

# IF YOUR ORGANISATION NEEDS TO PERFORM, TREAT IT LIKE ROGER FEDERER

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## **A motorbike or an elite athlete?**

In a recent strategic planning meeting with a Chief Executive, I was asked a challenging question; "How do we ensure that we have all the necessary people capabilities we need to deliver our strategy"? I reminded him of some major studies:

- "70% of CEO's who fail to deliver strategy do so not because of bad strategy, but bad execution" (Fortune, June 1999)
- "2/3 of HR functions are not aligned with strategy, and on average 95% of employees are not aware of or do not understand the strategy" (Harvard Business Review, October 2005)
- "Only 21% of employees are fully engaged to their company and their work, exercising full discretionary effort" (Towers Perrin Global study, 2007)

This Chief Executive used his Harley-Davidson motorbike as a metaphor for "tuning up" his organisation so it performs, but we then agreed that neither organisations nor people react as machines. Organisations are not mechanical entities, but work like living, integrated systems, and respond less like a motorbike and more like a high performance athlete...like Tiger Woods, Lauren Jackson or Roger Federer, who are the best in their respective fields.

## **An organisation is like an elite athlete**

Da Vinci's pencil drawing provides an elegant interpretation of people as living systems. At Right Management, we believe an organisation should also be viewed as a very sophisticated living system, like the elite athlete who needs to be understood as an integrated and highly tuned set of elements and processes that must work well together to perform. If one part of the system is not working, it will limit the performance of other parts.

This organisational effectiveness framework describes five primary and interrelated elements of organisations. We use this framework with leaders to ensure that they align the organisation, and engage managers and employees "hearts and minds".

## Assess your organisation's fitness to perform



The five primary elements – strategy, leadership, employee engagement, structure and people processes/systems – represent the fundamentals for the organisation committed to deliver on its purpose. This approach acknowledges organisational complexity, and translates it into manageable concepts that can be well understood, defined and assessed.

If you consider your organisation as an integrated system, how would you assess effectiveness? Use the following checklist to apply the model and assess the health and strength of your organisation. You can rate each item from 1-5 with "5 = strongly agree" down to "1 = strongly disagree".

### The "head" creates strategy, direction and goals

The "head" of the organisation should drive, control and respond to the challenges of its business environment. The "head" work in organisations includes planning the future, setting goals and measures of success, establishing the business model for success, with strong guiding values, clear communications and importantly the alignment of the Executive Team. This organisational element guides each manager and team member, determining what they can expect and how they will succeed as an organisation. The effectiveness of people in roles is directly related to their line-of-sight to the business goals.

Rate your organisation's "head":

- Does senior leadership clearly articulate the purpose of the organisation and the direction it is headed?
- Are meaningful annual plans prepared, reflecting the business environment and needs of stakeholders, and do the plans drive the work of employees?
- Do plans create agreed and communicated measures of success as well as anticipating the risks?
- Do executive managers clearly articulate the strategy, and cascade the plan to divisions and teams?
- Do executives role model what is expected of employees, in terms of culture, values and behaviours, and do so consistently?

### **Leadership is the “heart” of the organisation**

The “heart” of every organisation is the quality of both organisational leadership and the direct relationship between managers and their employees. The “heart” work in organisations is delivered through organisational leadership based on agreed principles, which create consistent expectations, a system of leadership and trust throughout the organisation. The direct relationship between managers and their team members is the most powerful force in organisations, being the primary communication source and driver of performance. Our experience with exit interviews tells us that having an ineffective manager is the primary reason most good employees give for leaving.

Rate your organisation’s “heart”:

- Do executive leaders demonstrate good leadership in terms of customers, cost and innovation?
- Is there a shared philosophy of how people should be managed, and is it demonstrated consistently?
- Are managers clear about their accountabilities in respect of outputs, continuous improvement and people management, and do they act on them?
- Do managers ensure that performance, good or bad, is well managed and do they give adequate feedback to their team members?
- Is people management primarily handled by managers, not Human Resources?

## **Engaged employees deliver on the organisation's purpose**

Your employees are the "arms and legs", creating the culture, the way things are done across the organisation. A performance focussed culture has engaged employees, who use their discretionary effort to deliver organisational performance. Employee commitment, motivation and loyalty are sustained by a culture of openness, shared information and trust.

Do your employees:

- Have a shared understanding of what needs to be done to succeed, where they fit and how they can contribute?
- Demonstrate commitment, motivation and loyalty?
- Contribute ideas and opinions regularly through processes such as safety meetings and employee opinion surveys?
- Receive enough information to do their job, and feel free to ask questions and provide feedback on how to improve the business?
- Understand that teamwork is important, with clear expectations and measures of output for each team?

## **Structure creates well organised work, roles and capability**

Just as the skeleton and muscles allow the elite athlete to use levers for work, the organisational structure aligns resources into a fit-for-purpose way to deliver and to perform. Structure is much more than an organisational chart; it is the game plan for work, vertically and across the business. At a basic level, good structure means every employee has a clear role and accountabilities, as well as the authorities to perform.

In your organisation:

- Is organisational structure fit for your organisational purpose and does it work well?
- Do various business divisions and groups work well across the business to deliver on organisational performance?
- Are employees clear about their roles, accountabilities and do they have the appropriate authority to deliver on them?
- Are reporting relationships and authorities clear and unambiguous across the business?
- Are roles and tasks assigned so that the complexity of the work is matched by the capability of the people or group?

## **People Management systems create consistency and trust**

Finally, the various systems and processes (like the Circulatory, Nervous, etc systems in the body) work in organisations to send messages, share information and make well informed decisions across the business. Organisational processes and systems are an extension of leadership, creating consistency and trust.

In your organisation:

- Are there plans and processes to attract and retain quality people?
- Do employees have development plans and receive enough training to perform well in their roles?
- Do employees have clear expectations about their future career in the organization?
- Does the organisation ensure there are people ready to move into senior jobs when positions become available?
- Does the pay system adequately differentiate between good and poor performers?

## **How to Score**

The scoring for this checklist is not based on the number of points. Rather the scoring is based on these ratings:

- Did you have any low scores, rated 1-3? If not, then congratulations, because your organisation is in good shape!
- If you had low scores (1-3), which items will impact the organisation in a significant way?
- What is the combined impact of these ineffective items, and the likely consequences if they are not addressed?

In this case, the CEO used the framework to discuss, assess and develop his organisation, leaders and culture. He and his leadership team completed an in-depth assessment of organisational fitness to determine the priorities to ensure readiness to compete in their marketplace.

As we experience it, most leaders benefit by viewing their organisation as a living integrated system, even if they use a metaphor other than an athlete, like Tiger Woods, because;

- No single initiative can create organisational effectiveness in a complex system.
- Excellence is required across the full range of organisational elements if competitive strength is to be built.

- Weakness in any of the five elements would reduce the likelihood of executing strategy.
- Integration of these five elements will produce powerful and mutually reinforcing impacts, and a true performance culture.

The lens we use to look at our organisations will shape the questions we ask, the issues we uncover, and the sorts of solutions we design. The organisational effectiveness framework raises the challenge for all of us to view our companies systemically to build platforms for long term success.

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