



The High Performance Organisation

Fact or fiction, the reality is that organisations have to perform in an ever-increasing competitive environment. This need for competitive advantage requires organisations to work smarter not harder and be clearly focused on what they are trying to achieve and, equally, for whom.

Achieving high performance

Achieving high performance requires a strategic approach to managing the organisation, its people, resources and processes all aligned to meet stakeholder's needs and expectations. All too often organisations appear dysfunctional and from a senior management perspective different departments or functions can appear to:

- pursue different or conflicting objectives
- become focused on initiative performance rather than business performance
- be fragmented
- lack meaningful key performance indicators and other measures
- be focused on department or function performance rather than on the customer (stakeholder) experience.

Business models abound but often have a common theme. For example high performance organisations can be seen as:

Design strategies to satisfy stakeholders...

...by defining goals and objectives to deliver the strategy...

...delivered by aligning people, resources and processes



An alternative approach is to see the High Performance Organization as an iterative process, continually striving to satisfy stakeholder requirements be they shareholders, customers, the community, the people who work for it, regulators or any other party who has an interest in the organizations activity. **This can be described as follows:**



Stakeholder requirements

It is vital to identify the critical satisfaction attributes of all key stakeholders and the relative importance of those attributes to each group. The table below gives a simple example using a weighting system:

Stakeholders	Satisfaction attributes	Importance to stakeholders
Customers	• Consistency of product	10
	• Competitively priced	6
	• Delivered on time	8
	• Product / service performance	10
Employees	• Competitive wages	8
	• Job satisfaction	10
	• Safe working environment	8
	• Motivation	8
Community	• Environmentally friendly	6
	• Sustainability policy	9
Shareholders	• Return on investment	10
	• Corporately responsible	5
	• Increasing share price	9

Setting goals & objectives

Having established and understood stakeholder needs and expectations the next stage is to link these to organizational goals and objectives. In deciding which objectives to set and focus upon the organization may well consider its relative strengths (which need to be maximized) and its weaknesses (that need to be improved). This review identifies which attributes are critical to improve and aid prioritization:

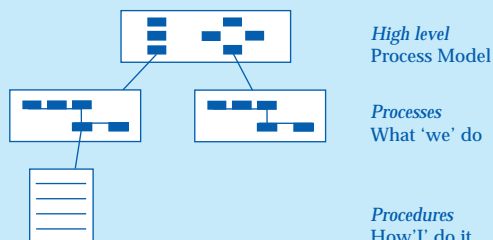
Stakeholders	Satisfaction attributes	Importance to stakeholders	Position in market	Relative need for improvement
Customers	• Consistency of product	10	Average	High
	• Competitively priced	6	High	Low
	• Delivered on time	8	Low	High
Employees	• Product / service performance	10	Average	High
	• Competitive wages	8	Average	Low
	• Job satisfaction	10	High	Low
	• Safe working environment	8	Average	Low
Community	• Motivation	8	Low	High
	• Environmentally friendly	6	Low	Average
Shareholders	• Sustainability policy	9	Low	High
	• Return on investment	10	High	Low
	• Corporately responsible	5	Average	Low
	• Increasing share price	9	Low	High

Having prioritized and handled any enviable conflicts in the stakeholder needs, measurable objectives can be set for the organization as a whole and translated, where appropriate, into individual objectives. A normal planning process will ensure that the necessary resource, manpower, training, sales, marketing, operational etc objectives are considered and aligned.

Defining process to deliver objectives

Seeing the organization as a set of inter-related processes is particularly useful rather than a fixed line hierarchy as it is necessary to maximize and utilize the whole organization. Processes describe the numerous connections that cut across the organization, the interaction of staff and departmental activity and the flow of work that actually occurs, to ultimately deliver stakeholder satisfaction. This does, however, require managers to think and act differently and often involves cultural change as a key part of any project.

Designing the processes can follow a simple format:



The high-level process model is made up of the key customer (stakeholder) facing processes together with the support processes. Managed by Process Owners and delivered by Process Teams the processes are managed, measured and improved to deliver value to the organization.

Naturally some processes are more critical than others in generating stakeholder satisfaction. The high performance model includes a systematic analysis to identify which processes the organization needs to concentrate on. The mapping is simple and fairly easy to do:

Satisfaction attributes	Need for improvement	Processes titles					
		1	2	3	4	5	6 onwards
Consistency of product	High	••	•		•		
Competitively priced	Low						
Delivered on time	High		••	•	••	•	
Competitive Wages	Low		•	•	••		
Job Satisfaction	Low		••		•	•	
Safe Working Environment							
Etc							

Identifying Key Performance Indicators

Performance indicators are used to manage, control and review the performance of groups of and individual processes. Expressed as metrics (often percentages or ratios) they are measures rather than specific targets, objectives or values. Typically therefore metrics can be measured over time, analyzed, trends identified and improvements selected either for individual or parts of processes as well as the whole process model.

At the highest process model level it is often best to first focus on the key performance indicators that relate to those stakeholder attributes that are in need for improvement and / or are focused on customer satisfaction. These are often few in number but relate to enhancing the position of the organization either in the market or in generating stakeholder value.

At a lower, process level, key performance indicators can be used to monitor, control and improve individual process performance.

Management information & improvement

Based on the key performance indicators the appropriate management information systems are created and implemented to provide the necessary information to:

- monitor high-level key performance indicators
- monitor process level key performance indicators
- provide information relating to the achievement of objectives.

From analyzing this information against key performance indicator targets and the objectives set, improvement projects and other actions can be identified and implemented as and when required to ensure that critical and conflicting stakeholder requirements are satisfied.

Lessons to be learnt

High performance organizations:

- know who their stakeholder are, what needs to be done to satisfy their needs and what they need to do to improve
- set strategies, goals and objectives that will meet those needs
- manage through processes
- measure process performance
- improve, based on fact to meet stakeholder needs.

Sources:

The High Performance Business: Accelerating Performance Improvement - Arthur D. Little
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