

# Performance Amplification: Building a Strength-Based Organization

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*This article highlights the method of Performance Amplification (the deliberate act of tracking and fanning that which an organization wishes to see grow and flourish) as an approach to building Strength-Based Organizations.*

For the past 18 years, we have been evolving an approach to developing strength-based organizations. This approach initially took its inspiration from David Cooperrider and Appreciative Inquiry but moved away from the 4-D model to what we have come to call Performance Amplification (PA). In a 1991 article we laid out the bare bones of this approach (Bushe & Pitman, 1991), describing the basic process of 'tracking and fanning'. PA requires that leaders identify what they want more of and engage in a process of tracking – that is, looking for instances of where it is already taking place in their people and systems, and then finding ways to enlarge and amplify those strengths and capabilities. The basic inquiry process was described in a later article (Bushe, 1995) – uncover the best of, understand the best of, amplify the best of. Since then we have had the opportunity to develop this approach in successful attempts to improve product quality, employee retention, strategic alignment and profitability.

Our approach focuses on amplifying a measurable performance that is of high value to the organization and its leaders. We believe this approach can work with any performance parameter as long as it can be measured in a way that people believe is accurate and which provides fairly immediate feedback. Rather than trying to approach process improvement as a problem to be solved, or as requiring a 'vision' of a new and better state, we engage all line managers in the organization in looking for and studying those people and units that are currently generating the best performance on that metric. We encourage wide spread discussion of what is leading to their superior performance in a variety of ways, ranging from AI summit-like approaches to IT-based forums utilizing video or audio conferencing. We coach managers in how to apply the appreciative leadership processes of tracking and fanning (Bushe, 2001) to get other people and units engaged in emulating and bettering that performance. At regular intervals (e.g. monthly) we do it again, usually finding that a different person or unit is now pushing the edge of the measure.

For example, at a time when the industry average for delivering office furniture after it had been ordered was 14 weeks, Herman Miller's SQA division used performance amplification processes to reduce delivery times to one week – and to offer a guarantee that if furniture wasn't delivered in a week it was free. That performance was so outstanding, and so different from its competitors, that SQA grew 25% per year in an industry that had become used to no growth at all.

To do this required Bix Norman, the President of SQA, to get very hard about the

measurement of delivery so that people would trust the numbers. Trustworthy measures can be very hard to find in manufacturing companies because there are so many ways to fudge the data. For example, if he got wind that someone was getting customers to agree to date contracts a few days later to meet the current delivery targets, a meeting would be held where that salesperson would get a very clear message about what wasn't acceptable. We have found the most profound limits to performance amplification are beliefs about what is possible. If people don't believe the numbers showing another's higher performance, nothing we do will have any impact. Performance amplification changes people's beliefs about what is possible when they see their colleagues do what they had previously considered impossible. We believe that a key executive challenge in building a strength-based organization is to identify and refine a small number of crucial metrics that act as 'stakes in the ground' for building a collaborative, continuously improving work place. For example, we've revised the stodgy old P and L statement to be more useful for managers to learn how profits are actually being generated.

Just as important are the incentives structured into the organization to support persistent tracking and fanning of those metrics. Incentives need to be explicitly aligned, with performance leaders trying to amplify and lead to substantial rewards for substantial improvements. At Herman Miller SQA, that measure was economic value added (EVA), a financial measure that captures the increasing value of a business. Everyone at SQA received bonuses tied to increases in EVA that over time became quite substantial. When Wesco, a convenience store chain, used performance amplification to increase employee retention, the incentive was to give store managers and employees a payout for increases in retention. After calculating what the turnover of one employee was costing them, Wesco gave their stores a 'bounty' for year-over-year improvements in retention. Using the PA process Wesco was able to go from more than 100% turnover in their convenience stores each year to 75 % retention – an unheard of performance in the convenience store business.

By focusing on what those stores that were performing best at retention were doing, Wesco made a number of changes in how they hired employees and how they trained their store managers in hiring.<sup>i</sup> These are changes anyone well versed in employee retention practices might have told Wesco to do – but given the sorry track record of organizations adopting advice from outsiders, we doubt their results would have been the same. We believe that Performance Amplification's development of an appreciative mind-set, of engaging all line managers in learning from each other, the opportunity for employees to excel in full view of their leaders and the rigorous, persistent attention to what works make PA a very different change process from conventional change management. The figure on the next page highlights some of those differences.

Rather than engage in a time consuming process of creating a vision and getting employees aligned with that vision, PA works by identifying the best of what is already driving performance and engaging as many employees as possible in a continuous voyage of discovery. We've found the most efficient method to do that are a set of monthly conference calls with the senior line manager down through to a small group of first line supervisors reviewing the previous month's data. That still means a company needs to have a strategy.

Conventional Change Management	Performance Amplification
Create a shared vision or plans for change	Measure and talk about performance drivers
Envision the path to the vision	Identify the best of what is actually happening in the organization and spread the learning
Identify responsible change agent and create a project team	Work from the senior line manager through the line organization
Identify and clarify tasks, accountabilities, expectations and deliverables before implementation	Clarify and continuously adapt tasks, accountabilities, expectations and deliverables during 'implementation'
Create action/implementation teams	Regular, brief IT-enabled meetings of all line managers
Vague or non-existent measurement of success	Explicit measurement and reinforcement of success
Vague or non-existent personal rewards for employees accomplishing change objectives	Compelling incentives aligned with performance metrics
Expect change to come from leaders providing inspiring visions and persuasive communication	Expect change to come from employees seeing each other excel in full view of leaders.

Figure 1: Conventional Change Management versus PA

However, we have found that most business leaders have reasonable strategies for making their businesses a success. The big problem is a lack of alignment around that strategy. PA is a powerful tool for creating strategic alignment and implementing strategy.

In 2002 Trillium, a staffing company, faced the same problems as all its competitors in the light industrial market. Global players like Kelley and Manpower had driven profit margins so low it was difficult to survive. René Poch, the CEO, reasoned that the way to grow was to shift his organization's focus on relatively cheap labor to higher priced placements (since the company was paid a percentage of the placement's wages). To get their 200 employees to focus on 'moving up the food chain', managers at Trillium devised a system called 'the petal'. It was a word play based on the idea that trilliums are flowers. Whenever someone made a placement worth more than \$11.50/hour with a 50% profit margin it was called a petal. They got to tell their story via 'the petal', an email sent to all branches and the company leadership. This turned out to be a difficult change for employees, however. It required recruiting a different kind of temporary employee. It required selling to a higher level in the customer's organization. It meant changing the image customers had of what Trillium could offer. In the first year they tried the new strategy, there weren't many new placements.

The following year Trillium decided to use Performance Amplification to increase its profitability and we began tracking their 'petals' on a daily basis and ensuring that information was spread throughout the company. We implemented a conference call system where, once a month in half a day, René and his vice-presidents could interact with every branch in their organization, ensuring strategies were clear, tactics were evolving and amplifying instances of success. Before, during and after, phone managers were coached in

how to amplify performance. After one year of using the PA process the number of 'petals' increased 10 fold.

As the mid-level business has grown, Trillium has been able to expand their permanent placement business as well, something that wasn't part of their initial 'vision'. As they made higher level management placements, they found more opportunities for full employment rather than contract work. The 'perm' business is more profitable, yields much higher commissions for staff and higher level people are in position to refer more business back to Trillium. Through this and other innovations that employees developed and implemented through the PA process, Trillium was able to get its profit margins into double digits in many of its offices and higher level placements now account for 50% of total profits. Employees are now re-thinking the staffing business altogether – how they go about recruiting potential placements, even the very nature of their relationship with those placements.

In every instance where we have implemented the full performance amplification process we have seen leaders call forth the inherent intelligence, motivation and creativity of their employees to build organizations that exceed the performance levels of their competitors and can continuously develop and improve. Abandoning a 'deficit' mind-set and focusing attention on strengths and capability is not enough, in itself, to make a strength-based organization successful. Just as Appreciative Inquiry needs generativity as well as positivity to be transformational (Bushe, 2007, 2008) strength-based organizations need to generate new perceptions and beliefs amongst all managers and employees, because these are what set the level of performance. We've come to think the core of successful, strength-based organizations are processes that can keep changing mindsets while increasing the commitment and engagement of everyone.

#### References

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#### Endnotes

<sup>i</sup> These are described in more detail at <http://www.bigrapidsgroup.com/images/Wescoarticle.pdf>