Evidence-Based Leadership

How to inspire the habits of a highperformance organisation that delivers measurable results.

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HOW TO INSPIRE THE HABITS OF A HIGH-PERFORMANCE ORGANISATION THAT DELIVERS MEASURABLE RESULTS.

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Don't have time to read every word? Spend 5 minutes scanning the blue text.

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What is a high-performance organisation?

As leaders of organisations, it's easy to forget that performance *isn't* about strategic plans, culture surveys, managing talent, and KPIs. It's about the *impact* we create. Performance is about reaching our goals, fulfilling our mission, and achieving our vision, sooner and with less effort.

High-performance is about doing this exceptionally well, all the time.

High-performance means routinely getting a high return on our investment in change and improvement initiatives. A high-performance sports team consistently wins. They're not one-hit wonders or weekend warriors.

Sports teams and organisations alike can't be high-performers without great leadership. Consider *Moneyball*, the story of the Oakland A's rise to highperformance from the bottom of the Major League Baseball barrel. It was the product of revolutionary leadership of their general manager, Billy Beane.

Billy Beane was an evidence-based leader. He shifted the results the team should focus on, from buying the hottest players to buying wins. He changed the measures of success, from the traditional batting average to the lead indicator of runs, on-base percentage. He used left-field strategies for improvement, toward leveraging the skills of misfit players rather than increasing their budget for top players. Billy Beane modelled exactly what evidence-based leadership means.

Just like anyone seeking high-performance in any endeavour – like sport or music or business – there are specific focus areas that help us progress along that journey. It's a journey of learning what really matters most to focus on, of monitoring the measures that truly track what matters, and of finding more and more leverage in the change strategies to achieve what matters.

This paper explores a framework for how leaders can inspire their organisation's journey to high-performance.

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It's not about *how* to lead, it's about <u>what</u> to lead.

Evidence-based leadership is not about how to lead. It's about what to give your attention to as you lead, and what you're leading your organisation to. It's not about how to communicate or inspire or direct or engage. It's about how to use all these attributes to lead your organisation to high-performance.

Organisational performance is one of the outcomes all leaders are responsible for. And how an organisation performs is evidenced by the results it achieves, not by the work it does. To truly know what results an organisation is achieving, and how it's getting better at this over time, those results must be measured. Performance measures are evidence of the degree to which important results are occurring over time. Without good performance measures, we have no evidence. With no evidence, we can't know. If we can't know, we're guessing. Evidence-based leaders don't guess.

Evidence-based leaders give their attention to three habits of highperformance:

- Focusing on the results that matter most, so they can fulfil the organisation's mission and realise its vision.
- Monitoring the right measures that tell them how those results are tracking, so they can know the next performance gaps to close.
- Continually improving their organisation's policies, processes, and systems, to leverage their finite resources for the biggest performance improvements.

These three habits are the foundation of how to inspire an organisation to perform better and better.

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Leaders give attention to these three high-performance habits to set the direction for the organisation (Direction), to monitor evidence of its progress (Evidence), and to decide what change initiatives to invest in and execute (Execution). And giving attention to high performance is not just for leaders. It's for everyone in the organisation. Everyone has to work in ways that help achieve the corporate direction. Everyone has to show up to work each day and know that they are contributing to something bigger and more important than their to-do list. Everyone has to get involved in tweaking and transforming the organisation so it can better fulfil its mission and realise its vision.

There are three habits of high-performance that must become habits for everyone else in the organisation. They are organisational habits of highperformance: ownership of their contribution to the organisation's direction (Decision), a focus on improving their processes to improve performance (Action), and continually searching for the best ways to make performance improve (Learning). Evidence-based leaders inspire their organisations to pursue and achieve high-performance, by first practicing the leadership habits of high-performance, and then leading everyone else to adopt the organisational habits of high=performance.

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Mindsets of the three leadership habits of the high-performance organisation.

There are three habits that the evidence-based leader masters, in leading a highperformance organisation. These habits are Direction, Evidence, and Execution:



EBL Leadership Habit 1: **Direction** is about articulating a measurable strategy.

To be measurable in a meaningful way, a strategy must be results-oriented, understandable to everyone, and ruthlessly prioritised. And then it becomes the kind of strategy people feel compelled to make reality.

The mindsets for Direction are:

Results, not actions. Writing strategic goals that are results-oriented, not actionoriented (action comes later).



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No weasel words. Clearly articulating the strategic goals in language everyone will understand (they can't buy in to what they don't understand).

Be ruthless. Ruthlessly prioritising the strategic goals to focus on performance results that matter most, right now (the more goals you have, the fewer you'll achieve).

EBL Leadership Habit 2: **Evidence** is about setting meaningful performance measures for each strategic goal.

Surprisingly, just about every strategic goal that matters can be made measurable, and measurable in a meaningful way. The most meaningful measures are quantitative, aligned to what matters, and focused on improvement.

The mindsets for Evidence are:

Learning, not judging. Using evidence to learn like a scientist learns, without judgement.

Evidence before measures. Designing measures as quantifications of the observable evidence of results.

Measure what matters. Only measuring what can be aligned to the priorities (mission, vision, and strategic goals).

EBL Leadership Habit 3: **Execution** is about getting the corporate strategy implemented and the strategic goals achieved.



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The best strategy execution, that produces the highest return on effort and investment, uses the leverage of continuous improvement of business processes. It's not about 'bolting on' new capability, it's about unleashing what's there.

The mindsets for Execution are:

Leverage, not force. Implementing or executing strategy based on working smarter, not harder.

Patterns, not points. Making strategy execution about removing and managing variability, not about hitting the numbers.

Processes, not people. Executing strategy to improve business processes and how work is designed, not controlling people and what work is done.

These habits are practised by evidence-based leaders, in their own domain of corporate strategy. And these habits are something that evidence-based leaders will inspire throughout the organisation, where corporate strategy is cascaded into business units and business processes.

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Mindsets of the three organisational habits of the highperformance organisation.

To inspire the high-performance habits organisation-wide, evidence-based leaders encourage everyone to adopt the organisational habits of high-performance: Decision, Action, and Learning.



EBL Organisational Habit 1: **Decision** is about helping people take ownership for the results that matter.

We haven't really decided to achieve a result until we really feel a strong sense of ownership for that result. We help people take ownership for results by rolemodelling ownership ourselves, by removing obstacles to their buy-in, and by giving them a clear line of sight to our corporate strategy.

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The mindsets for Decision are:

Cascade, don't fragment. Creating a line of sight from every team to the corporate direction and delegating the authority to improve.

Buy-in, not sign- off. Communicating the corporate direction in a way that engages everyone.

Working on, not just in. Giving the authority (priority, time and resources) to work on the business and not just in it.

EBL Organisational Habit 2: **Action** is about helping people get the right things done to achieve the results that matter.

Every organisation is busy getting things done. But usually this busyness is just energy going around in circles, like water going down a drain. Getting the right things done seems hard, but it only requires a combination of causal analysis, practicality, and collaboration.

The mindsets for Action are:

Causes, not symptoms. Designing improvement actions that remove the constraints that limit capability, rather than compensating for lack of capability.

Practical, not perfect. Build the momentum of performance improvement by progressing when it's 80 per cent perfect, rather than waiting for 100 per cent.

Collaboration, not competition. Finding and fixing the problems that exist in the 'white space' on the organisational chart: the hand-over points between business units, functions and teams.

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EBL Organisational Habit 3: **Learning** is about helping people work ON the business and not just IN the business.

Working on the business and not just *in* it does not come naturally to us. But the people who follow processes to perform the work are the best people to tweak and transform those processes so the work can improve. This happens when people have an experimental mindset, learn from failure, and succeed sooner.

The mindsets for Learning are:

Experiments, not assumptions. Never stop learning and discovering and reunderstanding.

No failure, only feedback. Celebrating learning ---- whether it comes from success or failure.

Iterate, don't procrastinate. Setting shorter time frames and smaller goals to build the muscle of high- performance.

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Measurement is the gravity that makes evidence-based leadership fall into place.

Gravity is a force that draws everything effortlessly toward a common centre. Well-designed performance measures are like gravity, drawing attention and energy and activity toward the common centre of the corporate direction: the mission and the vision and the strategic goals. Measurement does this because it's very tangible, observable, sensory, and specific. And we are tangible and sensory beings. Good measures make sense to us.

The principles discussed in this white paper are all pulled together through the series of steps in a good organisational performance management process, with a heavy bias for measurement. But most organisations do not have a good performance management process, nor do they have any concept of what a good one looks like. They are overwhelmed by the typical struggles and bad habits and legacy frameworks that somehow have become common practice. Common practice isn't correct practice.

But the result of correcting our practices is tremendous. A good organisational performance management process gives us vehicle for immediately putting into practice evidence-based leadership.

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About the author

Stacey Barr

Stacey Barr is a globally recognised specialist in organisational performance measurement. She discovered that the struggles with measuring business performance are, surprisingly, universal. The biggest include hard-to-measure goals, trivial or meaningless measures, and no buy-in from people to measure and improve what matters. The root cause is a set of bad habits that have become common practice.

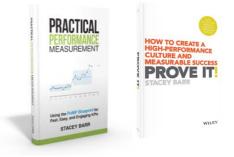


Stacey created PuMP®, a deliberate performance measurement methodology to

replace the bad habits with techniques that make measuring performance faster, easier, engaging, and meaningful.

Stacey is author of:

- Practical Performance Measurement: Using the PuMP Blueprint for Fast, Easy, and Engaging KPIs
- <u>Prove It! How to Create a High-</u> <u>Performance Culture and Measurable</u> <u>Success</u>
- the <u>Measure Up</u> blog



Her content appears on <u>Harvard Business Review's website</u> and in their acclaimed ManageMentor Program.

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Discover more about Stacey and practical performance measurement at <u>www.staceybarr.com</u>.

Contact Mark for more

Mark Hocknell

PuMP® Partner Australia Email: mark@markhocknell.com Phone: +61 (0)438 451 405 Web: www.markhocknell.com



Mark joined our PuMP® Consultant team in 2007. He is licensed to use PuMP in performance measurement consulting, and also teach in-house PuMP Blueprint Workshops.

Mark has worked with more than 30 organisations from the 'C' level to the operational team level to implement performance management and measurement process and practice. He has applied the PuMP methodology to the full range of organisations – from asset intensive utilities, local authorities, non-profits, state and federal government departments/agencies to large manufacturers and small-to-medium sized businesses.

While Mark regularly teaches the in-house PMBW, his focus is on PuMP implementation and supporting organisations of all sizes to get the most of out of measuring the right things. To support his implementation skills, Mark has almost 10 years' experience as a management consultant, and previously 15 years in corporate management. He holds an MBA, change management qualifications and is a Net Promoter Certified Associate.

Mark has integrated PuMP into business practice to enhance planning outcomes, benefits identification and management, and even performance agreements between managers and teams.

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