



Building a Top-Performing Organization From the Bottom Up

by Timm J. Esque

As most individuals in the training and development field have experienced, business managers still overwhelmingly expect training and development professionals to provide training, and that's all. To many business managers, training is a way to take immediate action and to be viewed as addressing problems when performance is down or performers are complaining, not as a solution for serious business problems. How many times, however, are the bumps and bruises managers remedy with training the symptoms of a larger problem? And how often is it the case that the training department can help to find the solution, if only it would be given the chance?

The fact is that none of us, training department members or otherwise, are likely to see the results we want until business managers view training as part of a larger technology capable of strategic, long-term impact with the organization. Training departments can be a valuable resource in the organization, but that potential depends on being viewed as more than just training providers. It depends on the department's ability to make an impact. This will not happen as long as the department is only consulted on a problem-by-problem basis. Unlike what many managers seem to think, training cannot solve an organization's problems *for* them permanently. Although the problems may subside temporarily, they will not go away until the people who own the problems finally address them.

Throwing Logs on a Fire

Don Tosti, a long-time successful performance consultant and expert on organizational culture, talks about this concept in a slightly different way (Tosti, 2000). He points out that taking on one isolated performance problem at a time is like throwing logs on a fire to keep the room warm. It works okay as long as someone is always present to throw on more logs

(keep in mind that the client usually is trying to keep many fires going at the same time). But unless those fires are constantly fed, they will expire and the temperature will return to what it was originally. A more effective solution would be to install a thermostat, a system that continuously senses when temperatures are getting out of range and immediately initiates corrective action. The alternative approach to performance consulting that I would like to suggest is very much like helping your clients install a thermostat.

The *log-throwing* issue is relevant to all forms of organizational consulting. Yet as training and performance practitioners, we have another problem. Although we have a technology to help clients analyze and solve performance problems, unless we somehow attain the status of guru, our clients generally will see us as advisors or support personnel who can only fulfill requests. Clients tend to have their own theories on human performance, and we are often viewed as simply offering another opinion. Many of us find ourselves in the position of aspiring to be successful at something (solving the client's performance problems for them) at which we ultimately cannot succeed and may not get the opportunity to do anyway.

Shoshana Zuboff, Harvard University social scientist and author, shed light on this problem in her presentation to more than 2,000 training and performance professionals at the 1997 International Society of Performance Improvement conference in Anaheim, CA. Dr. Zuboff began by asking how many of the attendees saw themselves as performance improvement practitioners. At least 90 percent of the attendees raised their hands in response to this question. She then asked how many were encouraged in their current jobs to practice performance improvement (as opposed to training development and delivery, for example). This time only about

one-third of the hands were raised. Finally, she asked how many of those practitioners found it easy to get the opportunity to improve performance in their client organizations. Almost none of those two thousand people raised a hand.

Dr. Zuboff's conclusion was that certain chronic performance issues can never be solved in large established corporations. The opportunities for performance improvement, she argued, lie primarily with organizations emerging in support of the new information economy, where new organizational designs can prevent old problems.

I offer an alternative. We can help *all* organizations systematically improve performance, but not by continuing to attempt to solve their problems for them. Instead, we can *and need* to help performers and organizations learn to solve their own problems.

An Alternative Approach

What we are trying to avoid is approaching performance improvement from a reactive and fragmented stance. Rather than reacting to each isolated performance problem, the key to this approach is making performance improvement integral to the way clients manage their work. After all, steering clear of problems, identifying problems that do arise early on, and resolving them so they do not occur again is what managing work is about. And every member of an organization is responsible, in some way, for managing work. Individual contributors are responsible for managing their own work (even if they and their managers don't realize it yet); others are responsible for managing work within a team or a function, others for managing across functions, and still others for managing entire organizations.

In its simplest form, managing work consists of three components:

- Setting goals
- Letting work happen and comparing work completed against goals
- Deciding whether to change how the goals are being pursued

When these three things are done well, individuals and organizations almost always meet goals. If they are not met, data are available to alter the goals before resources are wasted. People, teams, and organizations that almost always hit goals are successful. Hence, well-managed people, teams, and organizations will be successful.

Unfortunately, these three things are rarely done well. All organizations exhibit some form of management behavior. Many organizations refer to these behaviors as planning and control, and there are typically formal structures in place to make sure that they happen to some extent. For example, once organizations get to a certain size, they inevitably for-

malize a budgeting structure. This structure is intended to make sure that each part of the organization plans its activities and associated spending in accordance with a larger business plan. It includes controls such as signature authority and exception reports.

Despite existing planning and control mechanisms, few organizations prevent costly performance problems or ensure that goals are consistently achieved at all levels of the organization. The mechanisms tend to fall short of accomplishing the three components of management. As a result, managers are frustrated and looking for something to make things better.

Enter the performance consultant. Consultants who really understand management and pay attention will easily gain credibility with clients, because they will be able to see how a client's emergency is simply a breakdown in these three components of management. With just a brief summary of the problem, a performance consultant can predict other symptoms and their impact on overall performance. There's no need to do a lengthy analysis before making a proposal, because when applying this approach, the solution to performance problems is always the same. The solution is to help the person, team, or organization manage itself more effectively. This begins by coaching them on a set of behaviors that they often know they should be doing, and probably are doing, just not very well. In other words, it begins with coaching them on setting goals, letting the work happen, comparing actual accomplishments to the goals, and then making decisions about how to proceed. The consultant performing this role will be present when clients are deciding how to solve their own performance problems and can take this opportunity to share his or her human performance technology expertise.

When clients have succeeded in learning new behaviors, not only will the current emergency have gone away, but they will know how to address the next emergency. More importantly, they will know how to avoid most emergencies altogether, and they will see value in this. As a result, the performance consultant will feel and be valued. And that is a good place to be.

Peeling the Onion From the Inside Out

So how do you get to that place? Since all people are, to some extent, responsible for management, management will necessarily occur at all levels of an organization. The exact number of levels might vary from one organization to another, but each level will require all three management components. Now, think of these levels as layers of an onion (see Figure 1). The outer layer of the onion is analogous to the uppermost tier of the organization, where organization-wide goals are set and monitored. At this layer, goals involve the overall direction of the organization and its highest business objectives, and decisions are large in scope.

Below that layer is what might be called the cross-functional (or process and project) layer. The goals at this layer cover a smaller scope but must still align with overall organizational goals. They include things such as what products and services will be available when, and which internal processes currently need the most attention. Goals are reviewed and revised a little more frequently than at the higher layer. Peel this layer away and there is at least one more: the layer where individual and small group goals are set and monitored.

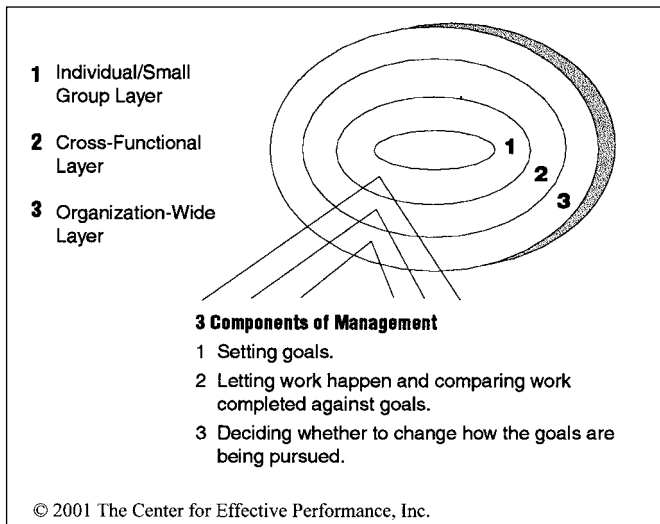


Figure 1. Management Components at Several Levels in the Organization.

Because the three components of management are present at each layer of the onion, performance consultants can begin practicing this approach to performance consulting at individual and small group levels and work their way up to the cross-functional and organizationwide levels. The same basic practices for helping an individual manage his or her work apply to helping executive staff manage their organization's work. Of course, the magnitude of distractions and decisions are much greater at the executive level, so it is prudent to begin practicing this approach at the lower levels. This is what is meant by peeling the onion from the inside out.

The Self-Sustaining Performance System

The desired end result when following this approach is a self-sustaining performance system (SPS). What is an SPS? It is a systemic approach to client requests that provides an immediate solution while simultaneously leveraging the larger performance perspective for sustainable long-term success. The SPS always begins with the assumption that the performers in question are missing one or more of the three conditions (based on the three components of management) that guarantee successful performance. Those conditions are:

- **Clear performance expectations:** Each performer must know exactly what he or she is expected to do and how well, and must commit to these expectations.

- **Frequent, self-monitored feedback:** Each performer must know, at any given point, whether he or she is meeting these performance expectations.
- **Control of resources:** Each performer must know that, if he or she provides warning that performance is not meeting expectations, the response from management will be to help the performer succeed or to change the expectation.

The three conditions summarize all the factors that affect performance in the order they should be addressed. When all three conditions are in place, the performer is working in a performance system. When most members at all levels of the organization are operating in an effective performance system most of the time, we have helped our client implement an SPS.

Several studies (Emery Air Freight, 1973; Daniels, 1995; Esque, 1996) show that implementing the first two conditions results in performer productivity increases of 30% or more within a very short time. The third condition, control of resources, ensures that these productivity increases can be sustained over time. It also puts the manager and performers in the driver's seat, ensuring that they have a stake in whatever performance improvements are implemented. Whether the need is for better tools or better organization, they are more likely to turn the required change into improved performance. And because they have frequent self-monitored feedback, they will be the first to know if their performance is improving.

By implementing an SPS across all levels of the organization, performance consultants can help their clients accomplish several things:

- Steer clear of most problems.
- Immediately identify problems when they do arise.
- Resolve those problems in such a way that they do not reoccur.

The big difference here is that a successful SPS means performers will consistently be successful and systematically raise the bar on their own performance. Instead of waiting for performance to get worse (leading, yet again, to the need for more training), the performers and their managers can take ownership for preventing performance issues and continuously improving performance. In the SPS, business managers no longer respond to each performance issue in isolation.

Let's Stop Throwing Logs

Individual performers are the foundation of every business, but finished products or services are rarely produced by one person anymore. The key management challenge is how to coordinate work effectively across many individuals, subteams, and departments. By training management to implement the SPS, the organization equips managers to deal with the actual challenges of the modern workplace.

As suggested earlier, training and performance improvement functions have an opportunity to expand their influence in organizations. While some old-world business managers still look to hard-working trainers as people on whom to unload and forget about training problems, forward-thinking business managers are demanding something else. They realize that to fully use the organization's human capital, all levels of the organization must be engaged in performance improvement all the time. Contributing to systemic improvement, as opposed to everyone constantly tweaking their isolated pieces of the whole, must be the expectation for every member of the organization. In today's globally competitive environment, organizations that do not practice systemic performance improvement will ultimately not be competitive.

The challenge for the performance and training function is to help move organizations toward systemic performance improvement without taking responsibility for organizational performance. A big part of the answer to this challenge is the SPS. 🏠

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Timm J. Esque is an independent performance consultant specializing in establishing sustainable performance systems for organizations worldwide. His goal is to help organizations set up and sustain their own effective performance systems from top to bottom (or bottom to top, as appropriate). The subject of this commentary is based on Timm's latest book: *Making an Impact: Building a Top-Performing Organization From the Bottom Up* (CEP Press & ISPI, 2001).

Timm joined (then) NSPI in 1983. He is a past Arizona Chapter president, has participated in and chaired committees, and has presented at each ISPI Annual Conference since 1994. He believes that measurable performance results are part of the "center" of ISPI and has been helping promote documenting and sharing performance results at the last three International Conferences. Timm may be reached at tjesque@yahoo.com.