



*Helping Organizations
Take the Next Step*

High Satisfaction Days™ : *Leading Indicators of Results*

By John Heymann

Have you ever measured the doneness of cookies baking in your oven using the smoke detector instead of a timer? When the smoke alarm goes off, you certainly know the cookies are done, it's just that the information isn't very helpful at that point. That's an example of what economists call a "Lagging Indicator". While most successful organizations use performance measures to gauge results, the majority of the measures they employ – financial reports, sales results, 360° reviews – are lagging indicators. That is, they tell you with some accuracy how you did, but not until after the fact.

Organizations wishing to have an impact need to develop "Leading Indicators", those things that give clues that current actions will bring some desired result in the future.

To answer that challenge for NewLevel Group, we developed a performance measurement we call "High Satisfaction Days™", or "HSD™". HSDs™ are completely subjective. They're hard to define, because they're different for everybody, and can be different each time they are experienced. But you'll know a High Satisfaction Day™ when you have one because, at the end of the day, you pump your fist and think, "Yes – this was a great day!"

At NewLevel Group our culture is well-defined and we have strong values that we believe, if nurtured, will yield exceptional results (we already have some bottom-line evidence of the effect). Our core values include commitment, collaboration and, especially, a focus on results. We find that the things that trigger an HSD™ generally stem from paying attention to those values. Therefore, the greater number of HSDs™ experienced, the stronger our culture becomes, leading to increased performance (results).

HSDs™ are touchy-feely, which makes most business-types nervous, but it's really meant as a check for more than just "happiness". The commitment and collaboration values demand (and engender) a high-trust culture, and an HSD™

type of metric draws attention to the individual's own drive and success without requiring a subjective management judgment, so it removes a lot of the frustration professionals often feel at having their performance judged by others. Smart people don't need to be controlled, they need to be in an environment where they feel valued and respected so they can make a difference while being successful. It's never been more important to recognize that as a manager, if you have smart employees, your job is not to motivate them – it's to not de-motivate them.

And in a world that's dominated by hard, objective calculations, perhaps what we need are more insights into humanistic management practices instead of just considering the science.

John Heymann, CEO of NewLevel Group, has more than 30 years experience as an entrepreneur, business owner, and leader. A former Peace Corps volunteer, Managing Director of the Land Trust of Napa County, and Chief Executive Officer of Motto Kryla & Fisher, John is well known throughout Napa County for his ability to work with disparate groups to gain consensus and deliver results. John can be reached at 255-5555 x105, or jheyman@newlevelgroup.com.