

What Kinds of Results Could You Be Measuring?

by Dennis Hooper, copyright © 2008, published in the Houston Home Journal on Saturday, April 5, 2008

Last week, my article suggested that you post your key results areas where all your employees can see the progress in the past several years. (If you'd like a copy of that article, contact me.)

A friend in a non-profit organization called asking, "Does your suggestion apply in our situation?" My immediate response was, "Yes! You have desired outcomes for your organization, and those should be measured and tracked."

I continued, "Even if the results are subjective, you will do better if you generate a way to measure them. If the measures are not valid, someone in your organization will suggest an alternative. Working into the 'right' measures through an evolutionary method of 'continuous improvement' is fine."

I validated my assertion by pointing out that the first two nonprofit organizations have just received our nation's highest Quality Award. They will be recognized in Washington, DC April 22-25 at the twentieth "Quest for Excellence" conference. The President of the United States has presented this award 76 times over the past twenty years (four companies have received the award twice).

The criteria for this National Quality Award include six process categories and one results category. "Results" is the heaviest weighted of those criteria, accounting for 45% of the total point value.

If you are wondering what results you could be tracking in your organization, consider these measures that have been addressed in the applications of previous quality award winners.

Product and service outcomes. The purpose is to deliver product and service quality and value that lead to customer loyalty. Examples of results to track include defect levels, service errors, response times, and customer surveys on product or service performance.

Customer-focused outcomes. The purpose is to determine how well your organization is satisfying your customers and has developed repeat business and positive referrals. Examples of results to track include customer satisfaction, customer perception of quality and value, gains and losses in customer accounts, complaints, complaint resolution, warranty claims, and recognitions from customers.

Financial and market outcomes. The purpose is to understand your organization's financial sustainability and marketplace challenges and opportunities. Examples of results to track include revenues, operating margins, return on investment, liquidity, days of cash on hand, cost avoidance or savings, asset utilization, earnings per share, business growth, and new markets entered.

Workforce-focused outcomes. The purpose is to understand how well you've created and maintained a productive, engaging, and caring work environment. Examples of results to track include safety, absenteeism, employee retention, employee satisfaction, grievances, and promotions based on the organization's leadership development process.

Process effectiveness outcomes. The purpose is to understand the effectiveness of your work processes. Examples of results to track include productivity, waste reduction, reduced emission levels, by-product use, cycle times, production flexibility, lead times, set-up times, innovation rates, and inventory reductions.

Leadership outcomes. The purpose is to understand your organization's governance, strategic plan accomplishment, and societal responsibilities. Examples of results to track include environmental, legal, and regulatory compliance, oversight audits, leadership development effectiveness, and indicators of support for the larger community.

The point is this: every effort occurring in your organization is generating some kind of result. Are you and your employees aware of what they are, which ones are improving, and what behaviors leverage future enhancements?

You may order a free copy of the "Criteria for Performance Excellence" by sending an e-mail to nqp@nist.gov (include your mailing address). Or you may call (301)-975-2036.

Dennis Hooper helps leaders see the capabilities of future leaders in their organizations. To evaluate your situation, e-mail Dennis at dhooper2@juno.com. His website is www.buildingfutureleaders.com.