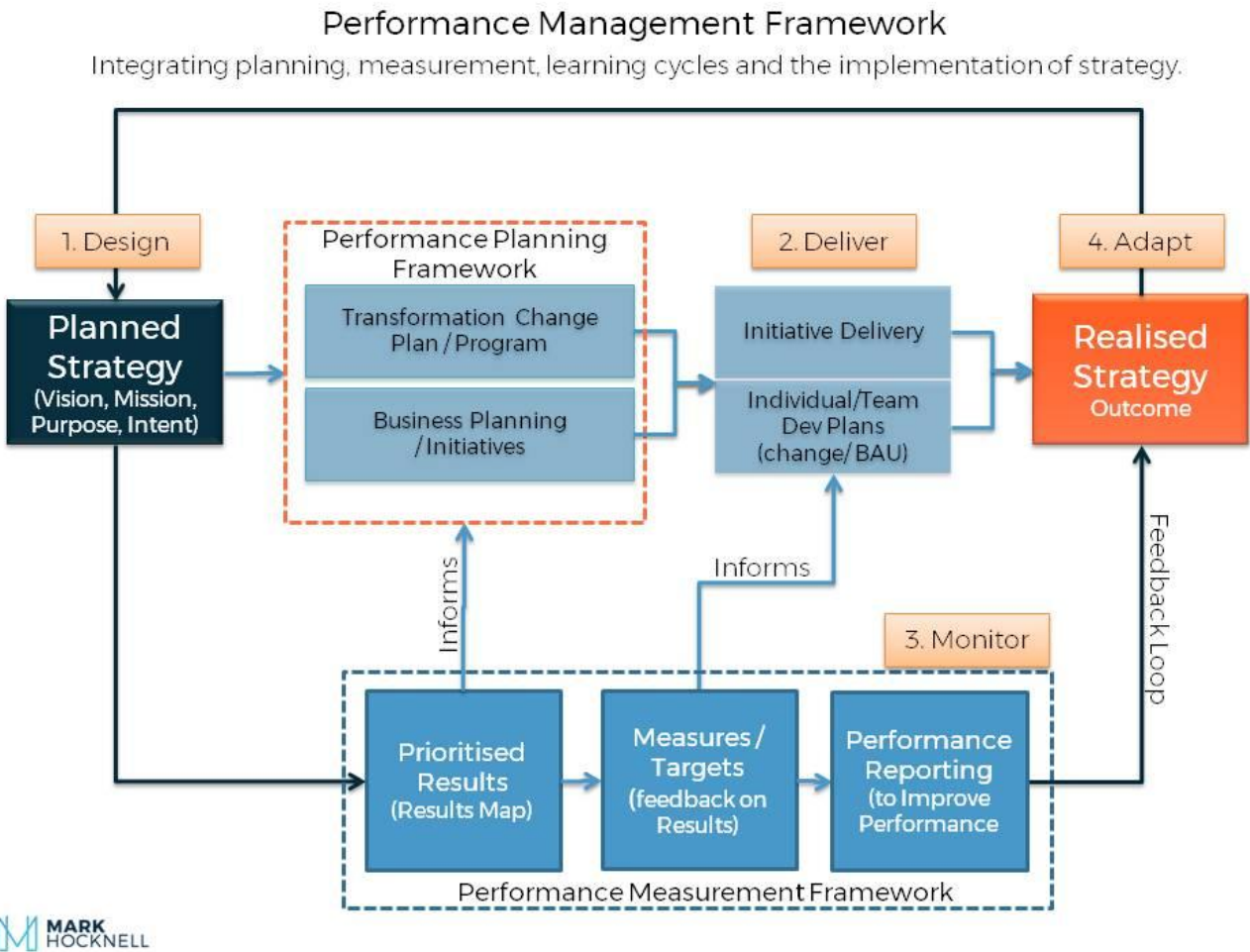
A high performing organisation (HPO) is built upon the behaviours of the leaders. The leaders of HPOs also use an evidence based approach and a solid methodology. The following eight steps are based on and inspired by, how to implement the BMP®¹ performance measurement methodology. But first let's hear what Dean Spitzer has to say about one of the most important and yet neglected systems within an organisation. Spitzer says

9 Z Z Y Wh] j Y ` a U b U [Y a Y b h `] g ` V U g Y X e m e n t b a n d a l m o s t i b X U Y j Y f m h \] b [` Y ` g Y `] g ` V U g Y X ` c b ` h \ U h ` ` C f [U b] n A Y U g i f Y a Y b h `] g ` U W h i U ` ` m ` h \ Y ` a c g h ` Z i b X U a Y b h g m g h Y a ` ` k c f _ g ` k Y ` ` z ` a U b U [Y a Y b h ` t h i n g s a n d t h e ` a U b desired results will occur. The measurement system, good or ill triggers virtually everything that happens in an organization, both strategic and tactical. This is because the other organizational systems are ultimately based on what the measurement system is h Y ` `] b [` h \ Y ` c h \ Y f ` g m g h Y a g ` h c ` X c "

Dean Spitzer, *Transforming Performance Measurement* (2007, pages 1-34).

From here we will use the term "measurement system" in the way Dean Spitzer meant it. It is the set of results, measures, data collection and representation, targets and such. It is the business system for choosing what we measure and how we use the measures.

¹ Created by Stacey Barr (<http://www.staceybarr.com>) You can read more in Stacey's books *Practical Performance Measurement* (2014), and *Prove it!* (2017)



From the diagram above we can see how the Performance Measurement Framework (or system) underpins the implementation and adaptation of strategy. Following the design and planning of strategy we move into implementation and delivery. Our measurement system will inform elements of this process to ensure the planning and implementation stays on track with the initial intent. Likewise when the implementation is done, feedback from the measurement system will drive reflection. Reflection informs insights to improve. The measurement system informs all other systems and decision-making.

If your measurement system is providing good feedback about your performance and progress, then *realised strategy* will be far more deliberate and on purpose, rather than by happenstance. A high performing organisation.

Phase one: Engage your people and design your measurement system.

- ◁ This first phase is about the design of your measurement system and also about the method you chose to ensure you engage your people and teams. A high performing organisation has a measurement system that is a useful tool for people to use.

Step One - State Your Purpose

Your purpose for measuring performance has a huge influence on the workplace culture you create. If your purpose for collecting data and monitoring KPIs is about compliance, then you cannot expect your people to focus on improving performance. Likewise, if your purpose for measuring performance is to always achieve the targets you have set. Then (most likely) you are demonstrating it is okay to manipulate the measure and or the business system to get the target. The translated purpose for measurement then becomes, *'we measure to get our targets'* The unintended consequences in your workplace culture will be significant.

Ensure your WHY for measuring performance is about 'learning how to improve'.

Organisations that set their purpose for measuring performance as learning, create a culture that uses measurement to understand: (a) what performance is doing, (b) why it is doing that, and then (c) people become curious how to improve. Setting your purpose or why you do performance measurement demonstrates to the people in your organisation what performance measures or KPIs are all about here. As leaders, matching your behaviours to your why then inspires people in the organisation to learn how to improve performance.

PuMP is a teambased approach. All the techniques and tools within this comprehensive methodology are best used by and with teams. Sure you can use them yourself, but if you are also wanting to engage other people, and give them the opportunity to buy in, then getting the team together and using a process can really help.

The PuMP Diagnostic has with 26 criteria across five key areas that allows the team to share their own views on where they feel the business is currently at, in the context of organisational performance measurement, reporting, clarity of strategy etc. Once the ratings are in, people discuss their views. We can get the team onto the same page fairly quickly as well as understanding people's various perspectives.

The purpose of Step One is to recognise that we are embarking on a journey of continuous improvement. We also need to ensure that, as people as possible in our organisation are on this journey with us. And we will have selected robust methodology that we will use to design and build our measurement system.

We will start to talk about performance measures in Step Three. But first, we need to know *what* it is that we want to measure.

Step Two - Measurable Strategy in Results

This second step is all about figuring out what it is we are trying to achieve, so that we can measure it. Too much of strategy is written in language that is vague or uses weasel words, which makes it impossible to measure.

Similarly, we have a propensity towards action, that often means our strategy is described in the actions we are going to take, and therefore we tend to measure that the actions were done, or completed. Rather than understanding the causal relationship between the action and the impact or result we expect.

The PuMP methodology uses the term, Results to describe what it is we plan to achieve. The outcome or the impact we want to have is described in *results*. When we focus on results, we can then design measures that will tell us about the impact those actions are having on our progress towards the result.

There are two techniques within this step of PuMP process. The first is the Measurability Test. This technique helps us move from actions or vague strategy into measurable result statements. It is a simple process of asking why we are doing the action, what is the result we expect..? Likewise with the vague language or weasel words, what is it we actually mean, what is the impact or outcome we expect.

The second technique is Results Mapping Taking your Results and mapping the relationships, into...

*... a causal map that allows you to build a framework of results
that will tell the story of your strategy.*

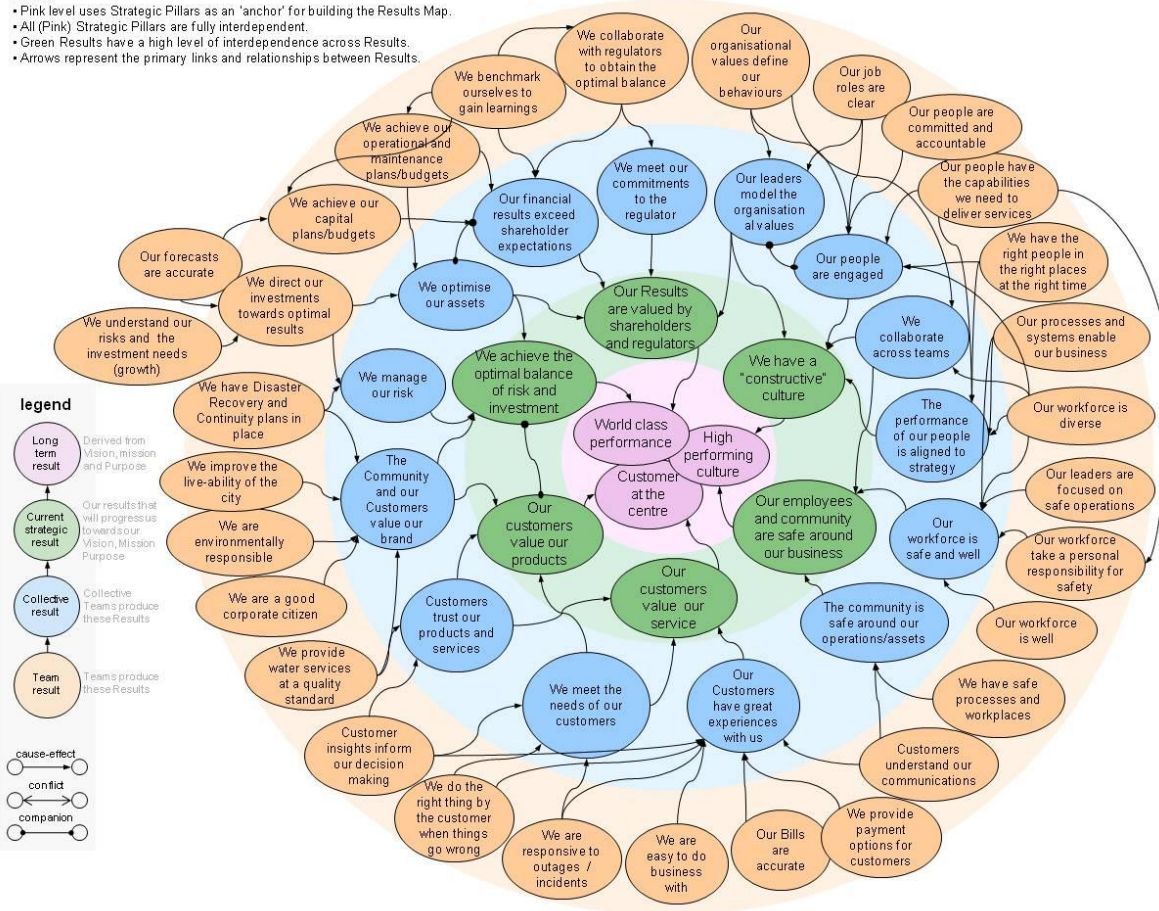
All results will flow in a causal-effect manner towards the centre of the Results Map where we have articulated our vision, mission or purpose in Results.

As per the example below.

Example Results Map

DRAFT

- Notes:
- Pink level uses 'Strategic Pillars' as an 'anchor' for building the Results Map.
 - All (Pink) Strategic Pillars are fully interdependent.
 - Green Results have a high level of interdependence across Results.
 - Arrows represent the primary links and relationships between Results.



This part of the PuMP method aligns with the evidenced leadership habit of Direction². Leaders set the direction in clear language, understandable to all, and then allow the people of the organisation to work out how to get there, with the leader providing the coaching and support.

Armed with a Results Map that provides a framework for what we intend to achieve, we can now focus on how we design the needed performance measures for the Results.

² Stacey Barr (2017) *Prove it!*, John Wiley and Sons, Australia

Step Three - Designing Meaningful Performance Measures

The job of a performance measure is to give us feedback on the result we are wanting to make progress towards. Are our efforts moving us towards our result, or not? The signals will be in the measures we select for our Result.

Typically (and I have done this in my pre-PuMP years), we use brainstorming to select our measures and KPIs. Seems like a great idea to get a bunch of clever people together, brainstorm what would be good KPIs, collect them on a whiteboard, then select the best ones. However what we end up with is lists of measures, the things that are easy to measure, or just the things that we already have data for. Additionally, we may look to the "industry" for what the best KPIs might be. The problem is that we will often end up with too many measures and measures don't really tell us if we are progressing towards our Result.

PuMP provides a five step process to ensure we design and select meaningful measures for our Result. Starting with the Result we brainstorm (yes, in this step only) what the result would look like when we achieve it, when it is real. This brainstorm collects all the sensory descriptors of what our world is like when we achieve the result. Whatever is observable, is measurable. So let's make it observable first. Then from this sensory list we can derive ideas for measures. The PuMP Measure Design technique then gets us to assess each of these potential measures, firstly in terms of their strength in providing feedback for the Result. Then in terms of the feasibility of getting the data to produce the performance measure.

The purpose of this process is that we do not want lots of measures.

We do not need more KPIs.

What we need is fewer measures/KPIs that are more meaningful.

Measures that specifically provide feedback on the Result we are trying to achieve.

The output from Step Three is that we have a small number of measures for each Result. These measures are given a name (each measure needs to be identified with its own name), and a description. The description of the measure will read like a formula for the calculation.

Like this:

Measure name	Measure description
Overall Customer Satisfaction	A quarterly average satisfaction rating provided by active customers about their overall experience with us
Delivery Cycle Time	The average time in days from customer order to customer receipt of goods, calculated monthly for completed deliveries
Student Participation Rate	The percentage of students who participated in learning activities each week

This part of the PuMP method aligns with the leadership habit of Evidence³ Ensuring we have quantifiable performance measures for each of the Results we want to make progress towards and/or improvement on.

No targets at this stage, just the measures aligned to the Results.

What we need now, in our design phase is to 'road test' our Results and Measures with others.

³ Stacey Barr (2017) *Prove it!*, John Wiley and Sons, Australia

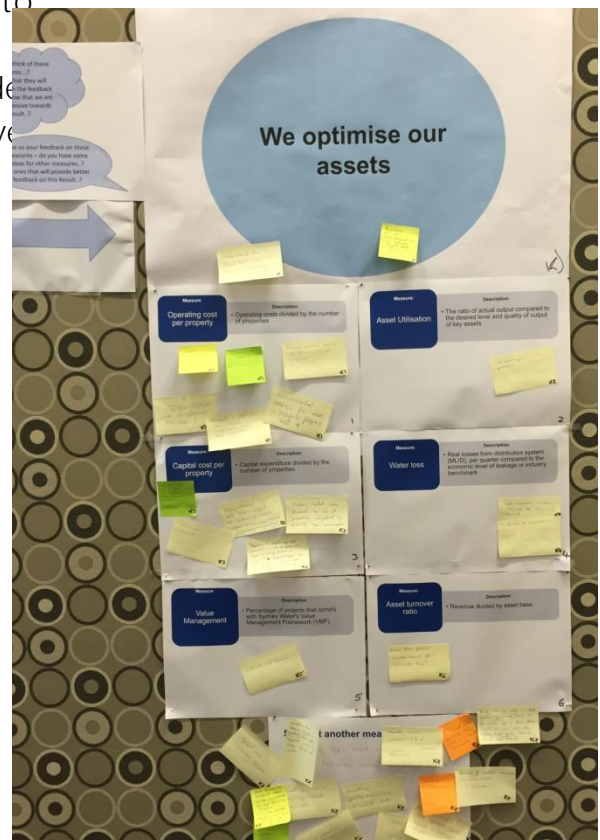
Step Four - Fine-tune and Create Buy-in with the Measure Gallery

Step Four then has two purposes. First, (as part of the design phase), we want to reality check the results and measures we have developed so far. Second, we want demonstrate to everyone that our *purpose and why* for performance measurement in Step One is real. That is, we are committed to using measurement for learning. We also would like to give people in our organisation the opportunity to *buy in* to what we are doing with measurement, this time round.

Using the principles of Open Space Technology, Tracey Barr developed the Measure Gallery. We display our results and measures like a gallery. We invite people to an open gallery - no appointments, come when you can.



At the gallery we provide a few minutes to welcome the visitors and let them know what we are working on and ask them to provide feedback on the results and measures we have developed.



There are two outputs from this engagement approach.

1. We have created an environment where people can buy into the process, to the method, and to the Results and Measures. People buy when they are consulted and engaged in the process.
2. We use the feedback to fine-tune our Results and Measures before taking them into the next steps. We want less KPIs and more measures that are meaningful.

With people engaged and consulted we have road tested our Results and Measures.

Now, with confidence of the validity of our Results and Measures we can start to bring our measurement system to life.
