



ITS ALL ABOUT PEOPLE

GREECE IS THE WORD

'It's all Greek to me', you might say when if anyone asks you if you've managed to achieve a balanced corporate score card or if you've ticked off a laundry list of other similar trendy measurement tools. That's probably fair comment really as it was the Greeks' knowledge of geometry, and their early experimentation with weights and measures, that helped to make quantum leaps in the fields of mathematics, astronomy and architecture. And from that ancient civilisation came a measurement momentum which found form and function in the Renaissance movement and led to the engineering feats and achievements of the Victorian era and which has found us today with an insatiable desire to measure and put under the microscope almost every organic and inorganic thing under creation. And this culture has now been absorbed and accepted into the remit of how all major organisations are run. Everything within has to be measured and have its temperature taken, from money made to manpower moodswings. These corporate health checks and analyses come in many shapes and forms but just at the moment the 'balanced scorecard' is the flavour of the month, even right here in Botswana.

In case you're not completely in the know, the balanced scorecard is a **management system** (not only a measurement system) that enables organizations to clarify their vision and strategy and translate them into action. It provides feedback around both the internal business processes and external outcomes in order to continuously improve strategic performance and results. When fully deployed, the balanced scorecard transforms strategic planning from an academic exercise into the nerve centre of an enterprise. It can work – there is no doubt about it - but it often fails. According to the Journal of Strategic Performance management *Most Balanced Scorecards fail because they lack a sound foundation. Basic structural requisites include processes to guarantee that the right things go on the scorecard, with properly defined metrics and rational, time based goals. To assure successful implementation, the scorecard must be deployed throughout the organization, teams equipped with state-of-the-art improvement tools, and learning and refinement formally embodied in scorecard management.*

One factor for failure might be the quantifying process. The phrase is even a bit of a misnomer as we shouldn't underestimate the long time lag between non-financial and financial results.

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If you appreciate that most measurement workshops are about learning how to measure – the tools and techniques - then you will appreciate where we might be going wrong. I think in most organisations there is awareness of the need for successful implementation etc but I wonder how many appreciate that measurement is not just about numbers and systems, it's also about having the right attitudes about why you are measuring in the first place.

Building and using measurement systems that foster *improvement* – measuring to learn rather than to report – represents a quite different management philosophy to that traditionally found in organisations where *stability* is the goal and *control* dominates the design and application of measurement systems.

Measurement systems are only as good as the decisions they evoke – decisions that lead to sustainable performance improvement. Simply expanding the number of indicators being evaluated (as in a Balanced Scorecard) can only change the way you do business if you are willing to similarly change and expand your whole world view. The social perspectives of measurement, which focus on what measured results mean through insightful evaluation and lucid interpretation, judgement and learning, are no less important than the more popular technical ones of data specification, analysis and portrayal, which place the emphasis on how measurements equate to targets.

In his best selling book, 'The Goal', *Eli Goldratt* said: 'Tell me how you measure me and I'll tell you how I behave'. In other words, make sure you first make the right measurements and then make sure you measure them correctly!

I do not promote any particular measurement system, but I do strongly support the use of 'family of measures' approaches that take a broad stakeholder perspective and integrate measures with strategy and actions. Any such movement away from the purely mechanistic excesses of the past has to be welcomed. It is important that we learn how the cultural and managerial climate profoundly influences what constitutes success and hence what organisations tend to measure and how they go about it. But it mustn't be just a fad. And that's what scares me and should everyone else.

Not that fads per se are a bad thing. Fads are a product of our belief that change can make things better. Societies that don't embrace new ideas don't have fads. Our belief in improvement makes us willing to try new things, some of which turn out to be lasting changes, and some of which are fads. The point of this is that it doesn't matter how great the idea or notion, without people with the right motivation, attitude and belief nothing really changes. Fads never last unless they become incorporated and accepted as the new way of doing things and then they're no longer fads, are they? They become proven methods, a new and better way of getting things done.

Nearly all management fads have a limited life! There are no silver bullets and no substitutes for good smart work. I know that as a consultant many of my peers try to evangelise the workforce into believing in some "new religion" replete with its own rituals, icons, and bibles. It's all intended to convince the masses that their attitudes about almost everything are wrong and to be fair they are probably recent converts to these new religions themselves and their missionary intentions are fairly honourable.

It's also a fact that successful organizations innovate. They are honest with their workforce and respect divergent opinions. What they don't do is change for change's sake. They do not need to use goofy gimmicks and play games with employees' psyches. In fact, there is really only one thing that all successful organizations have in common - they are successful. They've found their winning formula, they've achieved their goal and they've balanced their scorecard, all on their own. Eureka!

