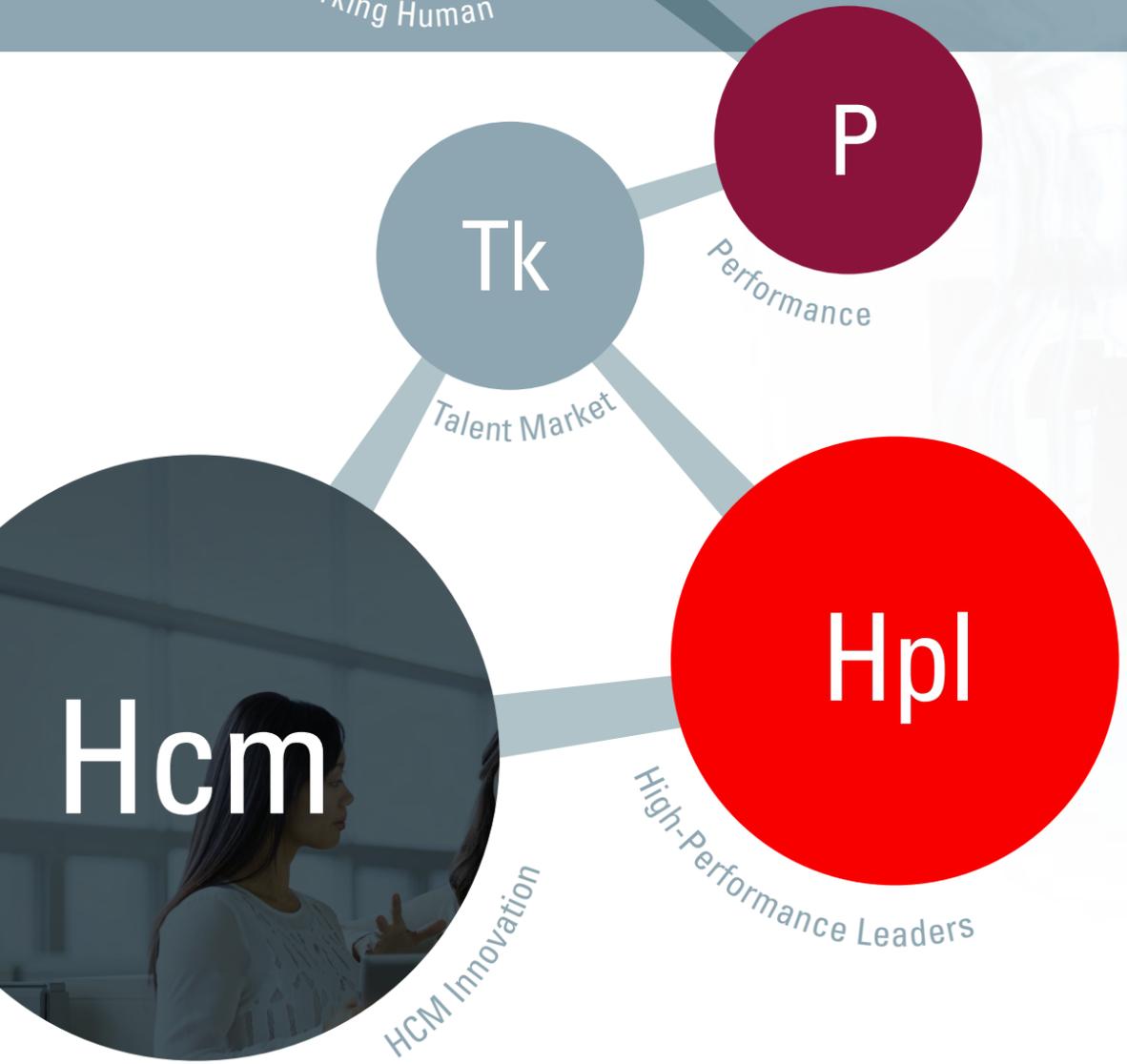




Working Human

The Chemistry of High Performance

Pamela Stroko
Vice President HCM Transformation & Thought Leadership



Introduction

Over the last several years we have seen many trends bubble to the top of the HCM world. Each January brings with it research papers and forecasts of what is hot for the coming year and trends we need to adopt—or at the very least, pay attention to. These predictions come from a number of sources: consulting groups, publications, and vendors with solutions for those very trends on the horizon.

We have seen trends and predictions over the last several years that include the “Year of Big Data”, “Year of Engagement”, “Year of the Employee”, and “Year of the Manager”. We’ve also seen themes like a revolution to forever change how we do performance management; the age of social recruiting; collaboration tools; and everyone able to connect across the organization, including working on a mobile device with anyone, anytime and anywhere. Every year we see greater sophistication in the number of

HCM technology solutions in the market. Wellness and wearables are a new trend for connection and collaboration, and they are considered the next wave of HCM innovation for organizations. Being talent-driven and data-driven are essential to improving business performance.¹ Self-directed learning, social learning, and development are a priority for attracting and retaining the workforce you need in order to sustain and grow your business.

¹ Sierra Cedar, 2015.



There is a growing use of workforce planning and analytics, and many organizations have increased their adoption and use of people-analytics tools. In the 2016 Human Capital Trends Report (Deloitte), we see the focus moving to organization design and the rise of teams.

Many organizations have implemented initiatives in all of these areas over the years; some have taken hold, and some have come and gone without much impact or success.

Much has been written about following the trends of the moment and failing to create sustainable results from the efforts. We have seen business bestsellers that have a very short shelf life, and then people move on to the next idea.

But here's the thing: these are not bad ideas—there are great ideas here—in fact they are, in many ways, essential to organizational survival in today's talent marketplace. So if all of it is important, how do you identify what is *most* important for your organization, and get on a path to a more vibrant culture, better business performance, and more passionate, engaged employees?

Maybe, instead of this being the year of one or two trends, this is The Year of Everything—the year where you put together the unique combination of tools, people, strategy, culture, and actions that take business performance to the next level.

Enter the Chemistry of High Performance

Becoming a high-performing team or organization is more than implementing a new process or initiative. Simply launching another program without vision, purpose, connection, meaning, communication, and belief is just another program. People see it for just what it is. And the chances that you will be able to move the organization forward are pretty slim.

We are living in a time where people want more from work. In study after study we see that, no matter what the generation, people want real connection and relationship.² They want conversation and acceptance. They want leaders who care about them and help them achieve their aspirations and goals. They are looking for meaning at work and will settle for nothing less. People want real conversation with great thought-provoking questions and personal connections. They want to matter, and work for organizations that have values that align with their own. In essence, they are searching for a workplace where they can engage passionately and make a contribution.

As an organization, how do you make sense of technology, culture, innovation, performance, the talent marketplace, demographics, and the need to deliver results?

² Career Systems International, 2014; Universum, 2015



Finding People



Workforce Analytics

What We Can Learn from Science

A common scientific definition of chemistry is: the study of matter, its properties, how and why substances combine or separate to form other substances, and how substances interact with energy; or, the branch of science that deals with the identification of the substances of which matter is composed; the investigation of their properties and the ways in which they interact, combine, and change; and the use of these processes to form new substances.³

Chemistry is a part of all things—the building blocks of life itself. Chemical elements, combined in a unique way, create substances that are essential to survival. What chemistry does not ignore is the context—and how the elements combine in their environment to achieve a particular chemical reaction.

Chemistry is about the connections; about bonding; about taking separate elements and putting them together in a different way to yield something new—something that could never have happened with just one element alone.

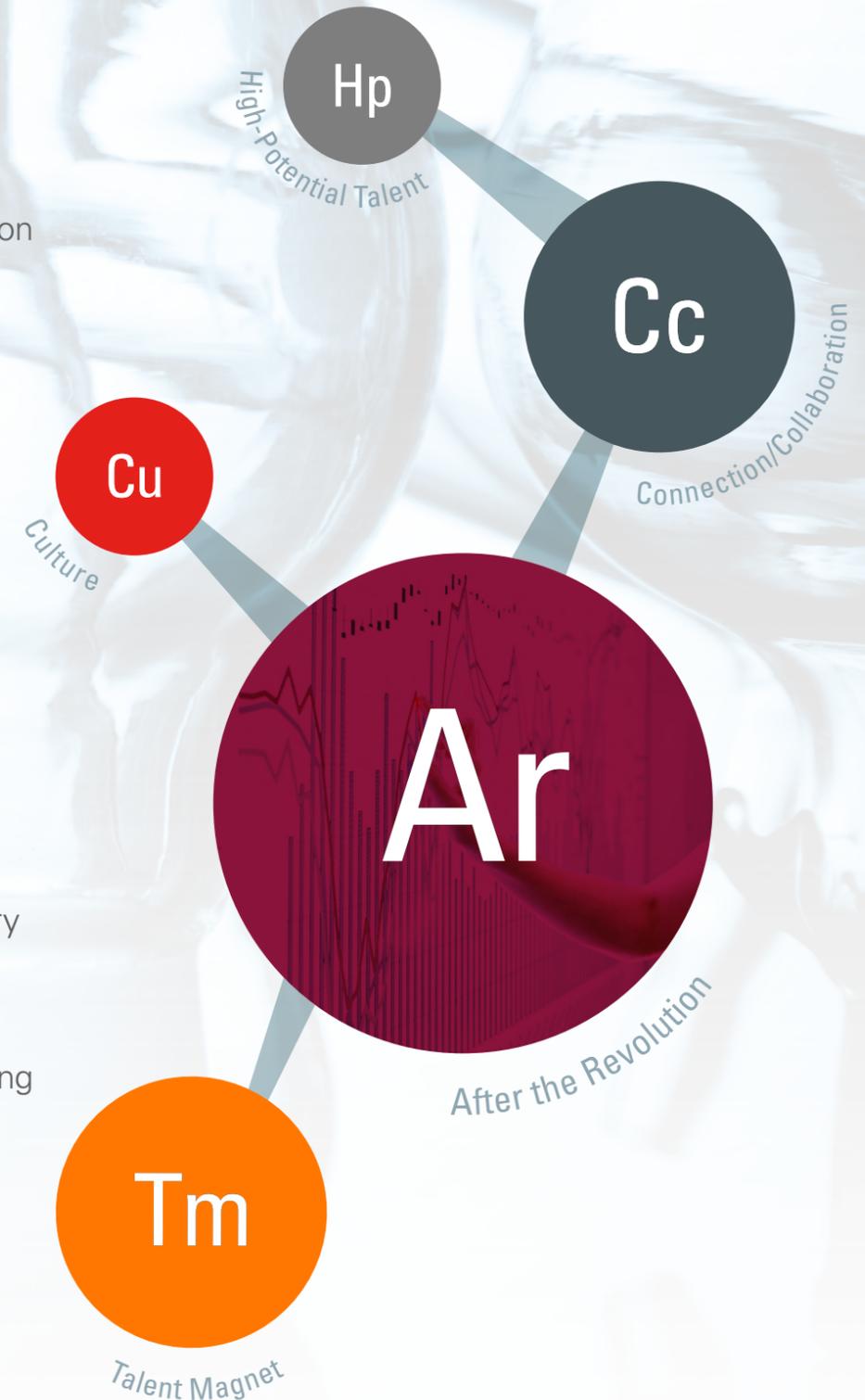
Chemistry is about transformation and the processes by which basic elements become something else. We talk about organization transformation all the time—how we take the elements of technology, strategy, people, vision, purpose, commitment, and values to create something greater—and we create great experiences for both customers and employees.

We create organizations that become talent magnets, where people join, and where they want to stay. We create organizations that consistently outperform their peers and win in the market. In short, we create high-performing organizations.

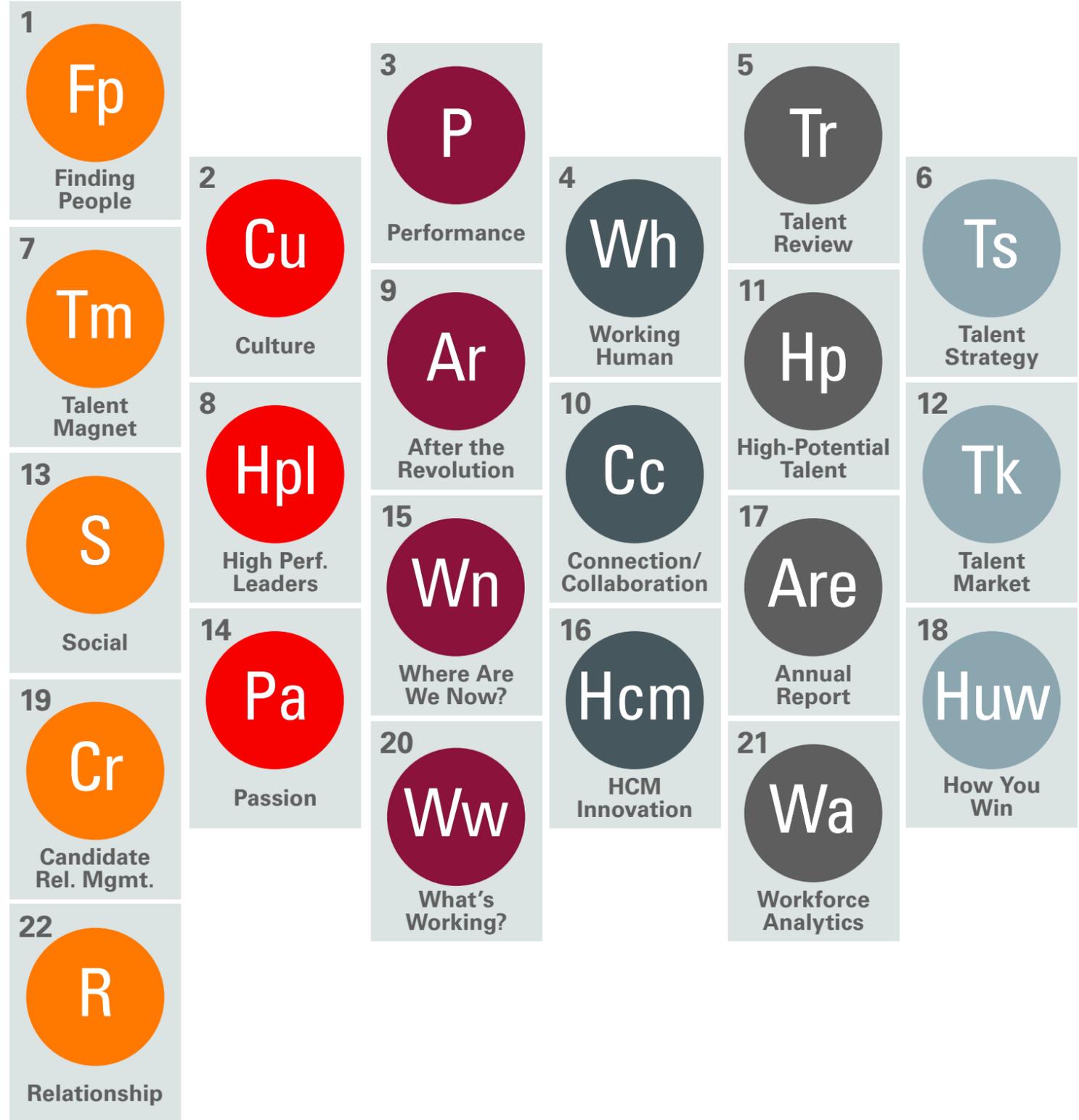
But which are the elements in today's talent marketplace that are the basic building blocks for transformation? What is the chemistry of high performance, and how can you get there?

In this series, we will look at how you can become a high-performing organization, and the elements any organization must pay attention to on its transformation journey in order to be successful.

These elements, while essential, do not define all things for all people. They are the basic building blocks. How you put them together is the chemistry—how you respond to your unique circumstances and challenges, your people, and your environment.



³ Google Search; Live Science



What is a High-Performing Organization?

For well over a decade, we have been looking at what constitutes a high-performing organization in an effort to uncover the secret formula and then implement it everywhere. But what is this sometimes elusive state of high performance?

Often in high-performing organizations, they focus on building high-performing teams that are defined as a group of people with specific roles and complementary talents and skills, aligned with and committed to a common purpose, who consistently show high levels of collaboration and innovation that produce superior results.

The high-performance team is regarded as tight-knit, focused on its goal, and having supportive processes that will enable any team member to surmount any barriers in achieving the team's goals.⁶

There have been numerous studies to determine high-performing characteristics. For example, in *Good to Great*, Jim Collins wrote about how organizations make the transition to a high-performing company, and how they can sustain it. Collins looked at organizations that sustained high performance for a period of 15 years and highlighted practices and contributing

factors that were essential in the transition from good to great. Susan Annunzio from the Center for High Performance in Chicago conducted a comprehensive global study of knowledge workers and linked 15 organization attributes to high performance. André de Waal from the Higher Performance Organization Center connected high performance and linked them to business outcomes.

The quality of leadership matters... a lot. In fact, Gallup research (2015) estimates that as much as 70 percent of the variance in employee-engagement scores is attributable to the manager.

Seven key skills for high-performance leaders:

1. Build trust and be inclusive
2. Create a culture of accountability
3. Listen, ask great questions, and show concern for employees
4. Inspire people to achieve levels of high personal performance
5. Bring passion to the workplace and have palpable energy and enthusiasm
6. Make balanced and informed decisions, regardless of office politics and moments of madness
7. Do not ever throw people under the bus!

While we will explore leadership at length in the element "Leadership", it is worth noting the key themes seeking to define great leadership that have emerged over the last few years.

A High Performance Organization is an organization that achieves financial and non-financial results that are exceedingly better than those of its peer group over a period of time of five years or more, by focusing in a disciplined way on that which really matters to the organization. André de Waal, HPO Center.⁵

⁵ The High Performance Organization Center, *The 5 Strands of Success*.

⁶ Wikipedia.

There are a number of high-performance themes that have emerged in the last several years; these five ideas bring a unifying perspective on issues that impact high organization performance:

1. Having the right people, at the right time, in the right place to sustain and grow the business—and yes, get the right people “on the bus” (Jim Collins, *Good to Great*, 2001). Organizations that do this are open to moving people to the right job if there is a fit issue. Plus, they can make difficult decisions to get the wrong people off the bus.

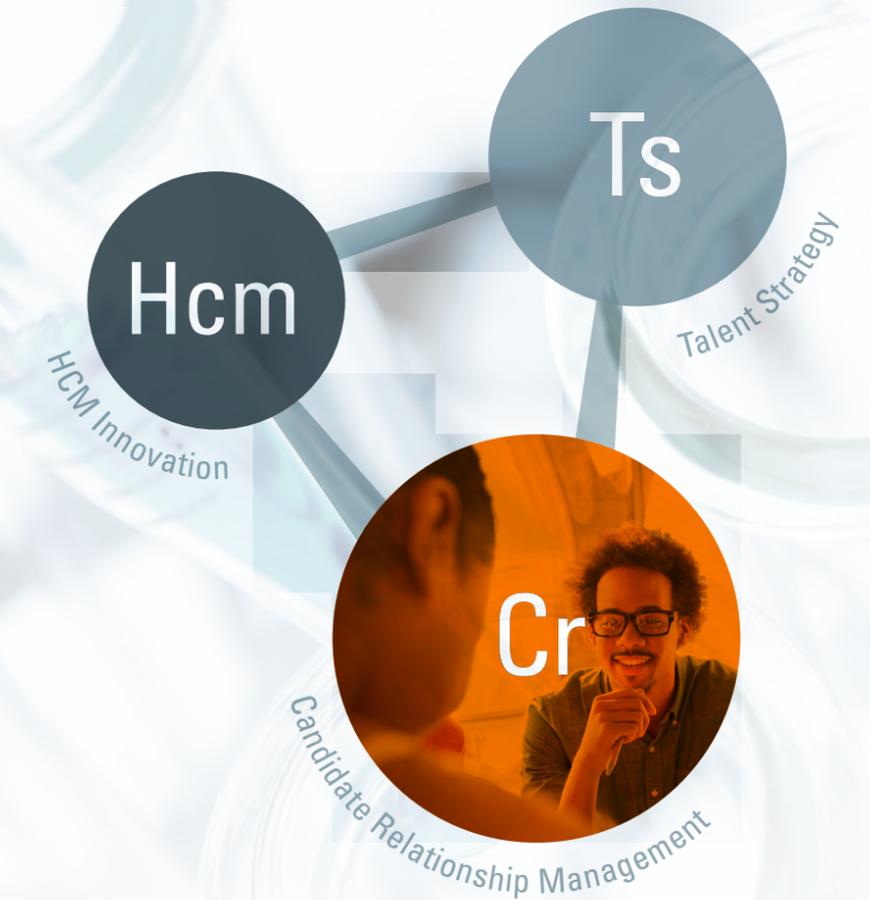
2. Building the right culture, and hiring the right employees that fit the culture, is a critical building block. Open communication, collaboration, and connection create an environment where success can flourish. People are not afraid to speak their minds—to tell the truth about what is happening, what’s working, and what’s not. There is no blame for

telling the truth; there is no search for guilty colleagues when something goes wrong. Instead, there is an earnest effort to review difficulties and challenges, as well as collaboratively seek solutions that work. There is an inclusiveness where entire teams are part of the solution, and everyone plays a valuable role in contributing to success. The best ideas, from whatever the source, are used to move the business forward. They harness individual strengths and turn them into collective genius.

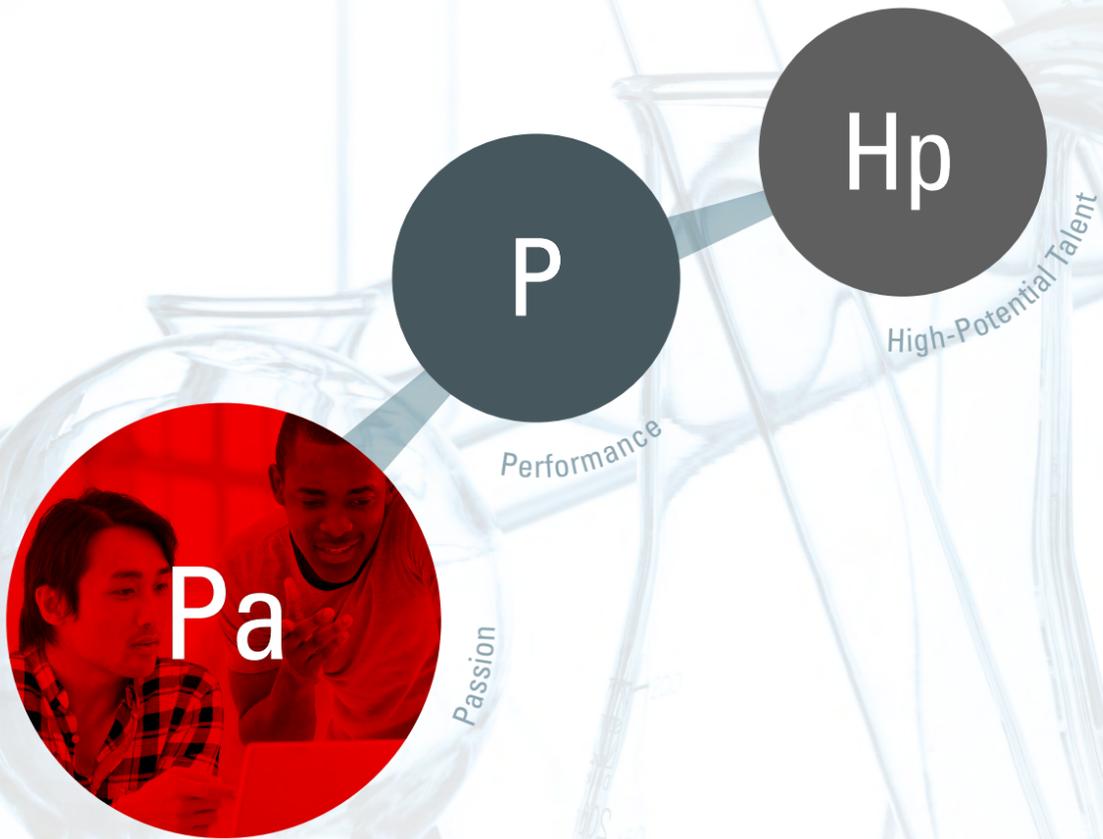
3. Agility and adaptability are key. Change is in their DNA—that capacity to assess what is going on, identify what is needed, then go about making the changes to get there. This includes

continually asking fundamental questions: How can we adapt? What do we need to do? How can we develop great capacity and capability to grow? How do we win in this marketplace? How do we tap the best talents of our teams to get there? This keeps them in a state of growth and renewal.

4. Investing in people is the X factor; it makes all the difference. People joining organizations today want development for their current job, but also want to grow into future roles. In Deloitte 2020, they cite that 86 percent of people leave a job because of lack of career development. Supporting self-directed learning, focusing on great employee experiences from prehire to retire,



developing employees’ capacity for social learning, and connecting people through social and mobile technology all contribute to retention. The investments needed are not just in learning, but in technology and developing the tools and resources people need to do the work effectively.



5. Delivering great results often comes down to a strategic action orientation.

High-performing companies are able to act on opportunities of the moment—and take the long view. They have clear values around who they are, what they stand for, and how they will operate. They focus on market success and customer success, and invest in employee success—because they recognize that all three are inextricably linked.

They tend not to get bogged down in hierarchy or politics—getting things done often involves informal networks, as well as formal structures, to deliver superior business performance.

Being a high-performing organization has evolved into an amalgam of productivity and innovation. And while individuals might be in control of their own level of participation, and might be able to perform

and innovate, they must also be able to spark and sustain innovation in order to create a compelling, organization-wide culture of high performance. What distinguishes those who believe they are in a high-performing workgroup? How do they provide evidence of driving business results?

The Center for High Performance study, led by Susan Annunzio, uncovered three common environmental elements shared by all the study's high-performing workgroups:

1. They valued people. Smart people were treated as if they were smart.
2. They optimized critical thinking. People were given the information they needed to do their best work.
3. They seized opportunities. People were allowed to take risks, explore new ideas, and make mistakes.

Ultimately, the Center for High Performance concluded that each of these factors is imperative to achieving high performance throughout an organization.

As Boris Groysberg found during research for his book *Chasing Stars*, around 65 percent of high-performing executives placed into new, less supportive workplaces ended up leaving the company within their first year. Something in their environments wasn't functioning right. And odds are, if you have tried to build a high-performing organization and failed, something surrounding one of these areas is broken for you, too. It's time to figure out what's not working, and fix it.

What Is It That You **DO** to Move Towards High Performance?

In the broadcast: Unlock Results! Developed with Susan Annunzio and hosted by the Taleo Corporation,⁷ the author discussed her research on what actually supports each high-performance driver. The focus of how to get to high performance was at the workgroup level—as that is perceived as the place where actions can have high impact with more immediate results.

Driver One: Valuing People

- People in the group feel valued
- It is fun to be part of this group
- The group makes use of the highest and best talents of its employees
- The group works to retain the best people
- People understand how their work fits the goals of the group

Driver Two: Optimizing Critical Thinking

- Our group leader promotes high performance by example
- Important information about the state of the business is shared with everyone

Driver Three: Seizing Opportunities

- The group continually looks for ways to work more efficiently
- Information is freely exchanged in the workgroup
- Our workgroup turns problems into opportunities
- New ideas are constantly sought
- Learning is rewarded
- The group adapts quickly to changes in the environment
- New ideas are tried
- Mistakes are seen as opportunities to learn

⁷ *Contagious Success*, Susan Annunzio, Originally published, 2004.

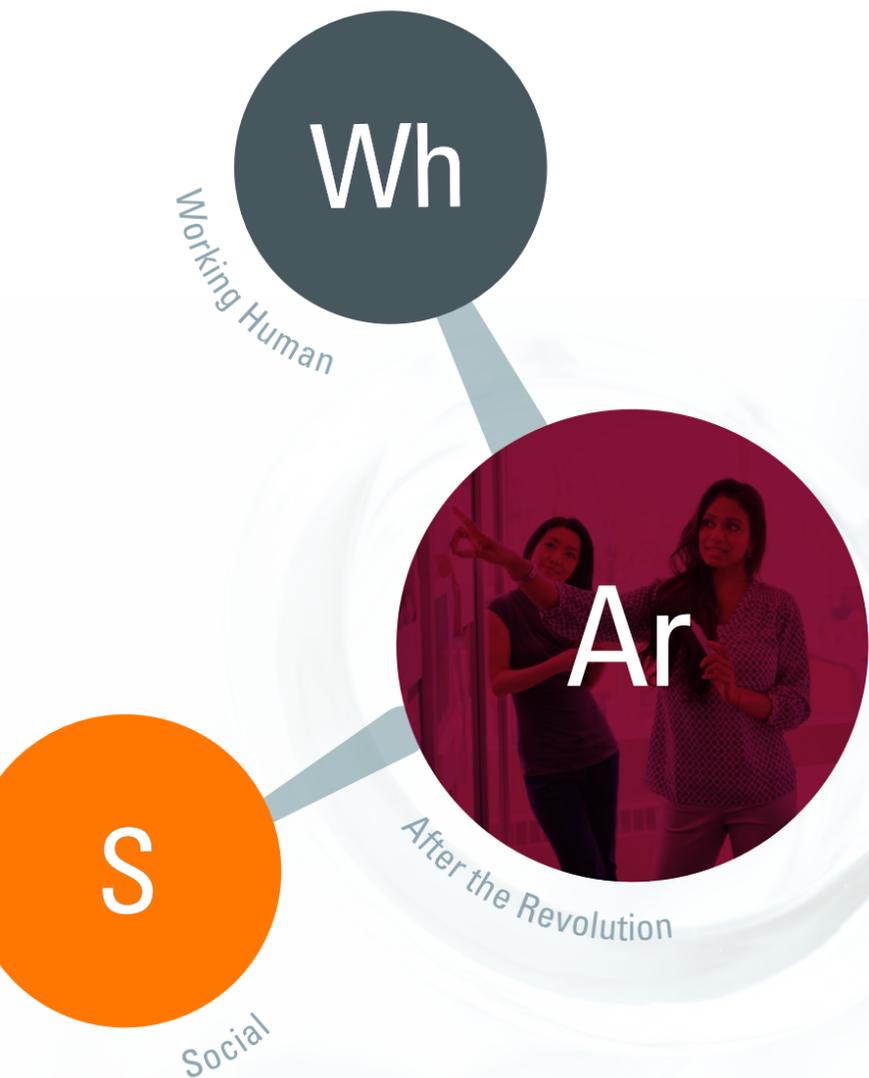
Attributes Enabling a High-Performing Environment

Fifteen attributes, taken together, provide a portrait of the high-performing work environment. Each attribute is associated with specific behaviors that leaders can demonstrate, followed by examples of actions that characterize the behavior.⁸



Attribute	Behavior
People in the group feel valued	<ul style="list-style-type: none"> • Demonstrate confidence in employees' ability to solve problems and accomplish work goals. • Treat smart people as if they are smart. • Tell employees what the goal is, not how to accomplish it.
It is fun to be part of this group	<ul style="list-style-type: none"> • Build a sense of common purpose and community that cultivates enthusiasm and creativity. • Be positive and enthusiastic about what your group is working to achieve.
The group makes use of the highest and best talents of its members	<ul style="list-style-type: none"> • Take into account people's skills and natural strengths (i.e. good listener, organized, strategic thinker, good presenter, etc.) when assigning roles and responsibilities.
The group works to retain the best people	<ul style="list-style-type: none"> • Challenge and nurture your top performers. • Meet regularly with your best performers to identify what the group needs to maximize results, and what environmental factors are getting in the way.
People understand how their work fits the goals of the group	<ul style="list-style-type: none"> • Clearly communicate how individual assignments further the group's goals. • Keep employees informed if goals change or evolve.

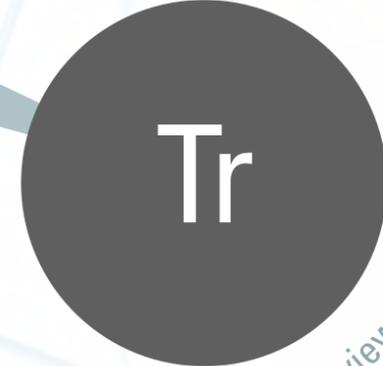
⁸ Attributes of High Performing Companies From Contagious Success by Susan Annunzio, 2004, used with permission. Taleo, High Performance workbook, Stroko.



Attribute	Behavior	
The group leader promotes high performance by example	<ul style="list-style-type: none"> • Match your words and actions. • Take responsibility for your own actions. • Explain your intentions to your group. 	<ul style="list-style-type: none"> • Engender a sense of trust and loyalty by encouraging people to bring up difficult or sensitive issues. • Stand up for your convictions. • Be willing to show weakness or imperfection.
Important information about the business is shared with everyone	<ul style="list-style-type: none"> • Establish procedures to ensure that group members are informed about aspects of the business relevant to achieving company objectives. • Provide employees with relevant financial, customer, and competitor data. 	<ul style="list-style-type: none"> • Pass along company information without embellishment or spin. • Share relevant information even if you believe it will cause concern. • Share relevant information even if you feel it might diminish your power or popularity.
The group continually looks for ways to work more efficiently	<ul style="list-style-type: none"> • Re-examine group and organizational processes frequently. • Embrace suggestions about better ways to work. 	<ul style="list-style-type: none"> • Delegate work that could be done better by someone else. • Invest in new technology and resources when appropriate.
Information is freely exchanged in the workgroup	<ul style="list-style-type: none"> • Share information that will allow the group to work effectively. • Encourage open debate. • Allow people to raise concerns openly without fear of retribution. 	<ul style="list-style-type: none"> • Establish procedures to openly exchange information. • Communicate group goals, priorities and deadlines to all group members. • Communicate who is accountable for achieving specific objectives to all group members.
The workgroup turns problems into opportunities	<ul style="list-style-type: none"> • Re-examine your assumptions about the problem. • Determine whether the problem is actually a symptom of a deeper issue. 	<ul style="list-style-type: none"> • Consider whether what appears to be a problem could be a critical component of your success. • Be willing to radically change course in response to new information.



Attribute	Behavior	
New ideas are constantly sought	<ul style="list-style-type: none"> • Provide employees with opportunities to learn. • Encourage brainstorming and creative problem-solving to address complex problems. • Allow people to work in teams to maximize thinking and harness collective intelligence. 	<ul style="list-style-type: none"> • Identify what's smart about an imperfect idea before dismissing it. • Encourage people to broaden their normal frame of reference for new ideas.
Learning is rewarded	<ul style="list-style-type: none"> • Be willing to incorporate new ideas. • Encourage new approaches to solving business problems. 	<ul style="list-style-type: none"> • Avoid placing blame if the outcome is not ideal. • Do not punish people for good-faith efforts that do not succeed.
The group adapts quickly to changes in the environment	<ul style="list-style-type: none"> • Refine organizational practices to reflect changes in the external environment. • Regularly ask your customers what they want. 	<ul style="list-style-type: none"> • Continuously monitor and respond to the external environment. • Meet your customers' and employees' changing needs.
New ideas are tried	<ul style="list-style-type: none"> • Explain/demonstrate how new ideas contribute to a positive result. • Explain/establish the process for idea generation (a great example is IDEO). 	<ul style="list-style-type: none"> • Encourage employees to take measured risks. • Identify the elements of a new idea you can try. • Conduct a cost-benefit analysis to determine the feasibility of new ideas.
Mistakes are taken as opportunities to learn	<ul style="list-style-type: none"> • Conduct a thorough analysis of substantive mistakes or areas where the expected performance never quite materialized. • Evaluate why things went wrong. 	<ul style="list-style-type: none"> • Take the time to understand what went wrong; conduct an after-action review. • Apply the lessons learned from your mistakes to other situations.



There are many pathways to becoming a high-performing organization. Some people choose to start at the workgroup level; others look at the macro context of the organization. There are similar themes at both levels. For instance, the High Performance Organization Center⁹ proposes a framework of five factors that have a direct impact on business performance:

1. The Quality of Management
2. Openness and Action Orientation
3. Long-Term Orientation
4. Continuous Improvement and Renewal
5. Quality of Employees

Their research determined that high-performing companies significantly outperform their competition. While the range of increases in performance indicators varies greatly, the impact on financial performance is undeniable:

- Improved Revenue Growth: **by 4 to 16 percent**
- Profitability: **up 14 to 44 percent**
- Return on Assets: **up 1 to 12 percent**
- Return on Equity: **up 9 to 25 percent**
- Return on Investment: **up 15 to 26 percent**
- Return on Sales: **up 2 to 18 percent**
- Total Shareholder Return: **up 4 to 42 percent**

While the studies on high-performance factors point us in the direction of great practices and frameworks, many organizations have still not become high-performing. It may be that all the factors and attributes we have discussed are necessary, but not sufficient. There is something more—and that’s where the chemistry of high performance comes in. In the coming chapters, we will take into account context, environment, intangibles, talent economics, the human factor, passion, the state of talent acquisition and retention, as well as elements of talent strategy and HCM innovation.

[Click here to learn more about creating a culture of high-performance.](#)

⁹ Andre de Waal, HPO Center, *The High Performance Organization Center, The 5 Strands of Success.*

Additional References

A Comparison of 26 High Performance Organization Studies, Erik Belt, Erasmus University, 2008
Tracking People Priorities and Trends in High Performing Companies, Towers Watson, 2014
The Keys to Building a High Performance Culture, Ehssan Abdallah and Ashish Ahluwalia, *Gallup Business Journal*, December, 2013
Boston Consulting Group, High Performance Organizations: The Secret of their Success, 2011

