

Unlocking the Code for High Performing Businesses

White Paper



HRCOACH
AUSTRALASIA
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Unlocking the Code for High Performing Businesses






Every business wants to be a high performer – where the people in the business are on the same page as the business owners and everyone is working with the same goal in mind. That goal might be profit, it might be service, it might be innovation, it might even be long – term sustainability and growth, and often it is all of these!

Irrespective of the businesses goal, HR Coach Australasia (HRC) decided to find out what actually separates the high performers from the low performers. Reviewing the data of more than 700 small to medium Australasian businesses who had completed a business assessment that was valid and reliable, further analysis was used across a range of cross referenced measures to ensure that the real anchors and gems could be found.

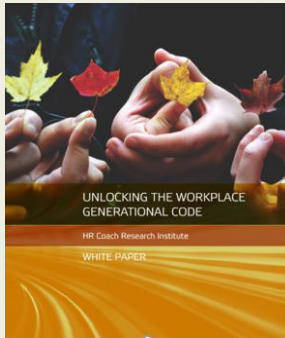
The results were revealing... By identifying consistent gaps between high and low performing businesses across a range of measures including: business performance; strategic alignment; culture; employee engagement; and fundamental HR processes, the whole spectrum of what drives businesses in Australasia were examined in detail.

If you are an Australasian business looking to stay or become a high performer, this is essential reading. Alternatively, if you are just in the business of surviving, read the research and complete the self – assessment as sometimes the solutions might be easier than you realise!

This White Paper is ideal if:

-  You are a business owner who wants your business to stay or become a high performing business;
-  You are part of a management team looking for ways to make your business more effective and successful; or
-  You are a professional who wants to genuinely understand the Australasian business drivers for high performance.

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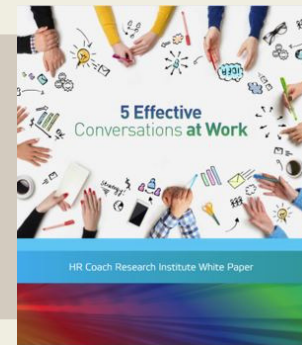


Unlocking the Workplace Generational Code (2017)

Explored the different satisfiers and dissatisfiers for generations currently in the workforce and in particular, how these change based on position within the business.

5 Effective Conversations at Work (2016)

Explored the lack of focus on quality conversations at work. Because meetings offer no second changes, they are the most important workplace conversation to get right.

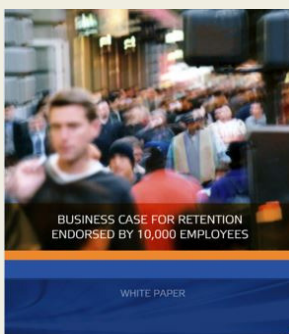


Management in the Spotlight (2015)

Explored the absence of investment in supervisory and middle managers. The net impact of this trend is an absence of quality, and also customer failure.

Business Succession (2014)

Explored external market changes and the impact these have on internal succession and maintaining asset value. The paper raised the question of who steps up, who steps back and who steps out.



Retention: Boost Your Business (2013)

Explored how managing retention is equally a process of maintaining 'business as usual' and protecting the core, as it is the opportunity. Risk-mitigation strategies and growth strategies need to be balanced.



Data Counts

Data counts and for the past 10 years, the STAR Workplace Program has been used to analyse the data of over 700 organisations. The results reveal significant gaps between high and low performing organisations. Through further review, the exact anchor points for low performing organisations are to be understood and potentially released to unlock the true value of the organisation.

Employers in high performing organisations are 36% more satisfied with their strategic alignment than employers in low performing organisations. This is a significant gap and flows through to a **24% greater satisfaction in business performance** for high performing organisations.

Picture the average Australasian business. Imagine if strategic alignment could flow through to a 24% improvement in the employers satisfaction in your business's performance **given this result it would be no surprise that it would be more sustainable and deliver higher levels of performance and profit.**

The research shows that employers in high performing businesses are 43% more satisfied about their business' financial performance, over employers from low performing business'. Every business owner should want to be part of the high performing group; they should all want to be achieving financial returns appropriate to the effort, intelligence and commitment that they make every day.



Data from 700 Australasian Organisations



36% of employers in high performing organisations are more satisfied with their strategic alignment



43% of employers in high performing organisations are more satisfied with their business's financial performance



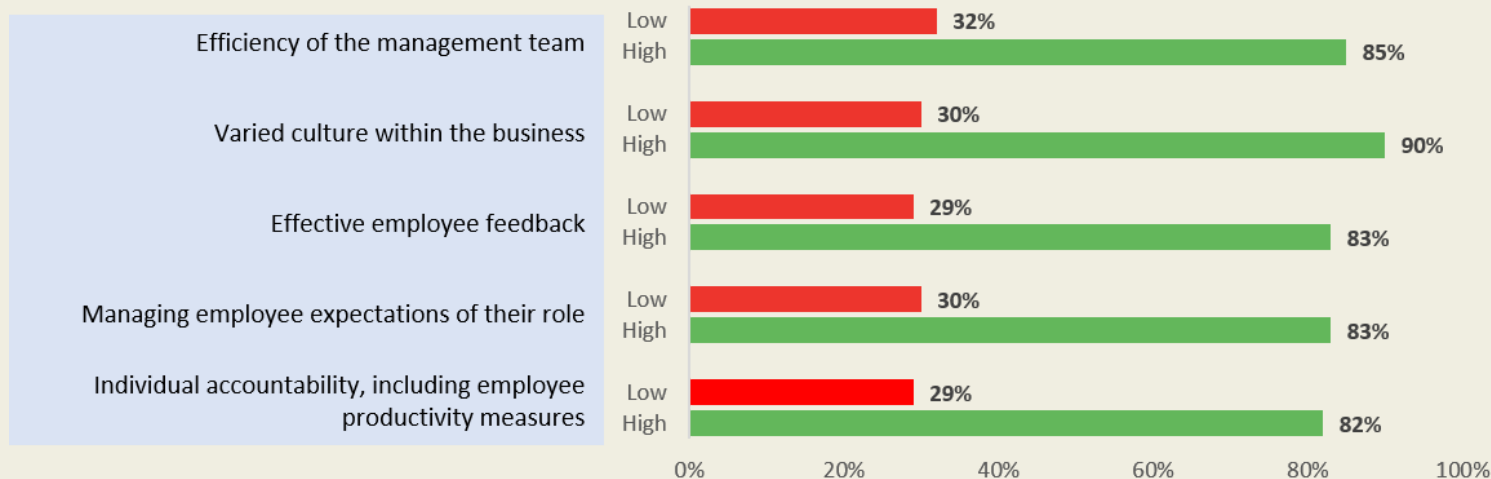
Research shows there are gaps of more than 50% between high and low performing organisations.



These are the headline results from the research. Diving deeper into the detail identifies the most significant items where the gaps are greatest between high and low performing business'. If business owners work on these items, they are likely to go a long way to closing the gap between low and high performing business'.

The Greatest Gap

The Australasian research shows that there are gaps of more than 50% between high and low performing businesses in the following specific areas:



Greatest Gaps between High and Low Performing Businesses

In 2015, HR Coach research identified that management needed to be in the spotlight because it was identified at that time as key to business improvement. However, the performance gaps on the efficiency of the management team would suggest that further improvement is still required to improve performance on this measure.

However, the other measures where the gaps are so significant largely reflect back on the individuals within each business. They actually build on the research findings that were released in 2017 on Breaking the Generational Code. Reviewing each area in more details unlocks the value of the organisation.

Efficiency of the Management Team

The management team are the conduit between the employer/business strategy and the employees making it happen. They should be the interface that turns the strategy into reality, maximizing performance and outcomes, while minimizing costs and waste. Low performing businesses score very poorly on this assessment item, reinforcing that more work is required to lift the performance, effectiveness and ultimately the efficiency of their management teams. When businesses don't get this item right, the load has to either shift to the business owner to personally make all things happen in the business – or the business simply fails to achieve their goals. Both options negatively impact on the performance of the business and its profitability.

History is replete with high performing and aligned teams (of good players) securing wins over lesser performing teams (with great individual players). The management and leadership within the team makes the difference on the sporting field, just as it does in business – and this research gap simply reinforces this point.

Varied Culture within the Business

High performing businesses have an aligned and adaptive culture across work teams. As everyone is on the same page focused on the strategy of the business, businesses succeed. The research highlighted that low performing businesses have a varied culture within the business. Culture is the behavior and focus that people, sections or departments are demonstrating on a regular basis, particularly when things are tough.

Ongoing HRC research over the last 15 years has identified the core culture drivers for managers and employees in SME businesses, so there is a strong understanding on where to focus when there are issues with organisational culture. Current research shows that employees in low performing businesses score low in (internal or external) customer focus, while managers in low performing businesses score low in their quality of planning. Culture is core to business success and culture alignment in high performing businesses has not happened overnight and requires a consistent, methodical and effective focus on the cultural drivers within the business. High performing businesses get culture right, while low performing businesses do not, and probably don't recognise what their cultural drivers are, or what they should be.

Strong culture is core to business success and it doesn't happen over night!



Effective Employee Feedback

Feedback is a two way process, yet in low performing organisations feedback is usually only one way. Owners and managers can be so focused on task outcomes, they fail to genuinely listen to their employees on matters or ideas related to making their business improve.

Employees who do not feel that their suggestions, challenges or thoughts are listened to, over a period of time, cease to contribute. They learn to 'just do their job, and not rock the boat'. Once employees are behaving this way (and business owners have inadvertently taught them), significant work will be required by the business owner and managers to demonstrate their own changes of behaviour.

The challenge in business these days is that no one can know everything about everything – so when a business owner or manager inadvertently creates an environment where employees with knowledge choose not to share knowledge, business outcomes can only be negatively impacted.

HR Coach research from 2016 examined the different generations in the workplace and highlighted an extensive range of dissatisfiers that differed between generations. If business owners genuinely want to lift the frequency and quality of employee feedback they need to listen and respond more appropriately to their employees, while reducing the generational dissatisfiers. Employers and managers from low performing businesses need to implement appropriate self-development strategies to lead this change in behaviour to improve their performance on this measure.



Managing Employee Expectations of their Role

Managing employee expectations is significant as the generational research released last year identified similarities in satisfaction drivers, and differences in dissatisfaction drivers.

The challenge for all businesses is to understand that all employees have different expectations of their workplace. It is clear that high performing businesses understand these differences and then work to manage them.

Anecdotal stories from low performing businesses often assume that employees simply need to appreciate what they have, rather than be excessive in their expectations. In these businesses there is often a desire to return the playing field to 'how the game used to be played', because it was so much easier in the good old days!

Unfortunately, these concepts ignore the level of change, agility and nimbleness now required in the market to remain competitive and sustainable, combined with the low levels of loyalty often found in the workforce. Change, agility and nimbleness can only be delivered by employees who are working in the business, and if their expectations are being met, then their discretionary effort (effort beyond just doing what is asked of them) will really surface. Where employees' expectations are being met, the employees will demonstrate higher levels of loyalty, reflected in higher levels of employee retention, performance and alignment.

In all of these circumstances the gap between high and low performing businesses will only increase – as high performing businesses continue to align the 'people engine' of their business with their strategy. This 'people engine' provides additional discretionary effort while reducing turnover of employees, which would otherwise negatively impact business performance. Being effective in managing the employee expectations of their role is therefore critical for high performing businesses.

Individual accountability including employee productivity measures

In low performing organisations employees frequently have accountability imposed or demanded of them by managers or owners. By comparison, employees in high performing businesses take ownership of their roles and their tasks and hold themselves accountable for their results.

Low performing businesses have a parent/child relationship with their employees, reinforced by owners and/or managers who impose performance measures, targets and outcomes and then discipline employees when these results are not attained. Owners and managers in these businesses make employees accountable for their performance outcomes, while often overlooking the impediments that may negatively impact on an employee achieving the imposed performance outcomes. In this environment employees are clear that they work for the manager/employer. Employees do not own their results and they simply do what they are directed to do. Where setbacks of failure occur, employees in these businesses take no accountability for the outcomes and blame other people or processes for failure. When success occurs, the manager/owner takes full credit.

In high performing businesses, owners and managers work with their employees and secure mutual agreement/alignment on the performance outcomes that are desired, then work together to achieve these outcomes. In this environment employees see that they are working with the manager/owner. The employees set their own performance targets and self-manage to achieve them. Employees own their results and take action when setbacks occur, including taking full accountability for the outcomes. When failure occurs, the owner/manager attempts to take full accountability.

Assess How Your business is Performing

Take this quick review and measure how your business is performing.

While you want to be part of a high performing business, you also have to know where you are right now, so that you can identify any gaps.

Once you know where the gaps are, you can put strategies in place to close them.

Use a scale of 1 to 5 to rate your business on each question, where a 5 means your business is a role model for others, and a 1 means there is significant work still required.

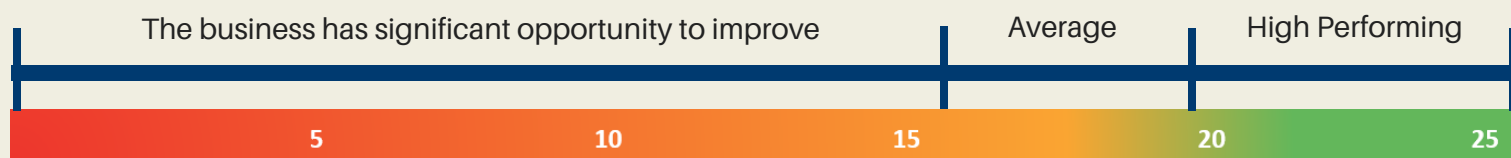
Consider this as a broad business review, and the aim is to flush out the good, the bad and the ugly.



High Performance Business Indicators

Rating
1-5

The management team works efficiently and effectively, demonstrating high levels of shared alignment on measures including: trust; effective conflict; commitment; accountability and results.	
All sections/departments in the business demonstrate similar and aligned culture drivers, ensuring an aligned and consistent approach within and external to the business.	
We have excellent employee feedback processes, ensuring that we know what everyone is thinking; there are no surprising comments or thought bubbles; everyone is supported and encouraged to have their say; we actively listen and ensure there is no disconnect between what people say and what they think or feel; and, people feel safe to contribute all of the time.	
Employees know that we understand their expectations of their role and we work together to match or exceed their expectations all of the time.	
Individuals own their role/job, are accountable for outcomes and propose and agree performance measures that make sense to them.	
TOTAL	



How to Become (or stay) a High Performing Business



This most recent research shows that there are 5 key anchoring measures that separate a high performing business from other businesses in the market. Here are the keys to become or stay a High Performing Business:

Business Imperative

Solutions that work

Management Team - Efficient and Effective	Work on making the management team work more effectively as a team. Consider programs like 5 Behaviours of a Cohesive Team to build alignment if the managers are performing well as individuals.
Consistent Culture throughout the Business	Measure your business culture across sites, and departments/teams and benchmark it to Australasian SME's. Culture improvement must be led by the business owner and managers.
Effective Employee Feedback	Assess the level of employee feedback/comfort to give feedback using an anonymous survey, preferably benchmarked to Australasian SME's.
Managing Employee Expectations of their Role	Assess employee satisfaction across the generations within your workplace. Refer to our previous research on Breaking the Generational Code to improve your management of employee expectations of their role.
Individual Accountability and Performance Measures	Ensure that employees are aligned with the business strategy and spend time supporting them so that they own their roles, and their performance outcomes.

STAR Workplace can measure this data for any business and benchmark the results to 700 Australasian businesses.



About HR Coach Australasia

HR Coach consists of an independent Member network delivering human resource and strategic alignment solutions to businesses.

HR Coach Australasia works with businesses to establish and maintain the link between People and Business Strategy to improve business profit and performance. The HR Coach Research Institute has researched the Australasian small-to medium business sector for the last 20 years. Network members use their patented tools and methodologies to deliver solutions for business that are practical, timely and effective every time.

About the HR Coach Research Institute

Since 2002, the HR Coach Research Institute has researched growth triggers and constraints on the business sector. Its primary focus is the connectivity between business strategy and employees. Key research outcomes have included:

- 2002 - Identification of key behaviour matrix for managers and employees
- 2003 - Innovation patent for measurement of organisational capability
- 2004 - Strategic Action Model
- 2008 - Business benchmark series for employer and employee engagement connectivity
- 2010 - HRF101 National Human Resource Framework for Business
- 2013 - Career Monitor Model for Retention
- 2014 - Succession Planning stages for external and internal planning
- 2017 - Performance Feedback Matrix