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## Performance Modelling for Organisational Learning

*by Paul McKey*

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**Synergistic Design** is the process of improving an organisational outcome by actively seeking and encouraging synergy between the key perspectives of an organisation – the business, purpose, technology and people (McKey, 2006).

Venture capitalists and corporate raiders continually seek synergy and improved performance by buying, dismantling, and putting back together various companies, retaining assets and shedding inefficiencies. It is not often we get to completely re-invent our organisations. Many organisations just happen and grow. Others, such as our institutions, are prescribed and then just amble along for many years, never blossoming and never withering. Performance for them is just meeting a set of minimum standards.

However programs and projects within organisations are prime candidates for design, rejuvenation and the application of synergistic design. Particularly those change programs that have an effect across the organi-

sation such as new systems implementation, the introduction of learning and development programs and in particular recent initiatives such as the development of high-performance cultures.

These types of programs tend to have a low efficacy and high failure rate within organisations due to their complexity and breadth. Any new program has to work hard to provide a vision people will invest time and effort in. And the high rate of failure is self-fulfilling since, to use the words of Lowell George, the participants always have “one foot on the platform and the other on the train” (“Rocket in my Pocket”, 1977). Self interest reigns supreme.

Even worse is when we strike the antonym of synergy, conflict. While friendly rivalry within organisations is often encouraged it can become destructive when it boils over into out and out competition for resources. The recognising and naming of dysfunctional behaviour has been used in family therapy for many

years. It is also a useful strategy for getting disparate groups in organisations to align their perspectives for the common good.

### **Putting Synergy to work**

Yet reducing conflict and creating synergy is just a starting point for organisational change. It aids the design. We still require a way to provide clarity for common and personal goals. Once synergy is achieved within a workgroup or organisation it can be applied in the building of what I term a Performance Model. Virtually any entity can be modelled for performance, from teams, to programs to the organisation as a whole. Ulrich has recently used a similar model to describe the functions and role of a HR department.

A performance model has three layers or levels of framework based upon building capability, usability and performance.

1. Level one is to build Capability across the entity. This is the foundation layer for any endeavour. Seats and desks, information systems, HR, business and specific purpose functions. This is about infrastructure and business operations.
2. Level two is all about providing access and Usability to the underlying capability. This is where learning and development and other HR services have an important role to play. This is about process and business improvement.

3. Finally level three is all about Performance. Synergistic entities utilising all the capability to deliver outcomes that are greater than the sum of their parts. This is about creating value and business transformation.

### **The Performance Model**

Performance means different things for different people in different roles. By defining the desired/required performance outcomes for each team or role we can consider what capability the organisation needs to provide. This is usually obvious. For example information technology requires wiring, hardware, software, core skills, support, administration systems and so on. Entrepreneurship requires flexible delegation and decision-making frameworks.

What is not always obvious is how we get from capability, which is often passive, to performance that is dynamic. The intermediate step required is about personalising the use of the capability and utilising it in context. Only then can performance outcomes be reached since performance itself is usually context driven. There is a missing step. Performance modelling is about personalising that missing step.

Capability is an input. Performance is an outcome. Just by having the former does not guarantee achievement or success in the latter. Yet when organisations make investments in infrastructure and systems, often, almost no budget is allocated to ensuring that investment will yield results via improved perform-

ance. It is often left to chance and people's inventiveness.

In addition the capability layer does not actually do any work nor produce an outcome. This is the role of the usability layer. Only when we have adequate access to, and usability of, underlying capability can we produce a performance and hence only then can we measure the efficacy of our overall system and investment. Table 1 summarises the elements of a generic performance model.

Layer	Description
1. Capability	The Capability layer in any performance model is the foundation layer upon which the processes (usability) and performance layers reside. The average user does not need to know how this layer works, only its capability.
2. Usability (transfer)	Yet the capability layer is 'passive', it doesn't do anything. The Usability or transfer layer is where work gets done, using applications, skills and applying knowledge. Leveraging the capability.
3. Performance	While the above layer may provide you with the skills and means to use a word processor, for instance, it doesn't help you write an essay. The performance layer is the very human layer where individuals or groups apply meaning, solve problems and create new ideas.

## Measuring Capability

In a business sense the required capability for an organisation is what it requires to do business. In Marx's day it was land, labour and capital. For BHP it is access to resources, markets and plant for processing etc. For a marketing firm it is access to talent in an industry where intellectual property is the new capital. For most organisations their basic infrastructure provides all the capability they need. Buildings, classrooms, computer systems and the like. Industry specific technology is often critical.

Hence we also know how to measure and value capability. It is mainly tangible or at least has an agreed value. We use it to measure the book value of a company and we have a good idea of the cost of our investments in resources that provide the capability to carry out our organisational function or business. In learning and development for example capability is manifested in learning management systems, curriculum, content, learning resources and even teaching staff.

## Measuring and providing Usability

Usability is probably the greatest area that affects the return on our investment in capability. While the capability layer has objective measures, here the measures are mainly subjective and intangible. There are still few standard measures for how well someone can use and apply a computing system. The two main measures used are competency and productivity. Poor usability in the form of low productivity is an invisible

leaking of organisational funds and investment. Possibly the best way to reach high usability of an organisation's capability is to provide personal and proactive support. I use the typical hotel concierge as a role model. Always available but not pushy, knowledgeable without being a know-it-all. While the cost of plugging the leak through proactive support methods may appear high initially it should return its investment reasonably quickly and increase both productivity and usability.

eLearning for example has a high failure rate. Quality issues aside one of the main failure points is poor implementation. Learners left alone in the new environment of eLearning often find themselves wondering what to do to succeed. Face to face communication is sometimes hard enough yet how do you get the most out of online discussions or engage in team projects at a distance? Time management, dealing with the technology and tackling tricky quizzes are all skills the learner must now manage alone. Many just give up in frustration.

One sure way to improve implementation for learners new to eLearning is to use the classroom. Using a facilitator to introduce people to the methods and techniques of self-paced and collaborative learning will quickly develop capability and confidence by doing. Learning new skills in a social setting improves learning and helps them concentrate on the task. Others and the facilitator are

nearby to help or discuss tactics. They are learning about learning. While a classroom and facilitator may be more expensive to begin with the return on that initial investment will be repaid many times over through confident and engaged learners who can then succeed with eLearning.

## **Measuring and achieving**

### **Performance**

As discussed above the performance layer is the very human layer where individuals or groups apply meaning, solve problems and create new ideas. It can be said that capability multiplied by usability equals performance.

### **Capability x Usability = Performance**

Yet what constitutes sufficient, good or bad performance can be highly subjective. Both required and desired levels of performance need to be defined, agreed and articulated within all areas of an organisation. This is not competence and requires a different language.

The contemporary interpretation of performance differs from traditional notions of productivity yet remains closely related to it. While productivity measures activity, as inputs and outputs, performance measures outcomes. For example Brent (2005) argues teaching is "above all, a performance art that unfolds in real time". Education has long been measured on outcomes. By viewing many traditional corporate roles and attributes such as customer service, management and leadership as 'per-

formance' centric could change the way we prepare people for them and measure their value.

Possibly the most critical role for our concierge is in the easing and assisting of people through change.

Change will undoubtedly bring anxiety and reluctance to anyone and the more resources available for helping individuals confront change and gain confidence with new practices

will be rewarded. So just as a drama or sports coach turns rehearsal and training into performance we should also support managers, teams and individual learners achieve their specific outcomes.

## Summary

This introduction to performance modelling shows that any organisational learning and change needs to consider an end-to-end approach to measure success. Just by providing the inputs and then leaving the outcomes to chance is a risky exercise. In an industrial age sense capability and usability were all that was required to be competitive in your sector. Yet more organisations now compete in the experience economy where performance is gaining importance over productivity. Still, we know little in an organisational sense of how to achieve a consistent high quality performance except by comparing with the competition. It can be argued that the first to set the performance standard in any sector will lead that sector (Apple iPod, Boost Juice, Nike). The performance is the manifestation of all the capability, resources, processes, training, people, passion and creativity.

Performance modelling looks at working top down and bottom up to ascertain what is required to bridge the gap between capability and performance. This 'missing' step is about usability and access to capability. It could also be called the transition step as taking inputs and putting them to work to produce outcomes is as much about organisational improvement or transformation as it is about productivity.

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