

PIP SPEAK

THE NEWSLETTER OF
Partners in Performance

“There’s an enormous difference between leading an organization and presiding over it. The leader who boasts of her hands-off style or puts her faith in empowerment is not dealing with the issues of the day. She is not confronting the people responsible for poor performance, or searching for problems to solve and then making sure they get solved. She is presiding, and she’s only doing half her job.”

‘Execution’ by Bossidy and Charan

Partners in Performance

Partners in Performance is a firm that builds better businesses. We deliver rapid performance improvements in industrial, resource, manufacturing and service companies, using specialist teams and a hands-on approach to lower costs and increase revenues.

PO Box H52, Australia Square,
Sydney NSW 1215 Australia

Phone: +61 (0) 2 9321 0800

Fax: +61 (0) 2 9321 0888

Email: info@pipint.com
www.pipint.com

Sustaining Disciplines – essential if you want to sustain change

How many times as a manager have you overseen implementation of really good changes (to procedures, to systems, to reviews) only to come back 3 months or 3 years later and find them lying on the shelf, no longer used and the business floundering in the same position as before you touched it?

While the natural inclination is to roll one’s eyes at those you left in charge – it is also highly likely that you have not put in place good enough Sustaining Disciplines to sustain the change.

This article revisits the role of sustaining disciplines in an organisation’s wiring and the role they play in ‘hard wiring’ changes into place.

Sustaining Disciplines – a refresher on the theory

As a reminder, wiring is the systems, procedures, staff, skills, accountabilities, habits and norms that ‘wire’ an organisation up and align its people to behave in certain ways. All organisations are wired up – it’s just that some are wired to be high performing and continuously improving while others are wired up to be mediocre.

If you recall from our prior newsletter on wiring for start-up projects, each layer in the Wiring Pyramid below has a role in holding in place the layers or elements of wiring beneath them in the pyramid (a gravity-fed model for the engineers). So the business should be driven to deliver the operating strategy at the bottom, the operating disciplines (procedures) are the things that the organisation needs to do to deliver on that strategy. The alignment and incentives are the systems that need to be put in place to align and incent people to carry out the operating disciplines in order to deliver the strategy. The sustaining disciplines are what are required to ensure that the layers below remain in place and are carried out

– that procedures continue to be followed, that meeting discipline is maintained, that the required number of safety observations are made by each designated person each month, that absenteeism is reviewed and followed up on, that performance reviews are carried out on time.

Sustaining disciplines are the disciplines of reviewing and auditing the wiring elements in the pyramid to ensure that they are being sustained both in quality and quantity. The main elements are audits on procedures (to ensure they are understood, being carried out well and improvements captured) and reviews of direct reports and their progress both on KPIs/results and on delivery against agreed actions.

If a leader does not periodically audit procedures their direct report gets the signal that adherence to them is not a high priority, stops auditing them and so on down the line to the operator. The half-life of a behavioural idea that is not sustained by audits/reviews is probably around 6 weeks. This can be summarised by the expression “You should expect what you inspect” – if you don’t check that changes are sustained they are unlikely to be.



Yes, there are other reasons for changes not being sustained - poor training, poor understanding, failure to create ownership amongst those who need to carry out the change... but we would assert that if you did all these things correctly but failed to maintain the sustaining disciplines that the change would not be sustained.

The most powerful sustaining disciplines

The two most powerful sustaining disciplines are performance reviews and audits. Both have similar effects.

1. Performance Reviews

Performance reviews through Results-Action-Reviews (RARs) are important for sustaining performance. In this case the RARs play an essential role in reinforcing the emerging wiring and culture as well as performance. They are forums to confirm priorities, review results to check if changes are working and being sustained. If set up properly, with the right leading and lagging KPIs they provide an early warning if KPIs are falling short of the mark. They are the forum to keep reinforcing to direct reports what the priorities are, which KPIs matter and what procedures are especially important and must be retained and focused on. They are also the forum to coach your reports on the organisation's wiring, why it is important, how it interacts etc.

2. Audits

Audits also are important for sustaining results, as they remind people what their leader thinks is important enough to take a look at. They also remind people about accountability and that there are consequences for repeatedly not completing agreed actions. There are

a few pointers to help senior managers determine how many audits they personally need to do and to try and keep these to a minimum without compromising results:

- they need to take on a random element to maintain that element of surprise which helps those lower in the organisation to try and always comply with procedures because you never know when there is going to be an audit
- more important procedures are audited more often
- they should be shared from supervisor up to managers to share the load between players. Senior players should be auditing compliance along with content. As a GM you don't have to do many audits if all your supervisors, superintendents and Area Managers are carrying them out as well. Your role becomes one of ensuring that others are doing them, visibly carrying them out yourself to reinforce the signal for all that these are important and reviewing the quality of audits done by your people.

Summary

To sustain results and drive improvements, managers must ensure they and their people carry out the key sustaining disciplines. Without this, a manager cannot expect to see changes sustained in the organisation. Managers who stop reviewing a KPI after it has reached a desired level should expect it to shortly revert to previous levels. Put another way, if a KPI improves and then reverts under your watch, the first things to look for are sustaining disciplines you have neglected. This is nearly always the cause of the problem. Look at what you and your direct reports should do (audits, inspections, reviews) to stay on track.

■ The wiring pyramid sets out the elements required to sustain high performance and drive continuous improvement

Wiring element	Key issue to be tested
Visible leadership	• Do we visibly lead our people to deliver results and improve the wiring?
Continuous improvement	• Do we have the skills and processes to drive continuous improvements ?
Sustaining disciplines	• Do we have the disciplines to 'close the loop' , conduct audits, address key variances effectively to sustain results & the wiring?
Alignment and incentives	• Do people's individual accountabilities and incentives align them with the organisation's priorities?
Operating Disciplines	• Do we have the basic disciplines that enable us to consistently maintain and improve performance?
Operating Strategy	• Do we understand and focus on the right input and output KPIs that maintain and improve results?

Start from the bottom and go up - each layer builds on the ones below it