



ATTRACTORS
INFO-LETTER OF THE
HUMAN SYSTEMS DYNAMICS INSTITUTE
VOL. 2.6
JUNE, 2005

In most of life, failure and success are not simple things. Only in sports (and not all of them) is there a single measure against which one gauges a performance. In a game, it is easy to tell who won and lost because the:

- Goals are clear and unchanging.
- Time of play is bounded (either by a clock or by a sequence of events).
- Rules of engagement do not change in the course of the game.
- It is clear who is and is not a competitor.
- The field of play is finite and bounded.
- When ambiguities arise, there is a judge to make the final decision.

Judging performance in the real world is not so easy. We work in dynamic political, social, and economic environments, where objectives can change quickly and radically. We work in multiple time horizons, with our days, weeks, years, careers, lifetimes establishing different personal “finish lines” for our accomplishments. If we consider a firm, community, or industry, then time boundaries expand even farther. Rules, which are determined by context, change as quickly as the environment shifts. Today’s competitor can be tomorrow’s customer, partner, or vendor. Global markets and information technology provide virtually unbounded play- and workgrounds. The deep ambiguities with which we work can only be resolved over time, and no single judge can see into the future.

Even in this complex and confusing environment, we cannot give up on our need to assess performance. We need to evaluate our work and the work of others to be able to:

- Distinguish the better from the worse.
- Learn from our mistakes and those of others.
- Make decisions about the future based on data and experience.

How can you establish an evaluation system that produces the information you need without deluding yourself into thinking that you can always tell the winners from the losers? Here are some suggestions for building an evaluation strategy that will fit in your environment.

Measure at multiple levels. Consider the performance of the individual, the team, the department, and the enterprise. You may even want to track performance of the industry to explore potential long-range concerns.

Measure across and through time. Single snap-shots can tell you much about system performance, but the real learning comes when you have a sequence of pre- and post-tests. Some processes are so complex that periodic sampling is not enough to give you a realistic picture. For those you need to sample through time with continuous (or nearly continuous) data collection techniques.

Don't try to measure everything. Complex dynamics replicate relationships across an environment, so you can track a small number of critical variables to see the systemic pattern that emerges over time.

Make the findings public. In this real world, sustainable success does not rest in the numbers themselves, but in the opportunities and decisions that the numbers open up. When you make data available to others, they can learn their own lessons and shape their own adaptive action in alignment with the whole.

Pay attention to the noise. Even when a measurement system is perfect for the past, it may miss aspects that are significant in the future. Apparently random noise can give you early warning about major challenges in the road ahead.

Don't be a snob. Valuable information comes in unexpected packages and from unexpected directions. Do not restrict yourself from the benefits of quantitative OR qualitative information, formal OR informal, familiar OR unfamiliar sources.

Keep learning and adapting. Most important, remember that your own insights and your environment are changing continually. No evaluation or measurement process can tell you everything you need to know. Today's plan can be "good enough," but it will only remain good enough if it evolves over time.

The HSD Institute uses principles such as these to help individuals, organizations, and communities to measure and improve performance. If you would like to talk with us about challenges you or your clients face, please give us a call—763-783-7206.