LeaderPerfect Newsletter

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Creating a High Performance Organization:
A Five-Step Strategy
by Dr. Mike Armour

How would you describe a high performance organization? In other words, what constitutes peak performance?

I often put this question to participants in my leadership workshops and seminars. Inevitably they respond with far-ranging and very diverse definitions of what makes for peak performance. (I'll use the "peak performance" and "high performance" interchangeably in this article).

Some of the more common responses are:

- Being as fast as possible in all essential operations

- Operating with high efficiency

- Maximizing profitability and cost-effectiveness

- Responding to opportunities quickly and decisively

- Producing services and/or product of exceptional quality

- Making continuous improvement

- Minimizing errors and wasted effort

- Ensuring that everyone contributes his or her best

- Having the resilience to bounce back quickly, no matter what

None of these answers is wrong. Nor are several others which might come to mind.

Gaining Clarity about Peak Performance

What this exercise illustrates, however, is that every manager and every leader has a unique sense of what he or she means when speaking of "peak performance." Yet, they may never ask themselves whether their meaning is shared by the people whom they lead.

When dealing with this issue in workshops or seminars, I don't rush past it. I want everyone in the room to reflect on how widely those seated around them differ in what they perceive as top performance.

Then I point out, "If there is this much difference among us as to the meaning of high performance, isn't it safe to bet that your people have similarly diverse viewpoints on the subject?"

This means that if we're going to promote high performance, we must first clarify what top performance means. Our people need to know explicitly what we're looking for when we challenge them to perform at an extraordinary level.

Once this clarity is established, you turn next to the vital steps necessary to make superb performance possible. Here is a five-part strategy which I would recommend.

Enhance Trust within the Group

In the absence of high trust, no organization can attain maximum performance. Distrust bogs down communication. It slows down decision-making. It hampers honest feedback and saps energy from the workplace. Such by-products of distrust work to undermine peak performance.

As I've long pointed out in this newsletter and in my keynotes, for trust to flourish people must feel safe (physically, emotionally, and psychologically), informed, respected, valued, and understood. (See my article from ten years ago on developing a high-trust culture.) To create a high-performance organization, you as the leader must be steadfast in fostering an atmosphere in which people feel genuinely safe, informed, respected, valued, and understood.

Staff for Capacity

Performance can never exceed the collective capability of your team. Every new hire is therefore a strategic decision. Through the entire hiring process you should be asking, "How will this candidate enhance our capacity to achieve high performance?"

To answer this question adroitly, you need to look beyond a mere assessment of a candidate's skills and experience. You must also take into consideration the candidate's attitudes, values, and cultural fit. A candidate with superb credentials, but who proves to be a poor fit for your team, may actually impair your overall capacity to reach and maintain peak performance.

Organize for Throughput

Throughput is a measure of how much your organization can accomplish in a given unit of time. Throughput is obviously limited by capacity, which is why the first step is to staff for capacity. But throughput is equally limited by workflow and priorities which are poorly structured.

Organizing for throughput is primarily accomplished through three undertakings. The first is designing and implementing well-conceived processes. The second is staffing those

processes by putting the right people in the right places. And once the right people are in place, the third push is to optimize the processes. To achieve peak performance, managers must pay as much attention to process as they do to product.

Innovate for Efficiency

Once you have staffed for capacity and maximized processes for throughput, any added increment in performance will come in the form of improved efficiency. At this point you have already derived the bulk of the benefit from hiring the right people and structuring the right processes. To squeeze further performance from the organization, you must turn to innovation.

Not innovation for the sake of innovation, mind you. The novel is always interesting, even intruiging. And for many it's also appealing. Just as top performance depends on choosing the right people and the right processes, it likewise depends on choosing the right innovations.

So, what is the right innovation? It's one that offers the prospect of marked efficiency enhancements. Keep in mind that the pay-off from innovation is not always quickly felt. Learning a new way of doing things takes time. And during the learning curve, performance may suffer somewhat.

Put your effort, therefore, into innovations which promise such efficiency that it more than compensates for any drop in performance during the learning curve.
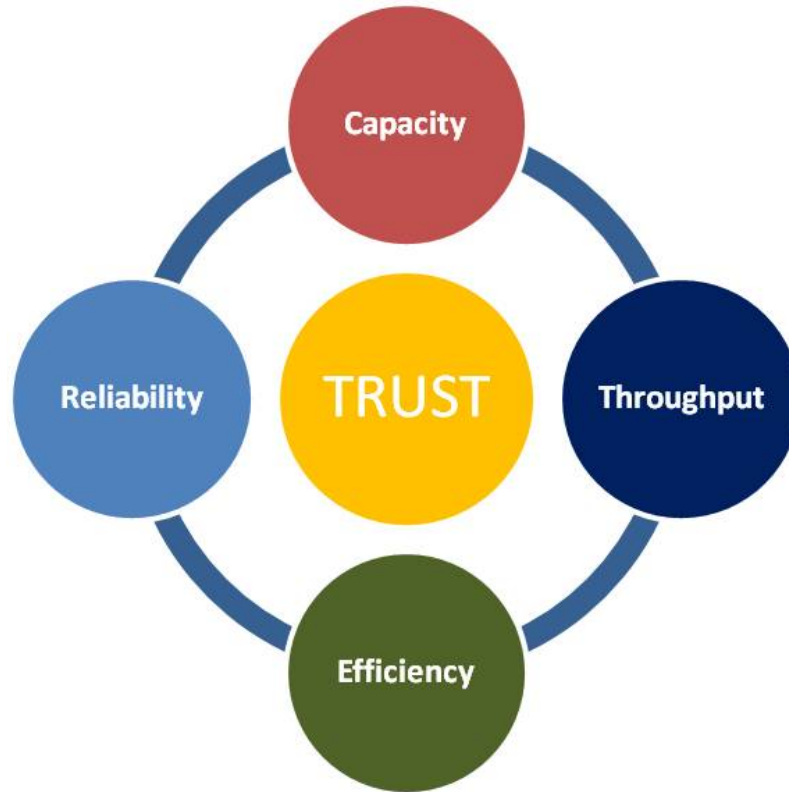
Train for Reliability

When all is said and done, capacity, throughput, and efficiency mean little if the final product is short on quality. And processes, no matter how well optimized, fall short of their potential if the steps within them are executed unreliably.

Thus, where high performance is a top priority, the goal of training is be certain that the right thing is done the right way every time. This is not to say that other training can be set aside. Not at all. But in top-performing organizations, the training focus is first and foremost on thorough-going reliability.

Putting It All Together

When training on peak performance, I illustrate the five-step strategy above with the following graphic. You might want to post a copy of it someplace where it will catch your eye regularly. It will serve as an instant reminder of where your priorities should be as a manager or leader if you're intention is to create and sustain a high-performing organization.

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