ARE WE DRIVING STRATEGIC RESULTS OR METRIC MANIA? EVALUATING PERFORMANCE IN THE PUBLIC SECTOR

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ABSTRACT

A strategy is irrelevant if you cannot implement it. That is the collective realization of public and private leaders after decades of obsession with strategy and strategic thinking. That realization has led to a voracious market for ideas on execution, alignment around strategy and predictable achievement of strategic results. Many performance management systems or tools, all meant to help organizational leaders implement their strategic goals and objectives, fail to provide results. We suggest a framework in which strategic and operational goals can be translated into a handful of meaningful metrics that we define as whole goals. Whole goals can then used to drive decision-making and to hold leadership accountable for achieving measurable results. We believe the ability of a public organization to measure and evaluate its performance is of critical importance if today's leaders and managers are expected to promote successful execution of organizational strategic goals and objectives.

INTRODUCTION

A strategy is irrelevant if you cannot implement it. That is the collective realization of public and private leaders after decades of obsession with strategy and strategic thinking. That realization has led to a voracious market for ideas on execution, alignment around strategy and predictable achievement of strategic results. A quick Google search of variations of "performance management systems government" quickly reveals many "hits" of methods to implement strategy: the Balanced Scorecard, Lean Six Sigma[1], the US Government Performance and Results Act (U.S. Congress, 1993), the Program Assessment Rating Tool used for budget evaluation by the administration of G. W. Bush, the Planning, Programming, Budgeting System, Criteria-Based Assessments, Managing for Results, Performance Contracting, Total Quality Management, Effects-Based Thinking, among others. All of these systems or tools are meant to help organizational leaders implement their strategic goals and objectives. However, many of them fail (Bourne, Neely, Mills and Platts, 2003). Under a results-oriented approach, initiatives are taken to track a manageable set of indicators, and to provide accurate, timely and transparent information. (Wescott and Jones, 2006) But how can results be connected to metrics? We suggest a framework in which strategic and operational goals can be translated into a handful of meaningful metrics using what we term whole goals. Whole goals can then used to drive decision-making and to hold leadership accountable for achieving measurable results. We believe the ability of a public organization to measure and evaluate its performance is of critical importance if today's leaders and managers are

expected to promote successful execution of organizational strategic goals and objectives.

In this article we present a framework and a particular way of thinking about how to implement strategies, no matter which method or system of strategic planning, goal setting, and strategic implementation or performance management an organization uses, and not dependent on where you are in the world. We hope to help leaders improve implementation and avoid undesirable or suboptimal results. We discuss a hierarchical framework that allows an organization's leaders to determine what actions to take to accomplish strategic goals. This approach is similar to the original conception of management by objectives (MBO; Drucker, 1954), is very similar to an analytical hierarchical process (AHP; Albayrak and Erensal, 2004) framework and can be used to produce vertically-aligned efforts even in context where a balanced scorecard or other performance management systems are in use. We then consider how goals can be modified so that they are horizontally aligned. Our approach mitigates some of the worst externalities or side effects caused by typical performance management systems.

We first review the literature on performance-based management and define "metric mania" and some of its symptoms. We then describe our framework for strategy implementation. We suggest this blueprint to help set, measure, and evaluate public sector performance. This performance-based framework results in what we define as whole goals, i.e., performance measures that are directly connected to the achievement of strategic goals. We briefly discuss responsibility and accountability for whole goals, then assess some side effects that may be generated by our proposed framework. Finally, we draw conclusions based on our thesis and analysis of performance measurement and management.

PERFORMANCE-BASED MANAGEMENT

As Webb and Blandin (2007: 3) report, "All over the world, and at all levels of government, Performance Based Management Systems (PBMS) are growing both in terms of their usage and their importance." Terms such as "performance management," "balanced scorecard," and "performance budgeting" spring up in all kinds of discussions on what it means to have an effective government." Beginning as early as the 1940s, the Hoover Commission (1947) in the US began efforts to improve the efficiency and effectiveness of government.[2] Various PBMS, in part or whole, focus on results and outcomes and how to achieve those outcomes in a cost-effective manner. These systems cite the logical flow from strategy to evaluation through metrics. (For more, see OECD, Kouzmin (1999: 122-3), Australian Public Service (2001), New Zealand (Griffiths, 2003), The Government Performance and Results Act (GPRA) of 1993, the Bush administration's Program Assessment Rating Tool (PART), and the President's Management Agenda).

Although PBMS steer leaders and managers in the direction of measuring and examining results, in practice, many things are measured that have no direct tie to the success of the organization. Inputs, activities, tasks, and work may be important to measures if they contribute to achieving results; however, by themselves, they provide little to no value (See, for example, Hatry, 1999, and Behn, 2003). With no bottom line, an organization must measure output and outcomes to effectively manage performance and meet the organization's goals (Kelman, 2006; Poister, 2003).

A popular PBMS, Balanced Scorecard (originated by Kaplan and Norton, 1996), promotes "...a comprehensive framework that translates an organization's vision and strategy into a reasoned set of performance measures" (1996: 2).[3] Four areas are targeted for performance: the learning and growth perspective, the business process perspective, the customer perspective and the financial perspective. These areas are meant to help "balance" activity by forcing organizations to measure performance relative to multiple stakeholders and their perspectives. However, as with several other PBMS, this approach is limited because it often results in leaders replicating categories of goals at multiple levels of the organization. (For more on implementing the Balanced Scorecard, see Monahan, 2001).

The alternative to replicating categories of goals is to directly connect goals to performance measures from top to bottom. As with the 1950s version of MBO, our proposed framework connects metrics directly to the goals they are meant to support by cascading goals through multiple levels of the organization. This framework can be used as a means to communicate shared objectives; promote individual and organizational alignment by helping individuals and departments align their goals with organizational objectives; build understanding and acceptance of higher-level goals and objectives; engage leaders to adapt the measures to fit their areas of responsibility; and track performance.

METRIC MANIA

Given the number of PBMS with "good" intentions to connect strategy to performance measures, why do so many organizations fail to achieve their strategic goals? What could oppose such sound and obvious methods for managing performance? We believe at least part of the answer is "metric mania," an obsession with numbers that overshadows any concern for strategic results. As one government executive told us, "We are becoming metrics driven, and properly so. But how much of our measuring – and analysis of what we are measuring – and reporting on what we are measuring – could itself become non-value added effort?"[4] Is the formidable weapon of performance metrics missing the target and hitting the organization in the foot? We believe the answer is yes, a little too often.

Are metrics really the problem? As Bourne, Neely, Mills and Platt (2003: 245) suggest, "...one reason for the lack of success [in implementing strategy] is that the published processes are all partial processes in that they create the desire for change and provide the first steps for change, but give little guidance on implementation." Metric mania is a result of the lack of guidance. And metrics are the problem if they measure the wrong thing and/or point action in the wrong direction. Metrics are a means to an end, not the end, and "what gets measured, gets done (Peters, 1986). As was the case with Col. Nicholson in movie *The Bridge on the River Kwai*, metric mania suggests some leaders have forgotten that the point is to win the war, not to build an intricate edifice.

We define metric mania as an unhealthy obsession with numbers in which measurement eclipses achievement, and counting trumps doing. Instead of helping achieve goals, metrics become the goals. Overtime hours and burnout increase, while great strategies sit on the shelf never to be realized. Rather than managing for results (no matter what the performance management system in place), leaders should use only metrics that are

necessary and sufficient to evaluate progress towards or achieve success in meeting strategic goals.

To begin with, how would leaders (or members) of an organization know they suffer from metric mania? In many instances, they already know they measure more than needed to move ahead in a positive direction. One symptom of metric mania is that metrics drive strategic focus, instead of strategic focus driving metrics. This stems from a bottom-up approach to data collection that sends PowerPoint rangers scrambling to generate charts, graphs, and bulleted lists, but without overarching purpose. Analysts sometimes generate islands of information amid their seas of data, but the islands are unconnected. These metrics specialists count equipment, but not capabilities, people served, but not what or how they were served and actions but not the outcomes of those actions. Dashboards, scorecards, and report cards do not solve this basic problem if there is little or no connection to strategy. The consequence is that the organization's leaders are left to live in a house built by near-sighted carpenters who worked without a blueprint. Strategies (and budgets) then derive from what is being measured, instead of the other way around.

Another symptom of metric mania is that the sheer number and disorganization of metrics makes accountability problematic. When there are too many measures at wildly varying strategic levels to even contemplate using them to allocate individual accountability for results, the result is that no one is responsible. The only real accountability is for collecting and reporting on metrics. The consequence here is that those measuring become weathermen describing the world but not changing it. In the next section we describe a framework to help leaders move past metric mania towards real implementation of strategic goals and good metrics that help achieve the goals.

IMPLEMENTING STRATEGY

The first issue to consider is that leaders and managers who wish to define and use a better system for results and performance measurement and management is defining and reviewing the mission of an organization – its desired outcomes or results – before metrics are applied to tell them if they are improving or moving in the right direction. When leaders understand and agree on goals for achieving the mission of the organization, only then will strategy drive measurement to promote successful execution. (For more on the strategic planning and implementation process, see Bryson and Alston, 2004.)

What gets measured drives personal accountability; thus metrics should be the foundation for executing promised organizational outcomes. How can leaders find the "right" metrics, no matter what the performance management system in place, using only those metrics that are necessary and sufficient to evaluate progress towards or success on strategic goals?

Perhaps counter intuitively, the place to start is to forget about metrics for a while. Leaders should ask: What is the purpose of the organization? What is the mission? What and whose needs do we serve? In other words, short term and long term, what outcomes (results, impacts, achievements, benefits, or end-states) are we *funded* to provide? Answering that question requires scanning the environment: Who does the organization benefit? What benefits should be produced? How do those benefits fit into what higher levels of the organization are trying to accomplish? Leaders then look

at any other relevant factors such as global, legislative and technological trends, and interdependencies with other organizations. They are likely to ask about future scenarios the organization must we be ready to exploit or cope with?" Leaders of the organization must assess where the organization is and where they want it to be in the future.

This environmental scan and stakeholder analysis should help validate or shape the organization's vision (desired future state) and mission (organizational purpose), and that in turn should help leaders express the point of the organization and its relevance within a bigger context.

Figure 1: Connecting results to metrics

Source: Authors, 2008.

As Figure 1 shows, the organization's purpose or mission and vision statements provide guidance into setting desired outcomes. These outcomes are then written as goals and drive organizational strategies – these are the strategies that leaders expect will result in achieving success on the goals. Metrics must flow from the goals and drive personal accountability. Finally, metrics are the dashboard of the car – they should be used to keep pointing the car in the direction of the desired outcomes. When they distract or point in the wrong direction, metrics should be revised, modified or deleted. Well-connected metrics and personal responsibility for them should result in better organizational performance towards top-level goals.

SETTING HIGH-LEVEL "WHOLE GOALS"

Once leaders agree on the point of the organization, they can then create a set of high-level, time-bracketed goals stated as outcomes. Large corporations such as Toyota and IBM classically adopt a long-term vision of ten years or more or that they build medium-term goals of three to five years (while not all private sector firms do so, the

evidence suggests they are better off if they do; Drucker, 1954; Kaplan and Norton, 1996; Jones and Thompson, 2007). Finally, they write short-term goals of one to two years. Large organizations, whether private or public, benefit from these timeframes because they confer context for ongoing planning as well as context for work. Even as administrations, policies, and budgets change, leaders and their teams should not move forward without a big picture from which to operate. Smaller organizations or those that are part of a larger one can sometimes make do with medium and short-term goals, or even just short-term goals.

We suggest writing outcomes, especially near-term outcomes, in such a way that success or failure will be absolutely indisputable and not open to interpretation. In other words, when leaders know what they are trying to achieve in measurable, indisputable terms, incorporate metrics. At this point, most leaders find they receive a multitude of metrics unrelated to what they are actually trying to achieve, and that they need to develop other metrics related to their key desired outcomes. The good news is that this clarity of direction permits leaders to start deciding what to stop measuring and stop doing.
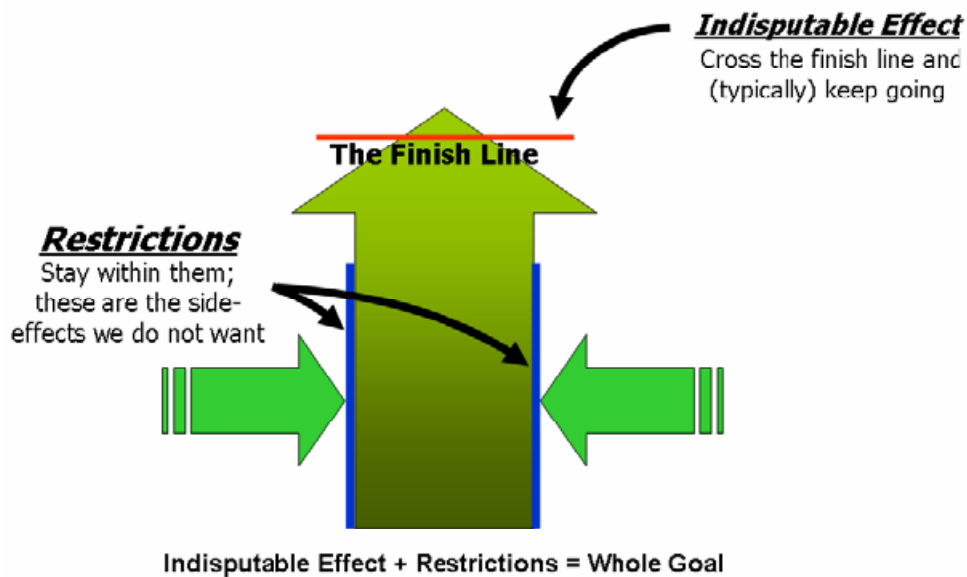
THE WHOLE GOAL

To provide absolutely unambiguous direction, leaders and managers must define each outcome as what we call a *whole goal*. Whole goals come in two inseparable parts. The first part of a whole goal states the desired outcome and how one will know it is achieved – a single, quantifiable metric – in one simple sentence. Here is an example from a government agency's strategic plan:[5] "Service providers meet defined service levels no less than 98% of the time."

Crafting this first piece of the whole goal always looks easy after the fact, but this is seldom the case. Getting measurable and verifiable clarity about the strategic results the leader wants to achieve is a huge challenge, even more so in a large, complex and bureaucratic public organization. However, without such clarity organizational leaders will be in constant reactive mode, unable to lead because they don't know what they are supposed to do (the Dilbert phenomenon).

"Restrictions" is the second part of a whole goal and integral to it. People committed to achieving their goals can (usually unintentionally) leave behind a wake of destruction for other people, other departments, and other enterprises. Management scholars characterize this as lateral misalignment (Jones and Thompson, 1999; 2007). As Figure 2 shows, restrictions spell out the undesired side effects that the organization commits *not* to produce while achieving the desired outcome. Whole goals intend delivery of the desired outcome, without the side effects." The restrictions piece of a whole goal is especially important in complex public organizations. With many governments place emphasis currently on performance objectives, whole goals will lead to clearer outcomes and commitment to achieving them while helping to thwart sub-optimizing behavior.

Figure 2: Restrictions

Source: Authors, 2008.

As a current example (2006), the Surgeon General of the U.S. Navy established whole goals to focus and align his organization and help prevent unwanted side effects. Here is one of his whole goals under consideration with higher leadership. Under the heading of maintaining deployment readiness, the outcome desired is stated, "All operational medical units [will] achieve fully mission capable certification prior to deployment." (2006: 1)

Restrictions:

- Training impact (cost/time) may not exceed identified requirement for unit;

- Training requirement may not exceed capacity of schools and courses; and

- Equipment requirement may not exceed unit authorized allowance."

Stating goals with restrictions (whole goals) provides not only vertically aligned goals (top to bottom), but horizontally aligned goals (Casey and Peck, 2004). Writing restrictions develops cross-organizational awareness that can avoid situations where people with clear goals and the motivation to achieve them plow ahead, creating unintended negative consequences for others.[6] In summary, whole goals provide "ideal" performance measures that are vertically and horizontally aligned and prevent sub-optimizing behavior.

IMPLEMENTING WHOLE GOALS

Most PBMS or processes generate goals designed to close the gap between where the organization is today and where the leaders want it to be. These goals and the process that generated them are important but alone will not necessarily result in successful achievement of desired goals. The problem tends to be in execution. To clarify and improve the chances of successful execution, we suggest using whole goals at multiple levels of the organization to define what needs to happen or what outcomes must be achieved to ensure success on a higher-level goal (desired outcome) of the organization. These statements become the next level, or tier, of whole goals. Once leaders frame the point or outcomes of the organization as a (small) set of whole goals, they should create theories or strategies about what to do at the next level down to best to achieve those outcomes.

This cascading of whole goals results in actions and metrics connected to desired outcomes. As Figure 3 shows, tier-one goals are supported by tier-two goals and all are connected to the vision and mission of the organization.

Figure 3: Cascading whole goals
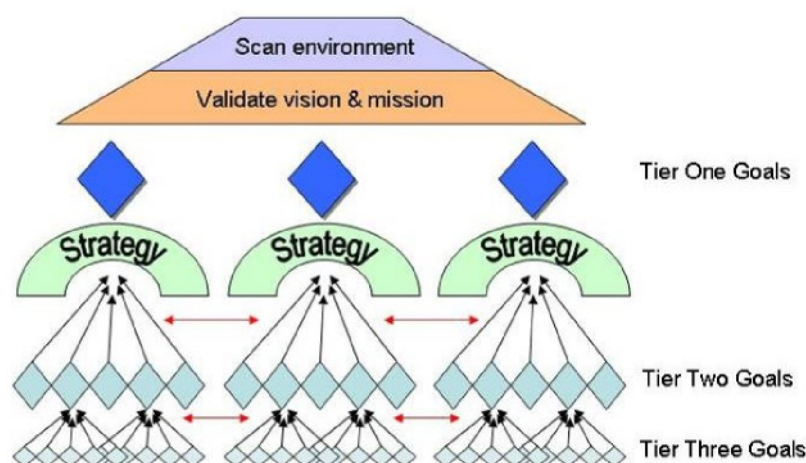
Source: Authors, 2008.

If this process seems suspiciously like the old MBO, dressed up differently, this is an accurate perception -- it is. It is also similar to the operations research approach of selecting attributes to measure the achievement of objectives (See Keeney and Gregory, 2005). We believe this process to be a superior method for achieving organizational goals. As mentioned, many organizations designate categories of goals. Leaders generally own at least one goal in each category. The leaders then face a choice for their subordinates: to link actions and metrics to higher-level goals, do they cascade goals or replicate categories of goals? We argue that they should cascade goals (Casey and Peck, 2004).

Here is the difference: When a leader cascades a goal, it is supported by a necessary and sufficient set of goals that have been developed with – and distributed among – the leader's subordinates. Each of the subordinates' goals is likewise supported by a set of necessary and sufficient goals distributed among each of their subordinates, and so on.

This is, indeed, the old MBO idea, and it works nicely to produce vertically aligned efforts. Where leaders replicate categories, subordinates generally have the same categories of goals that the leader has. Regardless of one's place in the organization, or one's rank, one must contrive a way to establish goals in the same categories as the leader has used. Two or three layers down from the leader, this doctrine becomes a contortionist's exercise as people find ways to jigger the goals they ought to have into categories they ought not to have. Farther down, this exercise becomes an absurdity. Any attempt to align each person's role to the organization's strategy becomes utterly lost as everyone tries to write goals "balanced" across the same categories as the leader's. misalignment of effort is the inevitable result (Casey and Peck, 2004).

In our framework, subordinate whole goals state the strategy for implementing a higher level whole goal. We suggest cascading whole goals from the top of the organization down, resulting in performance measures directly supporting (necessary and sufficient to achieve) strategic goals.

Summarizing, there are three reasons for cascading goals. First, by focusing on outcomes at multiple levels, leaders avoid the activity trap: endless effort with no sense of when to stop or what "good enough" looks like. Second, by translating strategy into whole goals, leaders can more easily whittle their focus down to only what is necessary and sufficient to produce higher-tier outcomes – a judgment that of course is tempered by one's risk tolerance. In a time of resource scarcity, "necessary-and-sufficient" is a litmus test for any organizational strategy. Third (and again), whole goals drive results without the unintended side effects.

CASCADING GOALS AND PERSONAL ACCOUNTABILITY

Overarching results of the organization are inevitably attributed or belong to the director or top leader; they provide a measure of accountability. Individuals in the next layer of the organization are accountable to the top leader for achieving their whole goals. How far down an organization should leadership cascade whole goals? Most of the strategic leverage comes at the top several layers. However, some leaders prefer that everyone in the organization have measurable outcomes against which they are working and evaluated. Whole goals must align with the whole goals of higher-level leaders. By align we mean that the subordinate's whole goals should be individually necessary and collectively sufficient to cause an outcome: the achievement of the leader's whole goal that they support.

Among the keys to working towards the "right" metrics (cascaded whole goals) are personal responsibility and accountability, evidenced in face-to-face team meetings. Leaders can push responsibility and accountability by holding team meetings with subordinates to make sure their proposed whole goals truly align with their own. The ensuing group discussion and debate distills and clarifies the leader's intent better than any one-way briefing, email, or memo could hope to do. These group meetings are a conscience mechanism to help the team deliver on commitments while continuing to weigh strategy. (Casey and Peck, 2004).

The meeting should not be organized around individuals (Howzit goin' Fred?). Instead, leaders should organize meetings around their whole goals. One by one, team members discuss each top tier whole goal's status, and the status of the whole goals that support it. This planning and alignment process aligns individuals' actions to the results they must

produce to ensure the success of the organization. Session agendas should always include time to pose the question, "What can we stop doing?" It may be worth setting aside an entire meeting for this purpose alone. Unless team members discipline themselves to halt work unrelated to their whole goals, metric mania is intensified and the organization will waste resources, never reaching its desired outcomes.

These sessions promote the patience that allows a strategy to "bake" long enough to be evaluated, and to yield results. They also ensure the agility to respond quickly and precisely to the need for change. Whole goals should change if someone discovers that he or she is measuring the wrong thing, or driving the wrong behavior, or that a strategy must change.

While these meetings inevitably bring accountability to the individual performers, the point is not public lashing. The point is to bring focus to the outcomes that will drive organizational success. When accolades are deserved, leaders should award them; rarely is a more pointed response required. Remember, too, that senior leadership should be asking for feedback. Are they enabling or constraining efforts to achieve whole goals? We suggest letting the speed of change required in the organization dictate the frequency of these meetings. Faster moving organizations should meet monthly or even bi-weekly. In organizations that are quite stable, bi-monthly or quarterly meetings will work. Very few organizations are changing at such a slow rate that annual or semi-annual meetings are adequate.

Alignment meetings also should occur between the leader, his or her peers (some of whom may be customers) and his or her superiors to ensure alignment up and across the organization(s). These discussions make everyone smarter about opportunities, conflicts, synergies, and gaps in strategy. Additionally, this process will require substantial investment by the leadership of an organization. Top leadership must devote the time and energy necessary to transform strategy to whole goals for the organization to areas of responsibility for second- (and lower-) tier leaders. Setting up metrics from the whole goals will be difficult, particularly in organizations where outputs, let alone outcomes, are difficult to measure.

SIDE EFFECTS OF THE WHOLE GOAL FRAMEWORK

Implementation of the proposed framework helps leaders and their people understand and drive toward the results their organizations were established to produce. Leaders who have used this approach note other benefits as well (Casey and Peck, 2004).

The first is scalability. How well does this framework help solve the problem of defining good metrics when the size of the problem (or organization) increases or decreases? The notion of outcomes causing outcomes is as scalable as it is simple. It works at the lowest levels of an organization, it works at the very top, and it works everywhere in between. It requires no fancy software and no complicated system of terminology. But it does require rigorous thinking and support by senior leaders, and it benefits every organization that can state why it exists.

Innovation. The paradox of controlled freedom is the natural result of whole goals, which spell out the finish line and the boundaries en route. Whole goals are a constructive response to the plea, "I wish my boss would just tell me what she wants and get out of

my way!" When people know what success looks like, and what outcomes not to create along the way, the creative juices flow.

Managing Personnel Churn. Because whole goals cascade down the organization, they define the prescribed outcomes for each job position, from the head honcho on down. This beats the more common personality-dependent system that often allows each new incumbent to make up the point of his or her newly occupied position. Instead, when new people roll into positions, the whole goals state why their positions exist: what outcomes they must produce and side effects they must not produce in order to support the organization's strategy. If new leaders have better ideas as to why their positions exist, they can negotiate with their superiors who likely will embrace ideas for how better to achieve the outcomes needed at their level of the organization. Although whole goals help drive consistent, high performance, they do not eliminate the need for leaders to be selective about who occupies each position in their organizations. In other words, make sure you've got the right people "on the bus" and then use whole goals to make sure the bus is pointed in the right direction.

Enabling Pay for Performance. Rewarding people for achieving stated goals is a venerable tactic of the private sector. This approach often achieves spectacular success. But when it fails, the failure usually stems from personnel systems using pay for performance merely to execute a revised personnel appraisal system. The results-based approach described here offers organizations a way to emphasize organizational achievement, rather than institutional bureaucracy.

Leveraging Scarce Resources. Our framework is a different weapon in the budgeting process. When leaders clarify, "What's really the point here?" and then focus exclusively on achieving that point, resources can be better allocated. Surprisingly often, concentration on the right outcomes will conserve money and resources by diverting them away from nice-but-not-necessary undertakings.

Making Lean Six Sigma Relevant. The catechism of Lean Six Sigma methodology is clear on the point: that you need to understand why you are doing something before deciding to improve how you do it. Unfortunately, practitioners often skip that part. The outcomes-based discipline described here forces leaders to ask the tough, strategic questions before allowing employees to dig in with commendable efforts to improve processes. (Casey and Peck, 2004).

Vertical and Horizontal Organizational Alignment. In recent years, alignment has been promoted as the antidote to many organizations' bureaucracy and stovepiping. How does a leader push past the rhetoric of alignment to actually achieve this hallowed state? The process described here does exactly that – it ensures vertical alignment of effort from top to bottom to achieve the point of the organization. It also achieves horizontal alignment of effort both within and among organizations. If an organization is matrixed, then whole goals are especially helpful for aligning and clarifying accountabilities (Jones and Thompson, 2007).

Getting Smarter with Money. Whole goals better inform not only actions but also the budgeting process, because they are the precise articulation of strategy. This helps leaders provide key information for funding and operations, which is transparent to stakeholders. Further, the process described here ensures alignment among performance measures and accountability, which should include feedback into the next cycle of performance management and budgeting. (Jones and Thompson, 2007).

<u>Making Your Mark</u>. A relatively common occurrence is that a person new to a position feels the need to prove his or her mettle quickly. The resulting temptation is to slam in high profile changes. Typically this means restructuring the organization or uprooting existing strategies. Such moves can indeed improve an organization's effectiveness, but often they are merely a chaos-producing response to the desire to appear proactive.

The whole goals process described here helps new leaders make their mark by putting an emphasis on implementation; it helps a leader rightly be seen as a doer, an implementer. As organizations continue to emphasize achievement above activity, leaders who reliably produce desired outcomes – without undesired side effects – will have made their marks.

IMPLEMENTATION ISSUES

Senior leadership must be committed to the process of implementing whole goals. Coordinating the process of whole goals with performance management systems in place will likely prove daunting. It may also be difficult to get individuals to take responsibility for whole goals – many approaches do not require personal accountability; thus this idea may be difficult to accept.

In many organizations, the measurement of outputs and outcomes is quite difficult. Additionally, many public sector organizations do not have the accounting systems to assign costs of inputs related to producing outputs and outcomes. As Kelly notes (2002: 379), "...should we wait for the link between performance measurement and accountability be established before we commit to adopt the practice or to advance it? Well, of course not." Implementing this framework may take several years; moving towards implementation may produce positive results almost immediately.

CONCLUSION

There is nothing wrong with obsessing over measurement if what leaders are really obsessing over are strategic outcomes without side effects. However, it is time to abandon metric mania, which confuses symbol with reality. Most organizations have considerable ability to collect data. The challenge is to collect data to increase the likelihood of achieving organizational goals. Strategic and operational goals can be translated into a handful of meaningful metrics using the whole goals approach defined in this article, which are then used to drive decision making and to hold leadership accountable for achieving measurable results.

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NOTES

[1] Lean Six Sigma together comprise over 100 tools for improving process quality, speed and complexity, and is often cited as a business implementation or execution strategy, although its origination is in production improvement. Lean comes from lean manufacturing, a theory of production that attempts to limit expenditure of resources to those processes that create value to the (presumed) customer. It is a process management strategy taken mainly from Toyota Production System, focusing on seven areas of waste. Six Sigma comes from examination of defects and errors in manufacturing and business processes. It seeks to identify and remove these defects and errors. Taken together, Lean Six Sigma is often now used as a performance-based management system, although strictly speaking, it was not developed for the purpose of evaluating performance except in production (George, 2003; George et. al., 2005).

[2] http://www.trumanlibrary.org/hoover/hoover.htm.

[3] Our framework supports the ability to meet targets for many high-level goals and objectives by specifically helping to develop organizational capabilities in the quadrant that Norton and Kaplan term "learning and growth." By providing better measures of employee satisfaction and productivity, learning and growth goals and objectives can be better achieved.

[4] RDML (select) Ray English, statement in conversation, (2005).

[5] This statement is from the U.S. Navy's Network Warfare Command (NETWARCOM) Strategic Plan (2007).

[6] Casey and Peck also note that this is human nature and not necessarily a reflection of individual shortcomings. They propose a way to formulate measures of performance that are horizontally and vertically aligned goals, where a measurable, results-focused objective is combined with a small number of corresponding restrictions. This very powerful tool allows leaders to combine what to achieve with what not to achieve and provides a robust tool to formulate behavior. For more information, contact Casey and Peck through Linda.thaut@elg.net.

ABOUT IPMR

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