Creating a High-Performance Organization : Imperatives for Tomorrow

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The last three decades will go down as one of the most turbulent phase for Indian industry. The period witnessed sweeping changes in business - transformation of self-contained national markets into linked global markets and consequent fierce competition; oversupply of most kinds of goods and services, rise in input cost; and most importantly, rise in customer expectations. The era is also important for its lesson to business that nobody can drive to the future on cruise control. In fact, the history of business is replete with illustrations of apparently invincible organizations that could not change with time and eventually vanishing into oblivion. Some fell prey to competition while others were overtaken by smaller, more entrepreneurial players. The objective of this paper is focus on how organization create a high performance in future.

Keywords: Innovation, Trust, Vision, Leadership, People and Strengths.

Introduction

The last three decades will go down as one of the most turbulent phase for Indian industry. The period witnessed sweeping changes in business - transformation of self contained national markets into linked global markets and consequent fierce competition; oversupply of most kinds of goods and services, rise in input cost; and most importantly, rise in customer expectations. The era is also important for its lesson to business that nobody can drive to the future on cruise control. In fact, the history of business is replete with illustrations of apparently invincible organizations that could not change with time and eventually vanishing into oblivion. Some fell prey to competition while others were overtaken by smaller, more entrepreneurial players. Still others, unable to adapt to the changing times, died a sudden death. It also raised a critical question related to reconfiguring businesses and industries to survive and grow in a highly volatile environment of the future.

Looking into the past, it is for certain that future will not be a continuation of the past. Instead, it will be a series of discontinuities and any organization which can appreciate these discontinuities well and adapts itself to meeting the challenges of changing times will stand a chance of success and survival in the twenty-first century. It must know that discontinuity breeds opportunity. To harness opportunity, it has to challenge and, in many cases, unlearn the old models, old paradigms, old rules, old strategies, old assumptions and old success recipes. Says Charles Handy, `You can't look at the future as a continuation of the past...because the future is going to be different. And we really have to unlearn the way we dealt with the past in order to deal with the future.' In the words of Peter Senge: `We have to stop trying to figure out what to do by looking at what we have done.' The words of Michael Hammer reinforce the above aptly. Hammer states that: `If you think you're good, you're dead. Success in the past has no implication for success in the future... The formulas for yesterday's success are almost guaranteed to be formulas for failure tomorrow.' In this context, C K Prahalad asserts that: `If you want to escape the gravitational pull of the past, you have to be willing to challenge your own orthodoxies. To regenerate your core strategies and rethink your most fundamental assumptions about how you are going to compete.

It is thus imperative to know that linear thinking is useless in a non-linear world. Instead, it is necessary to make an intellectual leap from the linear to the non-linear; from the known to the unknown and from terra firma to terra incognita.

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Tomorrow's new times would require newer ways of competing and companies who are going to be successful would be the ones who would grasp them first and overcome all the normal organizational barriers to doing things differently. In an environment of change, one don't want a very rigid organizational structure. The winners of the twenty-first century would be those who are able to transform their organizations into something that is lean, mean and highly supple. Such organizations would move and shift direction quickly amidst uncertainties, respond to the changing business environment and react to the changing competition and changing needs of the customers and markets with speed. Such organizations would have to have be like a biological organism and not a piece of equipment. It would be a distributed network of minds, of people working together, learning together and emotionally connected together. It would be an intelligent corporate being, driven by human imagination.

This new organization of the twenty-first century cannot be shaped through incremental improvement. It can only be created through radical change. And this is possible by abandoning the whole organizational model of the past, along with the assumptions on which it was based. Peter Drucker anticipated this year ago when he wrote that `every organization has to prepare for the abandonment of everything it does'. Organizations would have to achieve a radical metamorphosis as it moves through the times.

High Performing Organizations

High performing organizations are those meet the expectations of stakeholders most effectively. Such organizations are efficient, effective and are put people at the centre of everything it does, build trust as a foundation and allow individual responsibility through individual decision making. Such organizations share a vision of an aligned purpose, values, and goals, create an emotional Connect, are innovative and visionary Leadership. Research on the subject elicits seven elements found to be critical to creating a High Performance Organization. These elements - Personal Responsibility, Innovation, Trust, Vision, Leadership, People and Strengths create a distinctive condition that enables such organizations to actualize its vision most effectively.

High Performance organizations are customer focused and have a decentralized structure with autonomous self-regulating work units as against the bureaucratic structure prevalent in traditional organizations. Planning and coordinating in such organizations is done by work teams with active guidance of management. These organizations believe in multi-tasking and encourage employees possessing multiple skills unlike traditional organizations which follow the philosophy of specialization and narrowly defined jobs. High Performance organizations have boundaries which are defined by task inter-relationships. They focus on continuous development of their employees and view them as partners in the business.

Challenges in Creating High Performance Organizations

The accelerating pace of change, new technologies, customer demands, e-commerce, workforce demographics, business model challenges, fierce competition, shareholder expectations, margin pressures, shrinking cycle times and changing work ethics are creating new challenges for organizations. Now, more than ever, organizations need to have a strong cultural bonding that galvanizes everything and everyone together. These challenges basically relate to creating a customer-centric value, communicating the vale and delivering it in a most efficient manner. This requires honing up human capabilities within the organization that is fast enough to meet heightened stakeholders' expectations, as well as the pressure to deliver at the lowest possible price in competitive markets. This leads to challenges of align activities with the most pressing and important business or operational needs and measure their effectiveness and their impact on the performance of the business as a whole. Other challenges include proactively communicating value to all stakeholders and earning acceptance of the learning function across the leadership of the entire enterprise. It must also be aware that they must overcome legacy restrictions: processes, metrics and techniques that were useful in the past, but which are no longer adequate.

High performing organizations integrate ethereal leadership issues that classify their unique character and engage people around a deeper sense of purpose. These potent feelings are made tangible through the strong realization of management processes and systems that translate ideals into action. Above all, it's recognizing that vision without an action plan is just a dream and that action without a vision is meaningless, becomes crucial for organizational success. What is needed is to define our desired culture, characteristics and payoffs of a High-Performance Culture.

Research shows that 50–70% of leaders are unable to assess against the crucial failure factors with respect to organizational culture. While the downslide is on, they remain complacent and externalize problems that are in fact their own. A high degree of sensitivity is therefore necessary on the part of leaders alongwith an innate ability to introspect

to align culture with the organizational psyche. There has to be a right balance between technology, management, leadership and soft skills for an effective culture building exercise by the leadership. Leaders must appreciate that culture building can make positive contributions to overall performance of private corporations and public agencies.

In the face of these challenges and in response to the opportunities, many forward looking organizations are stepping up to a new level of corporatization and are delivering superior measurable value. Those that are called "High-Performance Organizations", lead the way toward a new level of business performance and business value creation. The major focus is to create a picture of the future of learning, work and how high-performance businesses and governments shall allow their people for success today and into the future.

The high-performance learning organizations excel in terms of their growth in productivity, revenue, net income and overall industry recognition. These organizations show mastery in seven key capabilities are as follows:

* Alignment of learning initiatives to the organization's business goals.

* Measurement of the overall business impact of its growth function.

* Progression outside the organization to include members of the entire value chain including customers and channel partners.

* Thrust on competency development of organization's most critical jobs.

* Integration of performance with other human performance systems and functions such as knowledge management, performance support and talent management.

* Integrated delivery approaches aimed at enhanced performance at ground zero.

* Established design and delivery mechanism for leadership development.

* An integrated action of all the above-mentioned seven fronts is essential pre-requisite for high-performance organizations.

Growth & Innovation for Performance Excellence

Growth and innovation has to be a continuous process.

Growth is the purpose of any organization and this would require renewed thrust on innovation. A serious focus on learning, especially those that enhance the sharing of knowledge and experience, and that support collaboration, are vital to innovation and to the creation of new products and services that enhance revenue and shareholder value, which are essential prerequisites for a high performance organization.

An all inclusive approach towards growth and innovation would require the following elements:

* Retention of best talent: The learning function has the potential to play the key differentiating role in competitive markets and especially the ones where companies compete for scarce talent. Learning opportunities contribute to the attraction and retention of employees.

* Revitalize the knowledge loss: The aging of the workforces could create a crisis in productivity unless organizations tap their learning functions to help prevent the loss of critical knowledge and experience. This could be accomplished through effective knowledge management measures which must have a structured mechanism of documenting knowledge and using it for posterity.

* Support for the extended value chain: Competing today means leveraging alliances and partnerships. High performing organizations are important to ensuring that all parts of a supply chain perform effectively.

* Long-term Competitiveness: It will be a difficult task for an organization to retain its competitiveness unless it keeps on reconfiguring its competitive edge relentlessly and on a continuous basis. This must include imparting all the job-specific skills that their people require. The learning function must thus shift its focus from predominantly training on functional job skills to also include training in higher-level competencies such as learning how to learn, problem solving, information finding and sharing, and building internal and external networks, strategic management and management of change.

Steps towards creating High-Performing Organization

A six step approach could provide with a broad framework for creating high-performing organization.

1) There is a need if high-performing organizations to relook into the principles which guide the organizations. It recognizes that it has the power to create the future. It focuses on finding sense in the increasingly uncertain world

and offers a direction on finding pathways through paradox.

2) Such organizations must rethinking competition and deal with the fundamental changes taking place in the nature of competition. It provides newer ways of looking at competitive advantage as such organizations prepare for global competitiveness in the twenty-first century, and helps to focus on building opportunities for tomorrow.

3) Rethinking Control & Complexity is concerned with how to structure and manage our organizations for the twenty-first century. It centers on the need to challenge the old assumptions and organizational models, which no longer make sense in a post-industrial world, and to create a new mode of operating based on high-performing processes and empowered individuals. It describes an organizational infrastructure where collective aspiration and systems thinking can be nurtured, where people in the organization can be proactive rather than reactive, and where they can learn how to learn together in a transformational way.

4) Rethinking Leadership that helps us to see leadership in a new light: as a way to release the brainpower of the organization and to generate intellectual capital. This suggests how to decentralize power successfully in a network organization, and how to lead transformation efforts that actually work. It points out why the true source of power in the future organization will be a meaningful sense of purpose, and why a new generation of leaders will be needed to provide it.

5) Rethinking Markets examines major changes in the nature of the customer and in the essential marketing relationship between the customer and the corporation. It previews the dominant demographic forces for the early twenty-first century, along with the attitudes and demands of new kinds of consumers in new kinds of markets. And it looks at how technology is revolutionizing the way we market products and services.

6) Rethinking the World that is about the unprecedented changes which are taking place in business and society at the most global level: the shift in the nature of worldwide economic competition; the changing role of governments in a world that is increasingly based on networks; the potential of Asia once again to become the dominant region of the world; the impact of `network economics' on every sector of business; and the way discoveries in science are changing our view of the world at the dawn of the twenty-first century.

Today, a simple option faces every individual and every corporation on earth: That choice is to perform or perish.

Organizations that decide on the first option would have the best prospect of surviving and thriving in the turbulent terrain ahead. They would seize emerging opportunities and impending crises while there is still time to take appropriate action. On the other hand, those who procrastinate, believing future to be a linear function, would be a continuation of the past, would find themselves overtaken by change very fast.

Winning the Race of the Future

The race into the future would require a radical approach. In the twenty-first century, the winners will be those who stay ahead of the change curve, constantly redefining their industries, creating new markets, blazing new trails, reinventing the competitive rules, challenging the status quo. It would be those who `invent the world', as Charles Handy has said, and not those who respond to it.

The high-performance organization would have to develop a sense of foresight about its future, create a meaningful vision and purpose; a goal that is specific and that will give it a sustainable competitive advantage. This is possible only when there is a visionary leadership –leader who is not content to sit back and let things happen as it is but a kind of leadership that is forward looking, one who can scan the landscape, monitor competition, identify emerging trends and new opportunities and avoid imminent crises.

Leaders of high-performing organizations would have to be explorers, voyagers, trailblazers. They would have to be what Warren Bennis calls as `leaders of leaders'. They would decentralize power and democratize strategy by reaching it to the people within the organization. Such leaders, comfortable with the concept of discontinuity would use it to create opportunities. They would love change and encourage a pro-change culture in their organizations. Above all else, leaders would have a vision, a passion, an exciting aspiration. And this aspiration, once shared by everybody in the organization, will unleash tremendous energy across the organization.

The aforesaid discussion leads to the understanding of the most important trends in creating high-performance organizations today, and can serve as a guide to help organizations to achieve organizational superiority. More than ever, a holistic viewpoint can create a differentiation and make a significant contribution to the journey to excellence. As the global economy gears up for growth, organizations are becoming more innovative and serve customers better, and deliver products to the market faster than their competitors. Investments in learning, and in learning technologies, are vital in this respect, to enhancing revenue and increasing

shareholder value. Looking at the distinctive features of high performance learning organizations, it is clear that these leaders are way out in front when it comes to learning, knowledge management, collaboration and performance support that is deeply integrated into the fabric of the company, delivering measurable value, helping companies meet vital strategic needs today and preparing them for the demands of tomorrow.

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