

High Performance Organisations: Fact or Fable?

“Poor leadership, bad decisions, personal agendas, no teamwork, now let’s compete!”



Jeremy Harvey

As you think of your organization, does it have an effort-oriented culture or a results-oriented one? If you believe it’s the former, it may lack some of the elements of high performance organizations (HPOs). Even if you are results-oriented, of itself this is not sufficient to turn your business into an HPO. There

are many attributes of an HPO and a company that aspires to be one will require a

combination of many features. In addition, processes will need to be in place to ensure that these features remain genuinely competitive.

Let’s begin with the leadership. True, there are some visionaries who have a clear long term vision for their company and can articulate where they want their company to go. Many, however, operate on a short term basis, concerned about the next quarter’s results or their image with the investment community. We appreciate the need to consider these aspects, but not to the exclusion of all else. It’s like being the captain of the Titanic wanting to make sure everyone on board is comfortable today, unconcerned about the icebergs of tomorrow.

In our experience, the better CEOs have a vision and stick to it and ensure that every major strategy the company deploys is designed to achieve that vision. They help the leadership team to embrace the vision and bring it to life. Part of being a strong CEO is to make tough decisions, pick great people, demonstrate leadership in the choices the company makes, deal with under-performing executives and also be compassionate. But really how many are like that? It’s certainly not a majority.

At the executive level, we often observe that weak executive teams make poor decisions based on limited knowledge, subjective opinions and dated experience. High performing teams want the facts, use the information prudently and deal with differences of opinion in a professional manner and avoid it becoming personal. In a weak team, there is always someone with a personal agenda, who is disruptive and does not care about how the team does overall. He only cares that his unit is fine or that his bonus is secure. High performing teams listen to one another, rely on one another, ensure they support one another and are delighted others’ successes.

Strategic planning is one of those business disciplines that often receive a low priority among executive teams. Some perceive it as painful, too long and of little value; perhaps as a result, few companies do it properly or have a working strategic plan as part of their mandate. High performing companies welcome the time to reflect about their business, their performance, their people, their customers and look for ways to be even more competitive for the next two or three years. They are passionate about not losing ground.

High performance is rooted in the notion that we never have enough of the right information, that we are never complacent. It amazes us how little information is actually used in making decisions and guiding the direction of a company. Generally there is a lot of data in the various SBUs but it is often too detailed, tactical and not shared. Environmental scanning, for example, seems never to be a major priority. By this we mean executive teams do not want to take the time to conduct a proper market review to understand trends, or determine where the soft under-belly of the competition might be or when there is an opportunity for competitive advantage. HPOs aim to know as much about their competition as they do about themselves.

In today’s business environment, it can be difficult to take the time and money to fully understand the dragons face you in the marketplace. But those HPOs that do make the effort benefit from fewer restarts and gain the long term value of money spent against the right objectives.

Understanding customers is another huge point of difference between high and low performing companies. We are often dismayed about how little many major corporations really know about their customers. Many just don’t want to take the time or money to conduct the proper research, and others that commission the research don’t know how to use it effectively in building competitive strategies that will convert passive customers into loyal ones.

High performers never doubt the need to understand customer values, habits, shopping or buying characteristics and what delights their customers. Low performers get by on hearsay or what they want to believe about the market rather than what’s real. In many organizations there is all too often an executive who is too impatient to bother to really understand the customer and who questions the real value of such insight. This impatience is very dangerous.



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Turning to people and organizational structure; people are one of the most significant differentiators between high performing and low performing companies. We believe that “Structure follows Strategy”, but sad to say, we have found that many HR functions are not strategic enough to adequately deal with the future needs of the organization. Strategically oriented companies assess the skill-set needed for the future; they understand their current skill-base and know how to recruit the additional skills required in order to meet the future needs of their strategy. In an HPO all employees have job profiles, the best training and development programs, career progression plans and effective evaluation tools. Remuneration packages are targeted against the key strategic objectives. Low performing companies talk about all this, but don't put real processes into effect to ensure either action or results. For us, this still remains one of the biggest mysteries about larger organizations.

So our conclusion is that high performance is not a fable. It is elusive, however, even in the best of companies. There is a fine line between high performance and low performance. Even high performers can be dysfunctional on occasion,

ignoring some of the attributes I have mentioned in this short essay. Equally we have seen lower performing companies wanting to improve and begin to install business disciplines and processes to improve.

So HPOs are a reality but it takes the passion of a CEO to drive a better business model and build the right infrastructure. It requires an executive team that is just that - a team. It takes the right people with the right processes and tools and the motivation and passion to succeed. It's not a one-off activity; it's not an agenda item to be ticked. If high performance is to be maintained, it needs to be woven into the fabric of the business.

We believe that if there is a will there can be a way. But unfortunately often the will is not there. The status quo becomes acceptable, getting by is fine and mediocrity rules. High performing Organizations aim high; they stretch their minds about the possibilities; they think creatively and innovatively about their business. They are never complacent and never willing to settle for the status quo.

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Contact Us

JHA Consult Inc, Sussex Centre, 50 Burnhamthorpe Road West, Mississauga, Ontario, L5B 3C2, Canada
Tel: +1 416 301 7279 www.jhaconsult.com