



# The Ultimate High- Performance Organization Framework

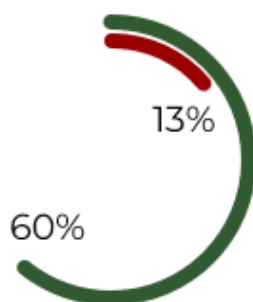
How to develop people for superior business results



It is now more difficult than ever to increase productivity, reduce costs, and minimize unwanted turnover. The pandemic recovery, rising interest rates, and other factors are mixing to create high anxiety and economic uncertainty in the market. Right now, some leaders are implementing keystroke tracking tools to monitor the productivity of their remote workers. What type of culture creates a manager that feels that they need to “watch” their employees all day long to keep them busy? What type of culture creates employees who need to be watched? This kind of behavior reflects a Low-Performance Organization (LPO) where managers don’t trust the people they manage, and employees find their jobs to be the least desirable way to use their time. LPOs are also low on worker autonomy, profitability, agility, trust, cooperation, and respect. Companies with this type of culture are hit the hardest during challenging economic times. On the contrary, can you imagine a work culture where people spring out of bed every morning, excited to get busy? One where people are intrinsically motivated to deliver excellence and continuously improve performance? Daniel Pink, in his book, Drive – The Surprising Truth about What Motivates Us, talks about the three eras of motivation at work. Motivation 1.0 being for people to be motivated by having the opportunity to survive; in the Motivation 2.0 era, managers used sticks and carrots (extrinsic motivation), and in the Motivation 3.0 era, people are intrinsically motivated to thrive and achieve their potential.

### High-Performance Organizations

hire from within **60% of the time** to backfill key leadership roles



### Low-Performance Organizations

hire from within **13% of the time** to backfill key leadership roles

**Source:** The Boston Consulting Group and the [World Federation of People Management Associations](#)

A High-Performance Organization (HPO) institutionalizes the best practices for cultivating an intrinsically motivated workforce. The way we think about work has evolved dramatically over time, with each generation bringing a different set of problems and solutions to the office. In a world where everyone is jolted by the possibilities of how Artificial Intelligence will change the way we work, or if we will work at all, leaders face increasingly complex challenges in developing an HPO. This whitepaper provides a powerful framework for building and managing an HPO. Several companies, such as Peak Tech, used the framework described here to increase throughput on key accounts by 126% while decreasing unwanted employee turnover by 45% within the first couple of months of application.

## HPO Framework Analogy: The Sun, the Soil, and the Seed

Although there is no single definition for an HPO, it is widely accepted as a workplace where excellent work gets done, employees are happy, and strategic goals are achieved systematically. HPOs are more adaptive, profitable, and generally better places to work than their counterparts. These companies outperform the market in profitability, productivity, and both customer and employee satisfaction. Impruver defines an HPO as one with an enterprise-wide real-time goal attainment rate above 80% with at least 90% inclusion. This is measured by taking a real-time snapshot of how each employee is performing against their highest priority goal and taking the average across the organization. We express this as 80 by 90. This is done automatically for those using the award-winning Impruver Software solution.



To preface the key components that make up the ultimate framework of an HPO, I'm going to use an analogy of the Sun, the Soil, and the Seed to illustrate that an HPO is a naturally occurring phenomena if the right conditions are set in place.

**The Sun** is the primary source of light and energy for life on earth. The sun's gravitational pull helps to organize and maintain the solar system in working order. It provides direction and resources for growth and improvement. From the perspective of someone standing on earth, it is a constantly moving target, which represents the market in business, or the ever-evolving demands of people that we serve. Just like plants maneuver to position themselves for maximum exposure to sunlight, companies must remain agile to continue to find their place in the sun. When we develop strategic approaches, we must begin by looking for daylight in the market. Where is there underserved need and how can we best satisfy it? Where are we at risk of losing a valuable position and how can we better defend it? These questions are a matter of strategy and could make the difference between a rich life and a hard death for a business.

**The Soil** is the source of nourishment needed to initiate and sustain growth. It provides a base of stability and orientation. Rich soil is loaded with all the raw materials needed to build and support a thriving culture. It is self-renewing and capable of nurturing a dense jungle of plant-life and vegetation. You can look at the minerals and organic matter that soil is comprised as the ideas, talent, and efforts of the people who work in the business. Each season of growth sets up a season of further soil enrichment, which sets up another season of faster growth. Each generation is set up for success by the prior. Hence, the soil can manage and improve its performance autonomously under healthy conditions.

**The Seed** packs all the programming (DNA) needed to execute the plant's growth and improvement process. It extracts nutrients and other resources from the soil and applies them toward achieving the plant's goals. Not only does it convert sunlight and carbon dioxide into oxygen, sugars, offspring, and other outputs, but it also applies some of its energy and other resources toward its own growth, every single day. In other words, it not only performs its base work, it also continuously improves. Every cell in the plant's body understands its unique role in helping the plant to execute its functions and grow. Each piece understands that survival of the whole is a race to sunlight, and failure to improve, even for one day, could spell disaster for the growing plant.

## THE CORE COMPONENTS OF A HIGH-PERFORMANCE ORGANIZATION

An HPO applies a people-centered approach to achieving company objectives. The objective is to develop people for superior business results. The traditional paradigm is for companies to see themselves as a network of processes and technologies that use people to generate wealth for the owners. The people are an expendable resource to be depleted and tossed out as soon as they become unproductive or inconvenient. On the contrary, an HPO sees business operations as people using processes and technologies to serve other people. This means that people are accountable for the business results they produce and empowered to improve them. This also means that people are at the heart of all business problems and solutions. While many companies measure system-level performance, they often neglect to realize that every system in the company has, or should have, a single point of accountability with a heartbeat. In other words, system performance can be viewed as the performance of the individual who owns it. This philosophical shift in business management unlocks entirely new plateaus of leadership development, coaching, and performance management. It also sets the foundation for people to manage their own performance autonomously.

**"Organizations that have made a strategic investment in employee development report 11% greater profitability and are twice as likely to retain their employees."**

- Gallup



There are three core components of a High-Performance Organization: Agile Strategy Execution, Autonomous Performance Management, and Daily Continuous Improvement. The significance of each is as follows:



## Agile Strategy Execution

Set, align, and achieve strategic goals



## Autonomous Performance Management

Empower people to grow faster



## Daily Continuous Improvement

Translate strategy into daily improvement for all

**Agile Strategy Execution** – This is a mechanism for setting and aligning goals, facilitating routine iteration, and tracking progress along the way. Goals are distributed evenly throughout the company and deadlines are immanent. This improves flexibility, speed, and quality of execution. It is analogous to the Sun mentioned earlier in this document. It sets the direction for improvement so that effort and resource application can be prioritized for greatest impact. It helps every single person in the organization understand their unique role in helping it to succeed and then focus on what's most important to improve next.

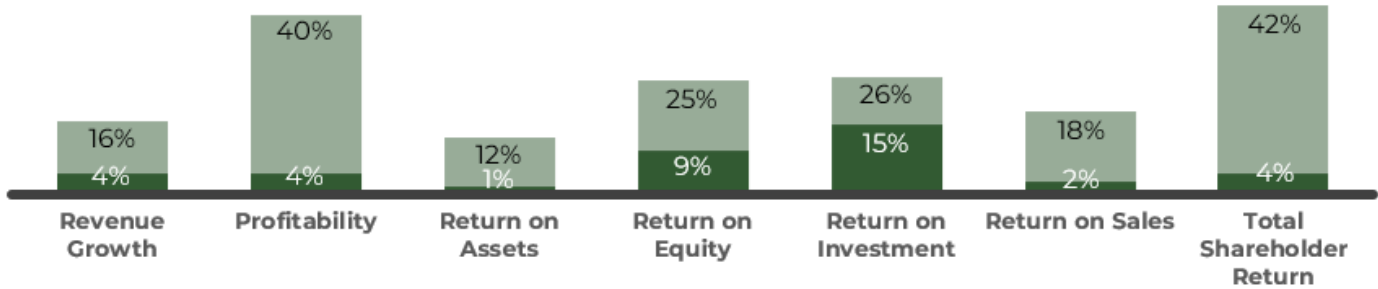
**Autonomous Performance Management** – This is the process through which people transform themselves to meet the changing needs of the business. It requires leaders to provide people with the tools and real-time feedback systems that workers can use to gauge where they are versus where they should be at any point in the journey. This empowers employees to take the initiative to improve their skills and way of working to ensure success for themselves and the company. It not only includes achieving a series of goals that are aligned with the company's improvement priorities but also doing so in a way that advances a healthy company culture. APM is analogous to the soil as described earlier in this document. Traditional Performance Management approaches that use annual evaluations are miserable and ineffective for both the manager and employee. The top-down, subjective nature of this process only serves to disenfranchise workers from the company as they feel powerless in their ability to affect outcomes. Autonomous Performance Management puts the worker in control of their own growth and development so there are no surprises about where they stand in relation to where the company needs them to be. It shifts the culture away from using sticks as a primary motivator to one where people are intrinsically motivated with opportunity for boundless growth.

**Daily Continuous Improvement** – This is the process of managing constant change throughout the organization. Traditional approaches to Continuous Improvement seek to take more of a waterfall approach where the company pursues one large, risky, clunky, resource-consuming step change improvement after another. It is heavy on promises, planning, and analysis and often weak on action and follow-through. In many cases, improvement projects take so long to deliver that they've become obsolete or irrelevant before results are realized. Daily Continuous Improvement seeks to produce a steady stream of smaller improvements so that progress is smooth and flows toward the goal with time. A 1% improvement daily



adds up to 38X better results in a year. This approach engages everyone in improving something important every day, requiring people to tap into their creative right brain to see and solve the problems to close the gap between current and target conditions for their areas of ownership. It also makes Continuous Improvement habitual as humans are creatures of habit, even more so than reason or compassion. It is analogous to the seed as mentioned above in this document. Daily CI takes direction from the company’s strategy and translates to daily action for all, systematically organizing its resources to facilitate growth.

### Range of Difference between HPOs and non-HPOs



Source: *Intangibles: Management, Measurement and Reporting*, Brookings Institute Press, 2001

The chart above shows the range of differences between HPOs and non-HPOs in a comprehensive study conducted by the Brookings Institute across various business metrics. For example, HPOs produce between 4% – 16% faster revenue growth than non-HPOs. The three mechanisms mentioned above provide a powerful system for developing people for superior business results. It helps to engage the full capacity of everyone in the company toward achieving results that would otherwise be impossible. In an HPO, everyone improves something important every day, creating a thriving culture of Kaizen. The direct and literal translation of Kaizen is self-improvement for the greater good of the community. This shifts the paradigm of Continuous Improvement that is focused on improving others, which no one can do; to improving oneself, which everyone can do. In the HPO culture, oneself includes the processes and technologies that one uses to serve others. Top-down performance management does not scale and cannot compete with Autonomous Performance Management. Great performers are intrinsically motivated and self-improvers, although they tend to have the right coaches in their corner. Traditional approaches to strategy execution do not scale either. Setting many goals for a few people and long deadlines results in poor goal distribution, procrastination, and execution bottlenecks. It decreases agility and drives up costs. Agile Strategy Execution sets the framework for better alignment of priorities, execution, and strengthening an HPO culture.

Impruver offers comprehensive training, award-winning software, coaching, facilitation, and other services to help companies like yours to transform into a High-Performance Organization. Our 2-day HPO Leadership training is the perfect way to kick off the transformation for any size organization. This interactive and high-impact training teaches Agile Strategy Execution, Autonomous Performance Management, and Continuous Improvement in an HPO, preparing your teams to become better leaders for the workplace of the future.



Learn more about this powerful resource here:

[Impruver HPO Leadership Training](#)