
Creating High Performance
by Aligning People's Behaviour
to the Business Strategy

Written by

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Introduction

We recently carried out a piece of work with a publicly quoted financial services organisation.

Together with the recently appointed HR Director, the Support Services Director established a brief to transform the performance of the Support Services organisation. The background was a history of under investment and an environment where staff expected to be directed and 'told' what to do. This was reflected in a poor performance track record particularly in the IT and Business Change areas.

The company could demonstrate a raft of project interventions with little in terms of business deliverables. It would also be fair to describe the senior management team he inherited as lacking leadership with staff morale at rock bottom. This was confirmed through a series of focus group workshops with a large sample of Head Office employees together with a Climate Survey which pointed to huge gaps in terms of leadership effectiveness. The overall objective for the company was to establish an environment of high performance which represented an alignment between the style and behaviour of the staff with the strategic objectives of the business.

To address this objective Glowinkowski International's Integrated Framework (shown in the appendices) was utilised. This positions the idea of Organisational Climate as a critical driver of business performance. Climate is defined as representing the atmosphere of the workplace and reflects how people feel about working in a particular group, team or overall organisation. In practical terms, people experiencing a positive Climate have a sense of clarity about what they are supposed to do and how they link to the overall direction of the organisation. They also feel challenged in their roles with the opportunity to use their skills to the full, together with a sense of autonomy in terms of being able to make decisions without always having to check with the boss. A positive Climate also means that employees experience a sense of excitement about change - they feel change

orientated. A positive climate shows that individuals feel a sense of link between effort and reward, and finally that people feel proud, engaged and committed to the overall direction.

Our research and consultancy experience has shown that Climate is a critical differentiator in terms of business performance. We have demonstrated two key factors. Firstly, that all things being equal Climate differentiates an outstanding from an average performing organisation. We can measurably demonstrate that the outstanding performing organisation, in terms of bottom-line deliverables, will be characterised by a superior level of Climate compared to the average performing organisation. The second factor, is that whatever the current state of the Climate, if the leadership team can improve it, then we will see a subsequent improvement in the performance of the organisation. Our research has shown that improvements in Organisational Climate can result in outcomes such as increased sales, growth, innovation, productivity, etc.

Climate drives performance because it motivates people to deliver discretionary contribution as opposed to the 'basic minimum' requirement. In this sense, 'tapping' the discretionary contribution will deliver behaviour change in the staff and therefore improve performance. This represents an alignment of people's behaviour with the strategy of the business.

The Climate framework can be used as a way of measuring and operationalising the effectiveness of a change intervention. The idea is that if we can measure the Climate and position it at a point in time, then we can address the 'change levers' of Climate which include Behaviour, Process and Organisational Structure. These 'change levers' represent leadership and become the critical themes that are needed to improve the Climate. This, in turn, will drive performance. It was this approach and thinking that was utilised within the Support Services group.



The Intervention

The starting point for the intervention was to conduct an initial measurement process at the end of 2007. This involved running Focus Group workshops with a large number of head office staff. This provided the opportunity to collect views and perspectives about the organisation effectiveness. Workshop participants also completed a Climate survey.

The results from the survey confirmed the comments made in the introduction. There were significant issues in terms of lack of direction, low levels of morale, ineffective team working, an absence of performance management and the perception of a largely dictatorial leadership style. The Climate benchmarked assessment from 2007, is shown in Figure 1 and provides a profile against each of the six Climate dimensions of Clarity, Challenge, Change Orientation, Autonomy, Recognition and Involvement (a detailed explanation of these dimensions is provided in the appendices).

The Climate profile represents a normative measure. What this means is that a high score, say in the top quartile, would be considered positive and better than 75% of the international database to which it is compared. Scores in the second, third and fourth quartile represent significant Climate issues, which we know underpin poor levels of organisational performance. At a general level we know that high Climate correlates with high performance.

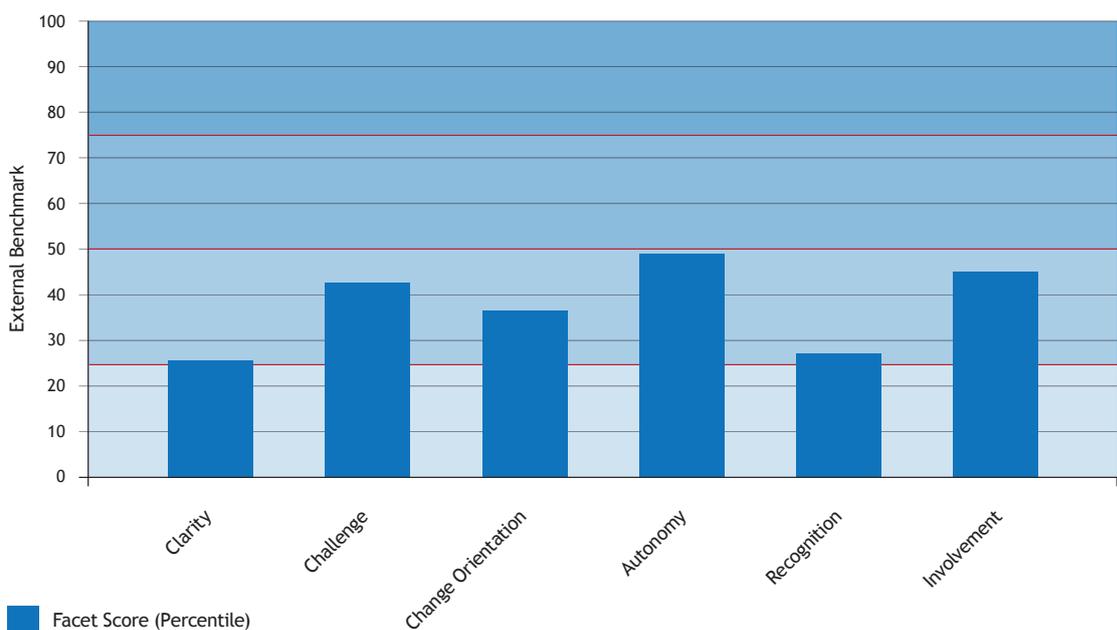
From Figure 1 we can see that the majority of scores fall well within the third quartile. Clarity, in particular, is towards the bottom end of that quartile. The overall conclusion is that the

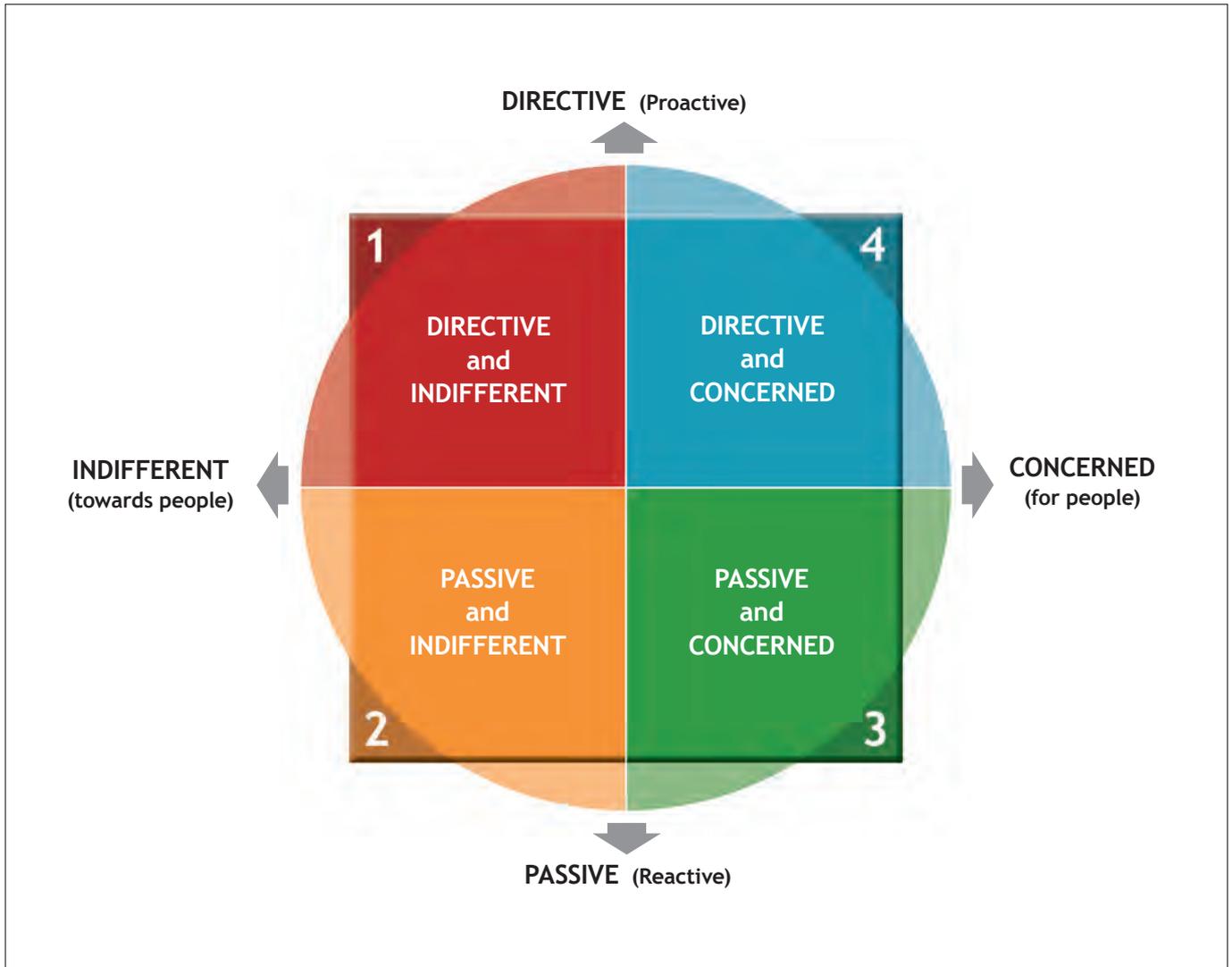
Climate data, in terms of this group of employees, is at best marginally moderate and at worst down right weak. This data, together with a raft of qualitative information drawn from the focus group workshops were fed-back to the senior management team in the first quarter of 2008. This provided the basis for the team to develop a clear change agenda and direction which needed to be addressed over the coming months. The workshop was the beginning of a Leadership Development process for the senior team itself.

During the course of 2008, particular attention needed to be focussed on behaviour, structure and a number of HR processes. A key part of that change agenda was facilitated through a leadership skills development programme branded 'Engagement through Leadership Skills' (ETLS). The critical objective was to change the leadership behaviour in order to improve the Climate and thus 'tap' the discretionary contribution of the staff. If this could be achieved then the company would leverage alignment between people's behaviour and business strategy and thus deliver performance.

The senior management population of the company then undertook the leadership skills development programme with a key focus on developing a particular style of behaviour identified as lacking in the Focus Group process. The model used is shown on the next page and combines two simple behavioural dimensions.

Fig. 1 - Organisation Climate - Head Office





The first dimension (i.e. the horizontal axis) represents behaviour which is either Indifferent or Concerned about others. The vertical dimension relates to behaviour which is either Directional or Passive. The two dimensions combined produce a two by two matrix with four quadrants or behavioural styles.

The top left hand quadrant is behaviour which is both Indifferent and Directive and can be translated as behaviour which is coercive and dictatorial. Moving anticlockwise, quadrant two shows behaviour as both Indifferent and Passive, this style would be seen as secretive or non-engaging. Quadrant three is the combination of Passive and Concerned behaviour. This is described as an accommodating and affiliative style. The approach for excellent leadership is reflected in the fourth quadrant and is a combination of Directive and Concerned behaviour. This represents the behavioural style most likely to provide a focussed added value leadership. It is labelled 'Blue Four Behaviour'.

The aim of the leadership training was to help leaders develop more skill in the context of Blue Four behaviour. The basic assumption is that enhanced Blue Four will cause the Climate to improve by enhancing the effectiveness of the three 'change levers'.

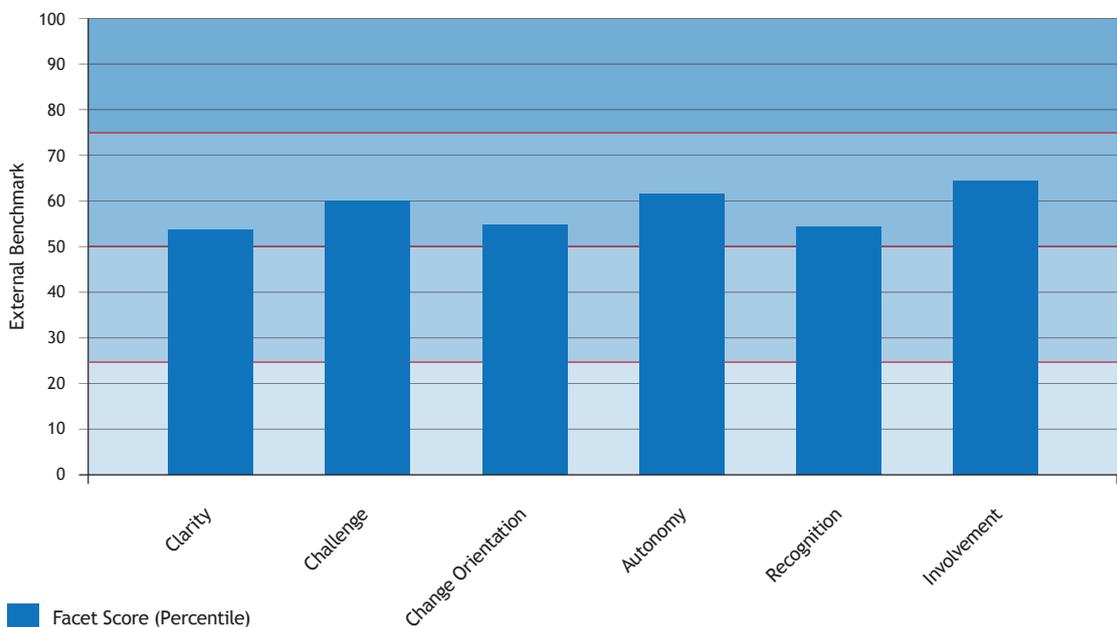
The approach of the training was practical at two levels. Firstly, management had the opportunity to practise and 'model' this behavioural approach in a way which built and enhanced their 'blue skills behaviour'. Secondly, there was direct application to the managers' 'real life' leadership role. The managers worked on case studies and scenarios from their day to day activities which translated the behavioural learning back to the workplace where they were remodelling their behaviour in order to achieve specific task and strategic objectives. To support the process managers utilised behavioural measurement both before and after the workshop training.

The training was conducted during the summer of 2008 with the senior management population of the Support Services group.

The follow-up Focus Group Workshops and Climate re-survey was conducted during December 2008. The feedback clearly demonstrated that the ETLSTM training had had a substantial impact on how the senior management were perceived by staff. In addition the structural changes together with the HR process improvements were also seen favourably. It is important to recognise that these favourable impressions would in themselves have been enhanced by the improved level of leadership behaviour. In this context the change levers represent an integrated leadership dynamic where structure, behaviour and process interlink with each other.

The impact of these behaviour changes can be seen most dramatically in the Climate profile for 2008 shown in figure 2. This shows improvements for each of the Climate dimensions from bottom/mid 3rd quartile to bottom/mid 2nd quartile. In the context of the Integrated Framework the Leadership behaviours are enhanced which has driven Climate upwards. The critical question is whether this has actually 'tapped' the discretionary contribution and resulted in performance improvements.

Fig. 2 - Organisation Climate - Head Office 2008



Performance Outcomes

From the perspective of the 2008 Focus Group Workshops there is no doubt that the Head Office staff describe a 'higher performing' organisation compared to 2007 and before. The general theme of the feedback was that while 'it's a journey' and there is still progress to be made, there is a considerably better Leadership environment which enables them to get on with their jobs.

Actual evidence of performance improvement, as measured by the company include:

- Gross collections up by 27%, net 17% after cost (Debt Recovery)
- Rollout of new field account management system 3 months early (Business Change)
- Rollout of new commissions system 3 months early (Business Change)
- Provided a stable platform that enabled the roll out of the new accounting system (IT)
- Re-organised the IT support function (IT)
- In rolling out the new accounting system, handled a 30% rise in Help Desk calls with improvements to the 2007 service standards (IT)
- Designed and implemented a broker interface system, described by one broker as the best in the industry (IT)
- Total calls up from 1.6 to 1.8 million (Contact Centre)
- Massive increase in new leads (Contact Centre)
- Built/developed outbound function i.e. from 7 to 20 people (Contact Centre)
- 37 branch premises improvements in 2008 compared to 15 in 2007 (Property)
- Expanded Call Centre operation into two head office floors
- Document imaging completed week 50 and are now processing week 51 (the most recent week received in Head Office as at 5th January, 2009) - this is the first time (in the 10 years of monitoring) the department have achieved no slippage during the run up to Christmas (Facilities)
- The number of Court letters managed (folded, inserted and franked) during 2008 was 1.3 million representing 100% increase over the same period 2007 (Facilities)
- The department opened/processed 189k lead coupons and the department did not fail to hit the service level of delivering the coupons into the Contact Centre by 9.00am in the last six months (Facilities)

This, together with the qualitative data from the Focus Groups, clearly shows a substantial uplift in bottom line performance delivery. We argue that the uplift has occurred because the improved Climate created the delivery of discretionary contribution - i.e. staff behaviour and strategy is more aligned. The Climate improvement occurred because of the improvement in the effectiveness of Leadership Behaviour. In this context we have seen a fundamental shift in behaviour at the level of both employee and manager.

Summary and Conclusions

The intervention as a whole set out to raise the leadership behaviours in order to improve the Climate within the Support Services group of the company. The key assumption was that if you raise the leadership game you'll improve the Climate which in turn will set the environment for enhanced performance. The evidence clearly shows that this has indeed occurred with a raft of performance improvements that takes the Support Services group into a different space than it occupied in 2007 and before.

This, of course, is an ongoing process and it is worth making the point that we have also observed a significant relationship between the Blue Four behaviours as measured in 2008 and their own respective Climate scores in terms of specific department/work group areas. We virtually see a one-to-

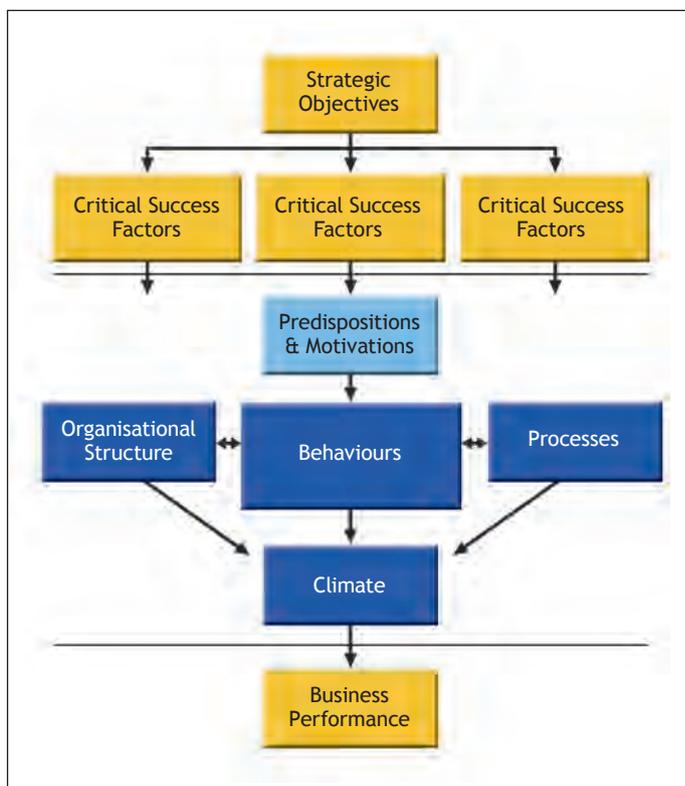
one correlation in that the manager who scored the most effective level of Blue Four, also revealed the most effective Climate with the poorest Climate being underpinned by the lowest score in terms of Blue Four.

The obvious recommendation is that the company extend the ETLS work within the Support Services group and indeed, take it further into the broader organisation. The essential prize for this is maintaining and improving the Organisational Climate which will result in higher levels of business performance. Put simply it's the way you will 'tap' the discretionary contribution and thus achieve an alignment between the behaviour of staff and the strategy of the business. This will establish a sustainable change in terms of this fundamental behavioural shift.



Appendix

Glowinkowski Integrated Framework



Summary Table of Climate Framework

DIMENSIONS	SUB-SCALES	ESSENCE STATEMENT
CLARITY	<ul style="list-style-type: none"> • Long-term direction • Integration • Co-ordination 	<ul style="list-style-type: none"> • Well established long term direction • People's/Groups activities are well integrated • Making progress toward long term direction
CHALLENGE	<ul style="list-style-type: none"> • Innovation • Achievement 	<ul style="list-style-type: none"> • Encouraged to try new approaches • Stretched with goals that are challenging/realistic
CHANGE ORIENTATION	<ul style="list-style-type: none"> • Motivation • Adaptability • Flexibility 	<ul style="list-style-type: none"> • Take action before being directed • Minimum of unnecessary procedures • A readiness/enthusiasm for change
AUTONOMY	<ul style="list-style-type: none"> • Independence • Accountability • Effort 	<ul style="list-style-type: none"> • Does not always have to check/ask permission • A feeling that the individual can make a difference • Prepared to work beyond job remit
RECOGNITION	<ul style="list-style-type: none"> • Reward • Feedback • Value & Appreciation 	<ul style="list-style-type: none"> • Differential relation between reward and performance • Receiving effective feedback • Feeling of being valued and appreciated
INVOLVEMENT	<ul style="list-style-type: none"> • Commitment • Trust • Synergy 	<ul style="list-style-type: none"> • Committed to the teams long-term direction • Proud to be part of the team • Whole is greater than the sum of parts

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