



Is your organisation suffering from under-performing performance management, or maybe the investment in continuous improvement is no longer giving continued benefits? **We suggest three simple things you can do to address both...**

Do any of the following strike a chord with you:

- Management meetings that consume lots of time, have lots of performance information, but which fail to get the nub of the issues or identify the opportunities for improvement.
- A scorecard that seems only to recount what is now too late to do much about, as opposed to tracking the levers that will improve future performance.
- Have you perhaps invested in a Knowledge Management System, only to realise that it focuses on explicit knowledge, whereas it is generating and exploiting tacit knowledge (the stuff you can't write down) that will really make a difference?
- Think about the big decisions made in the organisation recently; to what extent were they a product of opinion (and possibly power, status or ego) as opposed to being informed by sound evidence?
- Maybe you have invested in a continual improvement programme in the past, and realise that, whilst the improvement techniques were good, and it engaged those involved at the time, there is little evidence of it having a life now.
- You know how important it is to be innovative and to continually develop offerings and internal processes, but despite exhortations and encouragement from your seniors, you feel that the ideas and creativity of your people are somehow not being realised.

We observe that these sorts of challenges are present in many, if not most organisations. Most of the new 'performance management frameworks' and continuous improvement programmes arrive in organisations (often at great expense) as standalone entities without very much consideration being given to the existing practices, habits and behaviours. However, it is these conditions that often cause the early demise of new performance improvement regimes, sometimes not long after implementation.

What is perhaps most perplexing about this is the fact that the vast majority of people, **that is your people**, have a natural inclination to use knowledge and evidence to 'improve stuff'; be that products, services or processes. Perhaps this is because it is interesting and rewarding, in a way that the cyclic routine of "turning the handle" can never quite be. If this is true, what is going-on? If it is people's natural inclination AND the organisation is doing its best to get evidence-based performance improvement and innovation going on, what on earth could be preventing it happening?

To answer that question, it may be helpful to take a slightly different perspective of your organisation. Conventionally the business world has held on to 'on-the-surface, physical perspectives' of the organisation: the distribution of decision power and resources - the org chart, how stuff gets done and who does it – the processes, and where and what magnitude costs are incurred and value is created, or at least a proxy for it – the management accounts. It is our contention that none of these are much help if your objective is to understand what is REALLY going on, and make it better.

We believe that once you start to consider the organisation as an open, adaptive system then a new reality will begin to emerge. Every management decision, communication, process and artefact will have

unintended as well as intended impacts on the feelings, thinking and behaviour of your people and, therefore, the organisation. It is an exploration of these impacts that is key to understanding what is impeding evidence-based improvement and innovation. Further, it is misleading to think that the org-chart is any sort of helpful 'map' of the current reality of the organisation. In the age of the knowledge worker it is the informal networks, not the formal structures, that are key to getting things done, and, therefore, organisational success.

So much for theory, what can we DO about all this? As a leader, we believe there are three simple (simple does not imply easy) things that you can do right away that will help to move things in the right direction:

1. **Measure performance in order to learn and improve.** Orientate measurement and management of organisational performance around a purpose of gaining insight, learning and continual improvement as opposed to judgement and evaluation. Evaluation suppresses learning.
2. **Gain insight through statistical methods.** If your current dashboard is a mix of averages and Red-Amber-Green then it is likely that the vast majority of improvement opportunities are passing you by. In our experience, careful use of straight-forward statistical analyses are 10 to 20 times more likely to reveal insights that lead to improvement as opposed to conventional, arithmetic approaches.
3. **Encourage experimentation.** Experimentation invites the possibility of failure; failure is feared in many organisations. If, however, leadership actively, consistently and authentically encourages and role models managed experimentation, others will follow, unleashing latent innovation and improvement opportunities. Experimentation always results in a mix of two things; the intended outcome and benefit, plus the opportunity to learn from those things that didn't turn out as intended. Both have value to the organisation, and should therefore be recognised and rewarded

By taking these three steps you will begin to engender an enabling culture, orientated around learning and improvement. It is also an example of how we live our purpose. MBSL exists **'to liberate the full potential of organisations and their people, so that they become resilient, and able to thrive in an ambiguous, increasingly unpredictable world'**.

Addressing the "three things" above may be something that you are happy to undertake without external support, alternatively you may want our guidance from the outset; we have the learned experience of many similar endeavours under our belt. Perhaps you'd like to supercharge the rate and depth of change in a specific area; for instance, by working with us to develop leading indicators and adopt statistical analysis.

You may, like us, believe that gaining a better understanding of the 'under the surface' reality is a worthwhile investment up-front. Using our OrgScan<sup>®</sup> methodology the unintended consequences of management actions, artefacts and processes on organisational culture can be quickly and comprehensively revealed in as little as a week. Whilst this has value in its own right, it is also the vital first stage in mapping the organisation's informal networks as they relate to specific issues. We use our Magus Networker<sup>®</sup> application to reveal and map the influences and knowledge flows in your organisation, enabling you to harness the latent capability, capacity and creativity in the organisation. This equips the organisation to tackle those hitherto intractable problems; Networker<sup>®</sup> stimulates immediate and evidence-based improvement actions.

Above all else we love what we do; working with our clients to create a better future for their people, their customers and the business itself. Why not give us a call and we'll give you a damn good listening to! Call us on 0208 1234 685 or 07973683849