

Learn
the principles,
habits and
mindsets for
evidence-based
leadership

**HOW TO CREATE A
HIGH-PERFORMANCE
CULTURE AND
MEASURABLE SUCCESS**

PROVE IT!

STACEY BARR

WILEY

CONTENTS

<i>About the author</i>	<i>ix</i>
<i>Acknowledgements</i>	<i>xi</i>
<i>Preface</i>	<i>xiii</i>
Part I: What are you trying to prove?	1
1 The territory of high performance	3
2 Evidence-based leadership	13
3 Knowing is a double-edged sword	19
4 How to become an evidence-based leader	23
Part II: Habits of evidence-based leadership	33
5 <i>Direction</i> : Make it understood and it will be measurable	35
6 <i>Evidence</i> : Anything that matters can be measured	47
7 <i>Execution</i> : Implementing your strategy must deliver a high ROI	77
Part III: Organisational habits of evidence-based leadership	103
8 <i>Decision</i> : They want to work for something bigger than themselves	105
9 <i>Action</i> : Reaching for intrinsically rewarding targets	127
10 Learning: Success loves speed	155
11 Start now: Evidence-based leadership starts at the top	175
<i>Appendix: XmR charts give us three signals</i>	<i>185</i>
<i>Index</i>	<i>000</i>

© COPYRIGHT MATERIAL

PREFACE

This is a book for leaders. Organisations have a mission, a vision and a set of strategic goals. They have these things because organisations exist to achieve something, to make some difference in the world, to serve a purpose. And the job of leaders is to bring that to fruition — to make the conceptual goals a tangible reality.

But how can we know how well that's happening, or if it's happening at all? How can we know if we are leading our organisations to make a measurable difference? Most leaders talk about productivity, efficiency, effectiveness, quality, engagement, best practice, sustainability and profitability. And yet we struggle to inspire our leadership team, and everyone throughout the organisation, to:

- do what's most needed to fulfil the mission
- realise the vision
- achieve the strategic goals.

The world is demanding more and more of organisational leaders. The world wants more transparency — to see the truth about how organisations are performing. And not just in terms of profit, but also how they treat people and the planet. The world wants more accountability, holding leaders responsible for the performance of their organisations. Many leaders may be kept awake at night, panicked by what transparency might reveal about their organisation's performance and how they might be held to account.

But the best leaders won't be panicking. The best leaders already know how their organisations are performing, in terms of profit, people and the planet. They know that performance has improved under their leadership, and they can prove it because they measure it. They can prove it because they practise evidence-based leadership.

If we want to know the impact of our leadership on our organisation — if we want to know what legacy we will leave — we have to prove it. And to prove it, we have to measure it. What our gut says, and what 'they' say, is not proof. A finished improvement project or change initiative or capital investment or new product line is not proof. For proof we need objective measures of the results that these investments were supposed to improve.

Measuring performance is like gravity. It pulls our attention and action toward a centre, toward the most important things we should focus on and improve. When we measure the important performance results, we move more directly toward those results and we achieve them sooner and with less effort.

When an eagle circles the sky, hunting for a meal, she sees her prey, she works out how far it is from her, and she lines up the most direct path toward it. Instinctively, she lets gravity pull her toward her goal, effortlessly and rapidly.

For leaders of organisations, performance measurement is the gravity that speeds up and takes effort out of our pursuit of what we want. So we get bigger and better improvements for less effort. And, on an organisational scale, evidence-based leadership is the process of using measurement as the gravity to draw the whole organisation toward the results that matter most.

Evidence-based leaders can prove how well their organisation is delivering what matters most, measurably and objectively and convincingly.

This book is about a system of evidence-based leadership. It maps out the principles, habits and processes that leaders must master to create high-performance organisations. Organisations that can:

- measure their impact
- demonstrate how well they fulfil their mission and realise their vision
- make the world better than they found it.

The evidence-based leadership map is like any map for a territory we want to explore: there isn't only one path to follow. My hope is for this book to guide you through the territory of high-performance organisations. I hope it shows you what's possible, helps you navigate and points out things you otherwise wouldn't have noticed. Let's begin our adventure!

Stacey Barr
September 2016

© COPYRIGHT MATERIAL

CHAPTER 2

EVIDENCE-BASED LEADERSHIP

As Pulitzer Prize-winning author Carl Sagan noted in *Cosmos*:

If we lived on a planet where nothing ever changed, there would be little to do. There would be nothing to figure out. There would be no impetus for science. And if we lived in an unpredictable world, where things changed in random or very complex ways, we would not be able to figure things out. Again, there would be no such thing as science. But we live in an in-between universe, where things change, but according to patterns, rules, or, as we call them, laws of nature...

I find this quote one of the most inspiring motivations for measuring organisational performance. If the world were completely predictable, organisations would be like perfect machines: every outcome would be produced precisely as intended. Control would be at 100 per cent. At this extreme there is no use for measuring performance, because performance is always perfect, with no variation. But our world isn't like that. And that's why performance targets of perfection — such as 'zero injuries' or '100 per cent on-time performance' — feel too confronting for people to commit to, no matter how idealistic or 'right' they might seem. Our organisations are not deterministic machines.

Conversely, if the world were completely unpredictable, with no order at all, organisations wouldn't exist: the concept of organising would be impossible. Control would be at 0 per cent. At this extreme there would be no use in measuring performance: it would vary so randomly that we could not observe patterns of causation, and would be unable exercise any degree of control over performance. But our world isn't like that either, which is why there is no excuse for decisions to be purely driven by gut feel or hearsay or tradition or whim.

Our world is in between these extremes of perfect predictability and perfect unpredictability. There is variation, but it's not the product of complete randomness. It's the product of complexity, and there is order in this complexity. So in our in-between world we have a use for measuring performance, because it helps us quantify the variation and observe patterns of causation. It helps us learn how we can influence performance by using or changing these patterns.

The purpose of evidence-based leadership is to navigate organisations through a world that is somewhere between the extremes of perfect predictability and perfect unpredictability, and measurement is the primary tool of the evidence-based leader. Performance measurement deepens our understanding of the complexity in our organisations, and speeds up our identification of patterns, so we can constantly improve at creating the results we want.

Evidence-based leadership is not a mainstream practice in business. According to authors Jeffrey Pfeffer and Robert I. Sutton in their book *Hard Facts, Dangerous Half-Truths and Total Nonsense*:

Business decisions, as many of our colleagues in business and your own experience can attest, are frequently based on hope or fear, what others seem to be doing, what senior leaders have done and believe has worked in the past, and their dearly held ideologies—in short, on lots of things other than the facts...If doctors practiced medicine the way many companies practice management, there would be far more sick and dead patients, and many more doctors would be in jail.

The rise of evidence-based management

The *Harvard Business Review* began publishing articles on evidence-based management in the mid 2000s, largely triggered by Pfeffer and Sutton's book, which describes evidence-based management as follows:

Evidence-based management proceeds from the premise that using better, deeper logic and employing facts to the extent possible permits leaders to do their jobs better. Evidence-based management is based on the belief that facing the hard facts about what works and what doesn't, understanding the dangerous half-truths that constitute so much conventional wisdom about management, and rejecting the total nonsense that too often passes for sound advice will help organizations perform better.

The Center for Evidence-Based Management (CEBMA) takes this definition of evidence-based management further, by outlining a process for practising it:

Evidence-based practice is about making decisions through conscientious, explicit and judicious use of the best available evidence from multiple sources...

We practise evidence-based management to increase the likelihood of achieving the results we want from the organisation we're managing.

Evidence-based leadership is the application of evidence-based management at the most strategic level in an organisation. It has to be practised and prioritised by all of the senior leadership team, including the CEO and board members. If it isn't, then evidence-based management at lower levels won't happen quickly or comprehensively enough for an organisation to fulfil its mission and reach its vision.

Leaders hold the space for high performance

Evidence-based leadership is more than evidence-based management. An organisation's leaders must not only practise evidence-based management to elevate organisational performance at the strategic level—they must also inspire and encourage and expect it from everyone else in the organisation too.

When we are practising evidence-based management, we are using objective evidence to design and monitor the organisation's strategy. This evidence primarily comes from performance measures that monitor our progress toward the vision, mission and strategic goals. Other forms of evidence, such as research and case studies and experimental results, inform us of the best ways to make that progress happen sooner, or in larger steps, or with higher returns on our investment.

When we are inspiring and encouraging and expecting evidence-based management from everyone in the organisation, we are making it easier for them to practise it themselves and apply it to what matters most. We need to:

- make it part of our routine language and everyday conversations
- coach others in how to practise it and how to align their decisions with what is strategically important
- recognise and reward the learning and practice of evidence-based management even more than its impact
- support the practice of evidence-based management by providing:
 - how-to processes
 - a clear and measurable strategy
 - evidence-based reporting frameworks
 - analytical tools
 - conversation outlines
 - in-person participation.

Leaders are responsible for the direction and the culture of an organisation, and the culture of high performance will come only

when they both practise and inspire evidence-based management. This is what I mean by ‘holding the space’ for high performance. So we might define evidence-based leadership as the following two approaches:

1. the application of evidence-based management at the whole-organisation level and the active and routine support of its application organisation wide
2. the alignment of all decision making and action with the purpose and strategic direction of the organisation.

These two approaches will measurably elevate the overall performance of the organisation and its positive impact in the world.

Managers and supervisors and staff will not practise evidence-based management without it being deliberately led from the top. What the CEO talks about and does, the rest of the organisation talks about and does. Evidence-based leaders routinely talk about:

- the purpose of the organisation
- the evidence that the purpose is being fulfilled
- what that evidence says about how well that’s happening.

There are no short cuts. If we want high-performance organisations, we have to be evidence-based leaders, every single day.