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## Feedback

*When performance is measured, performance improves.  
When performance is measured and reported back,  
the rate of improvement accelerates.*

—Thomas S. Monson

What do you think would happen if a head coach approached his team in the locker room before an NFL playoff game and handed the quarterback a piece of paper listing one hundred plays in sequence, saying, "These are the plays I want you guys to execute, in the exact order listed on the paper."

Do you think any of the players would object? Of course they would, all of them. They'd think the coach was insane. Why?

In order for the best possible play to be called in any given situation, it is imperative that the person calling the play have feedback from the last play, or the last several plays—how many yards gained, which lineman is getting eaten up at the line of scrimmage, direction of the wind, which receivers are being left open and which ones are getting double coverage, how many yards remain for a first down or a touchdown, and so on. All this feedback is necessary in order to make the best possible call. Handing a team a predetermined list of plays before the opening kickoff eliminates the use of feedback in calling each play as it is executed. Nobody would be surprised to find out that a team not using feedback would have trouble winning in the NFL, NCAA, or even high school.

Feedback

Yet how often in business is an employee handed a job description, or a predetermined set of plays, then expected to perform without continuing feedback? It happens more often than most businesses would like to admit. Feedback is as vital in business and in life in general as in athletics.

When a spouse returns from the hair stylist and says, "How do you like my haircut?" he or she is looking for feedback. The child who has just completed a project in his or her father's shop or just finished a first attempt at mowing the lawn is always interested in an opinion from a respected peer or superior.

In athletics feedback is more clearly acknowledged and more frequent than in business. When feedback suddenly becomes available in a business situation where it has not been available before, the results can be very dramatic.

I was called on to consult with a package express company a few years ago. They were concerned, among other things, about the filing of freight bills. They are a federally controlled company, and everything has to be filed for possible audits. They file millions of items every year. Their concern was that the four people doing the filing had been three days behind for thirty-six years, the entire time the company had been in business. The day they opened the door, the filing was three days behind and they had never been able to catch up.

"If you can't measure it, you can't manage it," I said to the supervisor of the people who did the filing.

You can guess her response: "We're too busy filing them to count them."

One of the vice-presidents with me suggested that the filing could be measured by weighing the stacks of material to be filed. He thought this might work because each piece was the same size and therefore the same weight. Sounded like a good idea to me, but the supervisor said, "That's the second dumb idea I've heard today."

Finally we told her we were going to try it anyway. We came up with a measurement system similar to the golf handicap. We decided to monitor ounces per person-hour.

"I don't need that stuff," said the supervisor. "My people work

just as hard as anybody else in this company—all the time, every day."

"How do you know that?" I asked.

"I've got four file baskets," she said. "Every morning when I get here I spread the filing out equally into four file baskets and hand one to each file clerk, so the baskets are all even."

"What do you do on a heavy day?"

She looked at me as if I were a dummy, and she said, "Then the baskets are fuller." It was obvious at this point that this woman didn't want to be fooled with, but I persisted, telling her I wanted her to weigh the amount of filing going through the department. She didn't want to do it, but she finally agreed to weigh how much each person filed each day.

The first week we came up with an average of twenty-two ounces per person-hour. We didn't really know if that was good or bad, but it was a start. The next week we developed a scorecard for the workers and taught them how to keep score as if we were teaching them a game. They recorded their own ounces per person-hour.

An interesting thing happened. The group average for the second week increased to thirty-three ounces per person-hour. And by the end of that week they were only one day behind—the first time in thirty-six years. We were witnessing a miracle.

The supervisor came to me and said, "Listen, I can't go any faster and be accurate."

"I understand that," I said. "That's all right. Don't worry about it."

The next week production increased to forty-five ounces per person-hour. There was no monetary incentive, no threatened disciplinary measures, no promised promotions. The only difference was that they were measuring performance, keeping score. Not only was the department no longer behind, but they were finishing each day's filing by 2 P.M. By the fourth week, production had increased to fifty-four ounces per person-hour and the filing was finished each day by 11:30 A.M.

I remembered when the supervisor was doing twenty-two ounces per hour and telling me she couldn't go any faster. The last

time I checked she was up to seventy-two ounces per hour and still increasing. The big payoff was that the four people doing the filing were part of an eight-person work force in that department. When two of the non-file clerks needed to quit, the file clerks came to their supervisor and said, "Listen, if you'll tell us how to measure what they've been doing, we'll just pick it up."

The Executive Toy mail-order catalog sells all kinds of computerized measuring machines. A recent ad was pushing a \$40 pulse meter that goes on the end of your finger while you're jogging. It tells you whether you're living or dying. They've got a \$190 radar gun that measures the speed of a baseball in midair. The ad says that if you measure your son or daughter's baseball pitch, the kid will learn to throw the ball faster. The same machine can be mounted on a tripod to measure your tennis serve. These machines are built and sold because the manufacturers and customers understand that when performance is measured and reported back the rate of improvement accelerates.

Probably the most significant achievement in biofeedback involves the heart. If patients can hear their heartbeat through a speaker system and see the screen on the cardiogram machine, the patients can actually learn to speed up or slow down their own heart. Feedback makes that possible.

Effective feedback is accompanied by its own set of terms, and the most important term is the *Results to Resource Ratio*—how much is being accomplished with the resources available—like the ounces per person-hour in the filing example. Successful managers have the capability of generating a greater result with the same amount of resource, or the same result with less resource. If they cannot measure it, they simply cannot do it, at least not on a regular, planned basis.

Sometimes we hear about coaches who have talented players but cannot produce a winning team. They are not able to manage their resources to produce results, and they are eventually fired.

All managers, whether they manage many people or just themselves, must make a list of all resources available to them—budget, person-hours, computer time, inventory, supplies, and so on. When you get right down to it, managers are people who turn

resources into results. And the more efficiently they can do it, the more successful they are as managers. The Results to Resource Ratio can be used at every level of performance.

You can only chop down a forest one tree at a time. Let the accountants figure the return on investment ratios. This book deals with the micro-measurements, like the ounces per person-hour in the filing example, like Lee Nelson's minutes per bin of bottles described in the introduction. When all the micro-measurements are in place, the macro-measurements will take care of themselves.

You might be thinking, "Well that was a great story about the filing company, but what I do cannot be measured like that." You'd be surprised at what can be measured, even on the human side of a business. One time I went into an organization that sold building materials. They'd been on hard times for a few years along with the rest of the building industry.

They came up with a macro problem, wanting to know what they could do about their labor costs (resource) relative to sales (results). I told them we had to find a micro-indicator measuring results to resources. It didn't have to have the same scientific accuracy the tax people demand, just something to measure change over a period of time.

First we looked at what they produced. Sales. Dollars. But who knows what's happening to the dollar with its value changing almost daily. We finally determined that we could measure the number of invoices generated by the company. Then we looked at the resource that produces invoices—person-hours.

We went back over the last eighteen months of records, including thirty-nine pay periods, and figured out the number of person-hours per invoice for each pay period. The relationship of human resource to invoice output ranged from as high as 3.7 person-hours per invoice to a low of 1.9 for a two-week pay period—a significant variation.

As we analyzed the ratios, we discovered that the 1.9 ratio occurred when business peaked during the busy summer months. The higher ratios occurred during the slow off-season. Earlier, the company had suspected they were labor heavy during the winter

months, but they weren't sure how much until we started tracking the person-hours per invoice. With the confidence of exact measurement, management decided they never needed more than 2.25 person-hours per invoice, even during the slack periods.

Now, all this may not sound very sophisticated to the experienced business manager, but that company processed an average of sixteen hundred invoices per pay period. The company was able to cut out almost two thousand person-hours per pay period. So who is going to do the work? The people who are left, and they are going to do exactly what they have always done. The labor that was removed was expendable, unnecessary, but the company didn't know it until the micro Results to Resource Ratio was developed. In dealing with the human resource, managers must realize that it is flexible and can be managed to do what they want it to do. But it cannot be managed unless it is measured.

### Coonradt Feedback Corollaries

Through the years I have found two corollaries that expand on Thomas Monson's statement: "When performance is measured, performance improves. When performance is measured and reported back, the rate of improvement accelerates."

1. Increasing the frequency of feedback improves the quality and quantity of performance. If you're having a difficult time managing your labor resource and you're measuring it monthly, then go to a weekly measurement. It will improve. If you go to a daily measurement, it will improve again. And if you go to an hourly measurement, it may improve even more.

You may think it will take too much time to administer all these measurements. Meaningful measurement takes no time at all. In the example of the file clerks and in example after example we see that the small amount of time it takes to count results is miniscule when compared with the improved results.

2. When feedback is illustrated on charts and graphs, the impact is even greater. In business today we have tremendous amounts of data. It comes in stacks and boxes, making us wonder if the programmers think they are being paid for the pounds of

More often

paper they run through the printers. But data by itself is of little value. It must become useful management knowledge that can be used to make decisions. Graphs and charts make this possible by making information easier to understand and digest. In other words, the feedback—the "score"—becomes even more clear because it is graphically displayed, thus ensuring even better performance.

Remember, in the absence of clearly defined goals and accurate scorekeeping, we are forced to concentrate on activity and ultimately become enslaved by it. The goal of every business must be to get to the point where everybody on the team has an individual scorecard. Without clearly defined goals and precise scorekeeping, workers will continue to pay for the privilege of working harder than they work when they are paid.

Is timely feedback important? Is frequent feedback important? In the 1984 Summer Olympics, Julie Ann McNamara, one of our great gymnasts, did a routine, and there was some momentary concern about her score. The numbers didn't come up when they were supposed to. There was a ninety-second delay, and during that ninety seconds, you could feel the trauma travel throughout Pauley Pavilion's sixteen thousand spectators and then around the world over the airwaves.

What was wrong? Where was the concern? Ninety seconds, and the world was wondering if the Olympics would go on. And yet how often do we put off giving employees feedback on their performance? Do we avoid it because we don't like confrontation? Are we unwilling to sit down and explain what we need to have done, what the employees are doing right, and what they need to do to improve? Sometimes we put it off and put it off and finally walk up and say, "I've decided to give you twenty-five more dollars a week; be happy with that and go home." We need to do better than that.

If you don't think feedback is important, try telling your spouse just once that the outfit he or she has selected for a big evening is "okay."