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Changing the Culture and Improving Performance

"When the responsibility for different aspects of the solution rests in different places, it's often hard to muster the organizational resolve to pull in the right people, unclog bottlenecks, and make effective decisions.....[companies experience] a lack of ownership, a failure to choose the right features, and an inability to meet performance goals. " So wrote Anupam Agarwal, David P. Harding, and Jeffrey R. Schumacher in "Organizing for CRM", The McKinsey Quarterly, 2004 Number 3.

Real performance improvement is an elusive target and sustainable improvement even more so. The challenge is to get people to line up with the organization's goals and avoid the performance deficit that most organizations experience. The challenge is to change the organization's culture to one that encourages real improvement.

Achieving culture change is getting increasing recognition in management circles, so much so that linking culture change to desired performance is emerging as one of the leading management topics for the coming year.

Dr. Hubert Rampersad, in his latest book *Total Performance Scorecard; Redefining Management to Achieve Performance with Integrity* (Butterworth-Heinemann Business Books, 2003), states that organizational performance improvement is a creative learning process, whereby personal and organizational performance and learning mutually reinforce each other on a sustainable basis.

Total Performance Scorecard (TPS) expands and integrates concepts such as the Balanced Scorecard, Total Quality Management, Performance Management, and Competence Management into one overall framework. TPS is the systematic process of continuous, gradual, and routine improvement, development and learning. It stresses the importance and need of developing an organizational structure and philosophy that combines the goals and aspirations of the individual with those of the company. It is a melding process, which results in a corporate culture that is both individually and organizationally driven.

Traditional business management concepts are insufficiently committed to learning. They rarely take the specific personal ambitions of employees into account. In consequence, improvements tend at best to be superficial and marked by temporary and cosmetic changes. More often the result is a failing project that lacks sufficient buy-in by personnel or even has an adverse effect.

In contrast, the TPS management concept encompasses the personal and organizational mission, vision, key roles, core values, critical success factors, objectives, performance measures, targets and improvement actions, as well as the resulting process of continuous improvement, development and learning. It consists of the following elements:

- The Personal Balanced Scorecard (PBSC) entails personal mission, vision, key roles, critical success factors, objectives, performance measures, targets, and improvement actions. The PBSC continuously improves personal skills and behavior, focusing on personal well-being and success. Self-management stands central here and focuses on the managers as well as employees within the entire organization.
- The Organizational Balanced Scorecard (OBSC) encompasses the total organizational mission, vision, core values, critical success factors, objectives, performance measures, targets and improvement actions popularized by Kaplan & Norton. The OBSC encompasses the continuous improvement and controllability of business processes, focusing on achieving competitive advantages for the company. This corporate BSC is communicated and translated into all business unit BSCs, team BSCs and the performance plans of individual employees.
- Total Quality Management encompasses a disciplined way of life within the entire organization whereby continuous improvement of oneself, one's job and organization stand central. Defining problems, determining root causes, taking actions, checking the effectiveness of these actions and reviewing business processes are done here in a routine, systematic and consistent way. The emphasis is on the mobilization of the entire organization in order to continuously satisfy the needs of the customer. It is a philosophy as well as a set of guidelines forming the basis for a continuously improving organization using the effective Deming cycle (Plan, Do, Check and Act) as its starting point.
- Competence Management encompasses the process of the continuous development of human potential within the organization. The goal of Competence Management is continuously delivering top performances with a motivated and developed community. It focuses on the maximum development of employees to make optimal use of their potential in order to achieve the goals of the organization. Competence management involves the development of job-related competences; a collection of information, capabilities, experience, skills, attitudes, standards, values, views, and principles (knowledge) that is focused on the expert fulfilment of your job. The development cycle is central here, which consists of the

following phases: *result planning, coaching, appraisal, and job-oriented competence development.*

- Kolb's Learning Cycle. This process of *instinctive learning* (learning by experience) together with the process of *conscious learning* (learning by education) results in individual and collective behavioral changes. These two learning forms as well as *individual learning, PDCA-learning and collective learning* are important themes in the TPS-concept. These are used to create conditions for effective organizational change. Kolb's learning cycle contains the following four phases: Gaining hands-on experience, observing this experience, drawing conclusions from this experience, and testing these ideas in experiments, which again will result in new behavior and experiences.

Seen from a strategic point of view the Total Performance Scorecard is thus continuously on its way to be the routine improvement of the entire organization, as well as the development of human potential and individual and collective learning, using the PBSC and the OBSC as a starting point. The PBSC focuses on your personal life, well-being and behavior, while the accent of the OBSC falls on achieving competitive advantages for the organization. It seeks sustainable performance by preserving and utilizing individual rights and capabilities while adjusting the organizational structure and philosophy to this new environment.

Impressive performance lift is the goal. Is this possible? The experiences of major organizations, such as Philips Electronics, Shell Oil Company, and Schiphol Airport as they achieve their goals of aligning personal *and* organizational scorecards, indicate strongly that it is.

TPS Performance Canada Ltd. is devoted to helping individuals and organizations become more successful. For additional information, please see www.Total-Performance-Scorecard.com or contact Robert Angel at bob.angel@gilfordgrp.com

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