

Hi, I'm Delaney Turner with IBM. Welcome to part 2 of my exclusive interview with Howard Dresner. In part 1, we explored the concept, core components and benefits of building a performance directed culture. Here in part 2 we're going to learn about the performance culture maturity model - What it is, how it works and how you can use it as a road map to build that culture to drive better business results in your organization.

Delaney: Now, you've designed a performance culture maturity model. Could you walk us through it's elements and how a company might use it?

Howard: Yes. There are 6 different criteria and 4 levels of "achievement", if you will. And the 6 criteria can be broken down into three groups: strategic, operational and technical. And then the 4 levels really talk about the maturity of the organization across those things.

Delaney: Okay.

Howard: So the 6 criteria, I'll just sort of go through them very briefly, would be that alignment with mission, followed by transparency and accountability, conflict, resolution, insight on action, as I mentioned briefly before, and then the 2 technical ones really deal with data. They deal with trust in the data and the availability and currency of the information.

Delaney: Okay

Howard: And those are really the only 2 areas of technology that I focused on in the book because they are important and they are key enablers. And then the 4 levels deal with how mature are you against those 6 different criteria. Starting at the bottom which I call, you know, chaos reins.

Delaney: Right

Howard: That's not pretty.

Delaney. Not pretty

Howard: the next is where most organizations tend to find themselves in and that's departmental optimization. And above that you start to see the next level which is the emergence of a performance directed culture and then at the pinnacle, if you will, you have the performance directed culture realized. Now, when you read the book you'll see that organizations tend to be all over the map. Right? In some instances they may have already achieved the performance directed culture, in other areas they may not be as evolved. It's a work in process. I don't think any organization will ever achieve high scores, or the highest scores in all 6 of those categories. And even if they did, at some point we would probably move the bar higher. So it's more of a journey than a destination. And it's also worth noting, that in some instances, organizations as they progress have set backs. And it's ok to have a set back. And what I've done with the case

studies is I've actually mapped these organizations progress over time as they evolve and you'll see based on certain events that unfold they may actually regress in certain dimensions and that's okay. But if you don't understand that, if you don't realize that as you make progress sometimes you take a step back, you may become disillusioned and characterized your efforts as a failure.

Delaney: Right

Howard: And cease and desist, or loose funding, you know those things sometimes happen if you don't have the broader context. So the model is a really useful tool to do an assessment of the organization – where are we today? As I took many of them through the exercise you would find that there was general disagreement when you asked them how they were doing against the performance culture maturity model. The truth is somewhere in the middle. So You know, I would go in and survey many, many of the different managers and their direct reports and, um, ultimately develop a deeper understanding based on those conversations and the resulting ranking very often, not always, very often would be very different from what anybody had thought it would be. The next step for any organization reading the book would be to find themselves in one or multiple of the case studies.

Delaney: Right

Howard: And take a look at that and say “Well okay this is what I can expect in terms of my evolutionary path, and this is what I need to be doing, this is what I need to be looking for within my organization and here's who I need to be talking to within my organization”, and then come up with their own road map for moving forward. It should also be noted that in just about every case, these organizations sought outside help.

Delaney: Um, now you were writing this and researching this book through a major economic downturn or meltdown, pick your favourite word there. Did the crisis change your thinking about performance management or what you were looking for?

Howard: I think that my book helps organizations take control of their destiny and really addresses the issue of self determination.

Howard: And you can actually be very profitable, very productive, and take greater control than you have ever been able to do before. So the point is by embracing performance directed culture, organizations have much greater control over their own destiny because they have a better understanding. Not only of the understanding of the forces, you know that are impacting them, but they have more levers to control their behaviour and their ability to deal with those forces than ever before.

Delaney: What is the first thing you recommend a company to do if after they've heard this they want in - Where do they start this journey?

Howard: Well I think the first thing, you know as I mentioned before, is by taking the maturity model.

Delaney: Right

Howard: And start to socialize it with their colleagues, not only within their own department, but beyond their own department. Now the problem is how many organizations, we don't talk to the other functions, and it's kind of funny, you know I mentioned this in the book, we tend to be tribal creatures. It's just how we're wired. We like working in small groups where we have a common view of the world. So today, if we bring that up to date, we've got the finance tribe, we've got the sales tribe and we've got, you know, perhaps the operations tribe and we don't like to work, in fact very often not only do we not like to work with the other ones, we view them as adversaries.

Delaney: Yeah, it comes up a lot.

Howard: You know with sales likes to blame R&D and R&D is going to, you know, blame finance. Everyone likes to point the finger at the other one for, you know, for their own lack of achievement. And that means we need to start breaking down some of those barriers and actually talk to them and realize that we are all part of the same organization, and that everything we do in our function affects everything else that the organization does, either directly or indirectly.

Delaney: Right

Howard: So we need to break down some of those barriers and then use some of these tools as a way to have a conversation, um, about our own organization. And we already know that there are organizations that have done this that are functioning very well as a performance directed culture so it's not like this is theoretical and that's the reason we have these, you know, four very indepth case studies within the book.

Delaney: Right

Howard: And I would say that if you go through this process and you rank yourself as already a performance directed culture, you've clearly missed something. There are very few of them. And you know, if you really find that you are at the top, um, give me a call because I might include you in the next book.

Delaney: Right, right.

Howard: But the fact of the matter is you have that discussion and hopefully it's a frank and honest discussion and then you start to, once again use the case studies to say "alright we are one of these", or "our greatest strength is here and maybe we want to drive this, or can drive this from IT, or maybe we want to drive this from the business operations. And as a result here's the progress or the evolution that we can probably expect over time. And as a result we'll need these other conditions to be present and how will we approach that?"

How will we make those things happen now that we have this new awareness and then what resources internal, or external perhaps, can we bring to bear to help us accelerate the process”.

Delaney: Well I guess the upside of the, even if you find yourself in the low end of the scale, the upside from the case studies is that every organization can change regardless of what the challenges it's facing.

Howard: That's absolutely true and some of the organizations that I've studied did start off in the chaos category.

Delaney: Right. Well this has been absolutely enlightening and a rare pleasure. Howard Dresner thanks for speaking with us today.

Howard: Delaney, thanks for the opportunity to share some of my thoughts with you.

Voice: You've been listening to an exclusive interview with performance management author and consultant Howard Dresner. Brought to you by IBM Cognos Software, enabling better business decisions for better business performance. Learn more about performance management software and solutions online at ibm.com/cognos.