

# “A Dozen Tough Performance Measurement Questions, Answered.”

## \*FREE\* AUDIO CLASS

For this free audio class, I've selected a bunch of questions that I personally thought were very interesting and rather hard to find good answers for.

They are questions that readers of my *Measure Up* newsletter have asked about measuring performance in their organisation, questions very likely that you or your colleagues are asking too.

During this audio class, I share my thoughts and suggestions to hopefully help answer these questions for you, or at least give you a starting point to finding the answers you need.

Here are just some of the questions we cover:

- Q Why is it so hard to get companies to do performance measurement effectively?
- Q Where do I start with performance measurement?
- Q What should I measure?
- Q How do I convince managers of the importance and benefit of measuring performance?
- Q How do you measure employees?

Get your pen and notebook ready to jot down the tips and actions and “quotables” that most interest you, and then click to listen below:



G'day, I'm Stacey Barr, the Performance Measure Specialist of [www.staceybarr.com](http://www.staceybarr.com) and creator of PuMP, and the Performance Measure Blueprint Workshop.

You're listening to a special audio class called "A Dozen Tough Performance Measurement Questions, Answered." What I've done is select a bunch of questions that I personally thought were very interesting and rather hard to find answers for. And, they're questions that readers of my Measure Up newsletter have asked about measuring performance in their organizations. Questions very likely that you or your colleagues are asking too.

So, during this audio class I'll share my thoughts and suggestions to hopefully help answer these question for you, or at least give you a starting point to finding the answers that you need.

Now even if you already know the answers to these questions, then you may like to share this audio with your colleagues who don't yet have those answers, or garner some of the ideas to use in your own conversations with them. And, who knows, maybe you'll just get a fresh perspective on some of these questions and some renewed vigour to improve your organization's performance measurement practices even further.

I think we'll be going through about a dozen questions. So, get your pen and notebook ready to jot down the tips, and actions, and quotables that most interest you.

## Question 1: "Why is it so hard to get companies to measurement effectively?"

The first question is, "Why is it so hard to get companies to measurement effectively?" And this question is from Steve in the US.

"Why is it so hard to get companies to measurement effectively?"

Essentially there are a few reasons, from my experience anyway. Firstly they don't see performance measurement as a process, and that's the first problem. They see performance measurement as a KPI brainstorming session that they might have during

their business planning or strategic planning workshop, and think that just brainstorming up some measures is the job done.

What they also don't see is what's in that black box of measurement implementation. So they think they can come up with some ideas for measures, "Oh, we'll measure customer loyalty." "We'll measure employee engagement." "We'll measure our financial sustainability." "We'll measure our innovation," and that's it. That's as far as they go, and they have no idea what's going to happen after that to really flesh-out what those measures mean and what data is needed, how they'll get the data captured and analysed and reported.

So, that's the first problem. Companies just don't see performance measurement as a process. Secondly, another reason why it's so hard to get companies to do performance measurement effectively is there's actually a lot to unlearn. We do some pretty funny things in business. And, when it comes to performance measurement some of those funny things get in the way and make it nearly impossible to do performance measurement.

One of the most common funny things we do is use weaselly language in how we write our strategy, and how we write our business goals and objectives. Weaselly language is language that really does say much. Words like 'effective', 'efficient', and 'sustainable', and 'reliable', and 'quality', 'engaged', 'integrity', just go through your strategic plan with a highlighter pen and see how many of those sorts of words you can find.

You can't measure something when it's expressed in that kind of language.

Another thing to unlearn is what a measure actually is and isn't. One of the most commonly used things as performance measures, which really isn't a performance measure at all, is what I call the 'milestone'. It's where in the KPI, or performance measurement column in the business plan you'll see a phrase like, "Implement the new IT system by June 2011." That is a milestone; it's not a performance measure. It is not giving you a measure or gauge of the degree to which you're achieving a result. It's just, "Did we do something, or didn't we?"

Performance measures are about performance results, not activity.

Another thing that we often need to unlearn before we can do performance measurement effectively is to reframe what the role of performance measurement is,

and to understand and to appreciate it as feedback, not judgment. Measurement carries a lot of negative connotations to it, which was given this over time by using measures to judge people's performance or to use measures to reward or to punish people for what they've done.

We've got to change that. Performance measurement is a tool. It's feedback to help us to do the best job to improve the organization's performance. Performance measures are not tools to judge the performance of people.

Another of the reasons why it's really hard to get companies to do performance measurement effectively is that they do not resource it properly. They don't resource it deliberately. It's one of those tack-on, bolt-on, "Let's just get it out of the way" kind of activities. Organizations that master performance measurement- not even master it- organizations that do a half decent job at it have a corporate measurement team. They have a group of people who are responsible for facilitating the development and use of performance measures throughout the organization. They give that team, plus many others throughout the organization the training they need in how to do measurement. Measurement doesn't come naturally.

Good performance measurement is not taught in most courses, and degrees, and MBAs and things. We just don't learn how to do it well. We don't learn it as a process. So, training is very, very important.

And we've really got to start seeing performance measurement and treating it as part of everybody's job, not something over and above everyone's job, or something that gets in the way of everybody doing their real work.

So, firstly we don't see it as a process; secondly, there's a lot that we've got to unlearn; and thirdly, we don't resource it deliberately.

A really good way to explore what's holding your organization back from doing performance measurement effectively is a little exercise that I call the PuMP Mind Map, or the KPI Mind Map exercise.

Now I won't tell you anything about it now, but I'll give you a link that you can go to, to read more about it, and download. It's free. You can download some resources to workout how to do it.

So, the details are at: [www.staceybarr.com/KPImindmap.html](http://www.staceybarr.com/KPImindmap.html)

## Question 2: “Why is it so difficult to maintain a system of performance measurement in an organization?”

Our second question is, “Why is it so difficult to maintain a system of performance measurement in an organization?” And, this question is from Cecil in Trinidad, in Tobago.

It’s a little similar to the first question. You know? “Why is it so difficult to maintain a system of performance measurement in an organization?”

I reckon one of the main reasons this happens, why it is so hard, is that we don’t make it part of the ‘how do we do things around here’. “This is just how we do things around here,” and measurement should really be a part of that.

When you think about it financial management, HR management, marketing, public relations, safety- there’s a whole lot of other things that organizations know are really important to success that do get done. They are a part of ‘this is just how we run our company’. “This is just how we do things here.” They’re embedded in the organization’s structure, the organization’s processes.

But performance measurement isn’t. I mean if you’ve read anything from Dean Spitzer, particularly his book *Transforming Performance Measurement*, you’ll know how passionate he is. And, he’s representative of many people like us, that performance measurement is probably the most powerful activity that any organization can do, because it really does keep you focused on what matters most, and it helps you understand how well you’re achieving what matters most.

But by and large performance measurement is not valued as essential to organizational success. It’s not resourced, as I mentioned before. And, senior executives don’t lead performance measurement. They don’t lead a performance orientation, or a performance culture. They don’t role model it either.

So, until performance measurement can be a natural part of how we do things it’s always going to be difficult to maintain a system of performance measurement. You need it embedded in the formal structure, in the formal operations of the organization.

Like any new habit it does take time to establish. Some of the best things to do to establish performance measurement into the organization’s fabric is to keep it simple at



the outset. Don't try to measure everything. Don't try to get everybody engaged all at once. Keep it very simple. Give it resources, you know, particularly a corporate measurement team. That's probably one of the- even if it's an informal team it's one of the most powerful things that you can do.

And, if you can a really, really big success factor is to start with the executive level and develop strategic performance measures with them. Have it role modelled from the top, and also that will make it easier for everyone else to get engaged, because they'll see what the measures are for the organization as a whole, and that will make it so much easier for them to work out what really matters for them to measure.

### Question 3: “Why do people get confused between measures and KPIs?”

Question three is, “Why do people get confused between measures and KPIs?” And, this question is from John in the UK. “Why do people get confused between measures and KPIs?”

The bottom line is there is no universally accepted standardized performance management terminology. It just does not exist. For example, to me a KPI, which is an acronym for ‘key performance indicator’, it's a type of performance measure. So, a KPI or key performance indicator is a performance measure that is one of the most important performance measures.

Likewise, a performance measure, to me, is a type of measure. So, there are many measures in your organization, many quantitative statistics that you might use, but not all of them are performance measures. They're not all measuring an area of aspect of the organization that needs to be improved.

But KPI can also mean a lot of different things to different people. Some people use it to mean a, you know, they'll use it interchangeably with the word ‘objective’ or ‘goal’. And others just use it as an alternative name for performance measure and not distinguish between the two.

The most basic collection of performance management elements that you need to have a terminology for and clear definitions for are these- I think I've got four of them I want to include in this basic list. Firstly, the first concept, or basic concept that you need to

have terminology around is a performance result. You know, it's a performance result that you need to achieve.

And often the words that are used to describe that are 'goal', 'objective', 'key result area', or 'critical success factor'. And some examples of performance results are improving customer loyalty, or improving our financial sustainability, becoming more innovative, engaging staff, those sorts of things. I mean I've been very vague and weaselly there, but you should at least get the point there. It's, "What's the result that we want to achieve?"

The second most- the second of the most basic things that you want to have in your performance management terminology is something around the measure itself, and the measure is a gauge of the degree to which that performance result is being achieved. So, are you going to use the word, the term 'performance measure', or are you going to use the term 'performance metric', are you going to use the term 'indicator' or 'performance indicator', are you going to use the term 'KPI', whatever. Just be clear about what you're using and what it means.

And indeed you may have a few different words here. There may be different types of performance measures. For example you might have 'outcome' performance measures and 'input' performance measures, or 'output' performance measures. You may have 'lead' indicators and 'lag' indicators. You may have 'key performance indicators' and 'performance indicators'. It doesn't matter, but you just need to be clear that you've got to give a name to those things and be consistent.

A target is the third of the basic things that you want to include in your performance management terminology. And a target is simply the thing that states to what degree you want your performance result to be achieved to. And, it's applied to your measures. So, if you're measuring- if your performance result is customer loyalty and your measure for that is the percentage of customers who come back for repeat business year after year, then your target could be something around maybe, "We want to retain 60% of our customers," maybe that's our target. Maybe at the moment you're sort of getting around 40-45%, but you want to increase it to 60%, 60% would thus be your target.

The fourth element that you want to include in the basic collection of performance management terminology are the actions that you'll take to change your organization so it can achieve the performance result. And some people call them initiatives, some

people call them strategies, some people call them key actions. Whatever you're going to call them just be consistent.

But they're the four basic bits. "What's the result you want to achieve?" "How are you going to measure it?" "What level of performance do you want to be able to obtain?" And, "What actions are you going to take to achieve that level of performance?"

Whatever terms you use in your organization be consistent and define each one as you mean it.

## Question 4: "Where do I start?"

Our fourth question is a nice, simple one. "Where do I start?" So this is, "Where do I even start with performance measurement?" And, the question was asked by Ngaire in Australia. But, it's also been asked by over 100 other readers of Measure Up. It's up there as one of the most commonly asked questions.

Now ideally, "Where do you start?" is with your organization's strategic direction. Don't bother measuring anything if you haven't got goals or results first. You need to understand what you're trying to change. You need to understand where you're trying to head, what you want your organization to look like. How does it need to be different to how it is now?

When you can articulate that you've- what a strategic plan is supposed to do- then you can start measuring. So, you measure the goals or the results implied those goals in your strategic plan.

That's the ideal place to start. In practice, however, not everybody's got a really good strategic plan. Not everybody has a strategic plan. So, where you want to start is just where there is a really pressing performance priority, or a performance problem, and where there's enough energy to fix it, or improve it, or do something about that performance problem.

And that often means just focusing on one goal, on one thing you want to change. It might be reducing costs, or it might be retaining staff, it might be increasing sales. If you've got that one thing to focus on you can follow some very simple steps to experience that whole end-to-end process of measuring something, measuring it to the point you've actually improved it.

I've got a little How-to Kit called Getting Started With Performance Measures, which is a really good way to get started when you can't get started at the strategic level by measuring your strategic plan. If you can only start by focusing on one little aspect of performance and just giving people that taste of what it's like to measure and improve performance, then you can go to [www.gettingstartedwithperformancemeasures.com](http://www.gettingstartedwithperformancemeasures.com). It's easy enough to remember, it's just long to type.  
[www.gettingstartedwithperformancemeasures.com](http://www.gettingstartedwithperformancemeasures.com)

So start small, start focused, and let the engagement with the success. The more successful you are in measuring these little one-offs the bigger the energy will become to measure more.

## Question 5: “What should I measure?”

Question five is, “What should I measure?” And this question is from **Deveen [assumed spelling]** in South Africa. And again, many, many other Measure Up readers have asked this question too.

What should you measure? Well, you should measure the results you're trying to achieve. That's it in a nutshell. If there's something that you want to improve, if there's something that needs to be better, needs to be different in your business or organization, then it's probably worth measuring.

There are certain things though that you do not want to measure. OK? Don't measure everything. Don't measure what's easy, just because it's easy. Don't measure what other people are measuring just because they might be in same sector or industry as you. Don't measure it just because they're measuring it. And, don't measure what you're good at and don't need to improve. So, start with the results that you really want to improve or achieve and design measures around those.

Now the more specifically and clearly you can articulate or express those results that you want to achieve, the easier it will be for you to figure out the best way to measure it. That goes without a doubt. So, if you've got a goal, you've got a result and it's written with those weasel words I mentioned before you're going to struggle finding good measures. So, make sure it's nice and clear, and specific, and it describes what see/hear/feel if was different.

Now there's a really good tool. I've got another how-to kit that can help you design measures once you know what the results are you're trying to achieve. The how-to kit is called- I think it's simply called How to Design Meaningful Performance Measures. And, the URL for that is [www.staceybarr.com/measuredesign.html](http://www.staceybarr.com/measuredesign.html) And, that will help you design meaningful measures so you can answer that question, "What should I measure?" as long as you know what the result is that you're trying to achieve.

## Question 6: What are the new trends in measuring business performance?"

Question six is, "What are the new trends in measuring business performance?" And, this is a really interesting question from Lynn in Australia.

It's an interesting question to me because not a lot of people ask it. Most people haven't mastered the basics of performance measurement yet, and these basics are not trends at all. They're the truisms, the essential steps of measuring performance and they always will be. You know, its things like writing a measurable strategic, and designing feasible and meaningful measures, and implementing measures cost-effectively, and designing useful and useable performance reports or dashboards, and using measures to drive performance improvement.

I mean this is what- this is the main reason why The Performance Measure Blueprint workshop that I run, why it exists. Because it teaches people those essential basics. Most people I've found just aren't ready for the next latest and greatest trends in measuring performance.

The Performance Measure Blueprint workshop, in case you're curious, you can read more about that at [www.performancemeasureblueprint.com](http://www.performancemeasureblueprint.com)

Now maybe it's the word 'trends' that I'm a little bit thrown on here, but I don't think what I'm about to share with you are so much the latest trends in performance measurement, and certainly some of them have been around for quite a while in their current form and have certainly been around for a long time in their basic form. I'd say they're more advancements beyond the basic performance measurement practices.

Analytics is the first one that comes to mind. And, analytics has been around actually for a very long time. I'm a research statistician by training. That's what I went to

university to become. We just called it statistical analysis, and that's what analytics really is. It's just a way of digging into your data to answer questions, and looking for trends, and patterns, and insights that are hidden in the data. The analysis brings them out.

So, analytics is a buzzword, and it's very much about using your data for more than just performance measurement. It's about using your data to analyse the causes for why your performance measure might be showing a trend that you don't like. It, you know, digging around and looking for insights, things that you might not have thought about before.

Analytics is supported by much better tools these days than the ones I had back in the early 90s, when I used to have to write my own code to analyse data. Now there's a myriad of tools that are just great for doing this, really simple ones, easy to use, like Tableau. And, you can look at that at [www.tableausoftware.com](http://www.tableausoftware.com)

SAS, which used to stand for 'Statistical Analysis System' back in the very early days when I used it, it's advanced incredibly since then- like, two decades later. That's a very powerful package, not only for statistical analysis, but also creating dashboards. And, that's probably one of the second trends if you want to call it, advancements beyond basic performance measurement is dashboards; dashboards and scorecards.

There's lots of applications now that help you create really good dashboards. You've got to know what you're trying to build though. I mean don't go in for those silly little dials and gauges that mimic what's in the cockpit of an airplane, or the dashboard of your car. They really don't work. And, if you don't believe me just go and visit Stephen Few at his blog [www.perceptualedge.com](http://www.perceptualedge.com) and read some of his articles. He's what I and some of my clients have called, or nicknamed 'the dashboard god'. He's very, very skilled and knowledgeable in this space and has lots of wisdom about dashboard design.

But, the technology is there. As long as you know what to do with that technology you can definitely save a lot of effort and may make measurement a lot more interesting too, because when the tool does all of the hard work all you've got to do is use it, and that's fun.

This isn't so much a trend as an advancement; I guess I've just recently become aware of. I think I've known it for a long time, but it was just really good hearing these people at Franklin Covey [www.franklincovey.com](http://www.franklincovey.com) Hear them talking about it. I'd call it 'ultra-

focus'. They call it 'WIGs' and that's an acronym for 'Wildly Important Goals'. And their point is that if you really want to improve things, if you really want to make a change happen, if you really want to be successful at achieving your goals, you've got to have a very, very sharp focus, and focus only on the wildly important goals. You know, you might argue everything is important, but it's the wildly important stuff they argue that you need to focus on.

I had a really interesting little video that I saw on their website. And, it kind of- I hope I'm remembering this correctly, but they said if you give somebody a team, or an executive, or whoever, two to three goals that are the absolutely important things for them to focus on their, their WIGs, if you like, then they're likely to achieve two to three goals. If you give them, let's say, four or five goals, then they're likely to achieve one or two of them. And, if you give them many more than that, you know, what we typically do- seven, eight, ten, twelve - they're likely to achieve none.

So, this is a really interesting result. The sharper your focus the more you achieve. And, it kind of is a little counter-intuitive, don't you think? You know, if you focus on less aren't you going to achieve less? Well, as it turns out if you focus on less you actually achieve more. I thought that was very interesting.

So, it might not be a trend, but I think it's an advancement beyond basic performance measurement practices that we need to be very alert to.

Trends come and go, but good performance measurement practices will make performance measurement easier and faster, and more likely to result in performance improvement. That's something to always keep in mind.

## **Question 7: “How do I convince managers of the importance and benefit of measuring performance?”**

Question seven is, “How do I convince managers of the importance and benefit of measuring performance?” And, this question comes from Murray, who is in Australia.

I think a better question is probably, “How do you help managers see which of their problems can be solved with performance measurement?” I don't like the idea of selling performance measurement for performance measurement's sake. I'd much more prefer

to see we talk about measurement in the context of achieving more success in the organization, or solving problems.

So, what are the problems that executives have, or managers have that performance measurement can help with? I'm going to give you a little list of top-of-mind stuff, but you want to think about this for yourself. You want to do a bit of research into your own managers' and executives' concerns, and problems, and worries, and put measurement into the context of that for them.

So, you know, they might be worried about the performance of people, that people aren't really doing the job that they're supposed to do. Good measurement helps with that. Good performance measurement makes a strategy, a corporate direction, a set of goals, much, much, much easier to relate to than the weaselly language we normally express them in.

So, if you were to say to people, "OK, you've got to do all you can to improve the efficiency and the effectiveness of our core processes," that's going to mean far less to someone than to say, "We need to reduce the cycle time of any interaction we have with our client." That's a lot more specific. So, when you've got clear measures the performance of people becomes less of a concern because people know what they need to focus on, and their performance will naturally follow.

Another problem that executives tend to have is achieving their strategy, like they write their strategic goals and targets, but they get really nervous that they're not actually going to achieve them. They might not admit that, but that's how they feel. Measurement will help with that. Measurement will help make very specific what they're trying to achieve, and, you know, what you measure, good grief, it just attracts people's focus and attention like paper clips to a magnet.

Getting people aligned to strategy, that's another worry that executives have. And, again, when you can talk about the strategy in measurable terms it is much easier for people to work out, well, you know- they can say to themselves, "Well, what is it that I do? What are the results that I produce that can help achieve that performance measure?"

If we're trying to reduce the cycle time of interactions we have with clients, then as the- I don't know- as an IT person, "What can I contribute to that?" Well, I can make sure that the tools that we use, the online tools, or the website that we have to provide information to our clients is always accessible. And, that it's very quick for people to

find the information they need in order to provide to clients, so there is a quick turnaround.

Other concerns that executives and managers may have are to do with maybe reducing costs, increasing sales, improving organizational productivity. And, of course, measurement relates to all of those, because it helps us define very clearly what it is that we're trying to achieve.

Measurement gives us focus, it gives us feedback, and it's also a fulcrum that gives us the most leverage that we can from our improvement efforts. You can't pursue excellence without measurements. I mean we know that, we just need to help our executives see the role that measurement has in that. So, don't sell measurement, don't even sell the benefits of measurement. Talk about measurement in the context of helping them achieve the real problems that they have.

## Question 8: "Where can I find a catalog of performance measures?"

Question eight is, "Where can I find a catalogue of performance measures?" And, this question comes specifically from Ray, who's in Canada. But there's a lot of people who ask very similar questions like, "How can I get measures for supply chains?" "Where can I get measures for IT teams?" "Where do I find measures for marketing?" They're all the same kind of question. It's just, you know, "Tell me what the measures are."

Well, if you want to know what the measures are, if you want a place to go to find measures the one database that I like, which you can get free membership to, is [www.kpilibrary.com](http://www.kpilibrary.com)

But, but, but, don't go searching for ideas for performance measures until you have a clear idea of the performance results you want. And, you'll get that from your business plans, your strategic plan, your team plans.

Don't go to any KPI or performance measure catalogue or library just in the hope that you'll find measures for sales teams, or measures for IT teams. You need to know what the results are that are important for your sales team to achieve, or for your IT team to achieve.

You will never find meaningful performance measures without first having a meaningful and well-designed strategy, and by strategy I mean set of goals, you know, things that you want- results that you want to achieve.

And, I guess a little kind of sideline to that is only measure what you can, and will, and should do something about. Only measure what you can, and will, and should do something about.

## Question 9: “How do I make measures live?”

Question nine is a fun question too. “How do I make measures live?” And this question is asked by David who’s in the UK. How you make measures live is by making them part of everyday work. I mentioned this early, we need to get measurement to be just part of the way that we do things around here. It’s just got to be embedded into the fabric of how we do business.

Ways to get measures to live and to be more a part of just the everyday work that we do- well, there’s a few things actually. You can discuss, or even use measures to set topics for team meetings. The measures really should be the hub of what the team focuses on. If the team’s attention and energy is going toward things other than what’s being measured, you’re either measuring the wrong things, or you’re not using your measures to set the focus that really needs to be there.

You can display your measures in great charts, time-series charts, really simply but very visibly, so that they’re always top-of-mind, they’re always in people’s peripheral vision- in their peripheral vision, while they’re not in their direction vision.

Keep connecting everyday work to performance results. You know, so whatever problems you experienced at work today, whatever you’re working on today, “Are those things helping you pursue the performance results that you’ve already decided are most important.

Keeping it simple helps measures to live as well. You know, like I mentioned before, two or three of the most important goals and measures. Absolutely use the Pareto principal, the 80/20 rule to do that. So, you know, those two to three things may change over time as you achieve them, but only ever let there be two or three priorities on the radar for people to focus on, to improve, to be measuring and tracking.

Another way to make measures live is to, you know, make it fun too. Like, celebrate performance improvement. Celebrate the learning that your measures give you. Celebrate the learning you do about how to measure. Celebrate when you reach targets, or take big steps toward your targets.

And, also let- there's two ways of saying that word 'live'. It's 'live' or it's 'live'. And, in a lot of senses measures are 'live' as well. They should be reviewed and refined continually, so you're always making sure that the measures you have are the most useful ones. The emphasis should be on measures as tools. They need to be sharpened occasionally. So, always remember that you want that regular reflection the measures that you're using so that they truly can stay alive.

## Question 10: “How do you measure employees?”

Question ten is, “How do you measure employees?” This question is from Tracey, who's in South Africa. But, again, she's not the only one who asks this one- that's for sure.

“How do you measure employees?” Well, you'll either love it or you'll hate it, my answer is *don't*. Don't measure employees. It's too threatening and it drives manipulation of the measures and the data for people to protect themselves.

It's not dignifying. On the whole people want to do a good job, they turn up to work to do a good job. And, to treat them like that by measuring them, and using the measures to judge what value they're adding to the organization and whether or not they deserve a bonus is demoralizing. I don't find that dignifying at all. There's much better ways to get the most of people than to treat them like that.

It's not fair as well. Most of the obstacles to people doing a good job at work are not within their complete control. It's teamwork that gets the real results in organizations, the real performance improvement. So, singling people out and measuring them individually just, it isn't fair. It's not fair on them, it's not fair on other people. Teams get things done, not individuals.

Most people measures, most measures of people are too trivial to mean anything, and they drive nasty behaviour.



You just have to take the Enron example as a case. You may have heard about it. Enron apparently, I haven't read it personally, but I think I read somebody who had written about it. It was called, it was nicknamed the 'rank and yank' system, where every year Enron would do some kind of peer review where everybody would rate each other on a range of characteristics- I don't really know what. But, it was- you know, all that data was collected about each individual. All the employees were ranked from top to bottom based on their scores in this performance evaluation system.

And the bottom 10% were sacked. The bottom 10% were let go. They were, yeah, just sacked from their jobs.

Now what was actually happening in reality was that people were doing deals with each other. You know, "You rate me high, I'll rate you high." And, a bit of like I mentioned before, manipulation of the measures and the data. So, in effect what Enron was doing was every year they were sacking their 10% most honest employees.

Now if that doesn't *scare the be Jesus* out of you when it comes to measuring people at that individual level, then I don't what will. It's just a- there's so much about it I don't like. You can probably tell. And, already you're probably either thinking, "I love this. This is exactly what I believe." Or you're thinking, "That's ridiculous. We've got to measure people."

If you must measure people keep a few things in mind. While I believe that it's better to have measures as tools for people to use to improve organizational performance, and not as rods for their back, if you really must measure people then some pointers I would have for you is measure organization goals and processes first, before you measure people. If you're not measuring the organization, its processes, the results of the organization, then you've really got no context to measure people, because you don't know what they're contributing to.

Build a culture of performance first. Make sure that people have a strong results orientation and improvement orientation.

Measure the results that they're supposed to achieve through their roles, don't measure them personally, and collect qualitative feedback to help them improve their personal capability in their role so that they can achieve those results of their role.

Very contentious topic, that one.

## Question 11: “How do I get buy-in?”

Question eleven, “How do I get buy-in?” Now this question is from Deb in the US. It’s one of the top three all time most asked questions about performance measurement. “How do I get buy-in?”

Well, you don’t actually get people to buy-in, you let people buy-in. We need to do this in a few ways actually, letting people buy-in. You can’t make it happen, you’ve got to just get the obstacles out of the way of it happening naturally.

Firstly, reframe what measurement is about. It’s about feedback, it’s not about judgment. The feedback is about improvement, it’s not about failure.

Measure process results, not people. I’ve mentioned that already.

Invite their involvement and don’t force it. And, what I’m saying here is invite them to come and help decide what are the important results to measure. Invite them to be involved in designing and selecting those measures. Invite them to contribute their ideas about the best way to collect the data, and to do the measuring, and to invite them to design performance reports that will work well for them. And of course invite them to use those measures, to interpret them, and to improve performance with them. So, facilitate. Don’t dictate.

Another really important thing about letting the buy-in, or keeping the buy-in once you’ve started getting it happening is to make sure that the measures get used to improve performance. Don’t make it a bureaucratic jumping through the hoops exercise. Performance measures have to result in performance improvement or they are a complete waste of time. Wasting people’s time is a sure way to reduce their buy-in and engagement, and build a lot of cynicism.

But a really important aspect here about letting buy-in happen is that, you know, people can own what their hands took part in creating. So, let them create as much of the process as possible. I would even suggest that their buy-in to what gets measured and used to improve performance is more important than the sophistication of the measures that they use. The sophistication of the measures will improve over time as their skill and confidence in measuring improves.

But, it won’t improve quickly if you’re trying to get the perfect measures first and ramming down the throats of these people that just didn’t get it, or weren’t part of it.

People can only own what their hands took part in creating.

## Question 12: “How do you make performance measurement interesting enough so people will want to keep doing it?”

Question twelve, our final question, “How do you make performance measurement interesting enough so people will want to keep doing it?” This question comes from Dan, who is in Malaysia.

Make it theirs. Involve them. Make the performance measurement theirs- their baby so that they can decide how it can happen, and how to improve it, so it works for them. Make sure that you measure the results that matter, and that show their impact on the organization’s direction and success. It’s a lot more interesting when you can see that what you are doing is having a bigger impact.

Keep it simple. Just a few measures at a time. It’s not interesting when you exhaust yourself trying to measure twelve, or fifteen, or eighty-seven different things. There’s no prizes for doing that. In fact, there will be a great, big catastrophe, and that will be everyone will burn out. No goals will be achieved at all. The performance measures will be taking up so much of people’s time and energy, and not giving them any results. The cynicism will grow and you’ll be wasting a lot of organization resources, and wasting a lot of opportunity, a lot of time to actually getting some really great performance improvement breakthroughs.

Resource performance improvement. Don’t just resource performance measurement, but give resources to the improvement of performance, so that they can see their measures leading to better results.

And, trust in the natural human desire to make things happen, and to reach goals, and you know, that natural desire to play a part in making success happen. If you tap into that energy performance measurement will be intrinsically interesting.

It’s like what athletes do. I don’t consider myself an athlete, but I run a lot. I run and train to run so that I can run faster and easier. And I measure that. And, the measures really do keep me very interested, and they spur me on and help me understand what I could be doing differently, what I could be doing better, and as a result of that I’m

enjoying my running a lot more. So, there is that natural human tendency to want to do a good job, to want to make performance improve, and to use that kind of feedback that performance measures give us to make that easier and faster.

Well, I hope this little audio class has given you some fresh insights into how to improve performance measurement in your organization. I like to think that it could also plant some seeds for how you might start better conversations among your colleagues about what good performance measurement is really about also.

But if you do have any performance measurement challenges you think I can help you with just send me an email. You can get me at [info@staceybarr.com](mailto:info@staceybarr.com)

I'm really looking forward to making it easier for you to meaningfully measure the performance of your whole organization. Essentially so it can be excellent at what it's supposed to do. You can get started by exploring my website for articles, blog posts, audio classes, product and service information and more at [www.staceybarr.com](http://www.staceybarr.com)

For now though, this is Stacey Barr, The Performance Measure Specialist, signing off.

Thanks for listening.