Chapter 1

Performance Consulting

.... *I*n their desire to improve organizational performance, managers sometimes seek the help of consultants. They may not fully understand the capabilities and biases consultants bring to the assignment, however. The following story illustrates this point.

FIELD NOTES: SOLUTIONS

A large conglomerate hired Mark to head its unit that manufactures and distributes extrusion metals (used to make window frames, louver blades, I-beams for construction, and storm doors). The main plant was in the Midwest, there was a second plant on the East Coast, and a new plant was scheduled to open in Singapore within six months.

The Midwest plant had lost market share over the previous two years. Its on-time delivery record was poor, and turnover among its sales staff was high. The East Coast plant was just meeting its financial goals, and senior management told Mark they were concerned: customer complaints about product quality and missed deliveries were up.

Mark decided to seek the help of a marketing consultant. The consultant recommended a new product image, a new logo, and a new marketing campaign. Mark agreed that a new marketing plan made sense, but he was uncomfortable with the plan because it could take the better part of a year to see results. To see if he could get faster results, Mark sought the advice of a sales consultant. This consultant recommended a sales contest, a new bonus structure, and incentives for achieving sales goals. At about the same time, a senior vice president at corporate headquarters suggested that Mark talk to a management consultant. The consultant suggested reorganizing the business unit around key customer groups, such as construction, institutional buyers, and resellers. Because Mark had been impressed by the successes of the quality assurance department at the company

he used to work for, he decided to meet with a quality consultant as well. This consultant offered three significant suggestions: set up cross-functional teams; make each team responsible for a whole process, from receiving orders to delivering finished products; and implement statistical process control techniques for each process.

Mark's U.S. sales manager suggested they hire an organizational development consultant to work with the management team. The goals would be to come up with a new vision and mission for the unit and to improve communication within the team. The Midwest plant manager suggested they hire a training consultant to develop training for sales and production personnel.

Mark received a memo stating that the corporation's architectural firm had been hired to do strategic planning for the entire corporation. One of the anticipated outcomes of the strategic plan was a new model for the plants, since the architectural firm was known for agile designs based on manufacturing principles. A human resource consultant recommended studying causes of turnover, implementing a targeted selection program, and doing an employee morale survey.

On his flight to the Singapore plant, Mark read about the successes of reengineering. He was particularly impressed by the use of sophisticated information systems designed to shorten cycle times. On his return flight, he read another article, this one about performance improvement consulting. It was then that Mark realized that all of the approaches he had been considering had merit. All of the consultants he had hired had started with a solution; however, none of them had begun with an analysis of what was actually causing the poor performance. Instead, they had all assumed that they had the answer.

Mark's experience is not unique. Eager for solutions to their problems, organizations act on the recommendations of experts without first finding out what the problem is. Managers are slowly recognizing the need to take a more fact-based, grounded approach to improving performance however. Changes must leverage real strengths and deal with real weaknesses. This recognition on the part of management presents an opportunity for professionals in training, human resource development (HRD), and other related disciplines to demonstrate how their processes for diagnosing performance problems, selecting appropriate interventions, and measuring results can make a difference. At the same time, professionals in training, HRD, quality assurance, and organizational development (OD) want to shift their role to performance consulting, where they hope to join with management in applying processes designed to find the real barriers to performance. This new role is supported by the National Society for Performance and Instruction when it changed its name to the International Society for Performance Improvement (ISPI) to reflect the new emphasis on improving performance rather than promoting training. In 2001, ISPI published its Human Performance Technology (HPT)

standards that define the role and allow practitioners to assess their ability to meet the standards. It now offers a certification, the certified performance technologist (CPT) designation, to practitioners who can demonstrate that they have met the standards in their work. ISPI's conferences, institutes, publications, and certification are aimed at developing a shared understanding of and appreciation for the skills and knowledge required to improve organizational and people performance.

EXPERIENCES FROM THE FIELD: IMPROVING PERFORMANCE

It has been my experience that organizations are fairly erratic about finding ways to improve organizational and people performance. In their search for the optimal size and structure, they buy, merge, and sell whole business units. They centralize functions, only to decentralize them later. They buy new technologies, products, and facilities. They distribute assets across unrelated products, only to consolidate around their name brands later. Organizations reengineer their processes, invest in training, and purchase ready-made programs to develop leadership and managerial skills. To reduce costs, they reduce the number of jobs by downsizing, outsourcing, and moving jobs to other countries. Many of these actions are done in parallel. Some are in conflict, however, and all are solutions in search of a problem.

To get a better understanding of the kinds of programs organizations take on to improve performance, think about the last two to three years in your work life:

- What has your organization done to reduce costs, improve profits, or become more competitive?

- How many times has it reorganized, bought other companies, or been bought by other companies?

- How many times has it centralized functions, only to decentralize them later?

- How many times has your position stayed the same while the people you report to or the department you are assigned to changed?

- How many times have you moved your office? What were the assumptions behind these moves?

- What were some of the initiatives your organization embraced to motivate people, satisfy customers, or be more competitive? Were any of those initiatives based on a serious examination of the company's current state? If so, what evidence did the company use to see if the desired result was achieved? Who did the measuring?

- How successful was the company at implementing changes throughout the organization? Did those changes fulfill the promise of lower costs, higher profits, or competitive advantage? How do you know?

- What role did you play in any of these efforts? What will it take for you to play a more effective role in the future?

WHAT MAKES A PERFORMANCE CONSULTANT?

When I'm asked to explain performance consulting, I point out that performance consultants:

- Are experts in analysis and measurement and provide expert advice, yet also facilitate the client's commitment to taking responsibility for supporting performance

- Play multiple roles

- Are not predisposed toward a particular solution and do not make recommendations until there are data to support them

- Facilitate conversations in ways that keep clients focused on what matters and develop meaningful information and insight

- Focus on outcomes and measured results

Moving Between Expert and Facilitator

I think of consulting as a continuum (see Figure 1.1). At one end is the expert whose job is to give advice. At the opposite end is the facilitator, whose job is to manage the group dynamics.

Experts who are brought in as consultants usually possess education or credentials in a specific professional discipline. As experts, they make definitive statements and express opinions. At this end of the continuum, consulting consists of rendering an opinion and giving advice. The client's attention is focused on the person expressing the opinion: the expert.

Training and HRD professionals think of consulting in terms of the opposite end of the continuum, however. To them, consulting is facilitating. Facilitators rarely give advice, offer opinions, or take a position on a subject; they are perceived as neutral. Their role is to facilitate other people's discovery and commitment to change. So at this end of the continuum, consulting is the
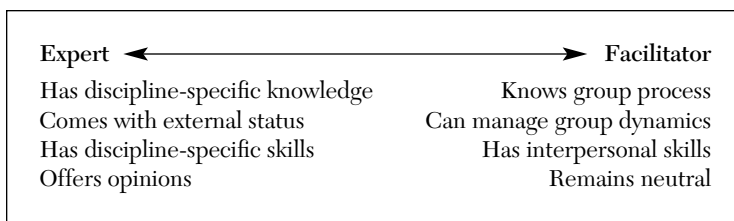
Expert ←	→ Facilitator
Has discipline-specific knowledge	Knows group process
Comes with external status	Can manage group dynamics
Has discipline-specific skills	Has interpersonal skills
Offers opinions	Remains neutral

Figure 1.1. The Expert-Facilitator Continuum

process of guiding people's discovery and bringing them to consensus. The client's attention is focused on what is happening within the group.

Effective performance consultants blend the attributes of an expert with those of a facilitator. They give advice about how to get and interpret the facts and improve organizational and people performance. At the same time, they facilitate the client's commitment to getting facts, measuring results, and supporting performance. The tools and techniques in this fieldbook are designed to help you move back and forth between expert and facilitator. The tools legitimize your opinions but also encourage your clients to come to their own conclusion and retain ownership of the results. The tools and techniques will focus your clients' attention on the processes of discovery, diagnosis, and measurement, not on you.

Playing Multiple Roles

Another continuum can be used to distinguish performance consultants from other types of consultants. This continuum goes from critic to doer to spectator (see Figure 1.2). There are people who criticize, people who do, and people who stand around and watch.

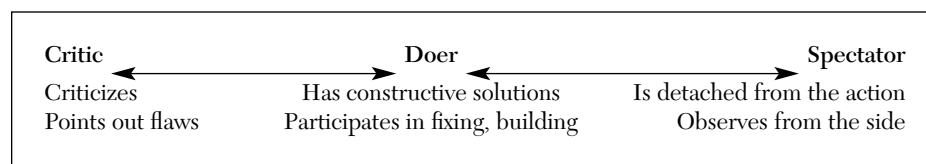Experts are frequently thought of as critics: they tell you what is right and wrong. Facilitators are similar to spectators: they may stand at the front of the room, but they are on the sidelines of the debate. Doers take responsibility for making things happen: they produce. Performance consultants play all three roles, depending on the client's needs and what the client wants to accomplish.

Critic	Doer	Spectator
Criticizes	Has constructive solutions	Is detached from the action
Points out flaws	Participates in fixing, building	Observes from the side

Figure 1.2. The Critic-Doer-Spectator Continuum

Staying Free of Bias

Another thing that distinguishes performance consultants from other consultants is their lack of bias in terms of finding a solution. Other consultants presume that the solution rests in their specialty (which is what Mark came to realize). For example, management consultants assume problems can be solved through better leadership and by changing the organizational structure. Quality consultants assume performance can be improved through cross-functional teams and improved processes. Trainers start with the premise that the solution is training. Performance consultants, however, are not biased toward a specific solution. Instead, our approach is to follow a systematic process to

determine what contributes to performance and what impedes it. For example, we don't assume; we find out if:

- People have access to the relevant information, and that information is in an understandable form
- There are consequences that reinforce the desired behaviors and outcomes
- The organizational environment supports the requirements of the job
- People get consistent, clear directions
- Processes are well defined and efficient
- Functions and jobs are designed around key processes
- People have the resources and skills they need to be effective

Facilitating Conversations

To be experts in analysis and measurement, performance consultants must know how to get information beyond just asking questions, observing work in process, and checking documents. They have to know when and how to initiate conversations with management and workers because these conversations build clients' understanding of what is required for people to be effective at their jobs. Conversations also help performance consultants better understand the work environment, including its demands and constraints.

Focusing on Outcomes and Measured Results

As performance consultants, we pay attention to the outcomes or consequences of what is done to improve performance. This means that we measure the outcomes or results of an intervention and assess whether performance has improved as a result of it.

I like to think we challenge our own and other people's thinking. We find out what is really happening so we can bring clarity to situations. We fit pieces together and make sense out of what is going on. This is why it takes special skills to be an effective performance consultant.

DEFINING PERFORMANCE CONSULTING

"Be a leader!" "Be world class!" "Be customer focused!" These are some of the slogans companies use to communicate what they want their employees to do. But if you were to stop people and ask what each of these slogans means, you would probably get many different answers. The same would be true if you were to ask them what performance consulting is all about. If you want to be a performance consultant, you have to be clear about what it means to you.

Once you are clear in your own mind about what a performance consultant is, you can develop a transition plan for yourself, because you will know where you are going.

An operational definition is a technique for understanding any new concept (such as performance consulting). Creating an operational definition for performance consulting will help you, your colleagues, and your clients come to a shared understanding of what performance consulting is; help you clarify what it takes to be a performance consultant; and produce language you can use in your marketing materials.

An operational definition answers three questions: *what, why,* and *how.* When I use an operational definition to clarify a role, I frequently combine it with examples of the typical tasks involved, the required knowledge and skills (sometimes combined as *competencies*), and possible measures of the work performed by people in that job.

In Figure 1.3, an example of an operational definition with a list of typical tasks, performance consulting is defined as a *practice.* You might think of it as a discipline, a role, a process, or something else, however. In this example, the reason for the practice of performance consulting (the *why*) is identified as "to optimize performance." You might come up with a different reason, such as to ensure that everyone has what they need to excel, eliminate barriers to performance, equip management to support performance better, or make sure an investment in training pays off by identifying what has to be in place for people to apply what they learn. The example defines the execution (the *how*) of performance consulting as "the application of proven processes." You might see it in terms of changing your relationship with clients, increasing your scope of services, or shifting from delivery to brokering services. My point is that the label *performance consulting* has to be meaningful to you. It should be based on what your clients and organization require of you, should accurately reflect your role in the organization, and should match the four attributes of being an expert yet a facilitator, playing multiple roles, maintaining a bias-free approach, and focusing on outcomes. Chapter Six provides an example of a job description that integrates all of the elements of an operational definition. Once you have the definition and the typical tasks you perform, you can complete the table by adding what you have to know and be able to do to be effective. In the last column, you can add how your work will be measured.

I also find it helpful to look at what the literature says about performance consulting. This does not mean you have to accept what others say, but you do need to know if your understanding of performance consulting differs from others' understanding, and if so, how. For example, the Department of Labor's *Dictionary of Occupational Titles* describes a consultant as someone who "consults

Figure 1.3. Example of an Operational Definition of Performance Consulting

What: Performance consulting is the practice of taking a disciplined approach to assessing individual and organizational effectiveness, diagnosing causes of human performance problems, and recommending a set of interventions. The approach is based on a body of knowledge about organizational and human performance. The outcome is advice on how to improve organizational and people performance.			
Why: To optimize human and organizational performance.			
How: The application of proven processes.			
Typical tasks:	*Knowledge*	*Skills*	*Expected results*
• Assess individual and organizational performance (performance analysis).			
• Identify factors impeding and contributing to performance (cause analysis).			
• Select, recommend, and evaluate interventions (interventions).			
• Facilitate the implementation of interventions and the adoption of new behaviors (implementation).			
• Facilitate the development and use of measures and evaluation strategies.			

with clients to define a need or problem, conducts studies and surveys to obtain data, and analyzes the data to advise on or recommend a solution." This is the *what.* The definition also states that a consultant "utilize[es] knowledge of theory, principles, or technology of specific discipline or field of specialization." This is the *how.* Finally, it defines the specific activities (the tasks) a consultant engages in (paraphrased here):

- *Consults* with clients to ascertain and define the need or problem area and determines the scope of investigation required to obtain solution
- *Conducts a study or survey* on the need or problem to obtain data required to find a solution
- *Analyzes the data* to determine a solution, such as implementing alternative methods and procedures, changing processing methods and practices, modifying machines or equipment, or redesigning products or services

• *Advises clients* on alternative methods of solving problem or recommends a specific solution

In one study, the American Society for Training and Development (ASTD) identified the roles HRD professionals play in organizations. Four of the roles they identified fall under performance consulting (see Figure 1.4).

Figure 1.4. The ASTD's HRD Roles That Relate to Performance Consulting

Source: The numbers are the same ones used in the ASTD's original list, which appeared in McLagan, P., and Suhadolnik, D., *Models for HRD Practice* (Alexandria, VA: ASTD, 1989). Reprinted by permission.

1. *Researcher:* The role of identifying, developing, or testing new information and translating the information into its implications for improved individual or organization performance

3. *Organization change agent:* The role of influencing and supporting changes in organizational behavior

4. *Needs analyst:* The role of identifying ideal and actual performance and performance conditions and determining causes of discrepancies

10. *Evaluator:* The role of identifying the impact of an intervention on individual or organizational effectiveness

When you review all of the roles, you may come to a different understanding of which ones fit under performance consulting. The ASTD also listed thirty-five HRD competencies. Figure 1.5 lists the ones that I think relate directly to performance consulting.

Figure 1.5. The ASTD's HRD Competencies That Relate to Performance Consulting

Source: The numbers are the same ones used in the ASTD's original list. The competencies appear on page 23 of *The Research Report,* which is part of McLagan, P., and Suhadolnik, D., *Models for HRD Practice* (Alexandria, VA: ASTD, 1989). Reprinted by permission.

TECHNICAL COMPETENCIES: having functional skills and knowledge

3. *Competency identification* (identifying the knowledge and skill requirements of jobs, tasks, and roles) requires skill in identifying inputs and assessing their accuracy and completeness.

7. *Objectives preparation* (preparing clear statements that describe desired outputs) requires skill in identifying the relevant outputs and proposing criteria to measure their attainment.

8. *Performance observation* (tracking and describing behaviors and their effects) requires skill in what drives or causes behaviors.

BUSINESS COMPETENCIES: having a strong management, economics, or administration base

12. *Business understanding* (knowing how the functions of a business work and relate to each other; knowing the economic impact of business decisions) requires tools for identifying how the functions interrelate and the economic impact of those relationships.

13. *Cost-benefit analysis* (assessing alternatives in terms of their financial, psychological, and strategic advantages and disadvantages) requires tools for identifying direct and indirect costs, judging probability, and weighing trade-offs.

Figure 1.5. The ASTD's HRD Competencies That Relate to Performance Consulting, *cont'd.*

15. *Industry understanding* (knowing the key concepts and variables such as critical issues, economic vulnerabilities, measurements, distribution channels, inputs, outputs, and information sources that define an industry or section) is made easier with tools that capture issues and make them public so they can be discussed and the need for better data (versus the folklore) determined.

16. *Organizational behavior understanding* (seeing the organization as having dynamic, political, economic, and social systems with multiple goals; using this larger framework for understanding and influencing events and change) requires organizational models and tools for describing the system components and how they interplay.

17. *Organizational development theories and techniques understanding* (knowing the techniques and methods used in organizational development; understanding their appropriate use) requires models and methods and skill in their use.

18. *Organizational understanding* (knowing the strategy, structure, power networks, financial position, and systems of a specific organization) requires skill in gaining access to information and interpreting that information.

INTERPERSONAL COMPETENCIES: having a strong communication base

22. Feedback (communicating information, opinions, observations, and conclusions so that they are understood and can be acted on) is helped by having techniques for discriminating useful information and assessing acceptance of that information.

23. *Group process skill* (influencing groups so that tasks, relationships, and individual needs are addressed).

24. *Negotiation skill* (securing win-win agreements while successfully representing a special interest in a decision-making process).

26. *Questioning* (gathering information from stimulating insight in individuals and groups through the use of interviews, questionnaires, and other probing methods) requires skill in selecting and using probing methods that reveal information that is relevant and leads to insight.

27. *Relationship building* (establishing relationships and networks across a broad range of people and groups) requires skill and methods to discriminate relevant from irrelevant cultural nuances and select appropriate behavior.

INTELLECTUAL COMPETENCIES: having the knowledge and skill related to thinking and information processing

29. *Data reduction skill* (scanning, synthesizing, and drawing conclusions from data).

30. *Information search skill* (gathering information from printed and other recorded sources; identifying and using information specialists and reference services and aids).

31. *Intellectual versatility* (recognizing, exploring, and using a broad range of ideas and practices; thinking logically and creatively without undue influence from personal biases).

32. *Model-building skill* (conceptualizing and developing theoretical and practical frameworks that describe complete ideas in understandable, usable ways).

33. *Observing skill* (recognizing objectively what is happening in and across situations).

35. *Visioning skill* (projecting trends and visualizing possible and probable futures and their implications).

When you review all thirty-five competencies, you may come to a different conclusion. The important thing is to be clear about:

- What you think performance consulting is
- Why performance consulting is needed
- How performance consultants accomplish what they say they accomplish
- The kinds of things a performance consultant does
- The skills and knowledge required
- How you want your effectiveness measured

ISPI published its HPT standards when it decided to offer a certification (see Figure 1.6). There are ten standards that define the *what* and *how* of performance improvement consulting. The first four standards are the principles on which the CPT designation is based: taking a systemic view, focusing on results, adding value, and partnering with others. The last six describe the systematic process that a competent consultant should follow.

Figure 1.6. ISPI'S HPT Standards

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FOCUSING ON OUTCOMES

*Focusing on outcomes—that is, results—*puts you in a position to question, confirm, and reconfirm that people share the same vision and goals, the job procedures support efficiency, and people have the skills and knowledge they require. You determine what it is you are trying to solve, measure the outcomes or results of an intervention, and assess whether performance has improved as a result. Sometimes you must challenge the assumed answer to a problem or the expected event or activity of an intervention, and focus instead on the accomplishment or business need that is the client's true priority.

TAKING A SYSTEMS VIEW

Taking a systems view is vital, because organizations are complex systems that affect the performance of the individuals who work within them. It is important to distinguish a systems approach from a process model. A *process* contains inputs and outputs and has feedback loops. A *system* implies an interconnected complex of functionally related components. The effectiveness of each unit depends on how it fits into the whole, and the effectiveness of the whole depends on the way each unit functions. A systems approach considers the larger environment that affects processes and other work. The environment includes inputs and, more important, pressures, expectations, constraints, and consequences.

ADDING VALUE

Did you *add value* in the way you worked with the client and your suggested intervention? This is an assessment your client will be asked to make. You can set the stage by offering your clients a process that will help them fully understand the implications of their choices, set appropriate measures, identify barriers and trade-offs, and take control.

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continued

Figure 1.6. ISPI'S HPT Standards, *cont'd.*

WORKING IN PARTNERSHIP WITH CLIENTS AND OTHER SPECIALISTS

Working in partnership with clients and other specialists—that is, collaboratively means that you involve all stakeholders in the decision making around every phase of the process and involve specialists in their areas of expertise. Working collaboratively means that decisions about goals, next steps to take in the process, and implementation are shared responsibilities. Partnerships are created from listening closely to your client and trusting and respecting each other's knowledge and expertise, so together you can make the best choices about accomplishments, priorities, and solutions.

BEING SYSTEMATIC—NEEDS OR OPPORTUNITY ANALYSIS

Needs or opportunity analysis is about examining the situation at any level (society, organizational, process, or work group) to identify the external and internal pressures affecting it. Based on what you learn, you determine if the situation is worthy of action or further study. The output is a statement describing the current state, the projected future state, and the rationale or business case for action or nonaction.

BEING SYSTEMATIC—CAUSE ANALYSIS

Cause analysis is about determining why a gap in performance or expectations exists. Some causes are obvious; for example, as new employees lack the required skills to do the expected task and therefore the solution must eliminate that gap. The output is a statement of why performance is not happening or will not happen without some intervention.

BEING SYSTEMATIC—DESIGN

Design is about identifying the key attributes of a solution. The output is a communication that describes the features, attributes, and elements of a solution and the resources required to actualize it.

BEING SYSTEMATIC—DEVELOPMENT

Development is about creating some or all of the elements of the solution. It can be done by an individual or a team. The output is a product, process, system, or technology. Examples are training, performance support tools, a new or reengineered process, the redesign of a work space, or a change in compensation or benefits.

BEING SYSTEMATIC—IMPLEMENTATION

Implementation is about deploying the solution and managing the change required to sustain it. The outputs are changes in or adoption of the behaviors that are believed to produce the anticipated results or benefits. This standard is about helping clients adopt new behaviors or use new or different tools. The implementation plan addresses how you or the client will track change, identify and respond to problems, and communicate the results.

BEING SYSTEMATIC—EVALUATION

Evaluation is about measuring the efficiency and effectiveness of what you did, how you did it, and the degree to which the solution produced the desired results so you can compare the cost incurred to the benefits gained. This standard is about identifying and acting on opportunities throughout the systematic process to identify measures and capture data that will help identify needs, adoption, and results.

FIELD TOOLS: THE OPERATIONAL DEFINITION

It is important to be clear about what you mean by performance consulting, because you will probably have to explain it to others. Here are some ideas for developing your own definition. Use the worksheet in Figure 1.7 to record your decisions:

Figure 1.7. Operational Definition Worksheet

What:			
Why:			
How:			
Typical Tasks	Required Knowledge	Required Skills	Expected results Outputs:
			Outcomes:

1. Whether you are an internal consultant or an independent, external consultant, set up a special planning session.
2. Include staff or colleagues and key customers who support your decision to become a performance consultant or add consulting to your scope of services. Because you already have a relationship with these people, they should have a vested interest in what services you provide.
3. Tell everyone that the agenda is to help you (and those who work with you) define performance consulting.
4. Ask everyone to think about what performance consulting means to them, and bring those thoughts to the meeting.

5. Once you are together, ask the group these questions:
   - "What does performance consulting mean to you?"
   - "How would my behavior have to change for you to call me a performance consultant?"
   - "If I were to produce a brochure listing my products and services, what would I have to list for you to believe I am a performance consultant?"
   - "Why would you want me to change from what I do now to performance consulting?"
   - "Why would you *not* want me to change from what I do now?"
   - "Who would benefit from my becoming a performance consultant [or adding consulting to my scope of services]?"
   - "Who might *not* benefit from my becoming a performance consultant?"
   - "How would I do my work differently if I were performance consultant?"
   - "How would my relationships and interactions with clients be different if I were a performance consultant?"
   - "What are the tasks a performance consultant typically does? Which of those tasks are different from what I do now?"
   - "What must a performance consultant know to do these tasks? What must I know that I do not know now?"
   - "What are the skills a performance consultant must have? Which of these skills are different from the ones I have now?"
   - "How might my clients measure the cost benefit of my operating as a performance consultant?"
   - "What would I have to have [or buy] to be an effective consultant in terms of resources, skills, client relations, systems, and so on?"

6. Use what you learn to develop an operational definition of performance consulting. Complete as many of the elements (tasks, knowledge, skills, results) as you can.

7. Ask the group to comment on your definition.

8. Modify the definition until you and your group are in agreement as to what a performance consultant is.

The definition should describe the business and explain what you are about, why you are in business, and how you operate or do business. It should begin the process of identifying the work you do, what you have to know, what you have to be able to do, and how your success or effectiveness might be measured.

FIELD NOTES: CLARIFYING EXPECTATIONS

Mike worked for a large global company. The firm referred to itself, its franchisees, its suppliers and distributors, and its international investment partners collectively as "the system." Mike was asked to head up a new shared services department at corporate headquarters. The department's mandate was to institutionalize processes throughout the company, its subsidiaries, and suppliers that would improve the system's overall performance. System performance was measured in terms of consistent low costs, products that met standards, and increased market shares.

The people assigned to Mike's department had previously worked in training and development, logistics, quality assurance, finance, information systems (IS), word processing, and administration. Everyone in the department, including those in word processing and administration, carried the same title: consultant specializing in performance improvement.

Mike wanted his team to operate as internal consultants with expertise in measurement. When describing what he wanted to see from his team, he said things like, "Consultants stay focused, are politically astute, build alliances, shape performance, remain objective, and measure the financial impact of what they do." His team finally insisted that they all work together to better define what this meant. Figure 1.8 shows how they operationally defined Mike's expectations.

Figure 1.8. Operational Definition of Mike's Expectations

STAYING FOCUSED means having the skill, knowledge, and willingness to:
- Discriminate those actions or decisions that will produce the greatest outcomes from those that won't.
- Act in ways that are more likely to produce the desired outcome in deference to those that won't.

Why stay focused? So resources are directed to activities most likely to produce the desired outcome.

How do we stay focused? By:
- Directing resources and attention to things that matter
- Asking hard questions and challenging the relevance of others' actions
- Saying what is really going on without condemnation

BEING POLITICALLY ASTUTE means having the skill, knowledge, and willingness to find out who influences decisions and action.

Why be politically astute? So we will be in a position to influence decisions and actions.

Figure 1.8. Operational Definition of Mike's Expectations, *cont'd.*

How do we become politically astute? By:

- Finding out what decision makers attend to and value
- Using that knowledge to establish relationships with them
- Using those relationships to strategically barter information, access, and support without jeopardizing business or professional integrity

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BUILDING ALLIANCES means having the skills, knowledge, and willingness to:

- Identify when and what types of alliances are appropriate.
- Define the purpose of the alliance and what we expect from it.

Why build alliances? So we can leverage the resources, intelligence, and power of the larger group.

How do we build alliances? By:

- Developing a strategy for entering into the alliance
- Sharing expectations with the other members of the alliance
- Soliciting their expectations of us
- Setting mutual goals
- Developing a plan of action to advance those goals
- Committing to the plan
- Evaluating the usefulness of our business relationship

SHAPING PERFORMANCE means having the skills, knowledge, and willingness to influence what others do and think.

Why shape performance? So others' actions and priorities are aligned with what the organization requires for success today and in the future.

How do we shape performance? By:

- Sharing our expectations and thoughts
- Giving people accurate, timely, and constructive information and feedback
- Responding to others in ways they will perceive as fair
- Modeling the behavior we expect in others
- Seeking win-win solutions
- Maintaining confidences
- Not misrepresenting others' actions
- Honoring our commitments
- Dealing directly with others

Figure 1.8. Operational Definition of Mike's Expectations, *cont'd.*

REMAINING OBJECTIVE means having the skills, knowledge, and willingness to remain detached.

Why be objective? So our judgment is not clouded by the emotions and motives of others.

How do we be objective? By:
- Distinguishing among emotions, interpretations, and facts (evidence), and conclusions
- Not getting caught up in the drama of the moment

MEASURING FINANCIAL IMPACT means having the skills, knowledge, and willingness to assess the financial impact of decisions or actions on the business, business relationships, other departments, other programs, and other projects.
- Assess the financial impact of decisions or actions on the business as a whole, on business relationships, on other departments, and on other programs and projects

Why measure financial impact? So we can recognize and act on opportunities to:
- Optimize the financial impact of beneficial actions and decisions.
- Avoid or minimize the financial impact of negative decisions or actions.

How do we measure financial impacts? By:
- Identifying and interpreting financial data
- Identifying decisions and actions that have financial implications

DEFINING YOUR OWN CONSULTANT PROCESS

This new field of performance consulting can be confusing not only to clients but also to those of us who want to play this role. I've found that documenting my consulting process helps me communicate what I do and how it differs from what other consultants do (see Figure 1.9) It also helps me more accurately estimate the time and resources required to fulfill a client's request, and it helps me explain where my involvement is important but might change, depending on the needs of the client. The phases in which I can add the greatest value are Phases I, II, III, IV, and VII. It is in these phases that I and other performance consultants bring discipline and proven procedures to our work that distinguish us from other types of consultants.
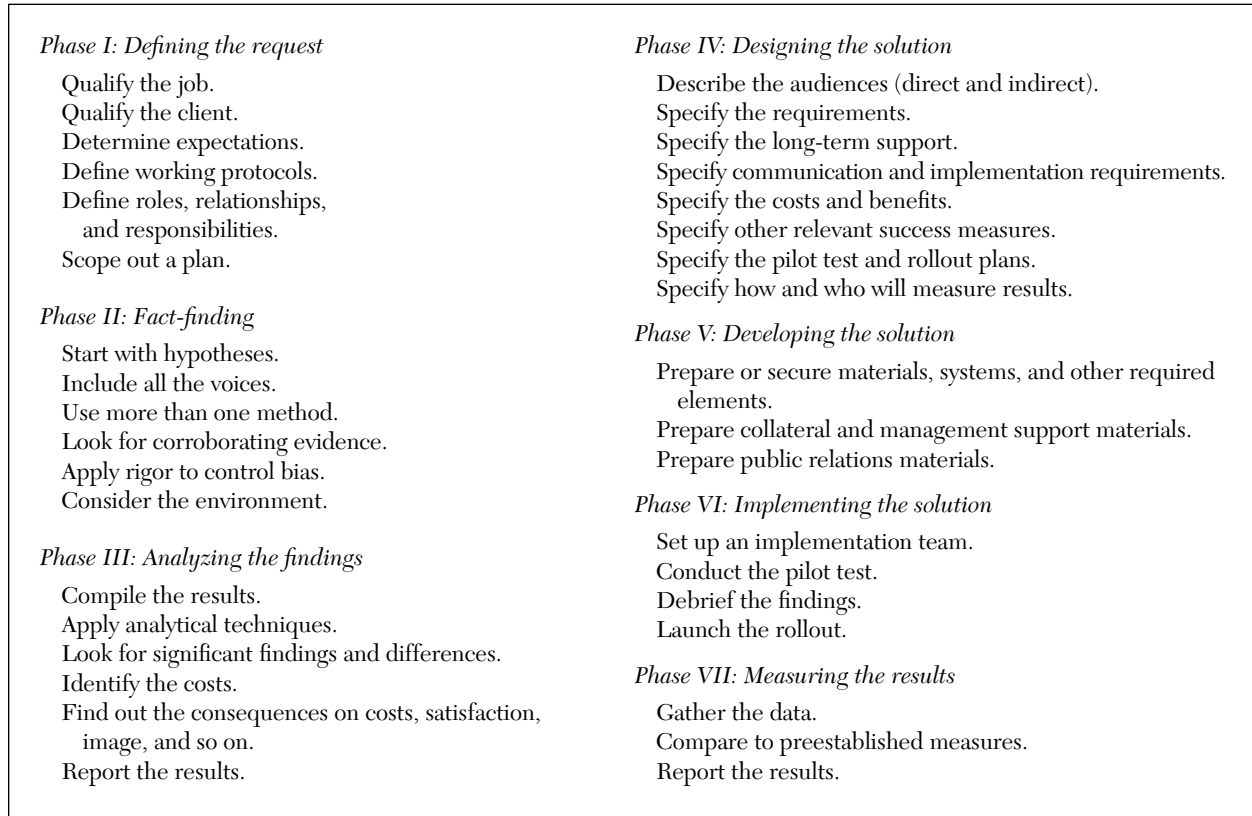
Phase I: Defining the request

Qualify the job.
Qualify the client.
Determine expectations.
Define working protocols.
Define roles, relationships,
   and responsibilities.
Scope out a plan.

Phase II: Fact-finding

Start with hypotheses.
Include all the voices.
Use more than one method.
Look for corroborating evidence.
Apply rigor to control bias.
Consider the environment.

Phase III: Analyzing the findings

Compile the results.
Apply analytical techniques.
Look for significant findings and differences.
Identify the costs.
Find out the consequences on costs, satisfaction,
   image, and so on.
Report the results.

Phase IV: Designing the solution

Describe the audiences (direct and indirect).
Specify the requirements.
Specify the long-term support.
Specify communication and implementation requirements.
Specify the costs and benefits.
Specify other relevant success measures.
Specify the pilot test and rollout plans.
Specify how and who will measure results.

Phase V: Developing the solution

Prepare or secure materials, systems, and other required
   elements.
Prepare collateral and management support materials.
Prepare public relations materials.

Phase VI: Implementing the solution

Set up an implementation team.
Conduct the pilot test.
Debrief the findings.
Launch the rollout.

Phase VII: Measuring the results

Gather the data.
Compare to preestablished measures.
Report the results.

Figure 1.9. The Consulting Process

Phase I: Defining the Request

Phase I is about scoping out the request, the client's expectations, and the nature of the relationship. The outcome of Phase I is enough information to answer these questions:

- *Can I do it?* The request may be outside my area of expertise. I've learned not to try to be all things to all people. Chapters Three, Four, and Five describe in greater detail some of the general skills and knowledge required to be a successful consultant.

- *Do I want to do it?* Every request comes with trade-offs. Some requests, because of their timing, may put other projects at risk. Some requests come with so many constraints attached that they require extra resources just to manage the client and the project. This takes energy away from doing the real work.

- *Do I want to work with these people?* Some people are too busy, distracted, or uncommitted to be involved at the level necessary. Lack of

involvement is a red flag, because it reduces the chances that my findings and recommendations will be accepted. Another red flag is being denied access to people who have key information and a stake in what is being proposed. Without the buy-in of the stakeholders, the chances that the project will be successful over the long haul are minimal. Furthermore, lack of acceptance and adoption reflect negatively on the consultant.

- *What is the client's level of sophistication?* Unsophisticated clients increase my costs (by taking more of my time), and I may or may not be able to pass those increased costs on to the client. (Internal consultants have the same problem.) Unsophisticated clients require more coaching and direction, which requires a greater time commitment by the consultant, whether or not the consultant charges the client for it. Chapter Four has a process for qualifying the client.

- *Is there any chance of my making a difference?* Some problems are so complex that a long-range strategy is necessary. Before I accept an assignment, I want to know how long the sponsor and initial project team will stick around and, if they are replaced, whether their replacements will be equally committed to the project. Chapter Five describes some of the environmental issues that contribute to performance problems.

- *How much does the current problem cost?* This information is key to determining the worth of the problem and the worth of the solution. Chapter Three is about determining costs, and Chapters Nine and Ten explain valuing and measuring problems in greater detail.

- *What will it take to complete the subsequent phases?* Before I begin an assignment, I want to find out if I can (or should) do it alone, if I want the client to provide a team, or if I need to involve other professional resources.

- *How much will it cost the client?* Determining this includes calculating my fee (if you are an internal consultant, it includes calculating what your time on the project will cost your organization) and the amount of any other required resources. I use this information to measure the return on investment, or payback.

Phase II: Fact-Finding

Phase II is about getting and validating the facts. What distinguishes performance consultants from other consultants is the rigor and discipline with which they gather data. I always point out to the client that I have documented procedures for assessing needs and for each of my data-gathering

tactics, to control bias. How much data gathering I do and what type depends on the information I gain in Phase I.

Phase III: Analyzing the Findings

Phase III is about analyzing the results of the fact-finding phase. Performance consultants purposefully look for corroborating evidence and use descriptive and inferential statistics in their analysis. They stress their use of proven procedures and the discipline they bring to their work.

Phase IV: Designing the Solution

Phase IV is critical to understanding what resources will be required to develop, implement, and provide ongoing support for the solution to the client's problem.

Phase V: Developing the Solution

Phase V is a natural point for turning the project over to the client or another professional with the appropriate expertise. Nonetheless, I always include this phase as part of the process because someone has to do it.

Phase VI: Implementing the Solution

Phase VI is another phase in which the performance consultant may or may not play a role. It depends on the nature of the assignment and what resources the client can dedicate to implementation.

Phase VII: Measuring the Results

Phase VII also distinguishes the performance consultant from other consultants. Performance consultants have to know how to measure what changed or improved as a result of implementing the solution or a program.

Benefits to Defining and Describing the Work

There are a lot of benefits to defining and describing how you do your work. It helps you communicate the scope of your services. It makes it easier for you to negotiate agreements concerning when you do and do not want to be involved. It helps the client understand all that goes into improving performance. It helps you place a value on your services. Just as important, having a well-defined process enables you to determine how effectively and efficiently you do your work by helping you measure the results of it. Only by measuring your results can you continuously improve what you do.

FIELD TECHNIQUES: DEFINING YOUR CONSULTING PROCESS

To define your own consulting process, meet with your team and other colleagues who support you in your desire to be an effective performance consultant. Then follow these steps:

1. Review the literature on performance consulting. Determine if there are any processes you think you might want to adopt or modify to reflect your own vision of how you want to operate.

2. Develop a vision for the role of performance consulting in your organization. Later in this chapter are suggestions on how to develop a vision and mission statement.

3. Describe the process you use now when working with clients.

4. Identify where you want to add to or change your current process so that it will better support your vision.

5. Decide how you want to describe your overall consulting process, such as a flowchart or a list of procedures.

6. Document your consulting process, and share it with supportive clients to get their feedback and confirm that it makes sense to them.

FIELD NOTES: DEFINING THE CONSULTING PROCESS

Mike's vision was for everyone on his staff to operate as internal consultants. As consultants, he wanted them to:
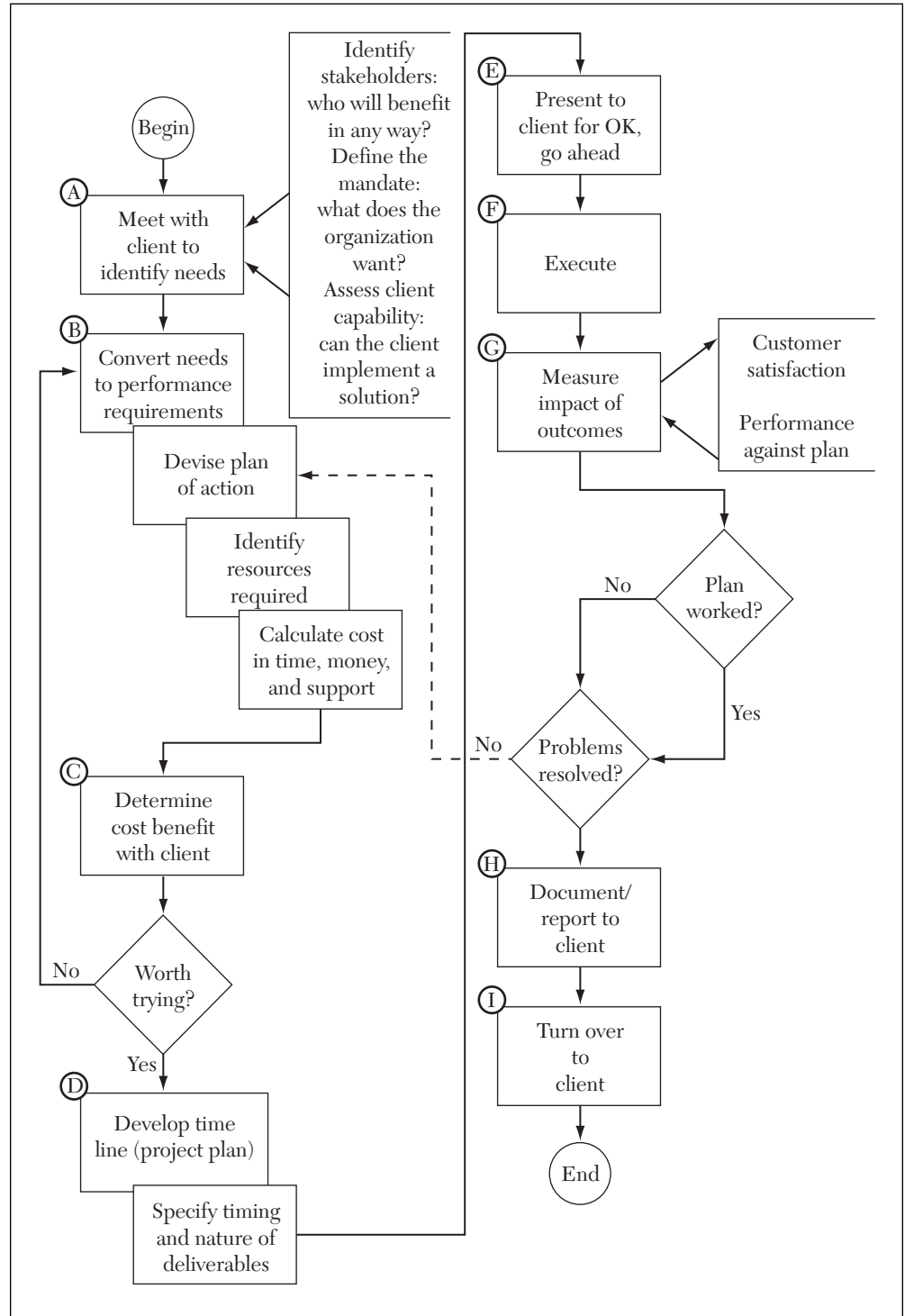
- Develop and consistently follow a consulting process for working with clients
- Develop subprocesses for defining needs, estimating required resources, providing solutions or services, measuring the cost benefit of those solutions or services, and shifting responsibility to their clients for implementing and maintaining the solutions
- Assess their clients' readiness and commitment to implementing the solutions and supporting the change over time
- Measure the results of their solutions or services in terms of cost benefit
- Measure how efficiently and effectively they handled each assignment
- Measure their customers' satisfaction with their services, the results, and the consulting relationship
- Measure the degree to which their solutions are implemented and their clients retain ownership of and accountability for them
- Continually improve their processes

Mike was particularly interested in measuring how well the team's recommendations were implemented and supported over time. To do this, they would first have to assess their clients' capability to support a solution and their commitment to implementing it. In the past, the company had invested significant dollars and human resources in developing good ideas and programs. Implementation of those ideas and programs, however, had been uneven at best. Mike wanted to set up a process that would allow him to separate development accountability from implementation accountability. He and his staff identified the kinds of requests they expected to receive based on their experience:

- Develop procedures for managers to assess suppliers' financial viability and determine appropriate profit margins
- Develop guidelines for managers to use in identifying cost drivers in a supply chain or product line
- Lead or participate in cross-functional teams charged with major initiatives, since their group has expertise in diagnosis (cause analysis) and measurement
- Arrange and coordinate meetings (miniconferences) for senior management, key suppliers, and partners
- Research trends, and do financial analyses
- Prepare presentation materials, and produce reports for limited and world-wide distribution
- Participate in developing specifications for information systems to track and communicate the financial performance of key products and specific markets
- Do needs analyses
- Do cost-benefit studies
- Consult on measurement
- Identify the training needs of supply chain and product managers
- Train managers in financial analysis, decision-making tools, word processing tools, and electronic system tools
- Outsource other training requirements

As admirable and challenging as these assignments might be, they would not improve the performance of the system without a commitment by its managers to implement solutions and measure the results. Mike knew he probably could not change the kinds of things senior management or the other departments asked for, but he could change how his department responded to their requests. With this in mind, Mike and his team decided to define how they would do business. They began by developing an overall consulting process for working with management and the other departments (see Figure 1.10).

Figure 1.10. Mike's Consulting Process

Begin

A — Meet with client to identify needs

Identify stakeholders: who will benefit in any way? Define the mandate: what does the organization want? Assess client capability: can the client implement a solution?

B — Convert needs to performance requirements

Devise plan of action

Identify resources required

Calculate cost in time, money, and support

C — Determine cost benefit with client

Worth trying?

No / Yes

D — Develop time line (project plan)

Specify timing and nature of deliverables

E — Present to client for OK, go ahead

F — Execute

G — Measure impact of outcomes

Customer satisfaction

Performance against plan

Plan worked?

No / Yes

Problems resolved?

No

H — Document/ report to client

I — Turn over to client

End

The first activity (labeled A in Figure 1.10) would be to meet with the client to develop an understanding of the client's request. The request could be to solve a problem, develop a product, or provide a service similar to what the team had done in the past. The outcomes of those meetings (B) would be enough information for the team to determine what it would take in terms of resources (time and money) to fulfill the request (that is, the cost) and the client's capability and commitment to following through once the request had been fulfilled. This step would require the team to place some economic value on their time and on any other required resources. The next activity (C) would be to meet with the client to mutually determine whether the potential gain (benefit) would be worth the estimated cost. Together, the consultants and client would determine the worth of the effort, if the client has the resources and commitment to implement or execute what was produced, and how the value of the service or product would be determined after it is rendered or implemented.

Once the client and consultants agree to proceed, the next step (D) would be to develop a more detailed project plan, with a time line, milestones, and deliverables. Again, the client and consultant would either agree to the plan and time line (E) or modify it. The steps under execute (F) might be extensive or simple, depending on the complexity of the request. For Mike and his team, it was the steps in measuring the results (G) and gaining the client's commitment to owning and managing the project (I) that had been missing in the past. These were the two steps that would set his department apart from others brought in to fix problems and make improvements.

The overall process required everyone on Mike's team to become expert at establishing shared expectations with clients, assessing the clients' readiness and willingness to use what is developed, determining the cost of improving (or not improving) performance, planning and managing projects, and measuring the results or outcomes of what happens. These were the required skills to be a consultant in Mike's department.

Each of Mike's subteams—finance, word processing, training, IS, and logistics—refined the overall process to make it more germane to the kinds of requests they might handle. The IS team, for example, added a component under F (execute) for testing new application software and proving its acceptance and value before rolling it out across the system. Finance was the subteam that operated closest to the role of experts. They spent most of their time supplying quick answers. However, they wanted to work on more strategic projects, so they decided to sort requests for their services into one of three categories: help desk; business as usual, or regular reports; and strategic assignments. They then set up different processes for each type of request. This allowed the finance group to track what they did and who they did it for and to develop more efficient procedures for measuring their results (see Figure 1.11).

Having a common process (with variations for specific kinds of requests) resulted in a number of benefits. It gave everyone on the team a better understanding of what the others did and what each could contribute that would be

Figure 1.11. The Finance Team's Process

of value to the system. It gave everyone a better understanding of what consulting was about. It even spurred them to learn more about measurement and improve their consulting skills, especially facilitation and negotiation. It also gave everyone a basis for measuring their own efficiency and effectiveness.

THE IMPORTANCE OF A VISION AND MISSION

I am a big believer in vision and mission statements and create them for every assignment and project plan. Whenever I get frustrated with the need to develop one more vision and mission statement for myself or a client, I keep this saying, from an unknown businessperson, in mind: "The purpose of planning is to uncover the things we must do today in order to have a future."

I've learned that I have to create a vision to be effective and that a mission statement helps me stay on track. I may or may not share my vision and mission with my client; nevertheless, they are an integral part of my process for understanding what a client wants and needs, and they provide a basis for evaluating my effectiveness.

A vision statement describes what you see as the possible and desirable future state of your role or function or of the project or the task. A mission statement says what you, the role or function, or the project or task is about. I always start with the vision and then develop the mission. The sequence doesn't really matter; what does matter is having a sense of the future and being clear about your purpose. Figure 1.12 presents my vision and mission for this fieldbook.

Figure 1.12. Vision and Mission for This Fieldbook

Vision: That training and HRD professionals will be recognized and rewarded for their expertise in performance consulting through the use of innovative yet practical tools that engage team members and clients in the process of discovery, diagnosis, problem solving, and measuring results.

Mission: To provide training and HRD professionals with the tools and techniques to:

- Move into performance consulting
- Establish themselves as credible members of the management team
- Use their current activities (delivery, development, facilitation, and others) to build their consulting skills and position themselves as capable, savvy businesspeople
- Give management a more comprehensive picture of the factors that impede and support human performance
- Get the information they need to identify, compare, and recommend appropriate interventions likely to achieve alignment between goals and outcomes
- Join with management to measure the impact or results of the interventions

**FIELD NOTES: THE FINANCE TEAM'S
VISION AND MISSION**

Mike's finance team developed the mission and vision statements presented in Figure 1.13. The group's vision indicates their desire to see systems in place that will enable their clients to make wise business decisions on their own. The group hopes for a day when the system's guidelines and information systems and the client's competence level are sufficient that the finance group can permanently get out of the help desk business.

Figure 1.13. The Finance Team's Vision and Mission Statements

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Vision: A financial infrastructure that will enable the product managers and their supply chains to make effective business decisions.

Mission: In our efforts to achieve our vision, the financial team will:

- Provide leadership on strategic initiatives
- Provide leadership in the development of financial guidelines
- Establish a baseline of financial and technical competencies for all product managers
- Provide leadership in the development of a business and financial information structure
- Take and communicate a position and provide recommendations on current business issues

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The group's mission indicates the relationship they want with the client (one of leadership) and what they will do to achieve their vision (provide guidance, set standards, offer expert opinions and recommendations).

FIELD TECHNIQUES: SETTING A GOAL FOR YOURSELF

To shift your role from a specific discipline to performance consulting, set a goal for yourself:

1. Look at the consulting continuums in Figures 1.1 and 1.2. Where do you fall on these continuums today? Where do you want to be one year from now? What will you accept as evidence that you have made a change?

2. Review the attributes that distinguish performance consultants from other types of consultants. How closely do those attributes reflect how you are perceived by your clients or how you work with them now? What do you want to change about how you work with your clients and about the type of work you do?

3. Review what the literature says about performance consulting. When can you come up with a definition that works for you?

4. Look at the different consulting processes discussed in this chapter (Figures 1.9, 1.10, and 1.11). Do you have a standardized process for how you consult? What will it take for you to develop a process of your own or adopt a process similar to one of these? How do you want to change the process so that it better fits your situation?

5. Look at the ISPI HPT Standards in Figure 1.6. Download the self-assessment at www.ispi.org, and assess your experience at demonstrating the standards.

6. Use the operational definition worksheet (Figure 1.7) to define performance consulting for yourself. You might want to develop separate definitions for each task. As you work through this fieldbook, return to this worksheet and list what you think it is critical for you to know and to be able to do and what you will take as evidence of success. Figure 1.14 lists some of the competencies I think performance consultants need. Play with it, build on it, and make it work for you.

7. Develop a new vision and mission for your role or function.

SUMMARY

If you want to operate as a performance consultant, you have to define performance consulting for yourself and develop a process for how you will do business. Just calling yourself a performance consultant is not enough. You need a process, coupled with procedures, tools, and techniques, that:

- Integrates the attributes of an expert with those of a facilitator
- Puts you in a position to join with clients as a partner
- Allows you to monitor, measure, and improve your own effectiveness
- Enables you to efficiently and effectively deliver all of your services
- Helps you measure the results of your services

WHERE TO LEARN MORE

The HPT Standards. Silver Spring, MD: International Society for Performance Improvement, 2001. The complete set of standards, self-assessment, and application for the certification can be found at www.ispi.org.

Kaufman, R., Thiagarajan, S., and MacGillis, P. (eds.). *The Guidebook for Performance Improvement.* San Francisco: Jossey-Bass/Pfeiffer, 1997. This basic reference for performance consultants addresses the origins of performance consultancy, direction finding and goal setting, analysis, design and development, implementation, and evaluation.

Self-management

- Make accurate self-assessments (reality testing).
- Have self-confidence (establish a presence).
- Have self-discipline (maintain a sense of priority).
- Maintain an efficiency orientation (always look to do it better).
- Manage your image (maintain external status).

Social/interpersonal

- Maintain social objectivity (detachment).
- Establish rapport (connectedness).
- Engage in group processes (play the task and social roles).
- Cultivate social power (build alliances).
- Be spontaneous (act freely in the here and now).
- Generate cognitive dissonance (purposely provoke reflection).
- Be politically savvy (know whose agenda it is).
- Make use of reciprocity (trade favors without loss of integrity).

Communication

- Describe abstract concepts (models, analogies).
- Describe and explain relationships, goals, and interdependencies (show the link).

Reasoning

- Maintain perceptual objectivity (view events from multiple perspectives simultaneously; engage in heuristic or systemic thinking).
- Engage in conceptualization (identify and recognize patterns in an assortment of information, and develop a concept that describes the patterns or structures; think inductively).
- Use concepts diagnostically (test information by systematically applying it to a concept; think deductively).
- Practice logical thought (place events in a causal sequence).
- Be proactive (provoke activity to some purpose).
- Be concerned with impacts (assess impact on multiple elements).

Performance management

- Interview, observe, and survey (gather data).
- Analyze descriptive, inferential, and financial data (determine significance and correlations).
- Analyze language, symbols, behavior, norms, and rituals (understand social systems).

**Figure 1.14. My List of
Consulting Competencies**

Pershing, J. (ed.). *Handbook of Human Performance Technology.* San Francisco: Jossey-Bass/Pfeiffer, 2006. This updated version of the original handbook, edited by Harold Stolovitch and Erica Keeps in 1992, reflects the latest thinking on performance consulting.

Robinson, D. G., and Robinson, J. *Performance Consulting.* San Francisco: Berrett-Koehler, 1995. One of the early books on performance consulting.

Ukens, L. *What Smart Trainers Know: The Secrets of Success from the World's Foremost Experts.* San Francisco: Jossey-Bass/Pfeiffer, 2001. This book is full of pointed and salient advice on change management, organizational culture, and assessment.

Van Tiem, D., Moseley, J., and Dessinger, J. *Performance Improvement Interventions.* Silver Spring, MD: International Society for Performance Improvement, 2001. This book is full of job aids and examples of how performance technologists do their work.