



Developing and Maintaining a High-Performance Environment

Robert Sher

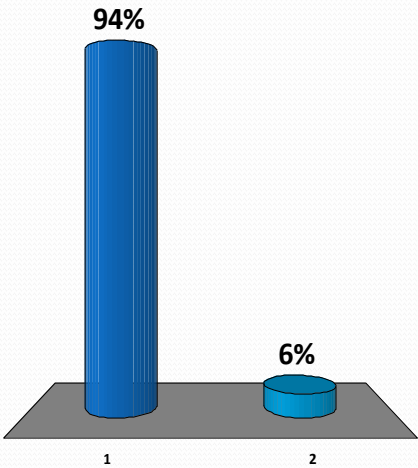
Overview

- A quick pulse survey
- A useful model for the high-performance environment
- 4 levers to modify the workplace environment
- Roundtable discussions



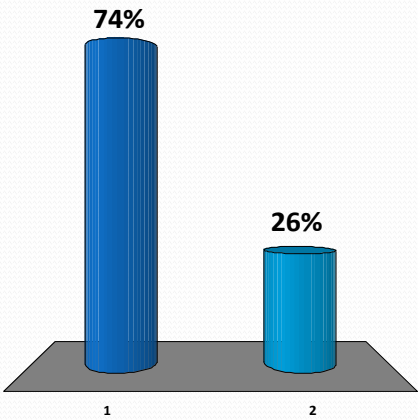
People we care about should live a happy, comfortable and fulfilled life.

- 1. Yes
- 2. No



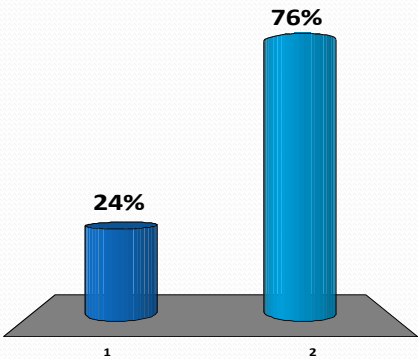
If employees at work are happy, comfortable and fulfilled, they will be highly productive.

- 1. True
- 2. False



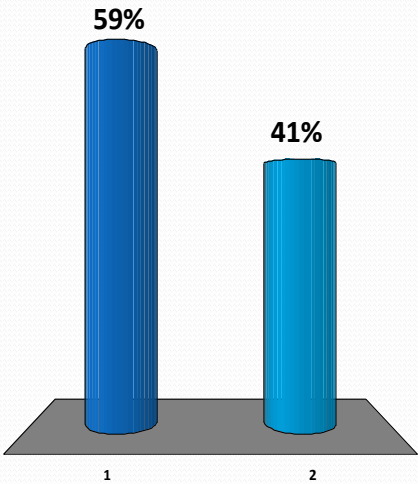
In the year leading up to the Olympics, do you believe 14x Olympic swimming gold medalist Michael Phelps felt happy, comfortable and fulfilled?

- 1. Yes
- 2. No



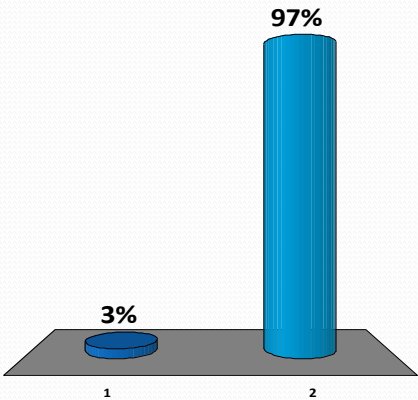
Being stressed and worried about the future is no way to live life.

- 1. Agree
- 2. Disagree



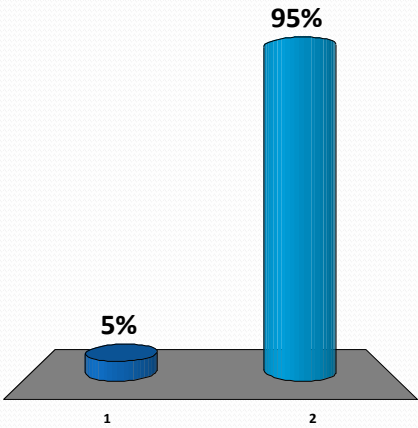
If our employees are not stressed and their job success is assured, we will be highly productive.

- 1. True
- 2. False



In the year leading up to the Olympics, do you believe Michael Phelps felt relaxed and that winning was assured?

- 1. Yes
- 2. No



Our Friend: Dissatisfaction

- People who are *satisfied & comfortable* are not driven to perform at high levels. *Example: Steve Jobs*
- People who are *dissatisfied* strive to change their situation.
- A high performance environment is one where that urge to change is focused on achievement of the company's objectives.

How do you measure or capture a high performance environment?

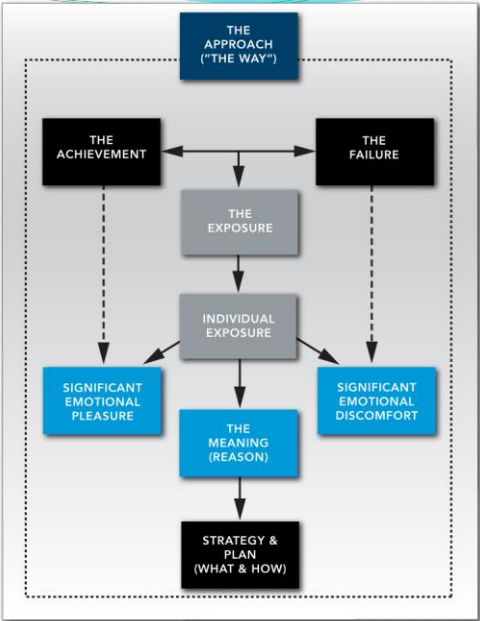


Human High-Performance
Researchers and Educators



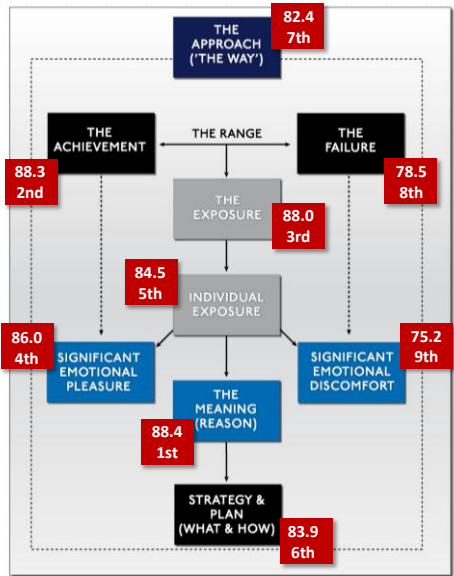
Elkiem's HPES: High-Performance Environmental Structure

- Key elements of the environment
- Change the population's perception of each element, and the environment will change
- A changed environment will change performance levels



Olympic Swimmers

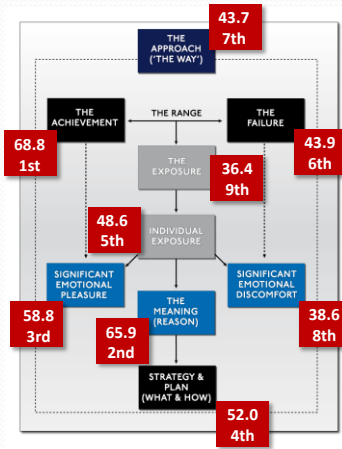
- Whole team was surveyed, not just the coach.
- These scores are GREAT because;
 - They are high
 - They are close to each other/balanced.



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Attribute Effectiveness

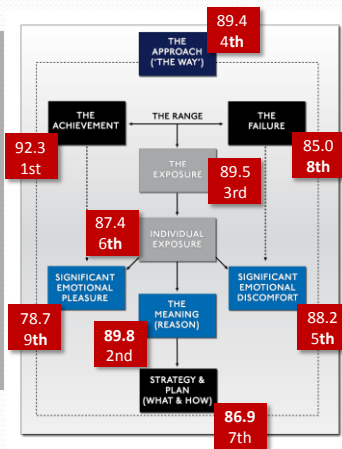
Typical Executive Team



64% of Alliance leaders surveyed believe they have a high performance environment.

*Do they?
Could it be higher?*

Snipers



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Four common levers to tune the performance environment

*Adjust levers with caution.
Two moves at a time.*

Allow six months or more for environment to change.

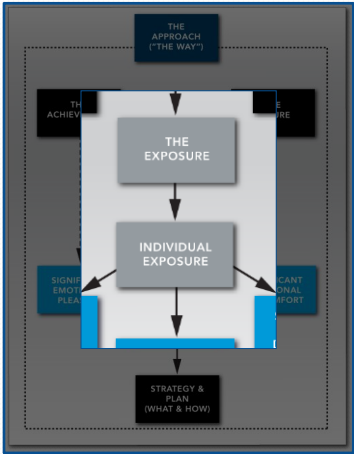
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Lever 1: Measures & Exposure

- Problem:
- Measures aren't perceived as clear.
 - Results aren't made visible/exposed.
 - Only 5% of Alliance members believe measures are completely clear. 41% believe fairly clear . Thus more than half are NOT "fairly clear".
 - 57% say metrics are "fairly visible".

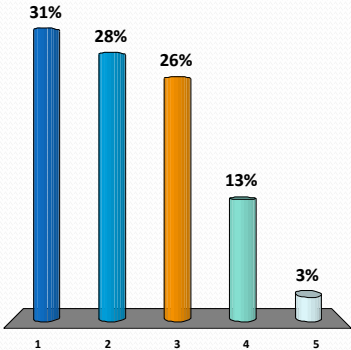
- Actions:
- Business level metrics.
 - Department/team metrics.
 - Individual performance metrics.
 - Establish, track and expose, review and adjust.

Drucker's MBO: CEOs demonstrating high commitment to MBO showed an average 56% gain in productivity compared to 6% gain in low commitment CEOs. (1961-1991)



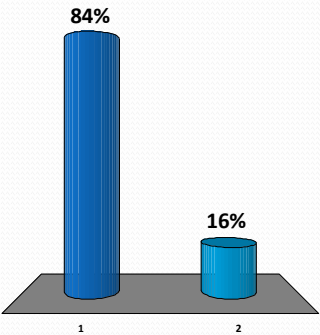
We regularly track and share key performance indicators for the company, departments and individual leaders.

1. Yes! We are very diligent and open book-like.
2. We do most of this.
3. We go halfway.
4. Only a few key metrics.
5. No.



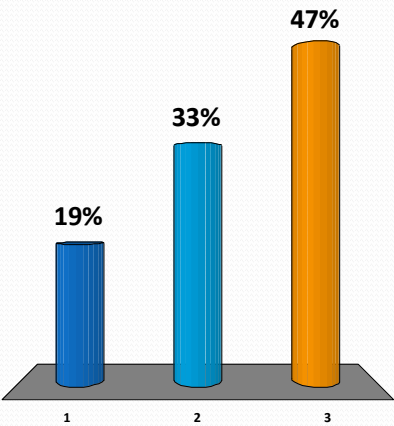
Should we step up our measurement and exposure?

- 1. Yes, I believe we need to.
- 2. No, I think we're fine.



How hard would it be to step up our measurement and exposure?

- 1. Really hard. A cultural change and data collection challenge.
- 2. A big project.
- 3. Fairly easy.

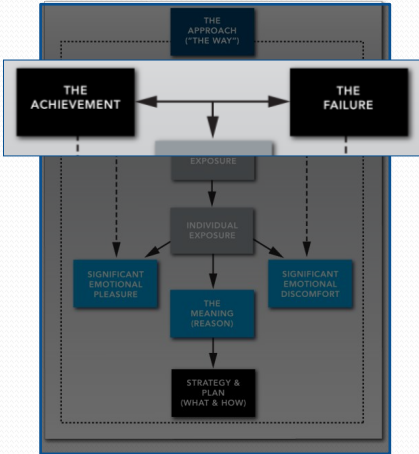


Lever 2: Success & Failure Definition

- Problem:
- When do I win the gold?
 - When am I cut from the team?
 - Failure definition most often lacking.
 - Critical as individuals and as a team.

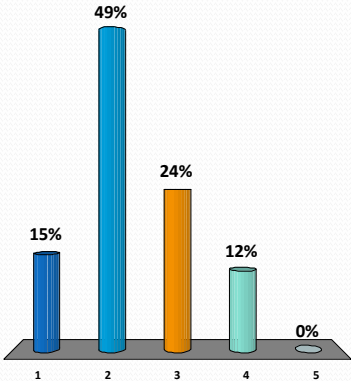
- Actions:
- Have the courage to be clear.
 - Simple, narrow definitions best. Ranges, multiple options = less effectiveness.
 - Written and clear to the whole team.

Example: Key product launch.



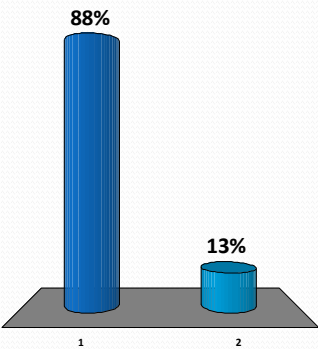
Our team knows exactly what “winning” is, and what failure is. (At all three levels: company, team and individually.)

1. Yes! It is crisp and clear.
2. Pretty much.
3. To some degree.
4. It’s kind of vague.
5. No.



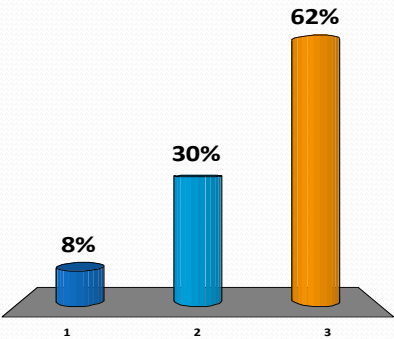
Should we clarify our definitions of failure and success?

- 1. Yes, I believe we need to.
- 2. No, I think we're fine.



How hard would it be to define and communicate our definition of failure and success? (for company, team, individual)

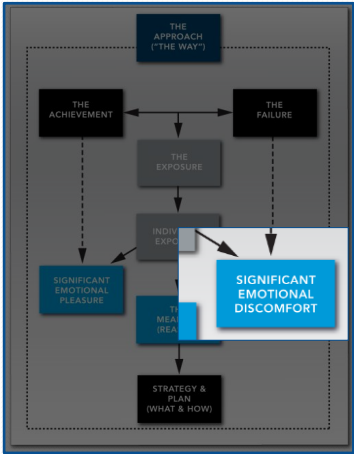
- 1. Really hard.
- 2. A big project.
- 3. Fairly easy.



Lever 3: Significant Emotional Discomfort

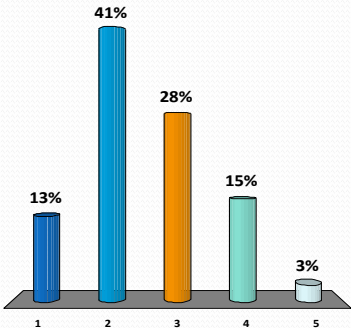
- Problem:
- People aren't held accountable.
 - No consequences.
 - No pressure to step it up.
- Actions to increase discomfort:
- Address underperformance.
 - Counsel poor performers up or out.
 - Expose performance more broadly.
 - Clarify career consequences.
 - Implement tighter "micro-management".

Note: Few people enjoy making others uncomfortable!



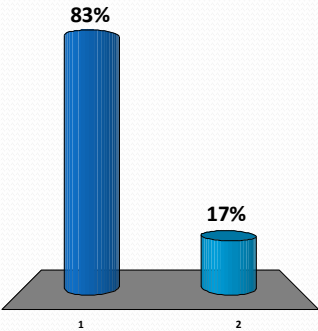
When people at our company perform poorly, they feel terrible, suffer consequences, and feel pressured to improve.

1. Yes! In spades.
2. Pretty much.
3. Somewhat/occasionally.
4. Barely.
5. No.



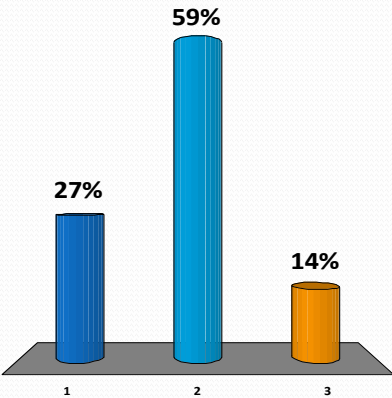
Should we increase the level of discomfort for poor performers?

- 1. Yes, I believe we need to.
- 2. No, I think we're fine.



How hard would it be to consistently hold people accountable and keep the pressure on until they improve?

- 1. Really hard.
- 2. We could get there if we focused on this.
- 3. Fairly easy.



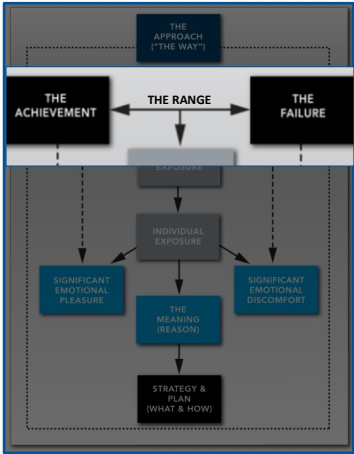
Lever 4: Tighten the Range

Problem:

- The gap between the highest performer and the lowest is too great.
- Middle performers ease up.
- Top performers become arrogant, or leave.
- Alliance average range=1.17 grade levels. 21% worse than average. 26%-½ grade or less. 34%-one grade difference. (from leadership’s perspective)

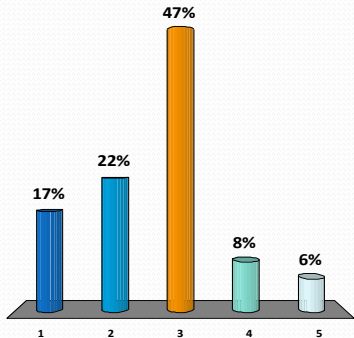
Actions:

- Counsel poor performers.
- Train
- Dismiss the bottom of the range.
- Hire at the top of the range.



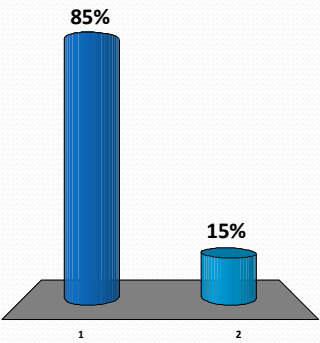
For most teams at our workplace, the range between people isn’t more than a letter grade (i.e. all A’s and B’s; or all B’s and C’s.)

1. Yes!
2. Pretty much.
3. Some teams have bigger ranges.
4. Most teams have a mix of high and low performers.
5. No.



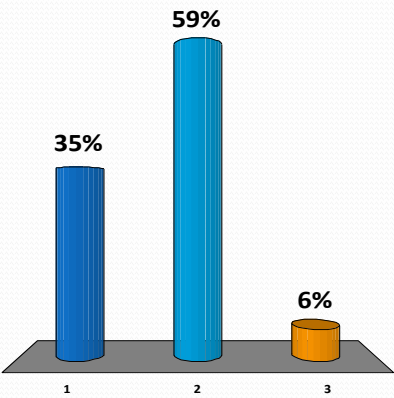
Should we narrow the range on some work teams at our firm?

- 1. Yes, I believe we need to.
- 2. No, I think we're fine.



How hard would it be to assertively narrow the range over the next four months?

- 1. Really hard.
- 2. We could get there if we focused on this.
- 3. Fairly easy.





Summary: 4 Levers

- Lever 1: Increase measures & exposure
- Lever 2: Define success & failure
- Lever 3: Amplify significant emotional discomfort
- Lever 4: Tighten the range of acceptable performance



Alliance Members have told us the workforce is important.

- A February 2012 survey of 126 Alliance companies ranked a dedicated workforce as the third most important element of success. (No. 1 was a solid growth strategy and No. 2 was a cohesive top team.)



The CEO's commitment is essential.

- Our job as leaders is to create the circumstances that stimulate improved business execution and performance in others.
- The CEO must be committed to a high performance workplace.
- The effort must be approached strategically and executed with discipline over the long term.
- The CEO must carefully yet firmly adjust the levers that shape the high-performance environment.



Put your table-mates to work:

- What are your challenges in improving the workplace environment?
- What have you tried recently? How did that work?
- What are you thinking about doing to improve performance?

Leverage the collective
wisdom of your peers!



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