Building a Performance and Learning Culture

metropolitan family services™
Lean Six Sigma Initiative

Learning Objectives:

1. Participants will gain an understanding of how to develop key performance indicators across their agency.

2. Participants will apply learning to an area within their own agency with an action planning tool to move the conversation forward.

3. Participants will address the challenges and strategizing implementation with champions within their setting.

How do you see learning and support for performance within your setting?

Setting the tone:

- "Organizational learning means the process of improving actions through better knowledge and understanding." —C. Marlene Fiol and Marjorie A. Lyles, "Organizational Learning," *Academy of Management Review,* October 1985.

- "An entity learns if, through its processing of information, the range of its potential behaviors is changed." —George P. Huber, "Organizational Learning: The Contributing Processes and the Literatures," *Organization Science,* February 1991.

- "Organizations are seen as learning by encoding inferences from history into routines that guide behavior." —Barbara Levitt and James G. March, "Organizational Learning," *American Review of Sociology,* Vol. 14, 1988.

- "Organizational learning is a process of detecting and correcting error." —Chris Argyris, "Double Loop Learning in Organizations," *Harvard Business Review,* September–October 1977.

- "Organizational learning occurs through shared insights, knowledge, and mental models...[and] builds on past knowledge and experience—that is, on memory." —Ray Stata, "Organizational Learning—The Key to Management Innovation," *Sloan Management Review,* Spring 1989.

Thinking about your setting or organization:

- Make a list of what makes your organization uniquely successful and what is critical to that success…..

- Describe each in enough detail and with common language so a 9 year old would be able to understand
  - Hold on to this… we will come back to it……

Foundations of Performance and Learning Culture

- Understanding Human Behavior—the intended and unintended consequences
- Know who are the early adopters or paradigm shifters
- Have a Strategy in place-(the way an organization intends to achieve its vision)
- Abandon processes that do not work
- Critical success factors are known by all staff

The conditions that support learning and performance include:

- Focus on the people and behavior that is desired.
  - Recruiting the right people so much easier than changing behaviors of staff whetted to antiquated practices.
  - Understanding that learning also is being willing to get rid of old behaviors
  - Outstanding performance is inconsistent with fear of failure- Must be able to innovate
  - Who are the customers of our services?
    - Clients, funders, staff

Creating a Learning and Performance Culture and Benefits

- Makes your job easier when staff build their skill levels
- Enables greater delegation so you can have more time to truly manage vs. "do for"
- Builds your reputation as a people developer
- Increases staff motivation and initiative
- Avoids surprise and defensiveness in performance appraisals
- Increases creativity & innovation of your department or team because staff feel safe to take risks
- Increases team cohesiveness due to clarified goals & roles.
- Increases likelihood of tasks being completed in a quality way

An example....

Our Mission
To provide and mobilize the services needed to strengthen families and communities.

Our Vision
To be widely acknowledged as a major catalyst and resource for promoting family and community strengths.

Our Values
- We value families and communities, their inherent strengths, their ability to grow, be resilient and find solutions to challenges.
- We value staff professionalism, ethical service delivery and programs that reflect our compassion for people.
- We believe in effectively managing the contributions of our donors and funders through maintaining sound fiscal policies while striving for excellence.
- We value expeditious decision making and informed risk taking in pursuit of our mission and strategies.

How did we get here?

Timeline:
- 2014 whole agency trained in lean six sigma
- Agency-wide projects came out the ideas staff provided for systems change.
- Measurement focused on only one program area of the agency.
- Delegates were chosen to represent the voice of each site. 34 focus groups occurred over 4 months to help inform the Key Performance indicators in 2015.
- System improvement suggestions were made.
- Key Performance Indicators and new deliverables were piloted over 2015 and 2016.
- Leadership training occurred in 2016 for all leaders in in the agency to set the foundation skills for managing with data.
- Site specific KPI piloting occurred in Fall 2016 and reviews occurred during the all supervisor meetings at Midway.
- Quality Council established in 2017 to move agency-wide data champions forward and to help sites understand how to use data during leadership meetings

What was the Problem with current measurement?

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1 **Measures are not universal.** Not applied to all staff. Only 144 of 910 staff have productivity targets.

2 **Measures are not connected to strategy.** Weak ties to strategy meant 'real work' is isolated from big picture. Major goals seem abstract to staff

3 **Measures don't help set priorities.** Everything is a priority … whether it contributes to the strategic objective or not.

4 **Measures don't represent the whole agency.** Limited focus means we don't know how MFS is doing as an organization

5 **Measures are divisive to the organization.**

…and Lean is how we tackled it?

Lean Six Sigma - Key concepts include:

- **5S** - A systematic way of creating a safe, efficient, and highly visible workspace for employees: (1) Sort (2) Set in Order (3) Shine & Inspect (4) Standardize (5) Sustain

- **5 Whys** - The practice of asking "why" five times whenever a problem has encountered; repeated questioning helps identify the root cause of a problem so that effective countermeasures can be developed and implemented.

- **Basic Process Flow Chart** – A diagnostic and planning tool that diagrams the current state of a process by depicting every activity, decision and handoff point in the sequence they occur.

- **Gemba** - A Japanese term for the place where work occurs. Used to emphasize the importance of direct observation and respectful engagement of employees.

- **Process Map** - A visual representation of the sequential flow of a process. Used as a tool in problem solving, this technique makes opportunities for improvement apparent.

- **Key Performance Indicators (KPI)** – A standard approach to tracking progress by focusing on a few carefully-chosen data points that illustrate the performance in a defined category.

- **Mistake-Proofing** – Is a system that does not let a worker make a mistake by eliminating conditions that allow errors to occur.

- **Value-Added** – A term referring to activities that provide all value and no waste.

- **Visual Management** – The use of visual cues to clarify processes and simplify standard work.

- **Waste Walks** – Work-site visits used to identify different forms of waste in the workplace: correction, overproduction, motion, material handling, waiting, inventory, processing, and under-utilization of people.

Requirements for Success Implementing Performance Management Systems

- **Management team committed to leading and supporting the project**

- Supportive organizational culture that encourages learning

- Appropriate planning and performance measurement framework

- Staff skilled in performance measurement etc.

Source: *Public Sector Performance Measurement – Problems and Best Practices,* 2013, FMI Journal, BPC Management Consultants

Performance Framework

With more than **40 programs and 900+ employees,** we needed a meaningful system that works for a complex agency. We used research, stakeholder input and the strategic plan to build the framework on seven **Pillars** that are common factors to success in *all* of Metropolitan's work.

Pillars for Performance

Responsiveness

Reputation

Innovation

Positive Outcomes

Optimal Funding

Quality Staffing

Solid Infrastructure

"Start with the End in Mind"

What are some ways you can cultivate the "What's in it for us?" within your setting?

- Group in small groups of 5
- Questions:
  - What are some ways that you have successfully shifted practice or ways of thinking about practice within your setting?
  - Who instigated the change?
  - What did they do ?
  - How was it reinforced?
  - What were challenges experienced during the process?
  - How did you overcome those challenges?

What we proposed---

Current: Disconnected & Compliance-Driven
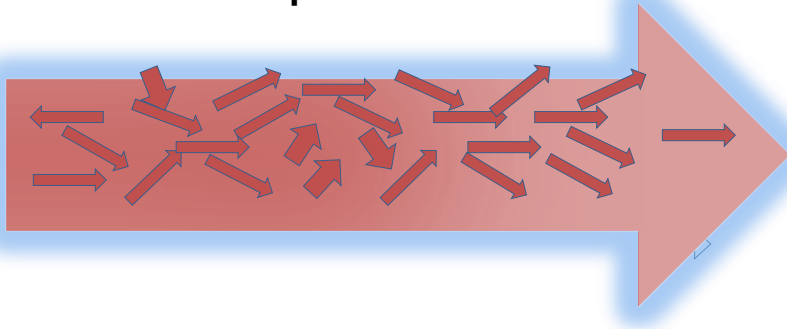
Future: Integrated & Strategy-Aligned

Strategy Execution
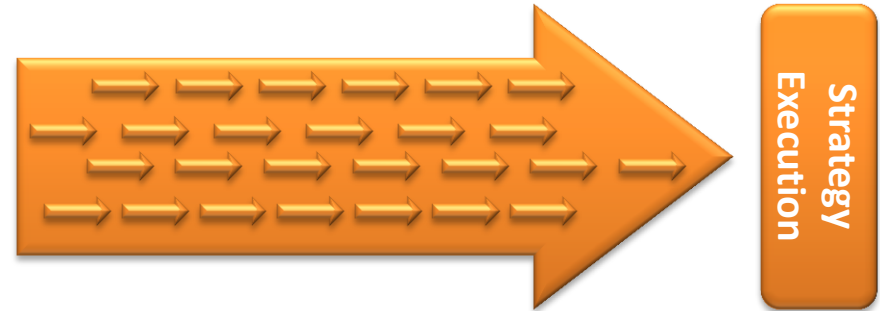
- Agency-wide
- Applicable to all levels and roles with role specific metrics
- Integrated into daily activities
- Embedded & integrated into business processes (i.e., meetings, communication, priority setting)
- Routinely reported upon

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Under-estimated the "What's in it for us?"

For Individuals

- Takes away the blame and shame operating models
- Personal Development
  - Allows for Peer learning
  - Provides opportunity for advancement
  - Allows a voice in the process
- Provides clear communication of own and team status
- Quality of life improvement
  - Clear priorities and focus
  - Creates more direction for work
  - Reduces non-value added work

For Teams & the agency

- Creates alignment throughout the organization
  - Common goals
  - Clear direction
- Current status always known
- Identifies work for review
  - Can eliminate duplicate work across the agency
- Improved quality of work life
  - Improved employee morale
  - Enhanced employee engagement
- Enhanced customer service inside & outside

Team/Department Goals and Expectations

- These should align with the list you created earlier about ways that your organization has some things that are critical to their success.

- We know what we are here to do.

- What is it that your team is here to do?

- What is it that the team expects of one another and you expect of individuals on the team to make sure that their performance is aligned and that we're moving forward?

How will it be used?

We measure what matters. We make it part of our routine. We generate information to aid decision making.

- Regular reviews of KPIs will become part of standard work

- Will embed in all team meetings –Exec, ED/PM, Site Teams, Departments, Programs….

- Will use in coaching & mentoring sessions individuals

- Will be a system for mutual accountability – KPIs vary, but one system for all

- Will help guide decision-making at each level of agency

Executive Team

Site, Program, & Dept.

Supervisors

Staff

Taking Care of Our House

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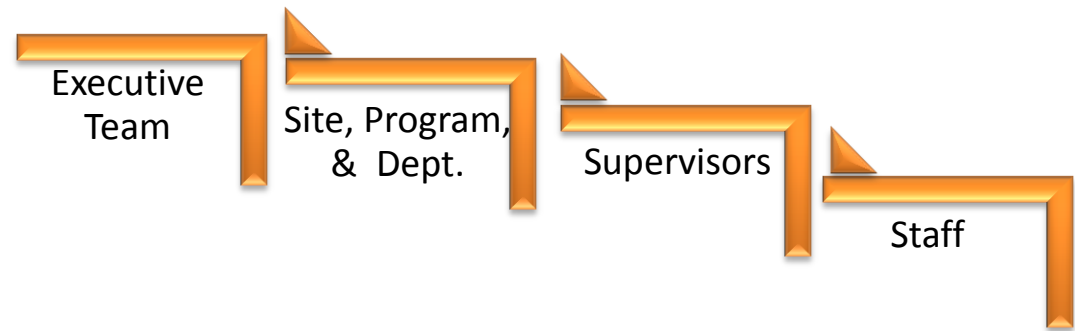
Cascading Through Organizational Structure

- The way that strategy is cascaded through the organization's structure is like this:
  - Each department examines the impact they have on the strategic goals and critical success factors, and they set departmental goals.
  - Each group or team within each department examines the departmental goals, and they set group or team goals.
  - Then often, each person within each group or team examines the team goals, and they set individual goals.

Source: Stacey Barr, The Performance Measure Specialist

Taking Care of Our House

- *Employee concerns* about work / life balance and perceived unfairness of current productivity metrics *led to this effort*

- *7 Pillars*, critical to MFS success, *were developed*
  - Based on extensive research, interviews & brainstorming

- **K**ey **P**erformance **I**ndicator is a means of measuring how we are doing against the 7 Pillars
- Future:
  - *Agency-wide for all* roles & levels
  - *Integrated* into processes & systems *to guide prioritization* of work and aid in decision-making
  - *Goals are cascaded down* through the organization

Pillars for Performance

Responsiveness · Reputation · Innovation · Positive Outcomes · Optimal Funding · Quality Staffing · Solid Infrastructure
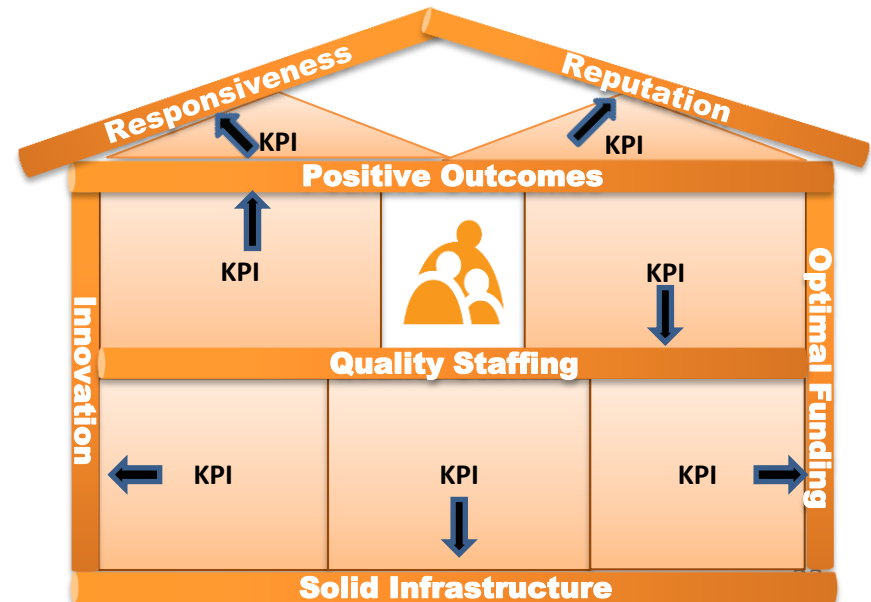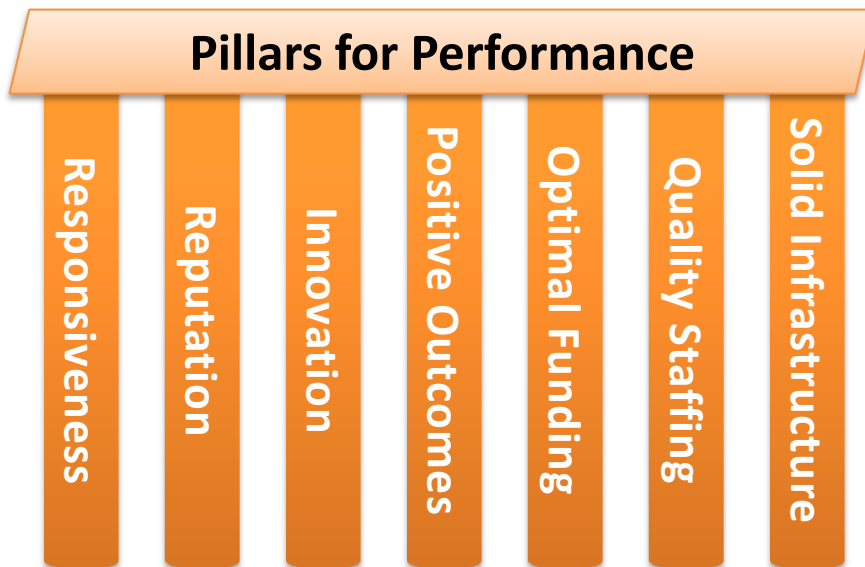
Taking Care of Our House

How would I know if I have a functional home ?

- **Start with the "End in Mind"**

    -Members are "Responsive" to each other

- **What would that look like to you? To someone else in the family?**

    – "How would I know if I were being 'Responsive'?

- **How would you keep track of that?**

    – "What could I count to show me …."
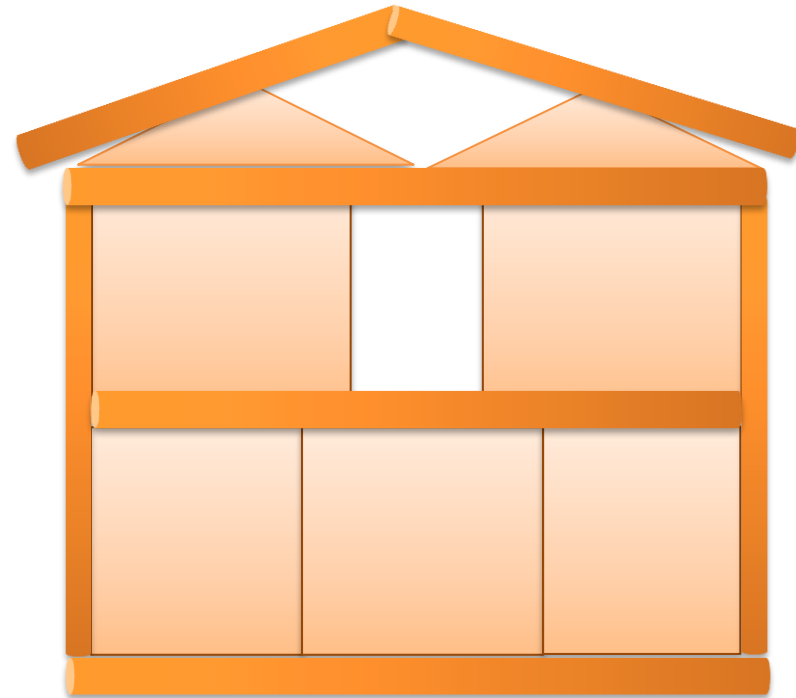
Example Pillar #1: Responsiveness

The Lopez Family

How would I know if I were being "Responsive" to someone else in my family or community?
- *Start with the End in Mind*

How could I count that?

Parent / Child	Community

Example Pillar #1: Responsiveness

The Lopez Family

How would I know if I were being "Responsive" to someone else in my family or community?
- *Start with the End in Mind*

How could I count that?

Parent / Child		Community
Paid the bills	Didn't get in trouble	Sidewalk was shoveled
# of Late notices	# of time outs	# of tickets from the city

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Getting to KPI's

How would I know ....

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Pillar	Manager	Staff	Everyone
Responsive-ness	… if my team was responsive?	… if I were responsive to my manager?	… if MFS was responsive to our customers (clients & colleagues)?
Reputation	… if my team had a good / bad reputation?	… if I my department had a good / bad reputation?	… if MFS had a good / bad reputation with customers (clients & colleagues)?
Positive Outcomes	… if my team had a positive impact?	… if I had a positive impact on something?	… if MFS customers (clients & colleagues) were getting what they needed?
Optimal Funding	… that my team got the "biggest bang for MFS bucks"?	…. that I was spending MFS money wisely?	… if MFS customers (clients & colleagues) were getting a good value
Innovation	… that my team was doing something new that should be shared?	… that I was doing something new that could be shared?	… if MFS customers (clients & colleagues) were 1st to receive a service
Quality Staffing	… if I had a good team of people?	… if I had a good boss or supervisor?	… if MFS customers (clients & colleagues) had good experiences with staff
Solid Infrastructure	… that my team contributed to improve an agency system or process?	… that I contributed to improve an agency system or process?	… if MFS customers (clients & colleagues) were well served by our systems & processes?

Key Performance Indicators

- Are a diagnostic tool for coaching agendas

- Become the measurement of knowing how well those team and department goals are being met.

- Become the ways to objectively measure the performance of staff against the expectations for the role.

- Can't coach if you can't measure performance

- Become ways to understand ways we can learn across the organization better ways of doing the work.

Qualities of a Good KPI
Is my KPI ………

1. **Easily understood by users?**
2. **Lined up with a strategic goal or objective?**
3. **Simple and not financial?**
4. **Assignable to an owner?**
5. **Causally linked to it's parent?**
6. **Objective evidence?**
7. **Reportable over time?**
8. **Practical to measure?**
9. **Going to drive behavior?**
10. **Valuable to decision making?**
11. **Fraught with unintended & unmanageable consequences?**
12. **Fully defined?**

Taking Care of Our House
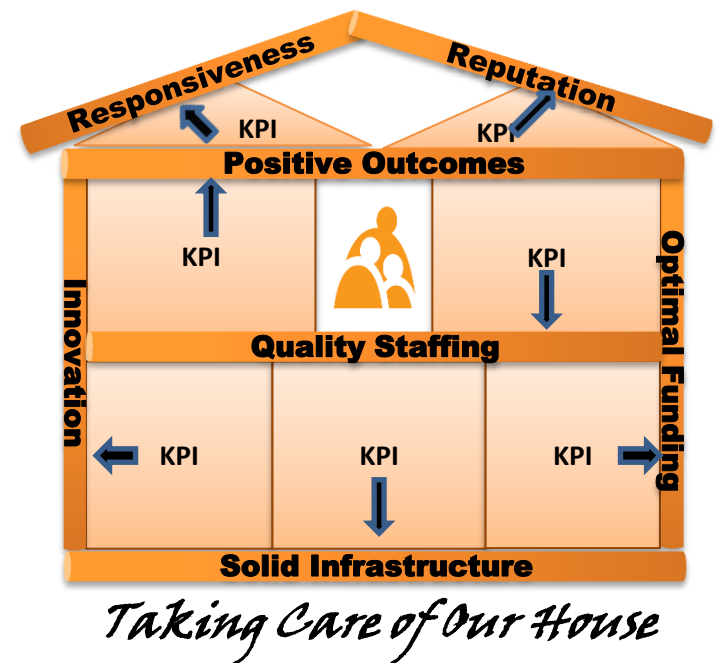
Leadership Roles with KPIs

- Set the tone by demonstrating confidence and commitment
- Create sense of urgency by communicating
  - Reasons why we need to do this
  - Expectations
- Set the Agency-wide Goal/Key Performance Indicator for each critical success factor
- Get commitment from your teams
- Monitor, encourage, and team learn from through your regular work routine - Leadership Standard Work (Lean)
  - Include in Site Leadership meetings
  - Include in team meetings
  - Include in supervision
  - Include in your regular individual standard work
- The performance owner of a measure is responsible for:
  - **Monitoring** (looking at) the measure over time
  - **Interpreting** its trends and patterns and seeking causes for them
  - **Communicating** this information to people affected by that performance area
  - **Initiating action** to improve performance in that area, and
  - **Following up** to be sure that actions are having the desired effect on performance

4 Uncomfortable Truths About Getting Great KPIs

- Setting and managing by KPIs is difficult & uncomfortable for everyone. Are you prepared to be uncomfortable in order to truly understand and improve performance?
  - *Uncomfortable Truth #1: Waffly, pompous, political goals and objectives have to go.*
    - Dump vague & weasel words. They mean next to nothing.
    - If your goals aren't SMART, they won't work as KPI's
  - *Uncomfortable Truth #2: Most of your performance measures suck.*
    - You will have to raise the bar on your choice of measures. These are not performance measures. : 'Win Customer Excellence Award'. 'Implement Super Exciting Project by the end of the year'. 'Reduce Customer Complaints'.
  - *Uncomfortable Truth #3: Comparing this month to last month is an inappropriate way to monitor performance.*
    - Performance measurement is not financial reporting. You must look at data differently and use time Series, trend lines, and understand natural variation
  - *Uncomfortable Truth #4: It's not about you. Your performance measures are about the system.*
    - Performance measures only work when they measure the capability and impact of business processes.
- It's up to you to use performance measures to guide the continual repair and redesign of business processes that aren't doing what you need them to do.

Source: Stacey Barr, The Performance Measure Specialist

5 Steps to Finding the Right Measures

1. Begin with the end in mind … decide *which outcomes are most worth tracking* right now
    –   Write down what the outcome is, what the difference is you are trying to create (and thus want to track using a measure). Focus on one outcome at a time.

2. Be sensory *specific not "squishy".*
    –   Take care in your word choice to describe the outcome as concretely as possible. Use "sensory" language – what you and others would see, hear, feel, do, taste or smell if your outcome was happening now.   Avoid inert words such as: efficient, effective, reliable, sustainable and quality.

3. Check the bigger picture.
    –   What could happen if you measure your outcome? What level of control do you have over achieving it? What might the *unintended consequences* of measuring the outcome be (both the positive and the negative)? What behavior would the measures drive? Which other areas of performance might be sabotaged or limited? This is your first chance to change your mind about what's most worth measuring.

4. What's the evidence?
    –   Get ultra specific . For each statements from step 2, *what could you count* to tell you the extent to which it is occurring? Which of these measures would be the optimal balance between objectivity and feasibility?

5. Name the measure.
    –   Be *succinct , informative and deliberate*, as you need to be able to continually and easily identify each measure as it is being used in decision making.

Source: Stacey Barr, The Performance
Measure Specialist

Pillars and KPIs reviewed this year

- *Quality Staffing*: Employee Engagement, Empowerment, and Satisfaction; Employee recognition
- *Optimized Funding:* Competitive Public and Private grants proposed and approved, Donor numbers renewed and total donor dollars, Cost centers managed within margins
- *Solid Infrastructure*: Help Desk Tickets received and closed; Intern and Volunteer Hours each month
- *Positive Outcomes*: Program Deliverables-Met or Not met; Client Satisfaction; External Audit results for programs
- *Reputation*: Client satisfaction; Departmental satisfaction; Social media metrics
- *Responsiveness:* Setting time frames on responses across departments-setting IMS and EHR team time to respond to tickets, setting time to respond for Quality and outcomes reporting

Any agency-wide survey is used for actionable responses. If we are unable to provide an action, we may remove items. Electronic health record feedback responses help application team to direct their efforts and technical assistance

Quality Council Members

Purpose: to review, monitor, and recommend corrective action or additional KPIs, monitoring, and request follow up as needed from Program leadership including recommending changes to KPIs based on trend data.

Council Member Participants: are first and foremost representatives of the agency staff, making interaction with the site specific issues essential to performing their duties effectively.

Monthly- We review KPIs-recommend actions, discuss agency-wide projects that affect performance, and recommend new actions.

Monthly Reporting KPIs at the Site Level

- Supervisors bring their monthly reporting to leadership meeting.
- Site Leadership agenda has KPI report out and Quality Council member report out
- KPIs reviewed each month:

  -# of volunteer or intern hours

  - any external audits results

  -meeting or not meeting program deliverables

  -# of supervision sessions each month

  -# of professional development activities each month

Goal is to share strategies for success or brainstorming ways to addressing challenges with other team members.

Benefits of strong performance management system

- Improve agency and program performance
  - Client & funder satisfaction
  - Employee quality of life, morale, and job satisfaction
  - Financial performance – savings, efficiencies, revenue, cashflow
- Improved communication, collaboration, & relationships
- Access to the right information for decision making and performance management
- Clear expectations
- Increased mutual respect
- Makes leadership's job less stressful, more feasible

The "System" enables performance and satisfaction of all stakeholders

- Source: *Public Sector Performance Measurement – Problems and Best Practices,* 2013, FMI Journal, BPC Management Consultants

Why bother with the effort and expense required to measure performance?

- If we don't measure results, we can't tell success from falling short.
- If we can't see success, we can't reward it and communicate it.
- If we can't reward success, we're probably rewarding falling short.
- If we can't see success, we can't learn from it.
- If you can't recognize falling short, we can correct the shortfall.
- If we can demonstrate results, we can win public support

Source: David Osborne and Ted Gaebler in their book "Reinventing Government.
3

"Organizational achievements are almost universally given short shrift"

Source: *Public Sector Performance Measurement – Problems and Best Practices,* 2013, FMI Journal, BPC Management Consultants

Staff saw hope from this effort & want to see it successful.

- "This provides hope"
- "We need to have regular communication on this effort."
- "It would not be good if this is something we get excited about and then do not hear anything else about it for a long time"
- "People need to believe in it … it can't just be spin"
- "First time I heard it, it didn't make sense. Now, it makes much more sense"
- "Repetition is OK"
- "Can we share this information?"
- "Can we volunteer to be delegates?"

What's next for you and your organization?

- How will you use today's information to address learning and performance in your setting?

- What team or department goals do you want to work on and possible key performance indicators you may use in your setting?

- What will be your first steps?

Success lies in a commitment to the process

Resources:
1. Free webinars and tools from Stacy Barr, https://www.staceybarr.com/
2. David Parmenter, Key Performance Indicators for Government and Non profit agencies, 2012.
3. Bernard Marr, KPI: The 75 measures every manager needs to know, 2012

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Thank You
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