



WHITE PAPER

HIGH IMPACT HIGH PERFORMANCE

NSC High Performance Operating Model™

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Introduction

Significant improvement in organisational performance achieved through high impact organisational change can be positively transformational. High performance is not any one thing, and it is not easy to accomplish. It requires a series of habitual actions to be implemented in a disciplined manner that produces high impact, and focused impacts that can drive major organisational transformation. However, not all organisations seeking high impact transformation achieve the same results. In recent years, substantial applied research has identified the gap between high-performing (HPO) and low-performing organisations to be considerable and long-lasting¹.

In one of Australia's most comprehensive applied research initiatives, Insync Surveys studied the differences between high performing and low performing companies using survey data from more than 100,000 employees from 200 companies. Although the article published by Insync Surveys (*The 7 habits of high performance organisations*) identifies seven specific behaviours, it is the term "*habit*" which Insync Surveys uses to define the behaviours which is of crucial importance.

To be genuinely considered as habits, behaviours must be so deeply engrained into the culture and DNA of the organisation that they become its way of life. The 7 habits cannot simply be initiatives that are piloted or adopted for a season (Insync Surveys, 2013).

Jason Wolf (2008) made mention of the phenomenon Insync Surveys identified above as the *performance paradox*. He explains this term to mean the good or right things that we know we should be doing are often not easy to accomplish.

This whitepaper explores the NSC High Performance Operating Model™, which is our methodology for achieving high performance. Its success requires discipline, but the good news is that the habitual actions require little investment—just a change of mindset and action.



A Series of Habitual Actions

The NSC High Performance Operating Model™ consists of five components that create a high performance environment :

1. An agile organisational structure,
2. High performance culture,
3. Enterprise Leadership,
4. Psychological safe working environment, and
5. High collaboration and open communication.

The impact of the operating model is to drive down decision-making to where the work is being done, increase employee engagement, increase the quantity and effectiveness of innovation, and cultivate customer-centrism, which have been found to correlate to and create a high performing organisation.¹

Central to the NSC High Performance Operating Model™, the principles of Enterprise Leadership establish the core of leadership behaviours which nurture and enhance high performance.

Enterprise Leadership Principles

Vision

1. Enterprise-wide Thinking



In everything a leader does, and particularly when making decisions, a leader must maintain an enterprise-wide mindset. That is, ensuring decisions and actions are taken from the perspective of what is favourable for the whole business. Enterprise leaders discourage silo-building behaviours, always fostering collaboration, communication, and cooperation across the organisation.

2. Live an Inspired Vision



Leaders must live an inspired vision. It is leaders' responsibility to know the Vision, and communicate it broadly throughout the organisation, in a manner that is inspiring and inclusive to employees. Additionally, a leader is expected to know the strategic intentions which make up the Strategic Plan, communicate the strategic directions broadly throughout the enterprise, encouraging employees to understand the value they add to the corporation through their work and how their work contributes to the achievement of the strategic directions.

Trust

3. Authentic, People-centred Leader



Leaders are expected to be Authentic, People-centred Leaders who truly care about, and develop their people. Authentic, People-centred Leaders are inspirational role models who encourage their people to actively and emotionally engage with the organisation. They promote teamwork, personal responsibility, learning and growth, achievement, and commitment to the corporation. Authentic, People-centred Leaders are committed to the Enterprise Leadership practices of enterprise-wide thinking; network leadership; actively encouraging enterprise-wide collaboration, cooperation, and communication; and the pursuit of high performance.

4. Resonant with others



Resonant leaders are emotionally intelligent leaders who are in touch with those around them, interpersonally connected in thought and emotion. Acting with emotional clarity, emotionally intelligent leaders understand and regulate their emotions to build strong, authentic relationships based on trust. Resonant leaders understand that all behaviours happens for a reason and they always respond to it in a validating manner. They have genuine empathy for their people. Resonant leaders inspire commitment and followership through deep concern for their people.

Performance

5. Psychological Safety



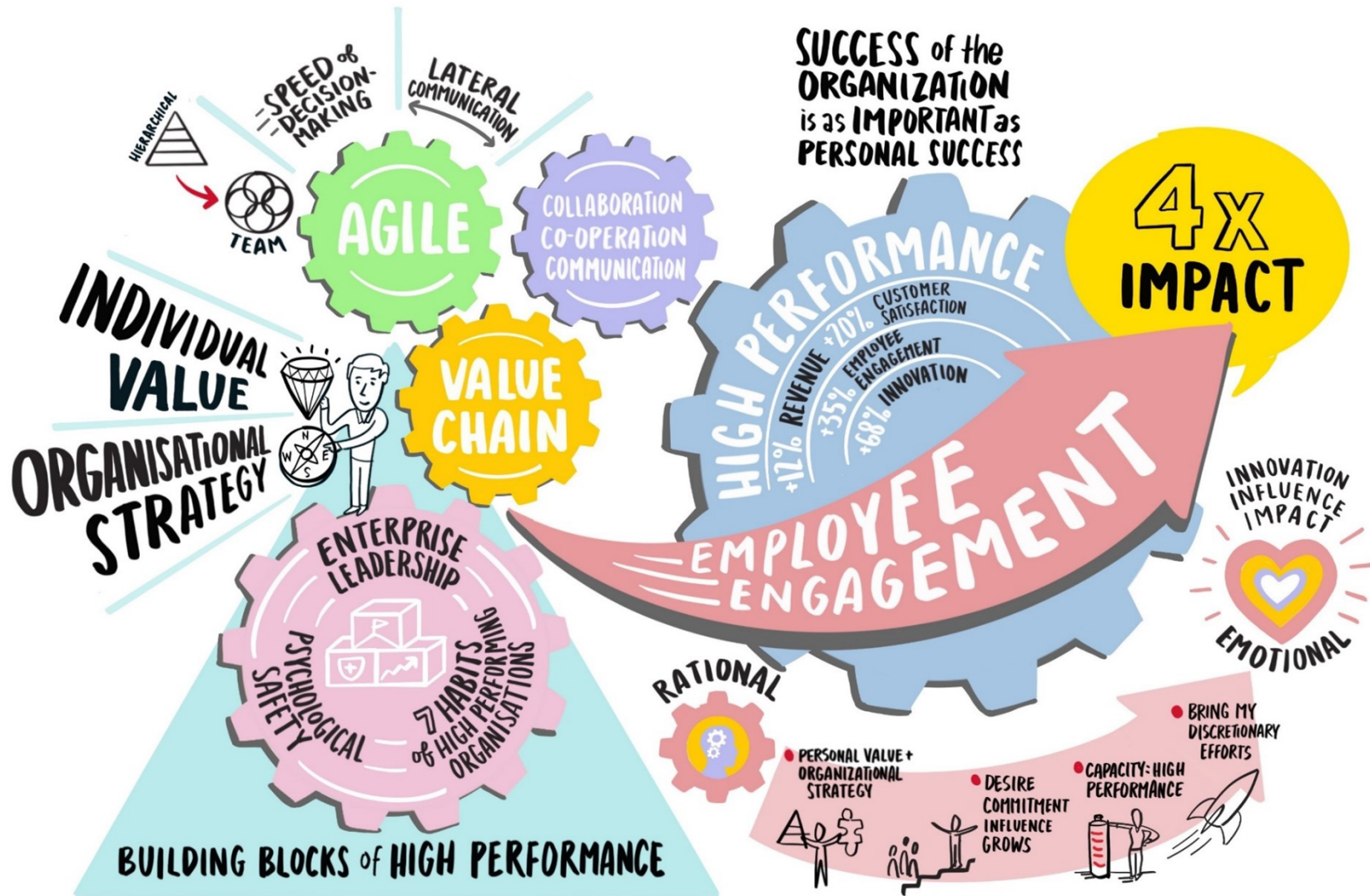
Leaders are responsible for establishing and maintaining Psychological Safety within the workforce. Psychological Safety means employees are prepared to take interpersonal risks by openly admitting, discussing the implications of, and seeking solutions to honest, work mistakes. Psychological Safety enhances inclusiveness, learning, innovation, problem solving, and teamwork. All leaders are to prize and encourage Psychological Safety.

6. Customer-centrism



Customer-centrism is the encouragement of employees to continuously focus on the improvement of customer service to ensure the customer experience of the enterprise is always high quality. Leaders encourage employees to focus on the external and internal customers by actively listening to the customer and adapting to their needs; gathering data for improved service; and continual improvement of customer service practices. Leaders are expected to be customer-centric and act as customer experience champions.

High Performance Model



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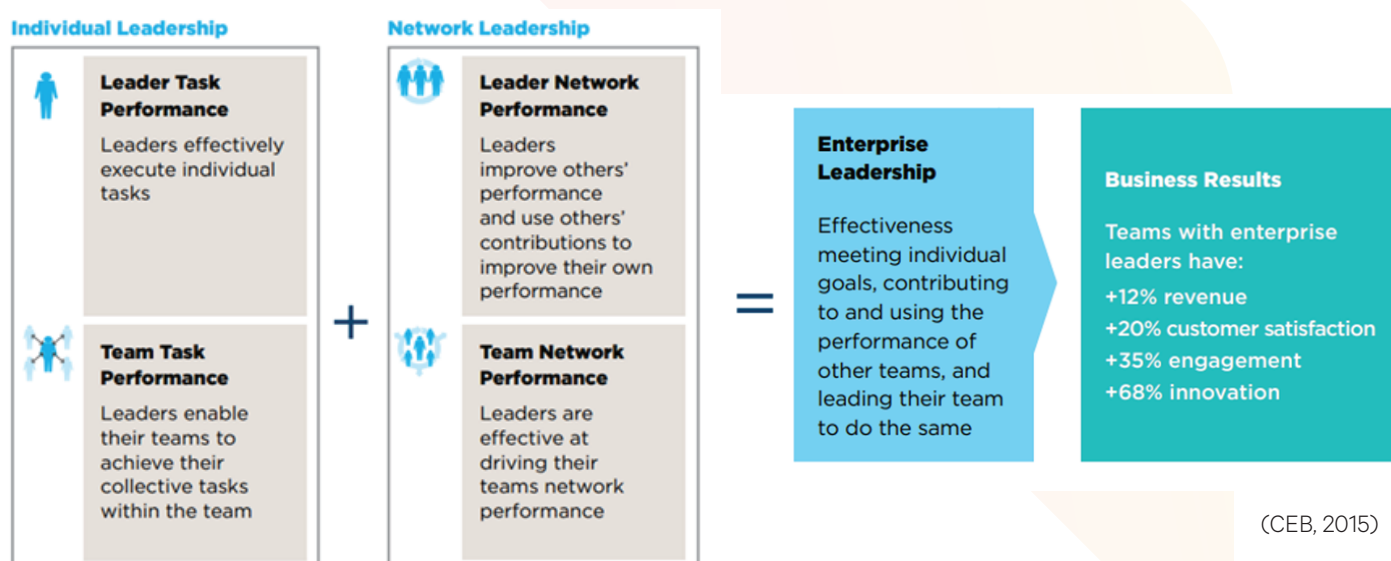
Psychological safety is often overlooked as a minor player in high performance systems. However, it is a critical element in creating an environment in which high performance can thrive. Indeed, psychological safety will commence the organisation on the pathway to high performance because it has symbiotic benefits. Gartner (2019) identified that psychological safety is the shared belief that members of a team feel comfortable taking interpersonal risks, and the benefits of taking those risks include :

- Fostering mistake-sharing in a no-blame environment (similar to a no-blame safety culture),
- Promotes learning, innovation, and teamwork,
- Encourages employee authenticity, which leads to more effective working relationships, and
- Drives business outcomes.

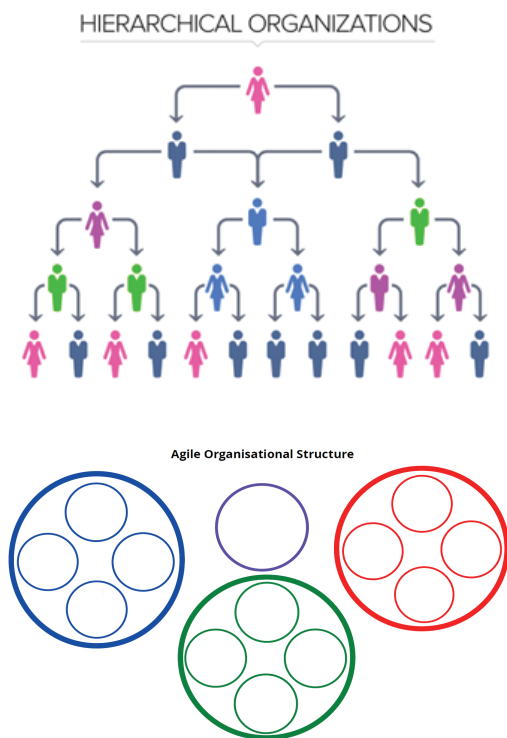
As high levels of collaboration and open communication develop through psychological safety, Enterprise Leadership enhances collaboration and communication by giving it a legitimate purpose in the organisation.

Most leaders primarily contribute to their organisation by focusing on their individual goals and business unit. The focus here is on the individual leader achieving their objectives and helping their teams do the same. This is the traditional vertical leadership model, and it typically produces poor results for the enterprise. Enabling a business unit focus above the enterprise need is destructive to the strategic organisational cooperation, collegiality, and accountability. Additionally, in this this situation, the enterprise becomes a loose collection of fiefdoms in which war may break out at any time. This form of approach has often been referred to as the silo leadership approach.

Enterprise Leadership makes use of traditional, individual leadership skills in combination with network leadership skills. These additional network leadership skills require leaders at every level in the organisation to be focused on the broader network of leaders and teams to ensure the success of the organisational-wide outcomes. The leaders are required to adopt enterprise-wide thinking. A process that ensures the success of all leaders' teams and business units.



At Nicholson Sheehan Consulting, we consider that organisational structures are significantly more than lines and boxes. They establish the rules and methods of how things get done in the organisation. As opposed to the negative and restrictive messages employees receive from hierarchical structures, agile organisational structures give entirely different messages about collaboration, cooperation, and communication, particularly when combined with Enterprise Leadership.



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The NSC Multi-faceted High Performance Culture Model™ portrays the interaction between the critical, central driver and core principles of a high performance culture and the enablers of the culture. Additionally, it identifies the evidence that a high performance culture is acting on the organisation.



The guiding force is the vision, values, mission, and strategy of the organisation. It can be referred to as the corporate DNA. It is a cause more significant than any individual or group, an all-prevailing cause that guides the workplace microcultures and the actions of all employees



Core Principles are a reliable formula to create a distinctive high performance culture. Core principles guide senior leadership to keep focused on what matters.



Enablers of high performance are organisational and individual behaviours that drive employee engagement, innovation, and accountability, raising individual, team, and organisational performance.

Measurement is critical

A series of regular, internal and external measures of the high performance environment is critical to determine the existence of high performance and sustain it accurately. It is equally important that the metrics are essential, reliable measures of high performance. This is not evident by face value or experience. Evidence-based best practice is necessary to determine the appropriate metrics which are truly measuring high performance.

Having established a set of valid and reliable metrics which also meet the needs of the client organisation, NSC establish baseline data before undertaking significant changes to the organisation. This is an important step as it is critical to take a snapshot of organisational performance which can be referred to once high impact organisational change is being implemented and positive transformation is occurring.

Ongoing, regular assessments of the performance environment, internally and externally are necessary to sustain the early gains in performance improvement. Additionally, organisations make continuous, incremental changes to operating models, policies, and processes. Regular evaluations of the high performance metrics will provide an assessment of the influence of the incremental changes as well.

Case Study

A case study of the implementation of the NSC High Performance Operating Model™ is an Asia-Pacific hotel company. When we commenced work with the hotel company, it was struggling to gain consistency of performance throughout the group. Each hotel operated largely independently in a loose structure which laboured to compete with the market, had difficulty in attracting top talent, and failed to effectively engage its people or guests.

The hotel company chose to take a creative approach to the problem. Gain the engagement of the staff in a high performance environment which aimed to gather the buy-in of employees, drive revenue, reduce variable costs, and to inspire guest loyalty. The NSC High Performance Operating Model™ was the centrepiece of an organisational culture development strategy which enabled the company to envisage the attributes of high performance which was supported by a system of learning, staff buy-in and consultation, organisational performance and reporting, and employee recognition and reward program. The implementation of the performance system encouraged and supported employee buy-in to improve the company's financial and service performance, as well as generating innovation and problem solving.

In the absence of new sales and marketing initiatives, the organisational high performance program delivered improved revenue, reduced variable costs, and improved guest loyalty metrics.

The company measured employee engagement and the high performance environment six monthly utilising a purpose-built survey which when compared with financial performance indicators demonstrated that 10 percentage point improvement in employee engagement realised 6 percent improvement in revenue and 2.5 percent improvement in EBIT (gross profit). Most of the hotels realised 30 percentage point increases in employee engagement.

The case study demonstrates that high performance is generated in a complex system of symbiotic changes. It also highlights the need for a continuous flow of corporate cultural and operational data. Organisational high performance improvement does not happen in isolation to the rest of the enterprise. Finally, it is about discipline. The hotel company success did not happen in two or three months, it was a systematic continuous process over 18 months to 2 years.

Conclusion

Achievement of high performance evades most organisations due to a lack of discipline, valid methodologies and metrics. Confusingly, high performance is not any one thing, and consequently grasping the essence of organisational performance and manipulating it for gain is difficult.

However, in recent years, significant applied research has become available to guide those who are capable of interpreting the findings into on-the-ground solutions. For enterprises willing to invest in the journey of high performance, significant organisational improvement can be achieved through high impact organisational transformation. Furthermore, the investment in the high performance journey is recouped more than 10 fold through reduced costs, increases in innovation, improvements in customer experience and improved profit.

Nicholson Sheehan Consulting

We are management consultants specialising in high performance organisational systems, strategic branding and marketing, research and analytics, and business planning and advice. We have advanced skills in enterprise leadership and agility, disruption, change management, mergers and acquisitions, work health & safety, organisational reviews, remuneration, and human capital management consulting.

Our consulting experience includes working with a range of industries including Local, State and Federal Government; Finance & Banking; Health (private & public); Aviation & Airlines; Community Care enterprises; Mining & Resources; and Hospitality. We have worked with significant organisations in Australia, Asia, the Pacific, Middle East, and Europe to create better outcomes.

NSC offices are located in Brisbane, Sydney, and Darwin Australia. Our directors are available for no obligation discussions to determine how we may assist your organisation.

Book an appointment +61 1300 870 276
www.nscgroup.au



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