metrics-based management

Making assessments enables us to define "what's so" at the moment.

An openness to scrutiny along with a willingness to change, despite the attendant discomforts, offer associations their best hope at achieving organizational alignment and consistent progress. Francie Dalton shows how the scrutiny of metrics-based management gives association leaders a clear-eyed view of organizational performance that can greatly contribute to an organization's success.

By Francie Dalton

So how is your association managed? Based on the whim of your senior executives? Based on the most recent complaint by a board member? Based on a gut feeling or on outdated traditions?

There is a better way to manage the structural, behavioral, and procedural components of your association that could both improve business outcomes and ease their achievement. It's called metrics-based management (MBM), and it's a way of managing based on measures that have been customized to the documented needs of your association.

This article will examine four major elements: how MBM overcomes the flaws of traditional assessments; how to apply the three components of MBM; the benefits of application; and assessing organizational readiness for MBM.

How MBM Overcomes the Flaws of Traditional Assessments

Let's begin with a definition of the term "assessment." Within the context of association management, we assess, evaluate, or appraise, so that we can judge — so that we can form an opinion. Making assessments enables us to define "what's so" at the moment. Traditionally, we use two methods for making these assessments: observation and communication, both of which are frequently inadequate and misleading. Worse still, the degree to which these methods permit fiction to masquerade as fact is likely to remain perpetually invisible to management.

The result? Those who manage others don't know what they don't know. Consider the following:

Observation. Imagine you have two executive VPs, Dick and Jane. In walking down the hall, you observe Dick leaning back in his chair with his feet up on his desk, hands behind his head, staring out the window. You shake your head in disgust, labeling Dick a "goldbricker." You'd like to dismiss him immediately, but instead make a mental note to see human resources about taking action. Continuing down the hall a bit further, you observe Jane. She's on the phone, switching back and forth between two calls, typing into her laptop, covering the phone receiver to give instructions to her assistant, taking notes, and filing, all at the same time. Your chest swells with pride. You can't help but smile. You'd like to clone her immediately. Jane gives new meaning to the word "multitasking," setting an example you wish everyone would follow.

Let's be clear here. There's no debating what you saw. It's an absolute fact that Dick was relaxing and Jane was multitasking. No argument there. What you can't know, however, despite direct observation, is that Dick just got the biggest company in your industry to become a member and is taking a few moments to savor it, while Jane, having missed six deadlines in a row, is trying frantically not to miss another. So much for "observation" as a valid method of assessment.

If you can't trust what you see and can't trust what you're told, how are you to manage effectively?

Communication. This time, imagine your two subordinates are Joe and Sally. Let's say you've assigned them a task on which they must work together. A few weeks later, you see Joe in the lobby. In an effort to make casual conversation, you inquire about the progress of the project. Joe hesitates in responding to your question just long enough to give you pause. "Um, it's going fine, boss. It'll be just fine," he says, with a brave smile on his face. Suspicious now, you ask Joe if there's a problem. Much too quickly, he replies that "Everything is fine — just fine. Not to worry. Everything is going to be all right." Something in his tone is unconvincing, and shortly thereafter, you set a meeting with him. As he settles into the chair in your office, you once again ask whether there are any problems with the project.

Joe hesitates just a fraction of a moment too long. You ask the next logical question: "Is Sally pulling her fair share of the weight?"

"I didn't say she wasn't!" he replies hotly.

"Look, Joe," you continue, "something is clearly awry. Let's call Sally in and see if we can get it worked out." As you move to the phone, Joe begs you not to intervene, saying that, for the sake of his future working relationship with Sally, he'd rather handle things on his own. He assures you that he'll come to you if he isn't successful.

Because Joe resisted your probing, and because he rallied to the defense of his coworker, you don't doubt him for a moment. You come away from that conversation thinking the world of Joe and being apprehensive about Sally.

But take a moment and realize what actually occurred during this conversation. Joe never actually said that Sally wasn't pulling her weight. You merely inferred as much from Joe's artful intimations. Were you "played?" Could Joe have had his own agenda? So much for communication as an adequate method of assessment.

Just as the assessments made in these stories were flawed because they were based on mere observation or communication, so too is CEO-level decision making flawed when it is based on these traditional methods of assessment. Compounding this already two-tiered problem is the fact that when CEOs make these flawed assessments, they're unaware of their error, so there's no motivation to change the method of assessment.

If you can't trust what you see and can't trust what you're told, how are you to manage effectively? What tools can you use to assess fairly and accurately?

How to Apply the Three Components of MBM

MBM is a form of managing processes, outcomes, and performance that relies on three components, each of which must be quantitatively and qualitatively defined.

- **Component one: current state**
  Establishes "what's so" right now regarding key association priorities.

- **Component two: desired state**
  Establishes clear targets regarding key association priorities.

- **Component three: evidence-based performance measures**
  Establishes measurable outcomes to bridge the gaps between current and desired states.

Component One: Current State

Current state can only be accurately determined through the use of evidence-based instrumentation. Examples would include employee surveys, organizational audits, member surveys, 360-degree feedback assessments, compensation studies, and the like. These instruments enable a quantitative approach to management in much the same way as that enabled by SPC and ISO in the manufacturing arena.

The great utility of these instruments, assuming they are well constructed and properly administered, is that they are diagnostic; they actually define, in quantifiable terms, the current state of whatever it is they are designed to measure. Equipped with specific knowledge about current state, we're better equipped to improve. Even severely negative results can provide a road map for improvement. Employee surveys teach us how to access the discretionary energy of our employees; organizational audits reveal hidden vulnerabilities; customer surveys teach us how to retain our members and recruit new ones; 360-degree assessments capture the effects of and the perceptions related to the quality of leadership; compensation studies tell us what it's going to take to maintain our talent pool.

Four learning components are involved in capturing current state:

- Customization;
- Content and context of capture: six steps;
- Overcoming resistance;
- Benefits.

Customization

The instrument used to define the current state of your association should be created exclusively *for* your association, which means it has to be created *by* your association. Not only will this improve the quality of the information captured; it also will increase the response rate, since people are more willing to participate in processes that they have a hand in creating. Additionally, perceptions regarding the credibility of the process and the validity of the information will be favorably affected.

Content and Context of Capturing Current State: Six Steps

1. Launch communications

As CEO, you're the essential ingredient to a successful launch. Be sure your message includes the following:

- A well-constructed purpose statement. Why are you deploying the assessment instrument? Is the objective merely to determine current satisfaction levels, or is it also important to determine future predictions?

- Discussion of the key components of the assessment process that will likely interest the respondent group. Describe instrument construction, administration, scoring, how anonymity will be protected, and when the results will be shared.
- Honor the importance of marketing your assessment. Align the name of the instrument with your purpose in administering it. Be sure to enhance the perceived importance of the assessment by making it a standalone initiative. Don't link it to other agenda items.

2. Instrument construction

Adhering to these critical design factors ensures a higher response rate and imbues the results with a higher degree of perceived credibility. These factors are crucial to the success and the utility of your assessment effort.

- Ask the respondent group what they want covered in the assessment. Do this through electronic/written/telephonic responses or by conducting focus groups. Take care not to allow special interest groups to diminish the probing nature of the questions.
- Only ask questions that will yield useful answers. Questions that don't probe for vulnerabilities or suggestions are superfluous.
- Ensure the questionnaire is interesting to respondents. Require your vendor to ask both rating and ranking questions, include both positive and negative bias questions, allow ample room for comments to be appended to quantitative questions, and be sure to include narrative questions.

Equipped with specific knowledge about current state, we're better equipped to improve.

3. Administration

Ensure that multiple response options are available by allowing responses online, on disk, in hard-copy, by mail, by fax, or in any combination of these methods.

Your commitment as CEO to this initiative creates a sense of urgency around the assessment process. Assign an aggressive deadline and follow up with reminders and third-party-initiated telephone calls if necessary. Work to develop a sense of anticipation regarding the sharing of results with respondents.

4. Priorities and thresholds

While the assessment instrument is "in the field," meet with relevant individuals to establish priorities and thresholds. The assignment of a high priority on any given topic means that you're committed to taking remedial action if the rating of the topic comes in below average. Once these critical priorities are identified, it is equally important to identify the threshold for action for each priority topic. For example, if 30 percent of the respondent group assigns a below-average rating on a priority topic, is

that adequate to compel action, or is a negative rating of 50 percent or more needed to justify taking action? Is the threshold the same for all priority topics, or does it vary? Priorities and thresholds must be defined before the assessment results are received.

5. Presentation of results

Although it's appropriate for you and your executives to hear the results before others, full disclosure to the entire respondent group is needed, even if the results aren't favorable. This increases both the credibility of your leadership and the perception that your association is serious about making needed changes. Major delays in presenting results to respondents cause suspicion.

6. Communication of next steps

As you implement next steps, ensure your respondent group is kept abreast of changes. This can be one of your most powerful tools in helping to achieve the objectives for which you initially launched the assessment process.

Overcoming Resistance

Even granting the wisdom of capturing current state, this is often not sufficient to compel your executives to embrace the process. Those who resist typically use one or more of the following five arguments to justify not capturing current state. Also provided are tips to help you persuade even the most intransigent subordinate.

Excuse: Nothing is wrong. "Our members must be happy because they aren't complaining;" "Our employees must be happy because turnover is low;" "Our quality of management must be good because what needs to get done is getting done;" "We must be doing well because revenues are up, the board is happy;" and so on.

- Absence of evidence isn't evidence of absence. We can't manage what we don't know, and no CEO is omnipotent. Just as preventive medicine costs less than surgery, it's better to be proactive than reactive. Ferret out risk; identify vulnerabilities while they still can be prevented. The alternative is postimpact damage control.
- If nothing is wrong, then all the more reason to capture current state. Providing employees, members, and potential members with documented evidence of just how great everything is will be a great public relations move.

Excuse: Something is wrong. "No one is screaming at the moment, and we aren't suffering any consequences at the moment, so let's let sleeping dogs lie. And besides — who wants to be the one to point out that something is wrong?"

- Beware of such faulty logic. It's like justifying never getting a physical because you're not sick right now or never taking your car in for service because it always seems to be running just fine.
- The prospect of knowing the truth can be frightening, but as in the medical arena, early diagnosis usually increases the likelihood of recovery and reduces the cost.

Excuse: Nothing will change anyway. "We've tried to initiate change, but we always get shot down. It's clear that our staff or our members aren't open to change. In fact, we did a survey once several years ago, and nothing was ever done about it."

- It's true — nothing will change until someone decides to step up to the plate, advocate for what "should be," and become the internal champion. If that person isn't you, the CEO, you can't expect anyone else in your association to step up.
- Consider a pilot. Capture current state in a smaller section of your association or collaborate with your board to conduct a pilot in one division. It's hard to justify doing nothing when the CEO who wants to improve is in possession of documented evidence of the need for change.

Excuse: It'll cost too much money. "Our budget is tight, and we just don't have the financial resources."

- Perhaps the various steps involved in capturing current state could straddle two different fiscal years. Additionally, some of the steps could be completed by internal personnel
- Suggest a bartering arrangement with the vendor. Negotiate a reduced fee for in-kind services.
- Without dishonoring the very real need to disperse scarce resources among competing needs, there may be utility in asking your board to pause and consider the old axiom "pay now or pay more later."

Excuse: Transition at the top is imminent. You're about to step down as executive director and aren't interested in capturing current state at this time.

- Capturing current state before leaving demonstrates a fiduciary commitment to the association.
- The one who will be taking over will appreciate having information that will flatten the learning curve and help in prioritizing.

Current-state information serves as a baseline, enabling the quantified articulation of desired state.

Benefits of Capturing Current State

The most important benefit of capturing current state is that doing so will reveal, in quantifiable terms, "what's so" right now regarding association priorities. If there were no other benefits at all, just knowing the perceptions of key interest groups is a huge benefit. But there are more benefits to this exercise. Current-state information serves as a baseline, enabling the quantified articulation of desired state. Your starting point and targets will be well defined. Equipped with your baselines and your targets, all that remains is bridging the gap — and typically, the diagnostics provided by capturing current state are pretty revealing about what next steps are needed, whether remedial or celebratory.

Capturing current state also reveals what is below your radar screen. What CEOs don't know can hurt them and the organizations they lead. A well-constructed instrument for capturing current state minimizes surprises and provides the luxury of prevention strategies rather than necessitating remedial interventions.

Capturing current state also reveals the degree of alignment between what you as the key decision maker in your association believe to be so and what actually is so in the opinion of those you serve. Equipped with this information, you'll be positioned to establish and maintain alignment regarding prioritization of initiatives, deployment of personnel, and allocation of financial resources.

Component Two: Desired State

The current-state assessment mechanism provides baseline data and reveals through its scoring apparatus "what's so" at the moment regarding key association priorities. The next step is to determine desired state.

To begin, select a disappointing outcome from your current state analysis. Assume this state of being will persist. Now ask, "So what?" Do this for each of the data points of your current state. Doing so will crystallize the potentially negative consequences of failing to take remedial action and will help prioritize the steps to your remedial plan.

As you begin to work on the construction of your desired state, four important points must be remembered.

1. If you're "there," celebrate "being there"

Desired state may already be achieved on many priority line items. Don't overlook the opportunity to stress the good news, give recognition appropriately, and celebrate accordingly. The power of recognition cannot be understated.

2. Three components of desired state

In articulating desired state, three targets must be established: what scores should be improved, by how much, and by when. How to implement the plan is covered in the next section.

3. Not everything can be improved at once

Prioritize the line items on which less than desirable scores were assigned and be realistic about the time and resources needed to achieve desired state.

4. Involve relevant others

In determining the specifics about desired state, be sure to collaborate with those who will be involved in helping to achieve the targeted improvements.

So let's summarize. We know our current state. From that diagnostic baseline, we've quantitatively articulated our desired state. Now, how do we get there?

Component Three: Evidence-Based Performance Measures

Proof of performance or the absence thereof — that's what you get with well-defined performance measures. Properly constructed, performance measures describe targeted outcomes in both quantitative and qualitative terms, permitting a fair and objective assessment of performance as an association moves from its current to its desired state. As a result, rather than speaking of what "seems to be so" or how one "feels about" the performance of a department, subordinate, or vendor, performance measures provide objective evidence of performance.

Establishing valid performance measures isn't easy. But the investment pays tremendous dividends. Individuals can prove their value to associations; managers can justify rewarding or trimming staff; performance reviews can be more factual and less emotional; and associations can clarify the value for dues proposition to members.

Regarding the use of evidence-based performance measures (EBPMs), we'll cover the following learning components:

- Three elements with criteria;
- The five most common mistakes and their solutions;
- Before and after examples;
- Overcoming resistance;
- Benefits.

Three Elements of Performance Measures

There are three elements to effective performance measures: goals, objectives, and action plans.

Goals are the results to be achieved. Usually set one to three years out, goals define what is to be achieved — the outcome or result — and do not include references to how achievement will occur.

Objectives establish the major ways in which goals will be achieved. Usually requiring six to nine months to achieve, objectives articulate the strategic "hows" through which a goal will be accomplished.

Action plans outline the tactical steps necessary to achieve each objective. Usually requiring one to three months to complete, action plan items are not daily tasks; they are larger undertakings enabling the accomplishment of objectives. In crafting the above elements, several criteria must be met.

Criteria

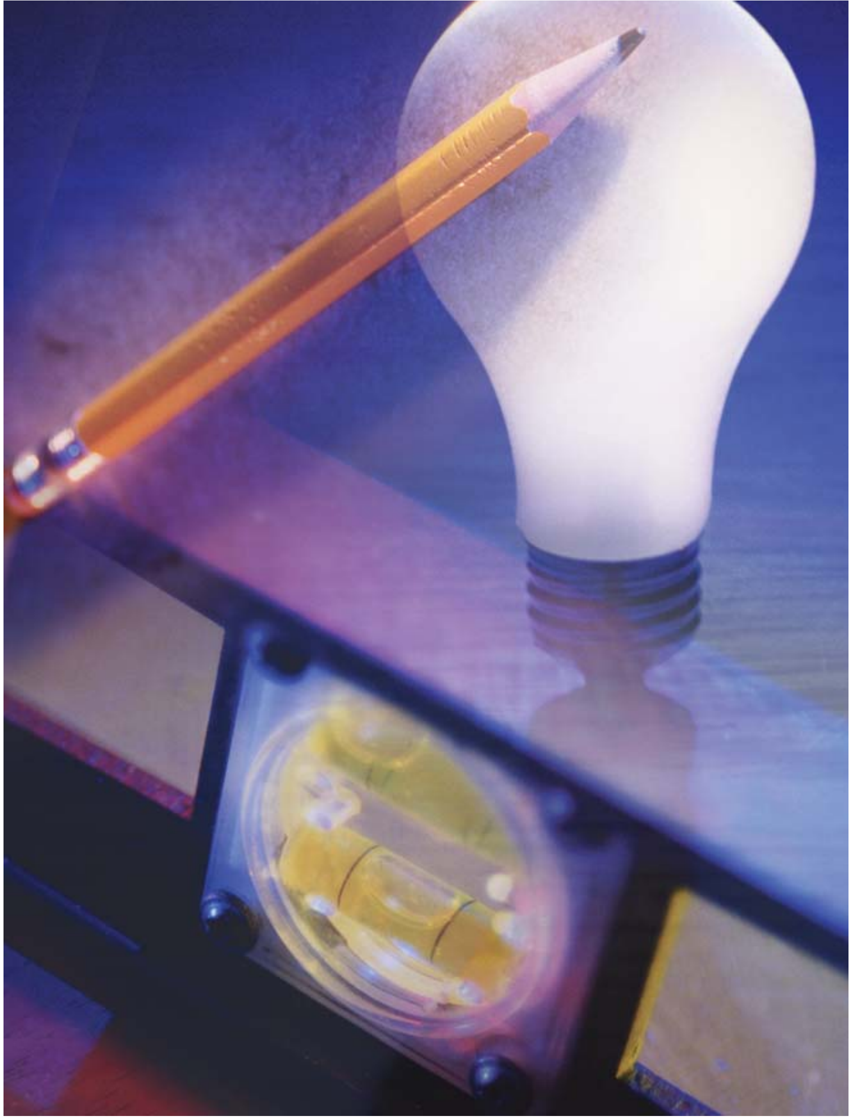
The big three. Each element must be stated in terms that are measurable, achievable, and time specific. *Measurability* refers to quantitative measures (absolute values, percents, ratios, ratings), and/or qualitative measures (per specifications, board approved, consensus, specific names). *Achievability* is meant to ensure that targets are practical, while requiring some degree of stretching. *Time specific* means what it sounds like: Goals must be met by a certain date.

Succinctness. No single element should be more than a brief sentence. More verbiage suggests that you're engaged in a planning process rather than in assigning performance measures or that you're combining goals and objectives

Discrete goals. Each goal statement should refer to a single outcome. Use of the conjunction "and" reveals that at least two goals are being expressed, which is permissible only when the method of achievement is identical.

Superordinate goals. These reflect, but do not restate, the mission of an organization. Board-approved, superordinate goals are distributed among and customized to the functions of multiple senior executives, becoming their departmental goals.

Hierarchical permeability. Simply stated, this means that your objectives as CEO, at least in part, are likely to become the goals of your executive



team; their objectives, at least in part, are likely to become the goals of their subordinate; and so on.

No "right number." The "right number" of objectives is the number that, by definition, achieves the referent goal. Similarly, the right number of action plans is the number that, by definition, achieves the referent objective.

Not a job description. Job descriptions provide an overview of a position, a description of reporting relationships, ongoing responsibilities and functions, and other job-context factors. In contrast, goals are discrete to a given review period and describe in measurable terms what constitutes alignment with expectations for that review period.

About shared goals. Team goals should be expressed such that accountability is both individual and shared. The team itself should have an overarching goal reflecting the outcome it was formed to achieve. Once individual roles and responsibilities have been identified and assigned, these should be expressed as suggested above, using such prefacing words as "in collaboration with the XYZ team" or some similar combination.

The Five Most Common Mistakes and Their Solutions

Misuse of adjectives. "Top-quality," "cost-effective," "excellent," and "appropriate" are all good examples of this common error in crafting performance measures. "Conduct an excellent annual conference" can only be subjectively assessed. The technique for correcting this kind of error is the use of a "FIB" question: a "fill-in-the-blank" question that will stimulate greater clarity. Here's how it works. Instead of stating, "Ensure our annual meeting will be excellently conducted, state "Our annual meeting will have been excellently conducted when it _____." Another example: "Ensure our product is top quality." Instead of a simple proclamation of quality, complete such statements as. "Our product will be top quality when it_____" or "We will know that our product is top quality when _____." Implementing this solution will likely produce numerous responses, each of which is likely to be a new element.

Misuse of verbs. "Promote," "support," "coordinate," "educate," "attend," and "improve" are great examples of this error. "Attend the XYZ meeting on 1/31/04" is not an outcome. Warming a seat is not an accomplishment. The technique for correcting this kind of error is to ask "why" regarding the verb — and be sure to ask "why" in a couple of different ways: "Why am I attending the XYZ meeting?" "Why am I attending the XYZ meeting?" Implementing this solution will likely produce numerous responses, each of which is likely to be a new element.

Misused prepositions. This classic error usually occurs within a goal statement and usually involves the use of the words "to," "through," or "by." Remember, goal statements are "what" statements; they specify the result or outcome to be achieved, not how it will be achieved. Including prepositions such as those listed above often results in the combining of a goal statement with an objective statement. "Survey all members of X group by 12/31/05 to determine their priorities" exemplifies this error. The goal here is to determine the priorities of X group members; the survey is the method (the how) by which the data will be acquired. Implementing this solution will help differentiate between goals and objectives.

Misused comparison words. Words such as "increase," "decrease," "expand," "reduce," "more," and "improve" should not appear in performance measures unless the implied baseline is also stated. For example: "Achieve a 10 percent increase in attendance at the 2005 annual conference" doesn't meet the required standard. Instead, include the baseline year against which attendance is being compared: "At the 2005 annual conference, achieve a 10 percent increase over the 2003 level." Improve the statement even more by being specific about what kind of attendee is preferred. After all, one could raid the nearest assisted-living facility and bump up attendance. How about this: "At the 2005 annual conference, achieve a 10 percent increase over the 2003 level of client-company presidents." Implementation of this solution will likely require research, either to determine historical baselines or to quantify reasonable future expectations. An easier alternative is to eliminate the use of comparison words. "Ensure at least 300 client company presidents attend the 2005 annual conference" is less complicated yet secures the same outcome.

Responsibility without authority. "Ensure that Congress passes the ABC bill by 12/31/05" is a great example of this error. Unless and until someone actually owns Congress, it's not appropriate to hold someone accountable for a Congressional act. It is neither reasonable nor fair to hold someone accountable for outcomes beyond their control. What is reasonable and fair, however, is to impose accountability for the flawless execution of a comprehensive strategy that maximizes the likelihood that Congress will perform as desired. If the strategy is approved by the supervisor as being comprehensive, and is flawlessly executed, whether the bill passes or not is not a valid measure of performance. The solution here is to preface the desired outcome with the words "work toward." The goal statement would then read as follows: "Work toward ensuring that Congress passes the ABC bill by 12/31/04." Implementation of this solution is likely to generate quite a debate. It must be acknowledged, however, that some professions do not allow absolute control over results: achieving specified reductions in crime rates, achieving certain political outcomes, ensuring zero acts of terrorism, and other feats of impossibility. In such cases, accountability should only be imposed for that which can actually be controlled. This in no way lets anyone off the hook for the flawless execution of a strategy approved as being comprehensive and that maximizes the likelihood of the desired outcome.

It is neither reasonable nor fair to hold someone accountable for outcomes beyond their control.

Before and After Examples of Goal Statements

Before: Secure new clients.

After: By X date, secure at least five new clients from the XYZ industry, with combined initial orders of at least X dollars.

Before: Ensure the company makes a profit.

After: By X date, achieve at least X percent in net profit.

Possible supporting objective: By X date, ensure an X percent reduction in operating expenses.

Before: Provide desktop publishing services to all staff.

After: On an ongoing basis, supply "to-spec" desktop publishing services to identified internal colleagues by agreed-to deadlines for both print and Web products.

Possible supporting objective: On an ongoing basis, and in collaboration with all relevant internal colleagues, maintain current production schedule for all desktop publishing projects.

Before: Hire additional staff as requested.

After: On an ongoing basis, work toward ensuring that all approved positions are filled to specifications and by agreed-to deadlines.

Possible supporting objective: On an ongoing basis, and within budget, initiate all applicant searches within one week of position approval.

Before: Honor all exhibitor agreements.

After: On an ongoing basis, and in collaboration with relevant internal colleagues, ensure all contractual obligations with exhibitors are met as agreed.

Possible supporting objective: On an ongoing basis, ensure that all relevant staff are aware of all contractual obligations pertaining to their departments within two weeks after contract execution.

Before: Create a new recognition program.

After: By X date, and in collaboration with identified internal colleagues, implement an approved, new recognition program.

Possible supporting objective: By X date, and in collaboration with the organization's president, identify all parameters for the new recognition program.

Overcoming Resistance

The reluctance you'll encounter to establishing EBPMs is likely to be considerably more severe than what you may have encountered in persuading your executives to embrace the idea of capturing current state. There are three primary reasons for this.

1. Unlike the establishment of current state, which is a discrete event, EBPMs change the established internal management processes of an association. For individual managers, this means that who and how they hire, fire, promote, and reward may change; how they compete for resources may change; their collaboration with internal colleagues on decision making may change; and their span of control may change. Initially, at least, the establishment of EBPMs is likely to be imputed with ill intent, viewed as a process that supplants rather than augments management decision making.

2. The establishment of EBPMs is a fairly tedious process for each person involved. It's reasonable for each manager to require three to six hours of coaching to achieve fluency with the process.

Bear in mind that it is the initial effort that is time consuming. Subsequent iterations are much easier to produce since the templates already exist. Often, the only changes required involve absolute values, percentages, deadlines, names of programs, and other such variables. Even as new goals are added, the template language for measurable expression will already have been established. And, as with anything, competence and speed of execution increase with experience.

3. The process of establishing EBPMs imposes increased scrutiny on individual managers. Emotional, rather than logical, resistance should be expected. Those most on the defensive will likely prove to be the most inflammatory, suggesting that the inescapable innuendo implicit in your decision to establish EBPMs is that you don't trust your managers. Don't let this resistance throw you. Neutralizing emotional resistance can often be expedited by using external rather than internal facilitators.

Section Three: Benefits of Application

Benefits of Establishing EBPMs

High achievers leave associations that tolerate mediocrity, and mediocre performers stay because they're safe. EBPMs give senior management the ammunition needed for both pruning and rewarding. This is perhaps the most persuasive argument for establishing EBPMs: that they increase objectivity by using evidence-based measures to assess performance.

In reviewing the performance of others, it's easy to fall prey to what you want to be so; it is equally easy to be swayed by the opinions of others. EBPMs subordinate emotion to evidence, helping you assess the performance of others based on fact — not gut feel or best guess.

Benefits of Establishing MBM

Many executives have trouble confronting poor performance. They just can't find the words to articulate what needs to be said about substandard performance. MBM eases this process by expressing expectations in a quantitative way. Rather than having a conversation about feelings, rater and ratee are talking about quantified goals and objectives. Explicit expectations reveal whether employees are performing. One of the reasons performance reviews are stressful is because there is disagreement between the rater and the ratee regarding expectations. MBM eliminates this problem by ensuring that expectations are quantified and agreed to at the beginning of the year.

Fairness in the review process also is often an issue. Some of your executives have different criteria for assigning ratings. MBM establishes consistency in the review process among all raters and levels the playing field for the ratees. One of the most heartening findings about the use of MBM is the degree to which it positively affects morale. There are three reasons for this.

- MBM permits employees, usually for the first time, to understand their contribution to the organization and to articulate it. They *know* when they're succeeding; they realize that they *can* influence the success of the association.
- Individual contributions and accomplishments are more visible. Achievements are less likely to be overlooked.
- Having quantified targets to strive toward is motivating per se and is even more so when one works with others who also are striving for quantified targets.

MBM puts the people in your association on a continuous roll of "next steps." As soon as the evidence shows that a goal has been achieved, you're immediately on to the next one, continually crafting new goals and achieving additional improvements. This creates an energized organization — a team of motivated employees who *want* to be held accountable and who are proud of their ability to generate measurable results.

Section Four: Assessing Organizational Readiness for MBM

So, you now know how to capture current state and how to articulate desired state. You also know how to bridge the gap between current and desired states through the use of EBPMs. But "how-to" knowledge isn't

enough. You need to carefully assess your own commitment level regarding the process of implementing MBM. To make that assessment, you'll need to consider the costs involved in implementing MBM — not monetary costs, but emotional costs — and they are significant.

Implementing MBM involves intense scrutiny, and implicit in the imposition of scrutiny is the expectation of change. Neither of these necessary precursors to the implementation of MBM will be popular. So let's examine specifically what you're signing up for if you move forward with implementation.

Regarding scrutiny, there are five fundamental "truths" worthy of reflection in determining your organizational readiness for a MBM program. Assess yourself as CEO; assess your association. How ready are you to permit the scrutiny that is attendant to MBM?

Truth #1: The more you need scrutiny, the less you want it. Being put under a microscope is tough enough; if you know your performance is less than optimal, scrutiny becomes excruciating and can bring out the worst in our behavior. If you wait to submit to scrutiny until you really need it, it will be exponentially more painful.

Truth #2: The more successful you become, the less you feel you need scrutiny. In sharing this truth, there is no intention to diminish the reader's success to date.

Instead, the intention is to invite your focus away from how good you are at the moment and focus instead on how good you could be if.... Don't ever allow yourself to get cocky.

Truth #3: The more colleagues need scrutiny from one another, the less willing they are to provide it. Underneath this unwillingness to provide scrutiny for others is the fear that we're too hard or too soft. If we're too hard, we're apathetic about the success of others and unwilling to provide learning to our subordinates. If we're too soft, we have a discomfort with confronting and fear that the recipient will not respond well to our counsel. In either case, we must realize that organizational success is a shared result and providing constructive feedback to one another is our fiduciary responsibility .

Truth #4: The more you resist scrutiny, the more at risk you become. Scrutiny imposes boundaries, clarifies expectations, provides the parameters within which we need to function to be successful in a given association, and identifies the boundaries beyond which we are at greater risk. In application, scrutiny functions like a fence does for a beloved pet. Even though you can probably dig under or jump over your "scrutiny fences," you'll do so with significantly greater awareness of the risk of becoming roadkill.

Truth #5: The more you embrace scrutiny, the more uncomfortable you will be. Implicit in the imposition of scrutiny is the expectation of change. Scrutiny reveals what isn't that should be and what is that shouldn't be. Scrutiny illuminates what is out of alignment and demands action to reestablish alignment. You cannot subordinate scrutiny to the maintenance of comfort; instead, subordinate comfort to the maintenance of scrutiny.

Remember, not only is considerable discomfort attendant to each of the above five truths, but each also implies the need for change, and you'll likely encounter both resistance and resentment. Neutralizing the emotionalism attendant to these dual concepts will require CEO-level commitment, courage, and willingness to subordinate "comfort" to the pain of meaningful, substantive growth. A few thoughts that may help you manage the growing pains are offered below.

Comfort cannot be the yardstick by which we measure success — whether personally or organizationally. "Comfort" simply isn't how we as professionals get to the top of our game, and it's not how we lead our organizations to peak performance. Indeed, the more we mature, the more we realize that it is the very antithesis of comfort that produces success.

An openness to scrutiny, better yet a welcoming of it, along with a willingness to change, despite the attendant discomforts, affords a state of being that few professionals and few associations enjoy with any degree of longevity: the state of alignment. Consistent scrutiny produces consistent alignment. The act of consistent scrutiny forces into your line of sight that which is out of alignment, producing a state of awareness that is a necessary precursor to achieving realignment. Although the tedium required to attain alignment is indeed extreme, that tedium is temporary, and the benefits of being in a state of alignment more than offset the requisite organizational endurance.

My petition is that you be a willing, alert participant in an ongoing duel with the twin concepts of scrutiny and change and that you influence the culture of your association to be so as well. Yes, it's consistent with human nature to resist scrutiny and change, and you'll face a tough battle on this. But help your employees resist their resistance. Because in their submission to constant scrutiny, in their submission to change, is their best self, their best association, and their best results.

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Resources

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3. *Tough-Minded Leadership*, J. D. Batten, AMAcom, page 134
4. *What Winners Do to Win*, Nicki Joy, Wiley and Sons, Inc., pages 220-236
5. *Crucial Confrontations*, Paterson, Grenny, McMillan and Switzler, McGraw Hill, pages 83 - 111
6. *Good to Great*, Jim Collins, Harper Business, pages 65-89
7. *Powerful Leadership*, E.G. Stephan and R.W. Pace, Prentice Hall, page 60, 126-127
8. *The Leadership Challenge*, Kouzes and Posner, Jossey-Bass, page 193, 199
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commentary

BY HENRY H. CHAMBERLAIN, CAE, APR

This is a dynamic time for senior leadership teams to drive associations in pursuit of stated business goals while creating enough flexibility to pursue emerging opportunities. Core membership demographics are changing; commercial competition to association conferences, publications, and education is growing; and volunteer leaders are being stretched further and further in their day jobs, affecting their ability to serve. All of these challenges are taking place in the midst of changing workforce demographics that are producing new professional staff teams.

This maelstrom of change is stimulating, exciting, and challenging to manage. It requires a new discipline on our parts, and it puts a premium on setting up an objective system for measuring staff and association performance. It is extremely difficult to take your association to the next level when there is no agreement on expected financial outcomes or operational parameters. How do you motivate your leadership team to excel when you are unclear on their goals?

Dalton's article on metrics-based management (MBM) is a primer on essential steps we need to consider in managing our associations. It provides a planning discipline for organizations and an effective system to use with your senior team to evaluate and reward performance. If you make the investment in training and take the time to develop buy-in from the participants, your association stands to be even more successful in the future.

MBM relies on three components (current state, desired state, and evidence-based performance measures) to manage processes, outcomes, and performances. How to pursue these components is laid out in a way you can discuss with volunteer leaders and staff. It provides all the basic elements in effective planning for your future and allows you to cull the steps that apply to your association.

The whole area of evaluating staff performance is very well handled. Too many managers avoid it like the plague. They set vague individual goals from the business plan or job description and judge performance in kind. Salary increases are handled as a group, little differentiation is often made on merit bonuses (when available), and top performers get turned off by management's indifference to their extra effort. It is an even bigger mess when team goals are set between departments, and the results are casually evaluated with little relation to merit increases or performance bonuses.

This lack of differentiation is even more critical now after the recent economic downturn, when staff raises were smaller and bonuses were scarce. Managers became defensive about the money available and did not tie financial rewards to performance but passed through whatever they could. This disconnect will come back and haunt them. In this transparent information age, staff members compare salary information. We need to understand that fact and become better managers because of it.

There is an excellent section on overcoming resistance to this change in the article. It's not surprising that some managers will see implementing an MBM program resulting in them giving up control in directing and managing their staffs. To pull off an MBM program, you must set up a training program and work through the emotional issues surrounding reviews. The payoff can be huge.

Every staff member needs an overall job description, annual goals tied to the business plan, and regular feedback. It is critical for managers to set staff goals with quantifiable targets if they are to be judged against them. And then comes the tough part: differentiating staff performance for the purpose of merit increases and bonuses.

We have all put in what we thought was a great year for an employer only to get an average increase. What did they do to our motivation for the next year? It not only deincentivized us, it weakened the team for the coming year. It is time to commit to setting performance measures to direct, inspire, and ultimately reward staff achievements.

As the article points out, too many managers rely on observations of staff and informal communication feedback loops, which provide subjective insights. The section on performance measures under evidence-based performance measures is a good refresher in tying goals, objectives, and action plans back to individual staff members. All of these items need to be written in measurable, achievable, and time-specific ways. Not all of the items are entirely achievable in a single year.

Many managers do not like confronting poor performers. It is critical in mentoring and developing our staff talent that we counsel employees. Our most valuable resource is our staff. If managers are not sufficiently trained in leading people, you must give them the training and tools to be successful for you.

The MBM system creates objective performance gauges used by the entire team. In this environment, subjective reviews are replaced by insights into performance measures that help leaders both motivate and counsel individuals. It highlights when employees are succeeding and allows managers to highlight and reward achievements.

In the end, how we execute our business plans will determine our success and future viability. The clearer we define our goals and expectations, the easier it is for us to execute and pursue new opportunities compatible with our strategic goals. Our future success and viability depend on it.

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commentary

BY KATHLEEN M. BELL, MBA, CAE

Francie Dalton's article on metrics-based management is a quick and intriguing read that raised a series of questions that deserve full exploration. Our profession's development often has benefited from the application of quantitative business principles over the years, and a metrics-based accountability system promised to be a source of added professional development. Disappointingly, those questions go largely unanswered, or at best, not fully explored. This reader, who is a strong proponent of quantitative approaches to metrics-based management, would like to have seen more in-depth of exploration to address at least two questions of the topic.

The author leaves two questions unanswered. First, how do these principles move beyond good individual supervisory/coaching practices to organizational evaluation? One of the biggest parts of the process outlined in the article is the current-state assessment, and there is certainly nothing wrong with the good use of data. However, the connection between organizational data and personal professional practices is not clearly made.

Second, how are these principles integrated in a volunteer-governed organization? One of the things missing is how the assessment data is used to propel organizational change. The ideas presented in the article seem to stop short of the unique circumstances intrinsic to the nature of the organizations in which we work. This is not to say that management is relieved of accountability in our model. However, there are aspects of our management environment that are specific to the partnership between leader and executive that are not recognized in the ideas presented.

There also are a number of assumptions in the article that didn't, for this reader, ring true. Early in the piece, the author states that observation and communication are the two methods traditionally used in making assessments. Certainly, these are important inputs for any manager; however, there are other important elements as well, and attaching so much primacy to observation and communication alone is problematic. Further on, the author states that CEOs who depend solely on these tools for judgments are unaware of their error. There isn't much evidence in the article to support either of these generalizations.

The second section of the article includes additional assumptions. One is led to expect an explanation of how to use the MBM principles, but this reader is was left wanting more. A reasonable assumption is that quantitative data is useful in assessing an organization's current state.

While the remainder of the section suggests some solutions, it doesn't provide enough usable tools. Much of the section focuses on communication issues that, although not unimportant, do not address the "how-to" expectations raised in the section.

Further, the section addressing resistance includes another disturbing assumption — that one's management team will, by definition, resist data. I would be most concerned if my colleagues were so shortsighted, and I would question my management style and techniques if this were so. While some team members may be more or less open to change, such a broad generalization is misleading. In spite of the above criticisms, the "so what" exercise is a useful tool that I was pleased to discover in the text.

The third component — evidence-based performance measures — is clearly a significant aspect to the schema presented in the article. The principles included in this section are good and useful for any individual or group setting goals and outlining the tactical hierarchy to achieve those goals. It isn't clear to this reader, however, what the difference is between this methodology and traditional MBO (management by objectives) systems. Could the author explore this further? I wish the author had spent more time exploring these issues. The passage on "Responsibility without Authority" is particularly intriguing and represents a lost opportunity — the chance to fully integrate this system in the unique organizational context of associations.

Having introduced member satisfaction techniques to in a number of organizations, I know that this process can be a rich resource of information that leads to better staff performance as well as to organizational change. Certainly, as an association executive I have appropriate access to ongoing data collection, current-state assessment, and quantitative as well as qualitative feedback on staff performance. Likewise, it is my role to consistently introduce such feedback into association decisions about strategic direction. The article touches on those elements, but the assumptions and broad generalizations dilute the practicality of its advice. To find a way to apply these principles in their own organizations, readers will have to look beyond these generalizations.

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