Total Performance Scorecard: Aligning Human Capital with Business Strategy and Ethics

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Abstract

Numerous case studies indicate that the implementation of the balanced scorecard concept according to Kaplan & Norton in North America have been disappointing at best, and in Europe and South America even more so. A new blueprint for creating a learning organization is needed in which personal and organizational performance and learning mutually reinforce each other on a sustainable base. Traditional business management concepts are insufficiently committed to learning and rarely take the specific personal ambitions of employees into account. In consequence there are many superficial improvements, marked by temporary and cosmetic changes, which are coupled with failing projects that lack sufficient buy-in by personnel and, in some cases, even have an adverse effect. This paper introduces a new holistic business management concept, called Total Performance Scorecard (TPS). It stresses the importance and need of developing an organizational structure and philosophy that combines the goals and aspirations of the individual with those of the company. It is a melding process, which results in a corporate culture that is both individually and organizationally driven. The concepts embodied in this management concept provide solutions to preserving and utilizing individual rights and capabilities while adjusting the organizational structure and philosophy to this new environment.

A new blueprint for creating a learning organization is needed in which personal and organizational performance and learning mutually reinforce each other on a sustainable base. Traditional business management concepts are insufficiently committed to learning and rarely take the specific personal ambitions of employees into account. In consequence, there are many superficial improvements, marked by temporary and cosmetic changes, which are coupled with failing projects that lack sufficient buy-in by personnel and, in some cases, even have an adverse effect. This paper introduces a new business management concept, called Total Performance Scorecard (TPS). It stresses the importance and need of developing an organizational structure and philosophy that combines the goals and aspirations of the individual with those of the company. It is a melding process, which results in a corporate culture that is both individually and organizationally driven. The concepts embodied in this management concept provide solutions to preserving and utilizing individual rights and capabilities while adjusting the organizational structure and philosophy to this new environment. This has been done by expanding and integrating concepts such as the Balanced Scorecard, Total Quality Management, Performance Management and Competence Management into one overall framework. The related book "Total Performance Scorecard" has become an international bestseller and has been translated in 20 languages. Rampersad's related article was awarded in the UK with "The most outstanding paper in 2004".
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Failures of the balanced scorecard concept

Numerous case studies indicate that the implementation of the BSC according to Kaplan & Norton in North America have been disappointing at best, and in Europe and South America even more so (Angel & Rampersad, 2005). An estimated 65% to 70% of organizations within Corporate Canada have adopted BSC’s. A few users — some 10% — insist their scorecards are achieving positive results and meet with spirited rebuttal suggestions that balanced scorecards do not work. In contrast, a much larger group doubts that scorecards achieve sustained financial performance improvement. Our view from hands on experience is that scorecards rarely achieve sustained financial improvement break-throughs. BSC implementations tend to be insufficiently committed to learning and rarely take the personal ambitions of employees into account. Without a set of rules for employees that addresses continuous process improvement and the personal improvement of individual employees, the experience is that too little employee buy-in and insufficient change in the organization’s culture underlies BSC disappointment. The result, experienced in so many BSC implementations, is that any improvement tend to be superficial and temporary. We have seen many examples of scorecards that did not achieve alignment and resulted in an apparent performance improvement that dissipated very quickly. In other cases, the improvement never materialized. Frequently in such cases, management’s efforts to improve performance were seen as divisive, viewed by employees as aimed at benefiting senior management compensation plans and fostering a “what’s in it for me” attitude among the employees. In the aligned environment, metrics needs to support the people alignment to organizational alignment. The text box below shows ten reasons for balanced scorecard failures (Angel & Rampersad, 2005).

Our conclusion, based on 20 years of research, is that scorecard performance depends on alignment between the goals of the organization and the personal goals of the employees to realize transformational performance change. What we are referring to is the aligning of individuals’ personal ambition with the shared ambition, which is a prerequisite for sustainable cultural change and development of organizations. Alignment means linking the organization’s mission, vision, and core values with the individual’s personal mission, vision, and core values. This lies at the heart of successful organizational change and development. Traditional balanced scorecard implementations tend to be insufficiently committed to learning and rarely take the personal ambitions of employees into account. Without a set of rules for employees that addresses continuous process improvement and the personal improvement of individual employees, the experience is that too little employee buy-in and insufficient change in the organization’s culture underlies BSC disappointment. The result, experienced in so many BSC implementations, is that any improvement tend to be superficial and temporary. We have seen many examples of scorecards that did not achieve alignment and resulted in an apparent performance improvement that dissipated very quickly. In other cases, the improvement never materialized. Frequently in such cases, management’s efforts to improve performance were seen as divisive, viewed by employees as aimed at benefiting senior management compensation plans and fostering a “what’s in it for me” attitude among the employees. In the aligned environment, metrics needs to support the people alignment to organizational alignment. The text box below shows ten reasons for balanced scorecard failures (Angel & Rampersad, 2005).

TEN REASONS FOR BALANCED SCORECARD FAILURES

1. Emphasis on financial rather than nonfinancial measures, leading to
measures that do not connect to the drivers of the business and are not relevant to performance improvement

2. Too many objectives defined and too many performance metrics being measured to enable the organization to prioritize improvement steps adequately

3. Poor data on actual performance, negating most of the efforts invested in defining performance measures by not being able to monitor actual changes in results from changes in behaviour

4. Inadequate linkage between the critical success factors of the organization and the personal critical success factors of individual employees — creating human capital tensions between work and nonwork aspirations

5. Managers not communicating the cultural change clearly and continuously, supported by management deeds that confirm that management is serious

6. An employee mentality that is hostile to management messages (the obverse of the previous point), often because communications have tended to be one-way and forced on an unwilling labour force

7. An employee compensation plan that focuses too much on the money side and not enough on delivering organizational values, leading to a “what’s in it for me” culture

8. A business strategy that is poorly understood and therefore impossible to execute — it may also be either inflexible, not keeping pace with changes in the marketplace or too flexible, causing confusion because of frequent changes in direction and an unmanageable scope

9. An implementation plan that is not grounded in reality and unable to respond quickly to unforeseen events

10. A climate of defensiveness and mistrust that leads project participants to respond to missed deadlines and overspent budgets with buck-passing, bitterness and scapegoat-finding

**Total Performance Scorecard**

Total Performance Scorecard is defined as the systematic process of continuous, gradual, and routine improvement, development and learning, focused on a sustainable increase of personal and organizational performances.

This management concept encompasses the personal and organizational mission, vision, key roles, core values, critical success factors, objectives, performance measures, targets and improvement actions, as well as the resulting process of continuous improvement, development and learning. It consists of the following elements (see figure 1):

1. **The Personal Balanced Scorecard (PBSC)** entails the total idea of personal mission, vision, key roles, critical success factors, objectives, performance measures, targets, and improvement actions (Rampersad, 2003). The PBSC regards the continuous improvement of your personal skills and behavior, focusing on your personal well-being and success. Self-management stands central here and focuses on the managers as well as employees within the entire organization. For this I have
introduced a new Plan-Do-Act-Challenge cycle (PDAC-learning) for personal improvement.

2. **The Organizational Balanced Scorecard (OBSC)** encompasses the total organizational mission, vision, core values, critical success factors, objectives, performance measures, targets and improvement actions (Kaplan & Norton, 1996, 2000). The OBSC regards the continuous improvement and controllability of business processes focusing on achieving competitive advantages for the company. This corporate BSC is communicated and translated into all business unit BSCs, team BSCs and the performance plans of individual employees. The organizational improvement actions are implemented according to the Plan-Do-Check-Act cycle of Deming (Deming, 1985). This cycle consists of the following 4 phases: 1) **Plan** (develop an improvement plan); 2) **Do** (execute this improvement plan on a limited scale); 3) **Check** (review the results of the improvement actions; and 4) **Act** (implement the proven improvements).

3. **Total Quality Management** encompasses a disciplined way of life within the entire organization whereby continuous improvement of oneself, one's job and the organization stand central. Defining problems, determining root causes, taking actions, checking the effectiveness of these actions and reviewing business processes are done here in a routine, systematic and consistent way (Rampersad, 2004). The emphasis is on the mobilization of the entire organization in order to continuously satisfy the needs of the customer. It is a philosophy as well as a set of guidelines forming the basis for a continuously improving organization using the Deming cycle. This learning cycle (PDCA-learning) is used in the TPS-concept for process improvement.

4. **Competence Management** encompasses the process of the continuous development of human potential within the organization. The goal of Competence Management is continuously delivering top performances with a motivated and developed community. It focuses on the maximum development of employees and makes optimal use of their potential in order to achieve the goals of the organization. Competence management involves the development of job-related competences; a collection of information, capabilities, experience, skills, attitudes, standards, values, views, and principles (knowledge) that is focused on the expert fulfilment of your job. The development cycle is central here, which consists of the following phases: result planning, coaching, appraisal, and job-oriented competence development.

5. **Kolb's Learning Cycle**. This process of *instinctive learning* (learning by experience) is seen in all four management concepts mentioned. Together with the process of *conscious learning* (learning by education) they result in individual and collective behavioral changes. These two learning forms as well as *individual learning based on the PDAC cycle*, *PDCA-learning based on the Deming cycle* and *collective learning* are important themes in the TPS-concept. These are used to create conditions for effective organizational change. Kolb's learning cycle contains the following four phases (Kolb, 1984): Gaining hands-on experience, observing this experience, drawing conclusions from this experience, and testing these ideas in experiments, which again will result in new behavior and experiences.

Figure 1 illustrates the correlation between the different elements of the Total
Figure 1: The TPS-Concept (Rampersad, 2003)

Performance Scorecard. This philosophy includes a composition of closely related management concepts, which together form a harmonious whole. In this integrated TPS concept, the key elements of improving, developing, and learning are defined as follows:

**Improving:**
This process encompasses the improvement of individuals and business processes based on the PDAC and PDCA learning. The focus here is on the improvement of personal skills and behavior of individuals related to their functioning in the society as well as process improvement (controllability of business processes).

**Developing:**
This process entails gradual individual development and education through the absorption of knowledge. It focuses on performance improvements that are directly related to the daily activities of individuals within the organization (job-related competence development of individual employees).

**Learning:**
This process entails internalizing and actualizing knowledge in order to change behavior. Learning is a personal transformation that depends on self-knowledge and that, in turn, results in collective behavioral change.
There are overlaps between the Personal Balanced Scorecard, Organizational Balanced Scorecard, Total Quality Management, and Competence Management (see figure 2). The black area in the center of this figure illustrates the similarities between the aforementioned management concepts. Improvement, Development, and Learning form part of this common area.

Seen from a strategic point of view the Total Performance Scorecard is thus continuously on its way to be the routine improvement of the entire organization, as well as the development of human potential and individual and collective learning, using the PBSC and the OBSC as a starting point. The PBSC focuses on your personal life, well-being and behavior, while the accent of the OBSC falls on achieving competitive advantages for the organization.

**Personal Balanced Scorecard**

The Personal Balanced Scorecard (PBSC) forms the total of the personal mission, vision, key roles, critical success factors, objectives, performance measures, targets, and improvement actions (divided along the four perspectives: financial, customers, internal processes, and knowledge & learning), see figure 3. The formulation and use of the PBSC make up the first step in change management. It enables you to distance yourself from your mindsets (your mental frame work, assumptions and beliefs coloring the world) and allows you to listen effectively to your inner voice. By scrutinizing ourselves (through a better self-image and self-knowledge) we improve our learning ability. Self-knowledge means self-awareness. Formulating your personal ambition is a search for your identity. Understanding your identity is the key to action. Through this a stable basis will be created for your own credibility. This has a positive effect on the loyalty, motivation, and dedication of others around you. This also involves self-guidance, motivation, enjoyment, passion, commitment, energy, inspiration, and enthusiasm (see also Senge, 1990). The development of the shared ambition and the personal ambition takes place simultaneously; when answering the
question of what we want for the organization and where we want to go together, we also ask ourselves at the same time, what we want for ourselves and which win-win situation lies between both interests. Hidden behind our behavior are the inner needs (incentives) related to our mindsets. These needs and those of the organization have to be aligned for the sake of more labor productivity. Moreover, it can be seen in practice that if one has a clear personal objective, it gives meaning and direction to one’s life. By formulating a Personal Balanced Scorecard and reflecting on it, you’ll gain more control over your own life and finally you’ll learn to get to know yourself better. It is a personal notice about yourself and is meant to bring you into motion with determination and energy, to prepare you for action and to stimulate your inner involvement. By writing down your personal mission, vision, key roles and objectives, you are putting yourself in front of a mirror; based on the acquired clarity you will become more resolute, get more creative ideas, learn better and become more successful. Therefore, everyone in your organization should be stimulated and encouraged to formulate his or her own PBSC in order to develop self-knowledge. A better self-image and greater self-knowledge lead after all to greater learning ability. To that objective we have to continuously ask ourselves three primary questions, and open up ourselves to them: Who am I? For what purpose am I here on earth? And, Where am I going? The aforementioned questions have to do with our personal ambition. This personal mission, and vision should be formulated positively and in the present tense, as if everything is happening now. Your personal mission statement includes your life philosophy and your primary life objective, and indicates what you are living for and

![Figure 3: Questions dealing with the PBSC-elements (Rampersad, 2003)](image-url)
what your deepest aspirations are. It functions as an ethical compass that gives direction to your life. Your personal vision statement deals with a description about where you want to go, which values and principles guide your way, what you want to help realize in your life, which ideal characteristics you would like to have, which qualities you like to have if you could be exactly the way you want, and what is your ideal with respect to your profession, environment, health, etc. It is a concrete translation of your inner longings. Your inner voice and your deeper convictions of how life should be, therefore, play an important role here.

The formulation of your personal mission and vision is meant to improve your learning ability and thus enable you to improve your behavior. This individual behavioral change results from organizational learning to a collective change pattern, called organizational change. The more innovative an organization would be, the more its employees and managers should develop their self-knowledge or self-image. A recent survey shows that many European managers have a wrong self-image (see boxed text below). They have an enormous destructive impact on the health of their people and their organization. Without being aware of this they cause disastrous destructions within organizations. Research in Europe shows that more than half of all employees have changed jobs or organizations at least once because of their managers’ behavior and that mismanagement is the reason of their poor performance in their job. In their unawareness managers cause large damages when applying the PBSC results to real learning.

Managers Have a Wrong Self-image

European managers think that they motivate, stimulate, and listen well to their employees. Their employees experience, however, an enormous lack of interest and hardly feel stimulated. This was proven in research done by the Bureau Interview NSS in 2004 among 250 managing directors. The research shows a large difference between how managers think they lead and how employees experience it. 86% of managers feel that they show sincere interest, only 41% of the employees agree with them. 84% of managers are satisfied in the way they manage, a mere 42% of the employees are satisfied with the way they are being led. Besides, 64% of managers feel that they are able to motivate themselves, while 31% of the employees feel that their manager is able to do so. 83% of managers stand at the ready for their employees, 34% of the employees feel that their manager is ready to oblige. And, 66% of managers feel that they know exactly what happens in their department, only 32% of the employees agree.

Self-knowledge or self-image includes self-awareness. It is an inner and spiritual learning process, which is connected to emotional intelligence and spiritual intelligence. This inner process starts with self-knowledge, or knowing. By doing or by routine application of the complete PBSC method, self-knowledge will lead to wisdom. Between knowing and wisdom lies an enormous distance, which can be reduced with the complete PBSC system.

Your key roles relate to the way you wish to fulfill the various essential roles in your life and thus realize your personal mission and vision (Covey, 1993). Thus, which types of relations would you like to have with your colleagues, friends, family, neighbors and others? The formulation thereof will also benefit a greater self-knowledge and better self-image, and therefore also your own learning ability.
The personal critical success factors are derived from the personal mission, vision, and key roles. The central questions here are: Which factors make me unique? What factors decide for my personal success? Which factors in my mission, vision, and key roles are essential for the realization of my personal objectives? What are my most important competences? The central questions regarding the personal objectives are: Which measurable short-term personal results do I want to achieve? They describe a personal result that you want to achieve to realize your personal vision. They are derived from your personal critical success factors and also result from your personal strength and weakness analysis. They form achievable milestones. As a continuation to this, you can also ask yourself the following question: What is the most important change I face regarding my work and career? Factors that could be related to the aforementioned questions are, for example: aptitude, talent, ability, intelligence, being goal-oriented, perseverance, self-control, health, integrity, creativity, tolerance, enthusiasm, the situation at home and at work, more responsibility, prestigious job, status, power, being free, having more free time, having more time for the children, etc. The personal performance measure deals with the following questions: How can I measure my personal results? What makes my personal objectives measurable? A personal performance measure is a measuring point related to the personal critical success factor and objective through which your functioning can be assessed. These indicators are criteria that measure your personal objectives. Personal performance measures make your personal vision and objectives measurable. A personal target is a quantitative objective of a personal performance measure. It is a pursued value to be measured through a personal performance measure. Targets indicate values that should be obtained. Personal improvement actions are measures used to realize your personal mission, vision, and objectives. They relate to improving your personal competences and behavior. The how is central here: How do I want to achieve my personal results? How can I realize my personal objectives? How can I improve my behavior? Which improvement actions should I execute in order to achieve this? How do I see to it that I learn continuously, individually as well as collectively? How do I get to know myself better? The same four perspectives in the OBSC-concept form the starting point in the PBSC-concept. In content, however, they have a different meaning. Here the perspectives include the personal results that are of essential importance to your self-development, personal well being and success, namely:

1. **Financial**: financial stability. To what degree are you able to fulfill your financial needs?
2. **Customers (external)**: relations with your spouse, children, friends, employer, colleagues, etc. How do they see you?
3. **Internal processes (internal)**: your physical health and mental state. How can you control these in order to create value for yourself and others?
4. **Knowledge and learning**: your skills and learning ability (the ability to learn, that is, how to learn learning). How can you remain successful in the future?

PBSC = personal mission + vision + key roles + critical success factors + objectives + performance measures + targets + improvement actions (divided along the four perspectives: financial, customers, internal processes, and knowledge & learning).

The Personal Balanced Scorecard differs in essential ways from Stephen Covey's brilliant "7/8 Habits of Highly Effective People". The boxed text below shows what makes the difference between these two concepts.
Personal Balanced Scorecard versus Stephen Covey's "7/8 Habits of Highly Effective People"

Stephen Covey's "7 habits of highly effective people" is about personal leadership with key words as fairness, integrity, honesty and human dignity. His new book, "The 8th habit" adds that every individual has within himself the means for perfection. If only they can manage to balance the four human attributes: talent, need, conscience and passion. According to Stephen Covey we face in today's era of the 8th habit a more complex and challenging world than in the last decade (era of the 7 habits). Independence, individualism and autonomy are constantly increasing in all facets of our lives. This implies according to him that you need to manage yourself more and more and not to rely on others. Covey's approach is mainly focused on personal leadership, individual learning, and personal growth. The Personal Balanced Scorecard (PBSC) though, picks up where Stephen Covey left off. Specifically the measurable translation of the personal vision into concrete personal targets and improvement actions is missing in his 7th / 8th habits concept. Also the concrete balancing of the personal ambition with the shared ambition, the embedding of ethical behavior in people's minds and the holistic link with talent management all are missing in Covey's concept. The consequences of this are suboptimalization and personal improvements that will only work superficially and for that reason will be of a temporary and cosmetic nature. This is also because of approaching it in a holistic way. This will cause a basis that will not be stable and sustainable enough to support the continuous acceptation of new challenges each time, such as the development of skills related to this, more pleasure at work, a more effective use of free time and a good balance between work and private life. The PBSC is a continuous discovery trip towards perfection, personal integrity, self-mastery, and happiness, at work as well as in people's private lives amalgamating both lives into one complete, integrated and happy life. Stephen Covey, however, departs from the two different lives, based on the assumption that someone with a perfectly strong personality will flourish in any organization. Despite the above criticism the 7th/8th habits is a splendid concept that makes a most useful contribution to the formulation and implementation of your PBSC. The introduction of the PBSC is almost like launching an integrated 9th habit that has been proven in practice to produce better and sustainable results – not only for the individual but also for the organization.

To illustrate the foregoing, the personal ambition of Jack Johnson is shown in the boxed text below. He is the owner and CEO of a small management consulting firm in the UK, a workaholic and born in 1953.

Personal Ambition of Jack Johnson

**Personal Mission**
Enjoy the freedom to serve others and to create a world of love and empowerment.

**Personal Vision**
I want to fulfil my mission in the following way:
- Earn the respect of my customers, colleagues, friends and loved ones
- Continue to look for challenges in my work, accept them and enjoy doing so
- Help organizations to be successful
- Continue to further develop my skills and competencies, and learn continuously
- Not act in conflict with my conscience
- Continue to increase my inner strength and keep this in balance with my physical health
- Achieve financial security

**Key Roles**

In order to achieve my mission, the following key roles have top priority:

- Spouse: A maximum fulfilment of what is important for my wife, based on love, faithfulness, support and unconditional trust
- Father: Be an example for my children so that they treat themselves and the people around them with respect and give them the ability to make the right choices and take decisions
- Consultant: Competent, honest, cooperative, and committed
- Fellow man: Give and receive trust

The translation of Jack's personal ambition into his PBSC can be found in my books *Total Performance Scorecard* (Butterworth-Heinemann Business Books, 2003) and *The Personal Balanced Scorecard; The Way to Individual Happiness, Personal Integrity and Organizational Effectiveness* (Tata McGraw-Hill, 2005)

**Implementing the Personal Balanced Scorecard**

The next step is the implementation of the formulated Personal Balanced Scorecard (PBSC) in the (self) coaching process. This is necessary to see your awareness grow step-by-step, to continuously develop your skills and to keep improving and become more creative on the basis of the PBSC. I introduce a new learning cycle to accomplish this, the Plan-Do-Act-Challenge (PDAC), which keeps running continuous (see figure 4). To live in accordance with the PBSC and the implementation thereof as per the PDAC cycle, requires a cyclical learning and step-by-step process in order to increase awareness, joy, fun and creativity, at work as well in your spare time. This cycle consists of the following four phases (Rampersad, 2005):

**Plan:** Formulate or update your Personal Balanced Scorecard (PBSC), which focuses on your job and your free time.

**Do:** Start with a simple objective from your PBSC with corresponding improvement actions, keeping in mind the priority this has been given. Submit yourself with courage to this objective, even when you run into resistance. Root your good intentions with an agent (spouse, friend, colleague or manager), or with your group, which will ask questions and gives you honest feedback. After that you start your improvement actions with emotional dedication, self-confidence, willpower and purpose and concentrate on your actions. This must be in accordance with your present skills. The “doing” is related to acting with purpose and to deliver efforts to realize your objective. Ask often for feedback from your agent. This gives you the opportunity to measure the improvement you have made. Start with habits, which restrict you, influence your life unfavourably, and deliver poor results.

**Act:** Check if the improvement actions are working and take action when it is not. Review the results according to defined personal performance measures and targets and check to what extent you have realized your personal objectives. If you have not been able to realize your objective, please do not worry about it. Just
start again. You will improve steadily and it becomes a habit to do good things, if you evaluate your PBSC each month with your agent, and learn from the acquired experiences. Develop your skills and competencies to achieve the target you selected. Implement the proven personal improvements, assess the personal results, document the lessons learned, and improve and monitor your actions and thinking continuously. Also think about bringing your personal ambition and your personal behaviour in balance, which will result in influencing your ethical behaviour.

**Challenge:** Accept larger challenges by selecting a more difficult objective and corresponding improvement actions from your PBSC and get on with it. Take your chance and be conscientious to choose a more challenging objective in line with your new skills, with purpose and courage, when the current improvement actions start being boring. Enjoy the pleasant experience and document what you have learned and unlearned.

In the appendix, I introduce a simple integrated breathing and silence exercise, which, in practice, proves to be very effective and which will help you formulate and implement your PBSC effectively. Performing this breathing and silence exercise for twenty minutes early in the morning and twenty minutes in the evening will provide you with exceptional results if regularly practiced for six months.

**Aligning Personal Ambition and Personal Behavior**

The first step on the way to sustainable personal improvement is to give attention to your personal ambition. Aligning your ambition with your behavior is necessary for developing inner peace and personal charisma, as well as for improving your credibility with others (Rampersad, 2003). When you do this you avoid conflict with your conscience and act in an ethical manner. Indeed, whereas we judge ourselves by our invisible behavioral patterns, others judge us by our visible behavioral patterns—what
we do and say. This balancing process is about the interaction between, on the one hand, your aspirations, intentions, purpose, principles, ethical standards, and values—in other words, your personal ambition—and, on the other hand, how others interpret you. There is always potential difference, which is often difficult to accept, between how you see yourself and who you want to be, and how others see and judge you. To become the person you have envisioned in your personal ambition, you also have to know how others see you and what they think of you. When you know this, your self-knowledge increases and you are able to improve the effectiveness of your actions. Therefore, this process of developing self-knowledge involves the establishment of a balance between your personal ambition (which envisions a higher level of consciousness) and your personal behavior (which refers to your present behavior) [see Figure 5]. In order to achieve real personal improvement and change it is necessary first to find a balance between behavior and inner motives. The central questions in this contemplative process are: How do my ideals, ambitions, intentions, needs, and deepest desires fit my present actions? Does my personal ambition reflect my desire to act ethically? Are there contradictions in my personal ambition? In what way does my behavior influence my views, and vice versa? Do I act in accordance with high ethical standards?

**Personal (<Mission>, <Vision>, <Key Roles>) = Personal Behavior**

**Personal Ambition = Personal Behavior**

When people find harmony between their personal ambition and their personal behavior, they will not come into conflict with their own conscience and will be able to work efficiently in a goal-oriented way for continuous improvement, development, and learning. According to Selvazajan Yesudian (1991), our conscience is the inner voice that talks to us with firm conviction to help us distinguish between right and wrong, between fact and fiction. It is a voice that whispers to us what we can do best and guides us in our daily activities. It is a voice that we can trust and on which we can build our existence. It is the only reliable compass to follow if there is a conflict between the mind that reasons and the heart that decides.

*Invisible Behavioral Patterns*  
*Higher Level of Awareness*  
*Personal Intentions, Identity, Ideals, and Values*  
*Motives/Inner Needs*  
*Self-Image and Self-Knowledge*  

*Conscience*  
*Inner Peace*  
*Charisma*  
*Credibility*  
*Energy*  

*Visible Behavioral Patterns*  
*Present Way of Acting*
Aligning your personal ambition with your behavior ensures that your actions in society are right and in accordance with your conscience. I have defined this action as:

Right personal action = being + PBSC + doing + aligning personal ambition with personal behavior

According to Chatterjee (2002), right action is one that flows from our being; being is the very spirit of action. To act right, you should obtain better insight into your own behavior, strengths, and weaknesses, as well as your personal goals. This is not only based on insight into yourself but also on reality. Continuous learning and the gaining of knowledge about people, theories, techniques, methods, and so on are therefore also inevitable. Creating organizational harmony between personal and shared ambitions is discussed in the second half of this chapter. Balancing these two types of ambition is the essential first step in the process of achieving durable organizational improvement and change. Unfortunately, these are steps that are often ignored by management.

Organizational Balanced Scorecard

The Organizational Balanced Scorecard (OBSC) has the same framework as the PBSC and therefore will not be discussed here in detail. For detailed information of the OBSC, see Rampersad (2003). The
elements of this strategic management concept are presented in figure 6.

\[ \text{OBSC} = \text{organizational mission} + \text{vision} + \text{core values} + \text{critical success factors} + \text{objectives} + \text{performance measures} + \text{targets} + \text{improvement actions} \]

(divided along the four perspectives: financial, customers, internal processes, and knowledge & learning).

Hubert K. Rampersad

5) Continuously developing our human potential, and, based on our knowledge, skills, and capabilities, acquiring competitive advantage.

In order to be the safest and most reliable business travel company, everything within our organization will be focused on achieving top performance with a motivated workforce that cares for the needs of the society we take part in.

Core Values
We are being led by the following core values, which we regard as most important:

- **Integrity**: Doing business with integrity. Integrity is never compromised.
- **Enjoyment and Passion**: Working with devoted people who enjoy their work, are passionate, and are driven to achieve superior performances in everything our airline company undertakes. Employee involvement is our way of life.
- **Customer Orientation**: Listening continuously to our customers, discovering their expectations and providing them with the quality services they expect of us, and satisfying them constantly. They are the focus of everything we do.
- **Safe and Reliable**: Being known as the safest and most reliable airline company.

Aligning Shared Ambition with Ethics

Business ethics is an essential part of the Total Performance Scorecard concept. This implies that organizations must care about ethics and corporate social responsibility to ensure that their actions have integrity and reflect high ethical standards. The shared ambition should, therefore, be inspired by ethics. Ethics concerns human duty and the
principles on which this duty is based (Thompson and Strickland, 2002). Every company has an ethical duty to its shareholders, employees, customers, suppliers, and the community at large. Each of these stakeholders affects the organization and is in turn affected by it.

A shared ethical ambition requires ethical behavior of everyone within the organization. In order to be successful, management and employees should act in accordance with the formulated principles and values. The boxed text discusses the infamous example of a successful company that had an effectively shared ethical ambition but nevertheless went bankrupt because it was undermined by the unethical behavior of its management (Thompson and Strickland, 2002). The Enron case stresses the importance of balancing the personal ambition of management and employees with their personal behavior and with the shared organizational ambition. The mutual alignment of the personal and shared ambition will be discussed in the next section. It forms a strong base for ethical management.

**The Enron Debacle: A Bold Shared Ambition Undermined by Management’s Unethical Behavior**

**Who Are We and Why Do We Exist?**

We offer a wide range of physical, transportation, financial, and technical solutions to thousands of customers around the world. Our business is to create value and opportunity for your business. We do this by combining our financial resources, access to physical commodities, and knowledge to create innovative solutions to challenging industrial problems. We are best known for our natural gas and electricity products, but today we also offer retail energy and broadband products. These products give customers the flexibility they need to compete today.

**What Do We Believe?**

We begin with a fundamental belief in the inherent wisdom of open markets. We are convinced that consumer choice and competition lead to lower prices and innovation. Enron is a laboratory for innovation. That is why we employ the best and the brightest people. And we believe that every employee can make a difference here. We encourage people to make a difference by creating an environment where everyone is allowed to achieve their full potential and where everyone has a stake in the outcome. We think this entrepreneurial approach stimulates creativity. Our success is measured by the success of our customers. Together we are creating the leading energy company in the world. Together, we are defining the energy company of the future.

Our Core Values

**Integrity:** We work with customers and prospects openly, honestly, and sincerely. When we say we will do something, we will do it; when we say we cannot or will not do something, then we won’t do it.

**Respect:** We treat others as we would like to be treated ourselves. We do not tolerate abusive or disrespectful treatment. Ruthlessness, callousness, and arrogance don’t belong here.

**Excellence:** We are satisfied with nothing less than the very best in everything we do. We will continue to raise the bar for everyone. The great fun here will be for all of us to discover just how good we can really be.

**Communication:** We have an obligation to communicate. Here, we take time to talk with one another and to listen. We believe that information is meant to move and that information moves people.
A variety of methods can be employed to improve business ethics, such as (BSR 2005, Rampersad 2003):

- **Build ethics into the personal and shared ambition statement.** The emphasis in the ambition statement is on unselfishness. It includes ethical principles, values, and standards, such as integrity, reliability, trust, helpfulness, credibility, frankness, and other values. This helps senior managers and employees understand that values and ethical standards are integral to all company operations and activities in spare time.

- **Stimulate everyone within the organization (most of all top management) to formulate their PBSC and to align their personal ambition with their personal behaviour; also, stimulate them to do this at home.** Make them aware that they must not act in conflict with their conscience, at work as well as in their spare time. Help them to become better human beings.

- **Commit to ethical behavior.** Top management must be openly committed to ethical conduct and must provide constant leadership in tending and renewing the values of the organization. Everyone within the organization must be made aware of their own personal ambition and of the core values within the firm’s ambition. Involvement and commitment of personnel at all organizational levels is important in order to develop higher levels of trust and pride in the business. Senior managers should participate in training sessions, make ethics a regular element in speeches and presentations, and align their own behavior with company ethical standards. Engage them in the ethics process by creating a board ethics committee or corporate responsibility committee, and by placing ethics on the board agenda as a regular item for discussion. Consider special training to enable directors to carry out their ethical responsibilities confidently. Many U.S. companies have instituted board ethics training in recent years, a move motivated in part by the 1996 Caremark decision, which established the precedent that directors may be held liable for corporate ethical transgressions.

- **Integrate ethics into all aspects of company communications.** Develop communication programs with emphasis on personal and corporate ethics to inform and motivate employees, customers, suppliers, shareholders, and the general public. Leverage existing company infrastructure to demonstrate to employees that ethics is an integral part of all operations and decision-making. Bell South has integrated ethics and compliance training materials into multiple delivery sources including new employee orientations, management courses, sales training, business meetings, business plans, and other aspects of day-to-day business.

- **Develop an ethics code or code of business conduct.** It tells employees and managers how to act in various situations, and makes clear to them that they will be expected to recognize the ethical dimensions of the corporate policies and actions. It also includes what is required of employees, where leeway is allowed in decision-making, where employees can go for advice or to report possible violations, and which ethical issues are non-negotiable.

Comprehensive codes are aligned with company values and applicable laws, address the full range of ethical dilemmas employees are likely to face, and are updated regularly as new challenges emerge. A study of three hundred large corporations showed that companies that
made a public commitment to their ethics codes out-performed companies that didn’t make such a public commitment by two to three times as measured by market value added (Miller an Pruzan, 2003).

- Identify and renew company’s core values. Companies without a clear set of core values find themselves at a disadvantage when developing ethics programs. Research shows that ethics programs are most effective when perceived by employees to be “values-driven” rather than simply compliance-driven, and that values-based programs are most effective in reducing unethical behavior, strengthening employee commitment, and making employees more willing to deliver bad news to managers. Many companies conduct regular company-wide initiatives that involve employees at all levels of responsibility to renew company values and update them as appropriate. A number of leadership companies also distinguish which of their corporate values are ethical values (integrity, fairness, honesty) as opposed to performance values (innovation, leadership, low-cost), and make it clear to employees that if values come into conflict, ethical values must prevail.

- Set up board ethics and corporate social responsibility committees. Let ethics officers or other senior managers with ethics responsibilities report directly to the board. Ethics officers should have regular access to executive decision-makers. The basic functions of an ethics office are: identification and renewal of values; development of an ethics code; training and education; and providing counsel and guidance to staff at all levels.

- Establish “hot lines” for comments and complaints regarding unethical acts. To process reports of unethical behavior, employees should feel it is their duty to report violations. A growing number of leadership companies take this one step further by developing staffed “help-lines” or “advice lines,” allowing employees to ask for advice or raise concerns without the potential stigma of using a communications resource viewed solely as a vehicle for complaints or accusations. Companies find that such help lines are effective at preventing misconduct rather than simply identifying it after it has taken place. Stakeholders need to know that if they raise an ethical issue they will be protected from retaliation.

- Conduct in-house ethics seminars and PBSC workshops. Design a comprehensive program of ethics training that enables employees to become active participants in their own learning.

- Execute ethical audits and evaluation programs to ensure compliance by personnel on at least an annual basis. Follow up training with regular evaluations of the ethics program to make sure employees are retaining and acting on what they have learned.

- Penalize unethical behaviour. Introduce enforcement procedures, including discipline and dismissal for violations. Let employees know how many employees have been disciplined or terminated in a given year over ethical offenses.

- Show transparency and accountability. Regularly publish detailed reports on own citizenship/sustainability performance, including specific ethics initiatives.

- Give recognition and reward ethical behavior. Build incentives for ethical behavior into compensation systems, for example a bonus for ethical performance.
Leadership Example: Texas Instruments

Texas Instruments (TI) is recognized for developing a strong ethics program that is actively communicated to all employees. TI's code of ethics was first written in 1961 and has been periodically updated since then. A brochure entitled "TI Values and Ethics" serves as TI's basic ethics infrastructure. The brochure was most recently updated in 1998, when the company moved from a rules-based ethics approach to an approach centered more firmly around values. At that time, many of the existing policies and procedures were eliminated in favor of statements based on the company's core values of innovation, integrity and commitment. While the code serves as the foundation for the ethics program, TI's Ethics Office has strengthened the program by developing a strong support structure and a number of tools to help employees make ethical decisions. Brochures addressing a range of ethical issues including "Working with Competitors," "Working Globally," "Working with Suppliers," "Product Safety," "Business Intelligence," "Workplace Safety," and "The Networked Society" have been widely distributed to employees. These brochures describe real-life situations, address the risk of improper behavior, provide guidelines on how to make appropriate decisions, and list resources to call. Every new employee receives ethics training, and the company plans to create web-based training for all employees, tailored to each department. The company also provides an intranet ethics website that provides immediate on-line access to key policies, subject-matter contacts, and all printed materials and supporting resources. A seven-point Quick Test is used to help guide all employees through ethical dilemmas. The Ethics Office has set up an anonymous e-mail system and a 24-hour toll free line for feedback and reporting of issues.

Source: Business for Social Responsibility (BSR, 2005)

Aligning Personal Ambition with Shared Ambition

In the first half of this paper I discussed the alignment of personal ambition and personal behavior for the purpose of acting ethically, creating inner peace, developing personal charisma, and improving personal credibility. Here the alignment of the personal ambition with the shared organizational ambition is central for the purpose of stress and burn-out reduction, stimulating the enjoyment, active participation, and motivation of employees. Once these two ambitions have been formulated there is the need for a period of reflection, a time in which to think profoundly about balancing these two scorecard elements. This process of balancing deals with obtaining a high level of concordance between personal and organizational goals and a mutual rise in value. People do not work with devotion and do not spend energy on something they do not believe in or agree with. Clarity and uniformity of personal and organizational values and principles are, therefore, essential for the active
involvement of people. Experience teaches us that identification with the organization is the most important motive for employees to dedicate themselves actively to the organizational objectives. People all have different personal values and principles that we must try to understand and key to the values of the organization. Only by doing this will changes and improvements have a permanent nature. The questions that are central here are: Does your personal ambition match the shared organizational ambition? Do they balance? As a summary:

**Personal (⟨Mission⟩,⟨Vision⟩,⟨Key Roles⟩) ≈ Organizational (⟨Mission⟩,⟨Vision⟩,⟨Core Values⟩) **

**Personal Ambition = Shared Organizational Ambition**

1. I recommend introducing an ambition meeting within organizations between the line-manager or superior and his/her employees. The ambition meeting is a periodical, informal, voluntary and confidential meeting of maximum one hour between line-manager and his/her employee, with the employee’s PBSC and the shared ambition as topics. It is recommended that this meeting is held structurally at least once per quarter, preferably more often. The results of these informal meetings are highly confidential and have to be kept out of the personnel file and not be used against the employee. The manager functions as a trusted person or informal coach. To be able to talk about the employee’s PBSC, one needs a confidential, informal and friendly atmosphere, an atmosphere of trust and open communication. This is essential, as human values will be discussed. Experience teaches us that this intimate atmosphere can be reached if the manager formulates his/her own PBSC beforehand and shares it with his/her co-worker. Also, the implementation of the employee’s PBSC comes up for discussion. Private matters, as well as work related aspects will be confidentially discussed, at least private matters that have an impact on job performance. The following questions are central in the ambition meeting: Do you act in accordance with the formulated shared ethical ambition? Can you identify with the shared organizational ambition? In doing this, do you feel personally involved and addressed by the organizational ambition? Which points in your personal ambition are strengthening to and which conflict with the shared organizational ambition? Which ones are neglected? Is there a win-win situation between your own interests and the ones of your organization? Are your personal mission, vision, and key roles to be found in the shared organizational ambition? If not, do they have to be expanded or adjusted? Are they acceptable? How can they flourish within the organization? Does your level of ambition have to be lowered? Which skills do you need to be a pillar of the organization and thus realize the organizational mission? What do you want to gain yourself with this? Are your developmental expectations in tune with those of the organization? Do you have ethical problems on the job? How does it go with the implementation of your PBSC? Did you reach your target? Could it be better? Where did it go wrong? What have you learned? What did you unlearn? What motivates you? What de-motivates you? Do you have ethical problems on the job? Have you considered a job change because of this?

Aligning personal ambition with shared ambition deals with the mutual concordance of the Personal and Organizational Balanced Scorecards or individual versus collective learning (see
Figure 7: Aligning Personal Ambition with Shared Organizational Ambition (Rampersad, 203)

Figure 8: Match between Personal Ambition and Shared Ambition (Rampersad, 2005)
Alignment of the personal ambition with the shared organizational ambition is central for the purpose of commitment, trust, inner involvement, stress and burnout reduction, stimulating enjoyment, active participation, motivation and empowerment of employees. It has to do with reaching a higher degree of match between personal and organizational objectives and mutual value addition, as shown in figure 8.

Communicating and linking

To be able to put the strategic vision into action, it will be necessary to link the corporate (OBSC) to the scorecard of the business units and teams, as well as to the individual performance plans of the employees. Figure 9 illustrates the different cascading layers in this process. Each process participant formulates his or her own Personal Balanced Scorecard, which is then situated on a higher abstraction level than the related individual performance plan. With this approach, a bridge is drawn between the successive organizational levels; the message from top management is consistently articulated to the lower levels and visa versa.

By linking the objectives as such, the local efforts are aligned to the overall organizational strategy. The formulating
process is identical for the first three organizational sections mentioned. The formulated organizational mission in the OBSC and the perspectives apply to all organizational levels. The organizational vision and linked critical success factors, objectives, targets, and improvement actions are adjusted and fine-tuned to the related business units and teams. Here the OBSC is used as a frame of reference. Each lower level member should also reflect upon the alignment between the personal ambition and the organizational, business and team ambition.

The TPS-Cycle

The TPS cycle has been developed in order to guide you in the successful implementation of the TPS concept. This cyclic model consists of the following four phases, see figure 10 (Rampersad, 2003, 2005):

1. Formulating. This phase involves the formulation of the Personal and Organizational Balanced Scorecards.

2. Communicating & linking. Here all stakeholders share in the business strategy by effectively communicating and translating (rolling out) the corporate scorecard to all scorecards of the underlying business units and teams, and finally linking the team scorecard to the individual performance plan of the employees. This top-down and bottom-up process is implemented, step-by-step,
to all successive organization levels in increasing detail. In this way, the overall strategy of the organization (OBSC) is systematically translated into more specific plans on each organization level. This is needed to shift the strategic version into action. Every individual on these three organizational levels formulates his own PBSC and share this with colleagues.

3. Improving. This indicates continuous improvement of yourself and your work. It concerns the implementation of the personal and organizational improvement actions based on the PBSC and OBSC, respectively. The focus here is on correct mistakes, improve existing things, do things right the first time, and obtain new skills and capabilities through step-by-step improvement. The personal improvement actions are implemented according to the introduced Plan-Do-Act-Challenge cycle. This results in a step-by-step increase in happiness, awareness, joy, pleasure, learning and creativity which occurs at work as well as in your free time. The alignment of personal ambition with personal ethical behavior is also part of this process. The organizational improvement actions are implemented according to the Plan-Do-Check-Act cycle of Deming.

4. Developing & learning. Here the emphasis is on job-related talent management and learning. To be able to manage and use the talents within the organization effectively, it is necessary to embed the personal and organizational balanced scorecards together with the ambition meeting in the talent management process. This is done on the basis of the introduced talent management cycle that consists of the following phases: Result Planning, Coaching, Appraisal and Competence Development. The learning process in this phase encompasses the review of the scorecards, the actualisation of these scorecards based on changing conditions, the documentation of the lessons learned, and checking which things went well and which went wrong during the previous phases. Depending on these evaluation results the implementation or the formulation of the scorecards may be adjusted. This deals with learning from

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Figure 11: PBSC Concept Creates a Foundation for Effective Talent Management
gained experiences. It refers to internalizing acquired knowledge and actualizing it through experience in order to change both the individual and collective behavior of employees and thus enable the organization to perform better. The concordance of personal ambition and the shared organizational ambition is taking place at all lower levels of the organization. The alignment of the shared ambition with business ethics is also taking place in this phase of the TPS cycle. Figure 11 shows how the PBSC concepts creates a foundation for effective talent management.

After completing the last step in the TPS-cycle, it will again be followed through in order to continuously align the BSCs to the surroundings. Through the thereby created learning effect, your organization will get to know itself and its surroundings better and will thus improve. This will continuously improve your organization’s learning ability. Naturally, the same also applies to you. For example, by reviewing your PBSC quarterly with a trusted representative and by learning from previously obtained experiences, you’ll learn to get to know yourself and your surroundings better and through this you will improve. Strategy formation, improvement, development of human potential and learning are thus a perpetual process. Continuously going through the TPS-cycle will result in the continuous improvement of business results through the years.
Appendix

An Integrated Breathing and Silence Exercise
(Rampersad, 2005)

STEP 1: Breathing exercise

1. Look for a quiet spot with fresh air and make sure that you will not be disturbed.

2. Sit in an easy chair with an upright back, and keep your back straight, and your shoulders and neck relaxed.

3. Gently rest your hands relaxed on your knees, with your palms upward and shut your eyes.

4. Breath deeply through your nose according to the following rhythm: inhale deeply during a count to four (your stomach fills like a balloon), hold your breath during four counts, and exhale fully during a count of six (your stomach flattens again) and stop for a count of count. Focus on the rhythm of breathing in and out.

5. Focus your attention entirely on your breathing during this process and observe how your life energy flows through your body. During the breathing you will become more relaxed. Concentrate on the feeling of relaxation in your whole body (face, shoulders, hands, feet, etc.)

6. Repeat this process during 10 minutes.

It is very important that you breathe through your nose. Because of this, your breath will be preheated and deeper. Deeper breathing gives you more life energy in your body. You need this energy to turn your personal ambition purposefully into action. After all, ambition without energy to proceed to action is senseless.

STEP 2: Silence exercise

1. After finishing the breathing exercise, remain in your sitting position with your back straight, relax your arms, keep your eyes closed and breathe normally through your nose.

2. Focus entirely on your thoughts; do not concentrate on anything else. If thoughts do enter, do not force them out but simply let them pass like clouds making way for the beautiful blue sky.

3. Allow your thoughts to come and go, including the thoughts related to your personal ambition questions. Simply think about your identity, who you are, why you are on this earth, what is important to you in your life, etc.

4. Be open to all images that come up in your mind. Imagine that you are in a garden and that a wise man approaches you who, after introducing himself, asks you some of the ambition questions I mentioned above. Listen carefully to the answers of your inner voice.

5. Open your eyes after 10 minutes slowly and write the answers of your inner voice in a ‘silence diary’. The purpose of this diary is to be able to use this information to formulate or update your Personal Balanced Scorecard and keep record of your experiences and progress in each session.
Literature


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