

## **What do we mean by "Performance Systems Analysis?"**

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Analyzing performance is about pinpointing performance and the identifying the variables that influence it.

### **How do we analyze performance?**

By seeking specific answers to the following questions or others like them:

1. What are the activities and the results that comprise the performance we are analyzing? (Examples: The activities and results of the strategic planning group, the executive team, the temporary computer programmers, the people at the front desk, the Milwaukee plant, the southwest region, my own work, my boss' work.)
2. What are the systemic variables that strongly influence that performance? (Examples: the rewards or incentives, the tools & materials, the goals and feedback, the knowledge & skills, the process capability or the performers' abilities, the motives of the person or key persons)
3. What other systemic variables control or strongly influence the systemic variables that influence performance? (Examples: the economic & political climate inside and outside the organization, marketplace variables such as demand cycles or competitor strategies, the numbers of people or dollars available, the organization's operational and strategic goals, the availability of jobs elsewhere.)
4. How can we get a handle on the systemic variables to change them so that they support "good" performance and do not support "poor" performance? (Examples of places to look: look at goals, strategies, policies relevant to sales or production or people, pricing and budgeting and compensation, leader behavior, informal and formal structures)

### **What are the pitfalls in analyzing performance?**

The following list captures six of the common pitfalls.

1. Looking only at activities or behaviors, independently of what the activities or behaviors produce, that is, without looking at the tangible products or services, the consequences to the performer, and the results for the organization. (Examples: looking at personal styles without looking at what the styles accomplish, looking at sales behaviors without looking at sales results, looking at the hype for an initiative without looking at the costs and benefits.)
2. Looking at only the results to the organization, independently of consequences to the performer or the behaviors that produce them. (Examples: Looking at profit margins on sales without looking at commissions or sales targets, looking at the benefits of having people work longer hours without looking at what that is likely to do to turnover or healthcare costs.)
3. Looking only at the behaviors or the results without looking at the variables that strongly influence them. (Examples: Telling employees or customers to "stop complaining" without attending to complaints, looking at whether someone is "following procedure" without looking at whether the person is getting results.)

4. Analyzing at only one point in time, (now) without looking at trends over time. (Examples: Looking only at this periods numbers without considering the trends in several sets of numbers, looking at cost savings of reducing warranty services without looking at trends in customer retention.)
5. Looking narrowly at the performance without considering the organizational context, without looking at what influences the set of variables that influence performance. (Examples: Looking at people as if they are "unmotivated" without looking at incentives and feedback and social support, looking at declines in sales of Product A without looking at the marketing campaign for new Product B.)
6. Looking narrowly at the performance without considering all the other things the performers are responsible for. (Examples: Adding tasks without deleting tasks, wondering why people do not do X while pressuring them to do more of Y, wondering why someone doesn't respond to your emails without knowing that the person gets hundreds from other people)

The pitfalls all stem from one cause: failure to analyze the system within which performance occurs. So too, do other pitfalls and examples.

### **Analyzing the system**

"Analyzing the system" means looking at the major variables that influence performance. That is one reason we call it "Performance Systems Analysis."

We analyze performance for a practical reason: To figure out how to get more of the performance we want and less of the performance we do not want.

We analyze the system because the system holds the variables we can change to influence performance. Perhaps people are not performing well because

- jobs are designed poorly so we must redesign jobs
- there are conflicting goals so we must redesign goals
- there are incentives for NOT performing well so we must remove them and so on. The system holds the causes of poor performance!

But wait-don't people bear some of the responsibility? Is the system always at fault?

Yes, people bear responsibility. Yes, the system is always at fault. Here is how that works:

People are held accountable in a well designed performance system. The logic is that the organization is responsible for providing people with the support to perform well. Then, if people perform poorly they can be fired, transferred to a job in which they perform well, or the organization can accept poor performance. How do we know whether the organization provides adequate support? Standards for "adequate" support are a corporate policy decision, a legal question, and a matter of expert opinion. Those of us who work in performance systems analysis agree quite well about what support is required: materials, goals and performance standards, procedures, feedback, incentives, pre-requisite knowledge and skill training, and job aids and tools necessary to match the demands of the work to the capabilities of the performer. We figure that matching persons to jobs is an organizational responsibility. We also figure there are practical limits on what the performer and the organization are willing to do so there will not always be a success in matching support to job and performer.

There are other terms floating around that are similar to "Performance Systems Analysis." Here are a few of the sets of terms and how they compare to "Performance Systems Analysis."

<b>Terminology</b>	<b>Comparison to Performance Systems Analysis</b>
Human Performance Technology	Essentially similar, HPT is the "official" terminology used by the International Society for Performance Improvement
Organizational Behavior Management	Essentially similar, OBM is the "official" terminology used by the Organizational Behavior Management Network
Performance Management	When used in the context of HPT or OBM, performance management is a key part of improving performance. When used in the context of the Society for Human Resource Management, it means a procedure "owned" by HR and having much in common with the procedures of what was formerly called "performance appraisal." The major differences between the SHRM and the HPT or OBM or Performance Systems Analysis focus is that the SHRM language is closely aligned with HR procedures rather than managing day to day work. The HR procedures are intended to help manage good performance but, according to HPT, OBM, and SHRM experts, typically do not unless they are closely integrated with day to day management practices.
Systems Analysis	This terminology is used by many different professional groups. It is intended to mean the widely advocated practice of looking at entire systems even when analyzing the performance of one part of a system. It is often used in a much more restrictive sense, referring to specialized data processing "systems" or management information "systems." (I used quotation marks to indicate this is a restrictive use of the term, closer to what ISPI or OBM members might call "procedures.")