

Potential for Improving Performance (PIP)

Just how great can an organization get?

- At consumer care and support?
- At finance and administration?
- At executive leadership?
- At governance?

Edward Deming, in his approach and 14 Points, cautioned against setting objectives. To him, setting objectives too often set limits beyond which human effort and ingenuity did not have to go. Though at first setting limits seems to be a challenge to reach improved performance, in truth it also has set a limit for performance improvement. Though the organization might have a great Vision Statement, Deming thought objectives hindered what front line imagination could do in performance improvement.

Tom Gilbert, in his book entitled *Human Competence*, introduced the concept of Potential for Improving Performance. It is a concept that replaces the question “How far do we want to improve?” Rather ask the question “How far could we improve?” What is the organizations highest potential for improving its performance?

Benchmarking can be a similar problem. Now the objective becomes what another organization set for itself. In their strategic planning, did they set objectives that limit the full potential for improvement? Could benchmarking actually limit what visionary imagination from the front line to executive leadership might achieve in performance improvement?

A highly motivated employee in the trenches, supported and reinforced by supervisors and executives, can go beyond the limits set by the objectives of supervisors and executives. Putting them in an aggressive process of continuous performance improvement creates opportunities and achievements that objectives or benchmarking could hinder.

Technically, what is an organization’s potential for improving performance?

- First, establish a baseline of current performance statistics.
- Second, using the same measures and starting from the Mission, Vision and Values statements, what improvements could the organization set for itself on behalf of its consumers, stakeholders and itself? At this point in the process avoid a top-down approach. This, of course, assumes employees have been working in an open, positive reinforcing, front line engaged work place. Assume the possibility that such a process might update Mission, Vision and Values statements as they envision what could be.
- The difference between the baseline and vision is the possible Potential for Improving Performance.

So just how great can an organization get?

Surveys continue to show that a large number of employees admit they are not performing to their full capacity, or are not putting more effort into their jobs than they could. These surveys indicate there is a lot of room for improvement in work performance.

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