Perception Is Not Reality

A Case Study In Leadership

Jeff Bradt

It is unfortunate that professional journals are filled with so many success stories. Failure can be wonderfully instructive. Let me offer a painful, but pertinent, personal case history.

Several years ago, while working for another public sector organization, I had what I now regard as the good fortune to accept a position in a department that later experienced failure in a big way. When I took the position, I was working for an organization that had just succeeded in turning itself around after a number of setbacks. It had been a lot of hard work, but having been through it, I thought I had acquired skills that would enable me to successfully manage any assignment. I was wrong.

For the most part, everything went fine the first year. But by the second year, I was starting to feel uneasy. Although nothing had gone wrong, something just did not feel right. Projects were not coming together as I expected. Progress seemed painfully slow. By the third year, things were definitely going wrong. Everything was still "under control," but a tremendous amount of energy was now being spent on crisis management. Every time it seemed we were about to turn a corner, we were hit by another setback or calamity.

The fourth year was a nightmare. None of the techniques that had worked for me in the past were the least bit of help. Nothing worked. I was routinely working until one or two o'clock in the morning. Sometimes I would work until five or six o'clock in the morning, go home, shower, shave, change, and then head back. And things only got worse.

I was being smothered by a morass of problems. It was clear that something fundamental was terribly wrong, but

I did not have a clue as to what it was. I knew it was not just me. My colleagues were wrestling with the same problems. People were bailing out almost every month. In little more than a year, almost every professional position in the department turned over. Some more than once. Although each of us was an expert in our speciality, for some reason we just could not put it all together. And then it occurred to me. We could not put it all together because we did not know what "together" was supposed to look like. We had no vision of the big picture—the larger purpose that our individual efforts were supposed to be contributing to.

When that realization hit me, I was astonished. I was astonished because, until that very moment, I had not realized that management served any useful purpose. Until then I had honestly believed that all I needed was to be left alone to do my work as I saw fit, and everything would work perfectly. It is not so. Organizations cannot be effective without a clear vision of their mission and a means to measure their progress towards that vision. It is up to management to provide them. If it fails to do so, the organization cannot possibly succeed.

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I had often argued with our manager about his "vision" for our department. His motto, "Perception is reality," seemed to be simply a tired cliché. But I never felt the argument was critical to the department's success. This motto business was, I thought, at the very worst, an irritant—not something that would prevent my colleagues and me from building successful programs. But in the aftermath, it was plain that it was at the very heart of the problem.

Perception is reality. Think about it. Its message is that if people do not think you have done a good job, then you have not. Although the focus on the eye of the beholder is admirable, it implies that the beholder cannot recognize real quality—that you dare not devote yourself to delivering the highest quality product or the highest quality service because consumers may not recognize it. It directs you to focus instead on their perceptions. The consumers' perceptions become the standard rather than the quality of the product or service.

It is a dangerously destructive philosophy. It devalues the work and thereby demoralizes the staff. After all, the goal is no longer to do your best. It is to do what passes for a quality product, whether it is or not. Do what you can get by with. Do it as cheaply and quickly as you can without generating a complaint.

Even worse, it makes it impossible for employees to believe they can make a difference. After all, organizations cannot directly shape consumers' perceptions. Their only influence is through the products and services they provide. But if consumers' perceptions determine reality rather than reflect it, there is no longer a meaningful relationship between the quality of an organization's products and services and its reputation. And that means that organizations and their employees are truly powerless and their activity meaningless.

If your goal is to create a quality product or service, you can systematically strive to accomplish it by finding out what quality means to your consumers and then delivering a product or service that meets or, preferably, exceeds their expectations. But how do you go about delivering a quality product or service, if you do not trust consumers to recognize quality? If the consumers' perceptions indeed do not reflect reality, then any attempt to influence them is futile.

"Quality is Job 1" is a message that has inspired Ford Motors' employees and its consumers. The message "The perception of quality is Job 1" would have demoralized employees and antagonized consumers.

The Fixation on Cost Control

Inevitably, a focus on managing perceptions ends up focusing on responding to complaints and, in the public sector, with a destructive fixation on controlling costs. The average citizen does not buy the cheapest car on the lot, look for the cheapest house in the cheapest neighborhood, or seek out the cheapest medical care. Why is it, then, that the public sector is obsessed with cost control—with providing its services at the lowest possible cost—rather than providing services that offer the greatest possible value?

In too many cases, the answer is

that public sector organizations do not know the value of their services, and so they are left with nothing to talk about except the cost. That also means that they have nothing to manage except the cost, so they try to build value in by keeping costs down—a worthless, counterproductive exercise. The private sector's experience with total quality management techniques has proven, in literally hundreds of organizations, that the only way to build value—and the only effective way to control costs—is to focus on improving the quality of the products and services produced.

Quantifiable Indicators

Effective public sector management depends, first of all, on the ability of public sector managers to provide their consumers, or stakeholders (i.e., everyone with a stake in how well the programs operate), with hard data on the quality of the organization's programs and services. What problems or needs are they supposed to address? What criteria would the programs' stakeholders use to evaluate the programs' success or progress? And how can those criteria be quantified?

These criteria must go beyond simply counting beans, such as the number of calls answered or forms processed within certain time limits. They must address the fundamental mission of the program. The measure of a pollution control program is not the total number of permits written or violations issued; rather, it is the vitality of the environment and the health of the human population. The measure of a police program is not the number of arrests and convictions; it is how safe people are in their homes and on the streets. The measure of a highway program is not the miles of road maintained; it is the safe and efficient transportation of goods and people.

Obviously, cost needs to be a consideration in the management of any private or public sector program. But the only worthwhile cost consideration is value, and value cannot be considered until the organization can quantify the quality of its products and services. That is because quality indicators serve to describe the impact of the product or service—how it performed and the results it delivered. The results, in turn, determine the benefits—and value is a function of the relationship between cost and benefits.

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Every day, public officials across the country are faced with the impossible task of allocating resources without the benefit of having meaningful data on the comparative benefits of the myriad of programs before them. Ironically, the argument for the lack of data is often that it would be too difficult, too costly, to measure. So, instead, cost control measures are imposed in an ever more tortuous ritual of Requests For Proposals, competitive bids, and spending micromanagement. None of it serving to ensure that the value of the overall program—its impact on its stakeholder—is a reasonable return on the public's investment.

Heading in the Right Direction

Thanks to the perception-is-reality doctrine, I had the opportunity to experience life in a department that inadvertently carried nonmanagement to its most surreal extreme. It adopted a philosophy that officially declared that the work employees performed was meaningless and that its employees were powerless to influence the public perception of them. It adopted a philosophy that said there was no longer a relationship between where you were pointed and where you went. It no longer had a reason to care where it was headed.

Surprisingly, it was not that different from many other organizations, public and private. Perhaps that is because there is not much difference between not caring where you are headed and not knowing where you are headed. There is an old adage that says you cannot manage what you are not measuring. W. Edwards Deming, one of the leaders of the total quality management movement, makes the point that the American private sector did not lose the ability to compete on the international market because they were not doing their work well—but because they were doing the wrong work.

If public sector managers are not quantifying the quality of their products and services, if they are not measuring the impact of their programs on their stakeholders, then they cannot possibly know where they are or where they are headed. And, not knowing, what are the chances they are headed in the right direction and are doing the right work? PM

Jeff Bradt is assistant personnel director of the Minnesota Pollution Control Agency, St. Paul, Minnesota.