

## **A Chance to Talk About Performance**

*There's no substitute for knowledge!*

I belong to several groups on the Linked In web site. I find some of the discussions both interesting and informative. Not long ago, on one of the group sites a member named Adrienne posted the following topic for discussion:

I recently saw a performance report that is used in my organization. It was standard fare – wiggly graphs showing only a few data points, with accompanying target-lines in red, comparisons between various (totally disparate) functions, etc. I'm also aware that, speaking generally, the Managers of these functions have only traditional tools with which to “manage” their performance. I can only imagine the panic they feel when normal variation causes it to look like things are getting worse....

I chatted to my line Manager and said I didn't think the way we presented performance data helped Managers to understand how their service was really performing, when they should worry or what they could do about it. She was keen to learn more.

So I have an opportunity to talk to her about variation and systemic performance. I've gathered reams of papers on this over the years, and am thinking about how best to help her understand it. I've asked for her performance data to be sent to me, so that I can use it to show her a different way to view it, and would very much welcome others' thoughts on how to approach this session.

Her post generated a number of responses from interested and experienced parties, among them:

- There is software called QlikView is used quite widely to bring together data from different sources. It links to the source data so that it can be refreshed automatically several times a day. You can filter the data by region, department or anything else that's in the data. Data is represented as interactive graphs and you can get someone to build whatever you want...
- ...I usually like to focus to these two adages: 1) data & charts exist to help manage a process; and 2) control charts indicate changes in process performance over time, usually changes that are not readily seen. Also, I have found that a good, very simple visual (stick men or images) connecting charting to a process or to a value (however your organization defines value) is helpful in communication your goal/activity.
- Hi Adrienne, is your issue "explaining variability" or "presenting data in a more meaningful way"?
- Plotting her existing data for her to understand the concept of variation might be a good start.
- Ask her to keep track of her arrival time at work for the remainder of the month...

The comments and advice posted in response to Adrienne's inquiry started to cause me some concern. If Adrienne's boss doesn't understand the variation in current performance reports, how will presenting the reports in a different format help her? New software, stick figures and other ways to present data to a person who does not understand variation will not provide knowledge of variation!

The second component of Dr. W. Edwards Deming's System of Profound Knowledge is "some knowledge of the theory of variation." He added that some understanding of variation, including appreciation of a stable system, and some understanding of special causes and common causes of variation are essential for management. Absent such knowledge, data and graphs in any form invite misinterpretation and inappropriate conclusions and actions.

Deming provided the following insights about knowledge of variation, among others:

1. Variation there will always be – between people, in output, in service, in product. What is the variation trying to tell us about a process and about the people that work in it?
2. When do data indicate that a process is stable, that the distribution of the output is predictable? Once a process has been brought into a state of statistical control, it has a definable capability.
3. Knowledge about the different sources of uncertainty in statistical data.
  - How were the data obtained?
  - Built-in deficiencies.
  - Blemishes and blunders in interviewing, or in measurements.
  - Errors in response; non-response.
  - Errors of sampling.
4. Knowledge about the production of chaos and loss that results from successive application of random forces or random change that may individually be unimportant. Examples:
  - Worker training worker in a chain.
  - Executives working with best efforts on policy, but without guidance of profound knowledge.
  - Committees in industry, education, and government, working without guidance of profound knowledge.
5. Enlargement of a committee does not necessarily improve the results of the efforts of the committee. There is no substitute for knowledge.
6. As a good rule, profound knowledge must come from the outside, and by invitation. Profound knowledge cannot be forced on anybody.

Adrienne mentioned that her manager “was keen to learn more.” She should take that not as an opportunity to present misinterpreted data in new ways to be misinterpreted. She should take it as an invitation to provide education for her boss and other managers.

Dr. Deming always insisted that there is no substitute for knowledge and our work with managers should always begin with education – education in leadership theory, concepts, methods. And it all begins with profound knowledge.

### **Notes**

W.E. Deming, “A System of Profound Knowledge,” published in J.F. Leonard, The New Philosophy for K-12 Education: A Deming Framework for Transforming America’s Schools, ASQ Quality Press, Milwaukee, WI (1996), pp. 309-318.

J.F. Leonard, “Deming’s System of Profound Knowledge,” blog posted on [www.jimleonardpi.com](http://www.jimleonardpi.com).

J.F. Leonard, “Understanding Variation is Essential – Parts I and II,” blogs posted on [www.jimleonardpi.com](http://www.jimleonardpi.com).

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