

Aligning Performance

Improving People, Systems, and Organizations

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Chapter 1: Introduction to Performance Alignment in Business

Performance alignment assures that all the work in a business is in harmony so that the organization can achieve its common mission: surviving while meeting its client needs. Work alignment and performance alignment are the same thing. This book describes how performance alignment can be achieved inside a business. It describes the role of the performance consultant as a facilitator to help executives, managers, and workers achieve performance alignment. Alignment can only exist when the people who do the work understand it in all its dimensions. They must also truly want to achieve alignment. The performance consultant's job is not to achieve alignment for management and the workforce. Rather, the consultant facilitates through sound methodology the understanding, definition, and improvement of performance by those who actually do the work. The performance to be improved may be a problem to be resolved, a job to be changed in light of a process change, a group that is out of whack within itself or with other groups, or a situation in which the entire business needs to be reengineered or reorganized.

There are two related aspects of achieving business alignment. One is the alignment of the business to its external environment—to its customers, suppliers, and the competitive environment in which it operates. This is a kind of alignment that looks out from within the business to the external environment to see what kind of business it wants to be, how it will relate to its clientele, and how it will survive in the competitive marketplace. The literature is replete with methods for achieving "external" business alignment. Except in passing, such external alignment—looking from the inside of business to the outside world—will not be addressed in this book. The reader is referred to the great variety of business development books that currently address this kind of alignment. The author recommends in particular the work of Dr. Donald Tosti (1999) on "Global Fluency." He has a handle on external alignment that is noteworthy, particularly in light of today's global economy.

The second kind of business alignment is the look from the outside world to the inside of the business. This is known as performance alignment; it must follow after the external alignment has been defined and implemented. This type of alignment arranges all the work or performance within the business so that the goals set out in external alignment can be achieved. Thus, it answers the question: "How will the business organize and perform the work in order to deliver to customers and clients?" Performance alignment is the subject of this book.

Of the two kinds of business alignment, the internal performance alignment is the more difficult, for two reasons: (1) the lack of methods for aligning all the work that goes on in the typical business, and (2) every person associated with the business is involved in one way or another. External alignment is the work of a few select executives, whereas internal alignment involves everyone in the organization. Resources, rules and regulations, communication needs, and so on need to be attended to and aligned, in addition to all the employees, their managers, and executives. No wonder internal performance alignment is so hard to achieve. The focus in this book will be on the tools

and techniques a performance consultant can use to help everyone internally in the business align and operationalize performance. This will require not only tools and techniques, but a fundamental understanding of what performance is and how to implement and continuously improve it. Although the book is not written for executives, managers, and workers, there is a need for them to understand performance, which this book can provide. Would-be students in management will find this book a valuable resource for understanding internal work performance. The performance consultant will also find occasions on which to share select examples and readings with clients.

Achieving internal performance alignment requires profound knowledge and lots of hard work. It requires disciplined practice. It is not one of those "programs du jour" or initiatives that can be attended to on occasion. At the same time, any attention to performance alignment on any scale will have immediate payoffs in improving work. However, improving the overall health of a business takes long-term attention and discipline. This is made easier when everyone comes to understand performance and makes it a continuous effort to achieve.

The real challenge of performance alignment is to have a methodology that literally anyone in the organization can use. The performance consultant will be the expert in performance, but not the one who defines and aligns the work. He or she is a facilitator of this effort—a teacher and a coach. In this way the consultant imparts a method that is learned by everyone—so that everyone becomes an expert in performance. The author has coined the term "the Language of Work model" (Langdon, 1995) for his method of performance alignment. The model provides a way for everyone to speak, think, and act together in understanding and achieving performance alignment.

To achieve performance alignment requires having methods for answering three questions:

1. Where is the performance that needs alignment located in the business?
2. How can you describe the performance so that nothing is overlooked?
3. How can we make the performance understandable and align all performance together so that each part supports the others?

The following will briefly answer these questions and provide an overview to the rest of the book. The details will come in each succeeding chapter.

Focusing on What the Business Needs to Align

The first thing to figure out is where the performance that needs alignment is located within the business. Business is not one big performance issue, but is a combination of "levels" of performance that take place and need to be aligned. These levels serve different business needs, but are inextricably linked.

We need agreement on where and what the performance is so that we are all on the same worksheet, so to speak, in achieving alignment. We also need agreement so that we can take responsibility for those aspects of performance that we "own." Executives, for example, may perceive that they own everything, but the reality is that they can only directly handle the highest level of performance, as they have limited time and resources. Managers, too, have to understand and own their levels of performance and not try to do work best left to the workers. And in the same way, workers have to own and understand their levels of performance. Unfortunately, the prevailing, traditional view of business does not support understanding and aligning performance. A more functional, performance-related view is required. A major step in this direction was achieved by Geary Rummler and Alan Brache (1995). In this book we will build on their model, but

first, let's take a brief look at the traditional view of business.

Traditional View of Business

The traditional view of business is the organization chart, which conveys the notion that key functions exist and that key people are responsible for them. We all know what they look like. There is a president on the first page, with his or her reporting relationship to the board of directors, and under that is a series of executive vice presidents who head up major divisions or groups that meet special needs, such as legal, civil affairs, finance, and so on. On the next few pages we find each division broken down into several subgroups, each with a vice president or director's name next to some functional group name (engineering, research and development, sales). Then (maybe) there are pages and pages of individual workers with their titles. In many instances the workers (who do the majority of the work or performance) are not on the organization chart, which is only a listing of major departments and functions with executives' names. That is about it! We won't even address whether the organization chart is up-to-date. That's how we communicate our view of the company to employees. Right? Where is the performance-how we really do things? Where is the process? The procedures? What tells us what the individual or group does? These charts really do not describe what the work is and how it is done.

Organization charts, which reflect the "silos," as Rummler and Brache so aptly labeled them, are mere hierarchies of how work is organized; they do not show how work is performed. The charts give names to work, but provide no operational sense of how the work is accomplished. It is like comparing a blueprint of a building with a wooden model of the same building. In the former, you get an idea of what the building will look like and where things will be. However, you can't see how the building fits together and how the rooms relate from one to the next and how each floor connects with the next.

Additionally, fewer people can read a blueprint than can understand a model. Organization charts name work groups, but do not show how the work groups relate with one another to achieve mutual ends. No processes, by which work is done, are presented. The charts are useful for communicating overall structure, but not performance. They are really useless for identifying work problems and seeing potential solutions. Management, workers, and performance consultants need better models of work and business in order to achieve the desired alignment of performance.

The Business Sphere: A View of Business for Achieving Alignment

The first step in achieving performance alignment was developing a perspective of business that accurately accounts for and reflects where performance occurs in business. This perspective of performance will be known as the Business Sphere, a four-level depiction of performance in business. The details of the Business Sphere will be provided in Chapter 2. For now, a brief introduction will show the value of the Business Sphere in achieving performance alignment and will form a foundation on which to build our understanding of performance in business.

The first level of performance is that which both establishes the external alignment and then determines what internal performance alignment is required. We will come to know it as the business unit level of performance. It is determined and administered by chief executives whose job it is to "run" the business. It is their job as well to see that every level of performance that follows is aligned to the business unit.

Business units are needed to plan, organize, and operationalize things. The business unit provides the link between the customers and their needs and the people whose work it is to meet those needs. Business units have their own special performance definitions,

issues, and requirements. Indeed, these definitions form the foundation on which the rest of the performance alignment rests. Without them we can be assured that everything else in the way of performance will suffer.

The primary performance requirements that business units define is their outputs and consequences-what they will deliver to customers for specific results. These are based directly on the external alignment plan. To achieve these business needs, a second level of performance is needed. This performance level is the core processes. If business units represent the "what" of business and performance alignment, then the core processes represent the "how" of performance from an overall business performance perspective.

Core processes define the major performance steps that will be utilized by the individuals and groups who will actually produce (or service) business unit outputs. The core processes demonstrate the interdependency among the many levels of performance-namely people and their systems and resources. When the interdependency is not understood, work is fragmented, resulting in wasted time and money and, worst of all, a forgotten customer. If core processes are not defined, workers are left to figure out work on their own. Core processes must be identified and aligned to the performance of the business unit.

So, we have the "what" of business units and the "how" of core processes as our first two levels of performance. However, neither of these tells who will be doing the work and how they do it. Both business units and processes are nonhuman performance components. Each can be defined and aligned without any consideration of a human being. Humans (as individuals and groups) are in the next two levels of performance.

To achieve the core processes, we need individuals, who are assigned "jobs"-their performance-based on the core processes, which in turn are based on the business unit. To these ends, there will be jobs that directly carry out the steps of the core processes, jobs that support these direct jobs, and jobs that support activity and needs across the business, such as in benefits, legal, and so on. Then, there are jobs for managers and executives to facilitate the performance. All of these jobs require performance and need to be aligned to the business unit(s) and core processes. If these jobs are created by those who fill them-which occurs more often than we want to admit-we need to ask whether they are aligned to the core processes. If jobs are created without reference to well-defined processes, we have to ask why and determine the alignment issues that are presented.

The fourth and final performance level in any business is the various work groups. These may be organized in functional areas, such as engineering, in teams for special purposes, or brought together temporarily, as in matrix management systems. Work groups are needed in business because individuals must pool their individual work production with others to meet client needs; resources are always limited and need to be shared as well. In addition, basic communication, line-of-authority, and general administrative needs have to be met. Work groups have performance needs that are unique to them in a common, shared, and cooperative way. And they must often share with other work groups. Work group performance must be aligned with individuals, core processes, and business unit(s) performance.

In summary, the four levels of performance in a typical business are the business unit, core processes, individuals, and work groups, as illustrated in Figure 1.2. The business unit represents the "what" of performance, the core processes the "how" of performance, the individuals the "performance by whom," and the work groups the "organization of performance." With these four levels as a convenient and functional identification of

where performance occurs in business, we can move on to determining the full dimension of performance at each level.

The Dimension of Performance in the Business Sphere

When we refer to performance or work at any one of the four levels, we think in terms of what is happening or is intended to occur. For example, the individual does certain tasks. The work group produces a plan or a product. The core process satisfies a customer need. The business unit has determined its products and services. All these instances are referring to the "behavior" (or actions and accomplishments) of these performance levels. However, performance or work is more than just a way of behaving (see Figure 1.3). Performance has several dimensions to it, which also must be aligned in the business.

Behavior (the act of doing things) is the first layer of performance. Individuals behave or should behave in a certain way to accomplish their job duties. We expect them to produce certain things, use certain resources, follow guidelines, processes, ask questions, and achieve desired results. This "behavior" is also present within work groups. And, although we don't often think of behavior applying to core processes and business units, it does. The fact that we can represent each level of a business by its behavior allows us to align that behavior, even if the behavior is not of humans. For example, the behavior in a core process requires alignment to the behavior of individuals and work groups.

Imagine a fish swimming. The swimming is the "behavior." Any level of the organization can be a fish swimming: be it the business unit(s), core processes, individual, or work group. But fish do more than swim.

All behavior must rise to certain standards. We expect individuals to not only produce a product, but to produce a certain amount, in a given time frame, to a certain level of customer satisfaction. There is an explicit or implicit standard. Standards are often discovered only when they are not met, but they certainly exist for individuals. In a similar way, work groups have standards, as should core processes and business unit(s). For example, we establish profitability standards for our business units.

Standards exist for a number of reasons. They protect the organization and its people. They project the activity level, cycle time, cost, volume, and so forth needed to keep the organization in business. Federal and state regulations cover safety standards, wages, and hours worked. Standards relate to production goals, which in turn connect to profitability. The question here is, "How high or fast must the 'fish' swim?" Standards are an integral part of performance and should be aligned throughout the business.

The next layer is support provided by the business. Without adequate support, desired behavior and standards are difficult, if not impossible, to achieve. All performance needs support of one kind or another. Individuals need to be adequately paid and motivated. Work groups need mechanisms to have their ideas heard and accepted. Processes need adequate and timely resources. Business units need methods to keep on top of changing demographics, technologies, and shifting marketplaces. Every kind of performance needs support. And this support must be aligned in the business. We need clean and healthy water for the "fish" to swim in lest the behavior degrade and the standards suffer. Finally, performance is highly impacted by human relations. Executives, managers, and co-workers can affect performance behavior by their attitudes, temperament, and prejudices. They may keep desired behavior from occurring, prevent standards from being reached, and circumvent the support that is in place. There is not a single person in the work environment who has not had his or her performance, others' performance, and the business as a whole impacted by other people. Obviously, other humans are an important part of our performance affecting all levels in the business. To follow the fish analogy,

consider the degree that others polluting the organizational waters affect the behavior of the fish, its standards, and the very water itself. It doesn't take a fish long to find the safe place to hide out. This layer of performance, human relations, will be labeled "human consonance" in the Language of Work model, which is shown in Figure 1.4.

As seen in Figure 1.4, behavior, standards, support, and human consonance are the four critical layers of performance. All are found in and influence each of the four performance levels: business unit, core processes, individual jobs, and work groups. Each of these levels and layers must be aligned. But how? The answer lies in knowing what performance is, as well as in knowing how to define and align it.

Defining Performance

When asked what their work or performance is, people typically answer in a revealing way. Rather than telling you what makes up their work and how they do it, they generally tell you what they do. "I produce this." "I sell widgets." "I am a marketing representative." You must probe to find out how they do their work, what they use to do it, who helps them, what resources they use, what rules they follow, and so on. When executives are asked what the business does as work, how the processes work, and what the work groups do, they too need to be probed for a complete answer. Today's business has no consistent way by which to describe work. The fact that we have no idea how to define work, change it, or obtain help from others explains our difficulty in improving work. The Eskimos are said to have twenty-seven words for snow. We have almost none for describing work. We have many ways to complain about it, but few to capture its essence. There is no common way to define performance, especially one that includes the various levels. We must have a common way to define work in order to align performance throughout the Business Sphere.

This exploration of the subject of performance alignment and how it might be achieved started with a consideration of exactly what performance is and how it is best represented. Initially, I observed that performance often reflected a kind of goal: "I produce this or make that." Although performance must achieve objectives or goals, it is not an objective itself. Rather, performance implies the action of doing things—using things, attending to conditions, processing, communicating, and achieving results. It is not a static concept, but active. It should be a "model" of what is occurring. However we define performance on paper, it should reflect what is happening (or supposed to happen) in as active terms as we can find.

If we look at the performance of any individual, group, core process, or business unit, we can see that performance has six key components. For the sake of simplicity, I have developed a proforma model to show the relationship among these key components, as shown in Figure 1.5 and Figure 1.6. The word proforma is borrowed from the finance field and means to "provide a prescribed form." The proforma model of performance will greatly aid everyone in the business to define and align the four layers within the four levels of performance in the Business Sphere.

The Proforma of Performance

All performance, first of all, produces an output (O), tangible work in the form of some product, service, or knowledge. Outputs are the "deliverables" we see from work groups, jobs, core processes, and business units. The outputs the business decides to produce at its business unit level must be capable of being traced throughout the business from that level through processes, individuals, and work groups. This is but one form of aligning the performance of the business: linking the output from the business unit to the other levels. Other elements of work will need the same consideration.

Output is the very first thing that needs to be determined. Output is the reason for existence as a business. Output is easiest to remember as the "deliverable" of performance. We need to know what the performance is primarily designed to do and achieve. The output is represented in Figure 1.6 as "O."

All output has a consequence (shown as C+), the result of the output being delivered. The consequence might range from profit for the business unit to personal satisfaction in one's work for the individual. Output and consequence relate directly to each other.

Now, to produce output and consequence we need some reason and resources, called inputs (shown as I). Both reason (or triggers) and resources are inputs because they are used to produce the output and achieve the consequence. First, we need the reason for doing the performance, which comes in the form of a request of some kind. For example, the business unit identifies a customer need. An order initiates a core process to deliver what the customer wants or a work group receives its assignment to meet this need. A manager asks individuals to do their part to produce the output. These are all (internal or external) client requests or "triggers" to start the performance.

Most of the inputs for performance are in the form of resources. We need materials, ideas, knowledge, equipment, and so on to produce outputs. We use these up, so to speak, in various ways to make or produce the product of service.

Performance is governed in all instances by certain conditions (shown as C). Business units have to follow external rules and regulations imposed by the government. These have a direct influence on how or what is produced—even on how the inputs are used. Similarly, the policies and procedures established by the business itself are conditions that govern core processes, individuals, and work groups. Thus far, the proforma shows that performance is composed of inputs, conditions, outputs, and consequences.

To use the input, under the conditions, to achieve the output and consequences, we need a procedure or process to follow. The process element (shown as P) of performance is composed of a series of steps we follow to produce the output. We call it the "process element" in the model to distinguish it from the "core processes," fully recognizing that it means a procedure to be followed in work behavior.

The final element of the proforma is feedback (represented by F). Feedback in relation to performance tells us: (1) that we have finished and (2) how we are doing along the way. First, feedback is necessary to tell us that we have finished the output and achieved the consequence. We often realize that an output is complete because we have enough experience to know, but when the output is new or unfamiliar, we may have to be told it is finished. Feedback on the result is also needed, such as when clients tell us that we have met their exact need. Suffice to say that we often need feedback from others to really know that work is finished.

The second type of feedback, while processing, is critical and integral to performance. This feedback may help us correct or adjust our actions so that we produce the desired output and achieve the consequence properly. We may and should ask for this kind of feedback to help ourselves in work, or it may come to us unsolicited by our supervisor, suppliers, or clients.

In summary, performance is inputs, conditions, process element, outputs, consequences, and feedback. This proforma can be used to define any performance level in the business sphere. The proforma also is of great use in defining and aligning the layers of performance that include behavior, standards, support, and human resonance. Figure 1.7

gives more detail about the proforma. It is a useful job aid as we define the concept further in the rest of the book and for you and others to use as you define and align your business.

A 6:4:4 Model for Alignment

Essentially, we now have a 6:4:4 model, the Language of Work model shown in Figure 1.6. There are six elements that define performance (input, conditions, process element, output, consequences, and feedback); four levels of business (business unit, core processes, individual jobs, and work groups) performance, each of which can be defined and aligned to one another using the proforma; and four layers of performance (behavior, standards, work support, and human consonance).

The model creates a way for us to understand and improve performance. Throughout the pages that follow, you will achieve several benefits from the use of the Language of Work model. The model

- Combines the collective knowledge of people and the learning process developed by researchers in behavioral psychology with what we know about performance from such fields as organizational development, total quality, reengineering, learning organizations, and others.
- Extends beyond the individual and groups to the whole organization in a systematic way that helps to achieve and align total performance at all levels of the business.
- Captures the gaps in performance to show deficiencies clearly in order to decide what interventions will best solve performance needs.
- Defines and displays performance as a whole, so that the behavior, standards, needed organizational support, and human relations are accounted for.
- Embodies the human (individual and work group), non-human systems (core processes), and organizational side (business unit) that must be aligned if a business is to work in harmony (alignment).

In the chapters that follow, each of these will be described in more detail. We begin with a more in-depth study of the Business Sphere and its four levels of performance in Chapters 3 through 6.