BY KAREN R. ADLER AND PAUL M. SWIERCZ

Taming the Performance Bell Curve

STRATEGIC PERFORMANCE FACILITATION: IT'S A MOUTHFUL. BUT IT'S ALSO AN EFFECTIVE WAY TO ACHIEVE INDIVIDUAL AND ORGANIZATIONAL GOALS. HERE'S HOW.

THE MESSAGE IS CLEAR: Forget training. Or, at least, forget the term *training* as it has been applied in the past. But whether you now call it *strategic performance facilitation, performance enhancement, empowerment,* or *consulting,* the goal is the same: to improve a company's overall performance by aligning its processes, policies, procedures, and resources to link with individual and organizational goals. In addition to that goal, individual and departmental activities must support an organization's overall business goals.

It's more critical than ever to improve an organization's performance. Advanced technologies shorten planning cycles. Faster means of communication and transportation breed fiercer market competition. And budgets are tighter. Businesses once believed that they could gain competitive advantage just by educating their workforces. But now, many organizations are beginning to realize that classes aren't sufficient. Teaching new information isn't enough. New information must be useful immediately, and it must be related to business objectives. To find that extra value, training professionals are using strategic performance facilitation and performance enhancement. Instead of fixing problems with more classes, they're addressing critical work processes.

How important is the trend towards performance enhancement? In a 1994 *Training & Development* FaxForum, respondents ranked high-performance organizations (defined as organiza-

Illustration by David McLimans

tions in which work is reorganized, redesigned, or reengineered to improve performance) as the trend most likely to affect HRD in the subsequent five years. General Electric, Hewlett-Packard, Levi-Strauss, Marriott Corporation, and Westinghouse are just some companies that have adopted strategic performance facilitation.

The life of an organization

So far, most of the literature on SPF has focused either on the benefits or the tools. Few publications have outlined a step-by-step plan for strategic performance facilitation. The plan in this article is geared to fast-growing start-up firms, but it's also useful for maintaining growth in mature companies.

Similar to a product's life span, a business has a bell-shaped, life-cycle curve divided into four stages: start-up, growth, maturity, and decline—usually followed by the business selling or closing. Because every company develops at its own pace, characteristics, more than age, define the stages of the cycle. The goal of SPF is to reshape the bell curve into an S-curve in order to prolong a company's successful life. (See the figure on page 35.)

Start-up. In the start-up stage, a company gathers capital, hires people, and begins developing products. As it reaches the end of this stage, it typically enters a period of hyper-growth, hiring people faster than it can create systems to support them. During that time, a company can double or triple its workforce in two to three years.

Growth. During the growth stage, hiring rates can increase 10 to 25 percent yearly, and the company develops and fine-tunes its support systems. Its financial situation, which was tight at the beginning due to a lack of revenue, improves toward the end of the growth stage after products reach the market.

Maturity. In this stage, the yearly increase in hiring drops to three to 10 percent. Automatic Data Processing, which has been public for 34 years, is an example of a mature organization. During the mid-1980s, its hiring rate hovered around three to five percent. In the 1990s, however, it has been in a growth curve, expanding product lines and acquiring new companies. Such efforts are necessary if a mature firm wants to avoid falling into the down phase of the life cycle.

Decline. In declining companies, downsizing, reengineering, and rightsizing are common. Decline occurs when profits and the demand for products slip. To prevent further slippage and return to growth, a company will often try to scale back operations by laying off people and adopting new policies. For example, IBM has pared its workforce 46 percent since 1986, from 406,000 to 220,000. Companies that don't reinvent themselves or that are unsuccessful in reengineering eventually sell or close.

Hat trick, new steps

In "Hang Up Your Training Hat" (*Training & Development,* September 1994), Ruth Colvin Clark writes about transforming a training department into a "performance technology center," her term for an SPF department.

Says Clark, "Training is a reactive response to an organizational problem, a new technology, or new employees. Performance technology also can be reactive, but its emphasis is on proactive practice. The goal...is to help managers make the most of their work environments to achieve business objectives."

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Here's how trainers can become strategic performance facilitators and also help a company increase team members' responsibility, initiative, motivation, and ownership. SPF is implemented over time, starting with one or two model departments and then spread to the rest of the company. It consists of these steps:

- awareness building and education
- articulation of the company's vision and mission
- articulation of specific business goals
- assessment of performance needs and causes
- solution evaluation and selection
- solution implementation.

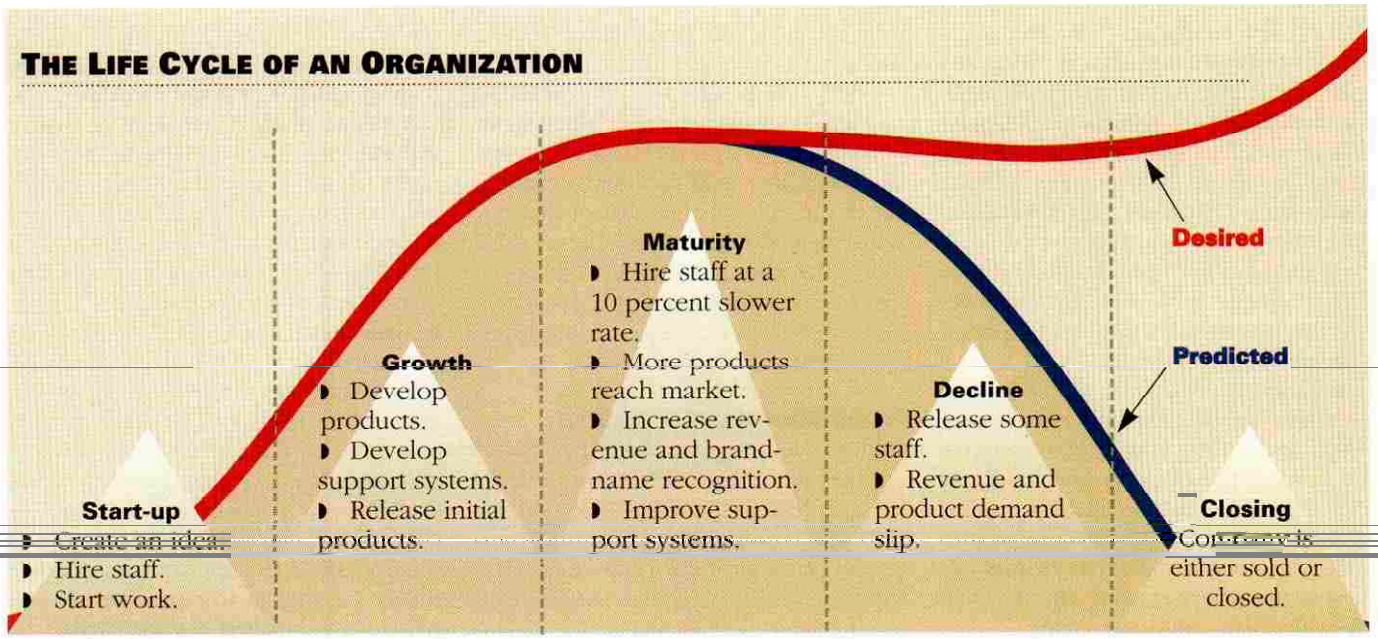
The case of N-R Company, a pseudonym for a software company in the late growth stage of the life cycle, illustrates an SPF model. Several months ago, N-R's first three consumer products reached stores and were favorably received.

As a result, the company's financial situation brightened. But though it received praise for its creative products, customers said the technical-support department was inefficient and unhelpful. Senior managers wanted to correct the problem before introducing the second round of products in 18 months. Instead of offering the technical-support staff classes in customer service, the training department decided to use the SPF approach.

Awareness building and education. Before beginning the SPF program, N-R's training department launched a massive awareness-building campaign to educate all employees on why it would be using SPF and how it would work. The campaign began with executives and continued through all levels of employees. Facilitators held meetings with all employees to explain SPF, seek their input on the best way to mold the program, and answer their questions and concerns. The training department also sent short articles via email and hard copy to help gain employees' acceptance of the SPF approach.

Articulation of the company's vision and mission. Once employees became aware and excited about the program, executives and department managers worked together to create a clear, concise vision and write a mission statement—with specifics on how N-R sees the future marketplace, what its role and position will be, and what values it seeks to operate under. If a company already has a vision or mission statement, it can review and update it during this step.

In this step, senior managers communicate the vision verbally and provide employees with copies of the mission statement so that they can focus their energies accordingly. N-R's



new mission statement, for example, states its intention to be "the company known for creating the most user-friendly software in the industry."

Articulation of specific business goals. In this step, managers formulate or modify their departments' business objectives to link them with those of the organization.

In N-R's case, the business goals of the technical-support department were to resolve customers' problems in an efficient and friendly manner to improve N-R's image and to promote the mission that it supplies the most user-friendly programs. To those ends, the technical-support department established two performance goals: to answer customers' questions within 45 minutes of receiving a call and to score "extremely helpful" on customer surveys 90 percent of the time.

In this step, the manager of the department involved in an SPF effort calls a department-wide meeting to discuss goals, identify the relevant issues, and clarify administrative matters. During the initial discussion, the manager explains the business plan for achieving the goals to all department members, asking for their input on implementation. That provides the framework for all departmental activity.

Then, the manager solicits feedback from any teams to ensure that they agree with the plan. Some people think that all department members, including teams, should be involved in formulating the plan. But, in reality, most companies in the growth phase are too busy for teams to take time from their work. Next, department members should discuss the areas that need improvement in order to attain the business goals. A strategic performance facilitator leads the discussion to ensure that everyone is heard and no one dominates. The aim is to create a list of issues that need addressing.

N-R's technical-support department, whose discussions focused on the causes of inefficiencies, identified two main problems: Procedures to determine and document the exact nature of each call took too much time, and technical-support staff spent too much time seeking solutions. In this step in any SPF implementation, department members choose representatives to form one or more task forces. To keep meeting overload to a minimum while encouraging participation, each member should participate in only one task force. Small departments can form a task force made up of all members.

Next, department members set timetables, and they determine a way to evaluate potential solutions and select the most appropriate one. N-R's technical-support department, with 10 members and a director, put five members on two task forces and agreed to have solutions within five months.

Assessment of performance needs and causes. In this step, it's crucial to compare an organization's current state of performance with the desired state, based on identified goals. The gaps, which determine what needs correcting, occur at three levels: companywide, departmental, and individual. We will address the departmental level only, but the same approach applies for all levels.

To determine department-specific performance needs, all members are consulted in the assessment. They have in-depth knowledge of how systems operate, and they understand the department's overall strategy. So as not to take teams away from production and still obtain their input, it's important to conduct the assessment through the representatives, members of the task forces. They solicit team members' input and report it to all department members through informal conversations, newsgroups on internal networks, and email.

Next, the task forces convene individually to identify the possible causes of the performance gaps and to consider solutions. A performance facilitator guides the meetings and provides analytical tools. The aim is to develop a list of causes and a prioritized list of potential solutions.

At N-R, a procedures task force determined that technical-support people thought that their performance was over-monitored and that their procedures were cumbersome. So, the task force suggested either taping all

calls from customers or creating a computerized form that would tally calls according to categories of problems, instead of the then-current practice of making each operator write detailed reports on each caller's problem.

Solution evaluation and selection. The task forces conduct the preliminary evaluation of potential solutions. But to ensure their feasibility with regard to business constraints and companywide processes and goals, a final evaluation is necessary, either by presenting the solution options to managers and letting them select one, or by posting the options on email and inviting comments from department members. Because SPF is designed to meet the needs of diverse groups, it's best left to department members to decide which solution to use.

N-R's technical-support department decided that its director would be the final judge. The director consulted with senior managers, the purchasing and information-services departments, and members of the technical-support group. Then, the director concluded that investing in a sophisticated phone-recording system wouldn't be the best use of resources; no one had time to listen to the recordings regularly. The computerized form seemed both feasible and efficient.

Solution implementation. In this final step, it's time to implement the changes. At this point, the bulk of a performance facilitator's work is done. His or her role is to guide people through the SPF program to help them determine effective solutions to problems. It's up to the people involved in the targeted work process to implement the solution. That doesn't mean that the facilitator should avoid *any* involvement in implementation. If the solution is complex, the facilitator might assist by conducting some meetings.

In N-R's case, the solution was easy to implement. On hindsight, however, the customer-service problem could have had grave consequences for fulfilling the company's mission. Fortunately, discovering the performance gap wasn't difficult: Customer-service procedures had been created without thought for their feasibility and effect. Once the employees that were involved directly with customers gave their input, it was possible to create a more practical procedure.

That's the beauty of SPF. Instead of commissioning a new group to become familiar with an issue, a company saves time and money by relying on the insight of those most familiar with procedures and problems, and who have thought about what needs improving. That way, the company also encourages a sense of employee ownership for improvements.

Impediments to action

Certain factors can dampen people's acceptance of SPF. The impediments fall into four categories: structural, attitudinal, directional, and nonnegotiable. Strategic performance facilitators must address those hurdles and tailor performance-enhancement programs accordingly.

> ■ *SPF takes the time to evaluate properly, create the most effective solutions, and review new procedures continually* ■

Structural. Similar to having adolescent growing pains, the production area of a young company often experiences troubles from having grown faster than the necessary support systems. A growing company tends to rely on the reporting, accounting, and inventory-tracking systems that worked well when it was small and easy to monitor. But such systems don't work as well in large, complex organizations.

In addition, as a company grows, it's important to clarify and abide by reporting structures—who reports what to whom. Most businesses are started by one or more entrepreneurs that have made heavy investments of their intellect, time, and finances. They're anxious to ensure that their resources aren't wasted, so they become involved in every decision. Though a hands-on approach works well in a company's infancy, micromanaging can be damaging later on. It demoralizes department directors, who feel their authority is being undermined. It also distracts chief officers from the important task of guiding the company. A performance-enhancement program can abate such problems by creating procedures that inspire everyone's confidence.

Attitudinal. Prior to the release of its first products, a young company awaits the day of reckoning when consumers react and revenue begins to come in. As the product-release date approaches, management insists that the company focus on production in order to bring a quality product to market on schedule. At that time, it's almost impossible to turn production people's attention to structural and support issues.

It's better to delay an SPF initiative until a few products have been released. By then, tensions will have eased, and the company will be looking for ways to parlay its initial success. Taking advantage of management's open-minded state, a strategic performance facilitator should encourage long-term and systemic thinking. Such thinking runs contrary to the easily quantifiable, short-term approach of many managers, especially those trained in finance or accounting. But it's necessary for the success of a performance-enhancement program.

Few people want to spend a lot of time analyzing support systems, processes, and procedures. But almost everyone clamors for better ones. Typically, support staff, who are busy with their own work, have to find solutions without having the time to assess what works best. That often results in a quick, but not right, solution. The newly created system or process either doesn't function as intended, or it creates a slew of new problems. So, the organization is stuck with using an inadequate new system or reverting to the old one. Instead, SPF takes the time to evaluate properly, create the most effective solutions, and review new procedures continually.

Constant changes generated by inadequate solutions and shifts in corporate direction can foster skepticism among employees, especially those that have been with a company

a while and have "seen it all before." They tend to develop a "flavor of the month" attitude toward new initiatives, believing that such efforts will disappear in a few months.

That can be dangerous for SPF because it requires everyone's buy-in and participation. Top management needs to send a strong message to all employees that SPF isn't a one-time program but an ongoing process to help maximize everyone's potential and the potential of the company. The message should be repeated and upheld by the performance facilitators. Once people see that SPF works and isn't about to disappear, the skepticism will subside in time.

Directional. In "Lessons From America's Fastest Growing Companies" (*Fortune,* August 8, 1994), Andrew Serwer writes that many fast-growing U.S. companies, at least in terms of sales revenue, are led by entrepreneurs with a single idea of what product or service they wanted to provide. Many didn't bother to lay out a vision or mission statement. That's OK when a company is small and the leader can communicate personally with each staff member. But as a company grows, the leaders need a quick, effective means of communicating to employees their view of the future, what the company will look like, where the company will be, and what values will guide its operation.

A mission statement not only provides that information, but it's also the foundation for any performance-enhancement initiative. Peter Senge has said that sharing a vision enables people and functions throughout an organization to align naturally. Suddenly, the scattered and isolated parts of a "federation" have a sense of magnetic north—a common orientation point pulling everyone toward the same future. Consequently, a mission statement is crucial to any SPF effort.

Nonnegotiable. Even when management is willing to think long-term about hard-to-quantify issues and allow sufficient time to do a thorough analysis, budget situations can hinder SPF implementation. Many companies just entering a growth stage have depleted their start-up capital. They're on austerity plans to make the money last until the first product is released and it can start generating revenue, or until they can secure more financing. In the face of such conditions, there's little a performance facilitator can do except delay the SPF program or modify it to make it less costly.

Either way, a performance facilitator must be aware of how much SPF is going to cost the company. If a performance-enhancement program costs a lot of time or money, it will lose its perceived value. Because SPF is new, people's support can be tenuous, especially if it's expensive. It may be especially difficult to convince finance people it's worth the expense.

In a presentation at the 1995 ASTD International Conference in Dallas, Richard Horn offered this advice: "The component we must look at when we manage the performance offering is [that] we must show an undeniable reduction in costs. These are oftentimes very soft numbers.... One company has determined that for every dollar that appears on the budget in terms of training, call centers, job aids, and documentation, there are eight dollars in...compensating salaries...because that other stuff didn't work or wasn't enough."

> ***SPF provides an orderly way to share and use vision. It involves all parties in the analysis of performance gaps and encourages systems thinking***

Time is the scarcest resource—whether a company is developing its first product or trying to keep up with the demand for goods. Most employees of young companies work long hours. They resent having to spend extra time making up missed work from having to participate in new management programs. SPF requires a large time commitment from everyone, but it also must accommodate people's legitimate time constraints.

A few cautions

Some shortcuts can lessen the number of people or amount of time involved in SPF—such as, relying on network newsgroups to make informal information-gathering easier. But the effects of shortcuts are limited. SPF work requires substantial input from employees. If they aren't willing or able to participate (or managers aren't willing to let them participate), SPF is destined to fail. Buy-in is critical and must be cultivated from the start.

Among the most important people to convince are top executives. SPF can't succeed if they don't believe in a systemic approach to correcting problems and improving overall performance—and if they can't be convinced of the benefits. Ultimately, they are the ones that determine how financial and human resources are spent, so it's easy for them to sabotage or end an initiative. The lesson: Don't skip the awareness-building step.

Because SPF uses a lot of resources, it's important to initiate it at the proper time in a company's life cycle. The best time is late in the growth stage, after a company is receiving cash flow from initial products. Immediately before that point, it's likely to be in a survival mode, trying to stretch its capital until products are released. Once they've reached the market and been received favorably, a company can relax a little. Then, it's more likely to be willing to invest in long-term growth and improvement strategies.

Performance facilitators should avoid implementing SPF throughout a company all at once. That might seem efficient, but it tends to overwhelm people. Typically, performance gaps involve multiple departments and involve the same departments in multiple issues. It can be confusing for a performance facilitator to try to facilitate meetings among a lot of departments on a lot of topics concurrently. It's also time-consuming for department members.

It's better to start with one model department or a few known problems and grow the program from there. That helps a performance facilitator gain more insight into the way his or her company operates and learn the best way to use SPF tools and

approaches. It also lets a company test an SPF program and determine its merits. Once one department begins to operate more effectively, other departments will be more willing to give SPF a chance. Thus, buy-in is achieved through "seeing is believing."

Final words

SPF is flexible. It works at company, department, team, and individual levels. Large and small teams can use employee focus groups, employee surveys, and other means to collect information and determine solutions.

SPF involves workers with the expertise and authority to optimize specific performance factors. Teams can modify SPF and its solutions to meet their own needs, letting a project's complexity determine the necessary time frame.

SPF is simple to understand. Teams can learn to apply it themselves, freeing performance facilitators to address other areas.

SPF is orderly, systemic, conducive to effective communication, and nonauthoritarian. William O'Brien, former CEO of Hanover Insurance Company, is among many leaders that believe that to survive and succeed, 21st-century companies must develop these capabilities:

- to disperse power in an orderly, nonchaotic way
- to understand systems and their interrelationships
- to communicate effectively about contentious issues
- to lead by persuasion rather than coercion.

SPF provides an orderly way to share and use vision. It involves all parties in the analysis of performance gaps and encourages systems thinking. Facilitators act as discussion catalysts rather than prime problem solvers. SPF fosters an environment for uncontroversial, meaningful discussions. And because everyone helps determine the most appropriate solution, senior managers don't have to rule by fiat.

Says Robert Blaha in his book *Beyond Survival: Prospering Through High-Performance Work Systems*, "Differentiation in the world marketplace has never been more difficult to achieve. As a result, productivity and workplace efficiency have taken on new importance. Companies simply have to make better, fuller use of their human resources. Only those companies willing to involve their employees in a whole new way can hope to survive." ■

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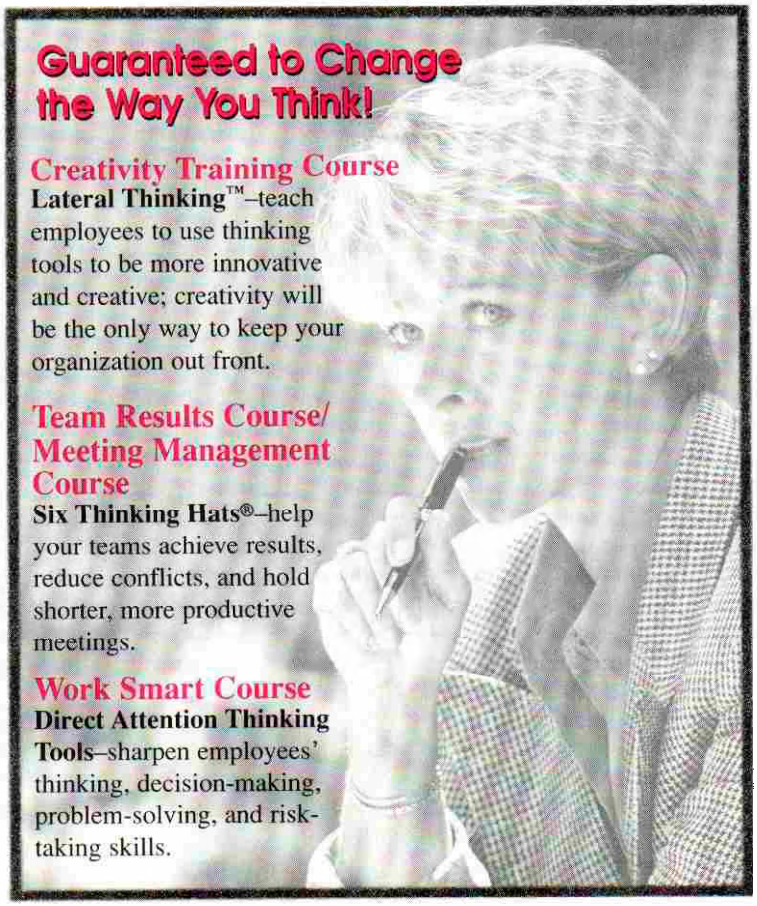

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