

PerMaas Performance management as a service

There are three drivers of business performance. Permaas discovered the three cause-and-effect value Pathways each driver follows and how to measure them. The Pathways when combined and aligned to the strategic goals of an organisation reinforce each other to drive business performance. The goal of the three Pathways is to create an environment that rewards valuable habits. Habits are valuable when people know how to do the right things and do things right for their job role.

1) Behaviour

Behaviour, what we say and do, drives performance, through a Behaviour Pathway. The Behaviour Pathway aligns goal-oriented core competencies, lean business process and critical business activities. The Behaviour Pathway drives performance when they become valuable habits,

2) Business Environment

Behaviour follows a cause and effect pattern dictated by the situation, the environment, and our role and goal in it. The Business Environment Pathway manages eight factors that start, enable and sustain goal-oriented valuable behaviours in a system. The factors include strategy, culture, systems and structures. The role of a leader is to create the right Business Environment Pathway that rewards valuable habits.

3) Knowledge.

Knowledge is the capacity of an individual to process, learn and find meaning that leads to action. Performance is the result of people knowing what to do and know why, how and when to do it for a specific job role. Understanding and applying what we know follows a Knowledge Pathway. All knowledge starts with a question. The Knowledge Pathway, by asking the right questions, aligns goal-oriented knowledge processes and knowledge resources with the Behaviour Pathway. The questions are not new. They have been asked before by experts in their field. What is new is how these questions are structured in a new system that explains *how* these factors drive behaviour, and consequently performance.

Summary

The three drivers improve performance by the impact they have on people's behaviour, through three value Pathways. When combined and aligned to the strategic goals of an organisation, the Pathways reinforce each other to drive business performance. Each Pathway is necessary but insufficient to drive behaviour. The goal of the three Pathways is to create a system that rewards valuable habits.

What is Behaviour?

Behaviour, what we say and do, drives performance (Stuart-Kotze, 2006) our understanding of the situation and our roles and goals within it, drives our behaviour (Elsbach, Barr and Hargadon, 2005). Behaviour is valuable to the extent that it produces goods and services that customers need or want (Eric et al., 2005). Behaviour is a lead performance indicator (Jacobs, 2013).

Behaviour is learnt (Bandura, 1997) externally motivated, the result of the interaction between the individual and their environment (Daniels and Rosen, 1989) is visible and is always the result of effort (Brinkerhoff and Dressler, 1990). Behaviours follow the TACT principle; they are directed at some Target, imply behavioural Acts, take place in a Context and at a certain Time (Francis et al., 2004).

All goal-oriented behaviour follows a predictable ABC cause-and-effect pattern of action (Skinner, 1938) defined by our knowledge of the situation. Antecedents-Behaviour-Consequences (ABC) analysis is derived from a branch of psychology known as behavioural analysis (Grant and Evans, 1994) and has been used by management scientists (Davis and Luthans, 1980) as a tool to understand and manage organizational behaviour based on the relationship between behaviour and the factors that control it (Sulzer-Azaroff and Mayer, 1991).

Antecedents (A) are situations that start or enable a behaviour (B), have short term benefits and account for 20% of performance output. Consequences are events that follow a behaviour that either increase (Cooper et al., 2007) or decrease (Lavay et al., 2006) the likely recurrence of a targeted behaviour. Consequences function as either a carrot or a stick and are evaluated by their impact on behaviour, not our intention (Wilder et al., 2009). Consequences sustain the behaviour, they keep it going, have long-term benefits and account for 80% of performance output (www.aubreydaniels.com). The most influential antecedents (Nijhof and Rietdijk, 1999) are those always paired with a particular consequence which occurred in the past. The best predictor of future behaviour is past behaviour.

In summary there is a predictable cause-and-effect pattern of human action, defined by the situation and our roles and goals in it. Our understanding of any situation starts, enables and sustains goal-oriented behaviour. Starting a behaviour creates value and is achieved through providing clarity of their roles and their involvement at the outset into their performance goals. Enabling a behaviour delivers value and is achieved by providing the resources and training of people to perform their roles and achieve their goals. Sustaining a behaviour captures value and is achieved by reinforcing the behaviours you want repeated to habit strength.

Behaviour Pathway

Behaviour adds value, it drives performance, through a Behaviour Pathway. The Behaviour Pathway is the source of competitive advantage of an organisation. The Behaviour Pathway explains *what and how* the organisation achieves its strategic objectives when knowledge is applied (Massingham, 2015).

The goal of managing behaviour in organisations (O'Dell and Grayson, 1998) is for staff to do the right thing at the right time in the right way to meet the job demands and for them to enjoy it. In short to create valuable habits.

The Behaviour Pathway moves the performance needle. The Behaviour Pathway translates strategy into action, connecting the past to the future. It is the basis of its performance management system as it is the source of competitive advantage of the organisation. The Behaviour Pathway is the means by which you get from where you are now to where you want to be. You want to improve business performance? Start with the Behaviour Pathway.

The Behaviour Pathway is a lead indicator of performance. All efforts to measure, manage and improve business performance should be focused on this Pathway. You measure the Behaviour Pathway through Key Behaviour Indicators (KBI's). All goal-oriented behaviour follows a distinctive cause-and-effect ABC pattern, dictated by the situation and your role and goal within it. The situation starts, enables and sustains your behaviour.

The Behaviour Pathway is generic, it operates at three levels, individual, operational and strategic, worker, work and workplace respectively (Pershing, 2006). The Behaviour Pathway captures the cause and effect relationship between core competencies at individual level (Prahalad, & Hamel 1990) that drive best lean processes at operational level, (Murman et al., 2002) with a critical few activities at strategic level (Strebel, 2003) to deliver its value proposition.

BEHAVIOUR PATHWAY

