

# The Performance Equation - What makes truly great, sustainable performance?

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## The Performance Equation – What makes truly great, sustainable performance?



John is a truly gifted, natural tennis player: Superb hand eye co-ordination, great range of shots, physically tough, smart, a super quick learner. Will he make a champion?

*“Who knows?” - would be the response of Jane Rushby, a tennis coach, who over the years has helped hundreds reach high levels of achievement in the sport, including participation in national and international competition. “It depends upon a lot of different things.”*

Interestingly, the considerations that lie behind building great sporting performance contain lessons often overlooked in organisational and business life. All performance depends upon more than talent or capability; John’s potential progress and an organisation’s potential to deliver, share some common ground.

As we sat in her garden, surrounded by the evidence of a sporting family; the home-made putting green, the mini goals posts, the discarded football and an old Frisbee, Jane and I chatted about the things that make a winner in tennis. It is much more than ability and

physique, although regardless of how good you are, if you’re going to be 5’ nothing and spherical you’re never going to be a top athlete”.

Jane pinpoints a whole range of other factors that make or break the development of a successful tennis player. What goes on inside someone’s head particularly around set backs and how they deal with the solitariness of the challenge is critical.

“As a coach you’re not allowed to gesture to your player at all, you’re not allowed to make any contact. So it can seem a long time on court on your own. There is nobody there who can give you any instruction at all – virtually no other sport is like this.”

Furthermore, this is a sport in which, if you play competitively, you lose more often than you win. “Everybody in the tournament loses except for one person, and you can’t draw.” Not all of us can take this she added. And, no matter how good a kid is the committed support of an adult is vital, for ‘taxi’ services as much as anything else!

Jane’s view is that sustainable performance requires so much more than fantastic ability. The importance of mindset is increasingly well understood but how do you manage performance when the most likely outcome is defeat? And broadening the enquiry; in the context of general performance, how do we characterise the role of parental support?

Exploring these issues has led to the development of a pragmatic framework for building sustainable performance.

## Definitions of performance and what drives it are usually incomplete

Why in life do we keep pulling one lever to change performance when other critical levers remain virtually untouched?

Too often we narrowly define a performance challenge and the factors we need to manage to respond to it. The 'True Story' example is unfortunately not that rare. Consider the following knee-jerk reactions.

- The strategy failed so we created another one.
- The suppliers didn't deliver so we switched.
- The product launch faltered so we withdrew the product.
- The new recruit didn't perform so we let him go.

In each case, it could have been true that something was intrinsically wrong with the proposition we were seeking to exploit; most likely, we didn't fully understand or manage the performance of it effectively.

### True story

We were sitting in a meeting discussing the development of the IT function within a large multi-national business. In the general conversation it was mentioned that they were about to create a large project team to oversee the implementation of a several-million pound enterprise software system. Vaguely I remembered they had implemented a large enterprise system a couple of years previously. "What happened to the last one?" I asked, I was told that it hadn't really worked. People had found it difficult to use and insisted on maintaining parallel systems as a back up. So they bought another one!

We remain amazed at how little 'joined up thinking' can be found in the pursuit of important performance goals. We tend to see organisational performance challenges and their solutions from the perspective of the functional lens through which they are analysed. A challenge can be characterised as needing 'process improvement' and susceptible to the rigours of statistical analysis.

### Process Improvement

Another more general example of this phenomenon is the sequence of process improvement movements over the years, from TQM, Business Process Re-Engineering to Six Sigma. Each have generated alongside the tales of astonishing results from the true believers, a general background noise of disappointment.

Alternatively, the same challenge can be seen as a question of capability in which training will have a major impact. Or, the challenge might be viewed as being about the interpersonal relationships between different players, requiring the attention of an OD consultant etc. Each solution is right enough to be dangerously wrong!

This may seem blindingly obvious. It may even be denied that such a problem exists, although the track record of strategic implementation might suggest otherwise. How often is strategic intent accompanied by a fully worked understanding, for example, of how to raise confidence, what impact climate has, what changes need to be made to structure, processes, governance and self awareness etc?

## Do we have a workable definition of Performance?

The failure to consider in a complete and integrated way all of the elements that make up high performance often starts with a failure to properly specify how one would recognise performance if one got it! For example, how would you know if the 'customer' was at the heart of your business, or that you had successfully differentiated yourself from the competition?

Gaining a *workable* definition of performance expectations can be trickier than it looks. The first question must be: "How will you know, or be able to measure, when the performance has been achieved?" There is often a trade-off between specification and manageability.

A useful distinction might be made between results related and performance related performance metrics. A *result* enables us to declare unequivocally what winning is - as with the tennis tournament example above - but, we might not have sufficient control over events to manage the result and it may make more sense to focus on the *level of performance* that needs to be delivered.

It has become common, in terms of people performance, to specify results; taking the view that it then allows individuals / teams / management the flexibility and creativity to find the best route to delivering these outcomes.

The problem is that we often cannot completely control a result. To take Jane's example: If we define performance as 'winning the tournament' most often we will fail. And failure here doesn't distinguish between 'high performance failure'

### Sporting Performance -

Performers in sport vary how they measure success; they often distinguish between:

**outcome goals** - usually involving a comparison e.g. beating an opponent;

**performance goals** - set individually controlled levels of performance e.g. lap times, aces served etc; and

**process goals** - look at specific behaviours or actions that contribute to performance e.g. stance, set up routines etc.

Research shows that athletes benefit from 'multiple goal strategies' - receiving feedback on all three categories of goals. The worst performing group in one study were those using only 'outcome' based goals.

and 'underperformance failure'. E.g. the tennis player who on that day played the game of his or her life but lost against a better player, compared with the player who barely turned up. The organisational equivalent is the reality that we cannot shape the market to do exactly what we want it to. Performance definitions in terms of results or outcomes may well be superseded by events. We could define performance in terms of how successfully we deliver the effectiveness of the 'approach' we take i.e. the means rather than the outcome (improved competence, or process metrics). But, this approach holds its own problems. Specifying completely the link between means and outcome is not always guaranteed.

There is no easy resolution to this - the balance between results and approach based performance measures will be driven by the context, timescale and degree of influence that can be exerted over the goal. It is also worth having a multiple goal strategy in which both the result and the performance standards are clear.

**Results and Approach Performance – Thinking About Good to Great**

It makes sense in a volatile world to specify the performance you want, both in terms of results and how those results might best be achieved. In this way it is possible to continue the drive for performance improvement even when achieving the performance result becomes overtaken by circumstances. The important thing is that the approach definitions should not be so restrictive that they inhibit innovation and improvisation. They may simply specify the standards to which things should be achieved. A potential model for this at organisational level could be Jim Collin's 'Good to Great' model which persuasively argues for three broad disciplines to be in place to drive sustainable high performance.

Having agreed a practical and aligned performance definition, one should then ask: "What would it take to deliver this performance?"

**The Performance Equation**

The Performance Equation is a simple framework that enables a more complete view of what it takes to get great performance. It promotes a deeper and broader understanding; prompting exploration and insight generation. It is based on insights from many different areas of performance development and improvement.

It proposes that great performance comes as a result of the careful analysis and management of three interrelated factors. It avoids the pitfall of singling out one factor as the lever of performance. The characterisation

**Performance = Ability x Mindset x Opportunity**

The performance equation offers a framework for analysis of performance that encourages exploration of the contribution that ability, mindset and opportunity makes to deliver that performance.

and understanding of these relationships must start with an effective definition of the desired performance. Interestingly they tend to mirror Jane's insights into building sustainable performance in young tennis players.

One factor is **Ability (A)**, described as competence or skills which may be technical or interpersonal, and ALL performance requires a basic level of talent, potential and competence. In organisations this is usually a key focus for training both in terms of technical and interpersonal skills.

But ability alone does not guarantee great performance. The **Mindset (M)** of the performer, or performers, in terms of motivation and in terms of confidence and awareness is a second critical factor. A tough mental discipline is required in a competitive environment. Performers have to be incredibly aware of themselves; able to evaluate their own performance in an objective, ongoing way throughout the competition and include in that evaluation their own mental state. They also need to be able to respond to that evaluation with confident, assertive strategies. As Jane said:

"You've got to have the right mixture of stuff going on in your head, you've got to really enjoy competing, really want to win, and you've got to handle it well."

Mindset is more than a 'positive attitude'. A great coach will work with any performer to help them become conscious of what they should be aware of. This will include internal and external issues.

The 'awareness agenda' of performance should be specified early too and show a clear connection to

performance expectations. Quite often people are not taking the decisions and actions that management want them to because they are not aware that they should be doing these things, or unsure as to how, or when.

#### What's on your Radar?

We often help leaders to plot an 'awareness radar' which enables them to identify and monitor what they should be paying attention to. This can include such as personal factors as attitudes, assumptions, and emotions, but also impact on others, emerging role expectations, stakeholder perceptions, strategic considerations, and environmental factors.

The confidence and motivation aspects of mindset also need consideration. Confidence is often the unaccounted for factor in organisational performance, in contrast to sport where it is well understood and targeted as a performance factor. The work of psychologist Martin Seligman has shown that scores for self-confidence and the related concept of optimism are predictive of excellence in everything from sports to life-insurance sales (a finding that saved one company millions of dollars in personnel selection).

Motivation is much more complex than the simplistic connection of performance and reward. The evidence is that pay/reward as a motivator has decidedly mixed results. We are more than goal-oriented beings. In a modern organisation, people need to be motivated, amongst other things, to rebel, to self-sacrifice and place a relationship as more important than the value of a particular transaction. These are not easy things to directly incentivise and

are much more deeply promoted by the culture, character, ethos, climate, call it what you will, of the organisation.

So, ability and mindset are important, but, great performance needs more. For a would-be tennis star, a committed adult with a driving licence also seems a pre-requisite! As does a good coach, good local practice facilities, a structure of competition. Sporting bodies invest millions of dollars, pounds and Euros in providing the **Opportunity (O)** for performance to be delivered.

Similarly in an organisational context, it is easy to imagine a situation in which people have the ability and are highly motivated to do something but are unable to do so because they do not have the opportunity.

Organisationally, 'opportunity' is a mix of overt factors such as processes, structures and strategies and the deeper stuff such as social capital, climate and culture. Opportunity as a factor in performance is therefore a little like an iceberg: It's the bits that are hard to see that matter most.

Whether the focus is on an individual, a team or the organisation as a whole, insight into the interplay of these factors (Ability, Mindset and Opportunity) will be crucial to understand how desired levels of performance can be achieved.

Specifying these factors often requires honest and open debate as the three factors often define the 'investment' requirements of gaining performance. And, as discussed earlier, a pre-requisite of promoting this debate and analysis is a workable definition of the performance required.

## Making the Performance Equation Live

The Performance Equation offers the opportunity for creating quality dialogue around any performance challenge. It provides a structure through which it is possible to evaluate the effectiveness of the performance management approach.

Within organisations, facilitated top team workouts around the Performance Equation have been useful in identifying a whole raft of actions including: changes to organisational structures and roles, governance and reporting arrangements, prioritisation and planning and OD initiatives clearly aligned to strategic performance goals. The Performance Equation has also been used as the design framework for the development of the senior leadership pipeline in several organisations.

Finally, back to the perspective of a coach like Jane Rushby, it has been used on a one-to-one basis with executives as part of their development.

Whatever its application, the principles of taking a more integrated view of performance seem to be well made, whether you are seeking a new Federer, Branson, or a world class business.

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