



Articles & Commentaries



p-Watch — Australia



by Richard Barton, former Managing Director of Business Improvement Advisory Services. Previously he was the Business Process and Quality Management Executive for IBM in Australia & New Zealand. He was also General Manager with the Australian Quality Council. He has had a long and close association with the APO. Mr. Barton writes this column regularly for the *APO News*.

Recently I was enjoying a few days vacation on the Sunshine Coast in south Queensland, Australia. An ideal location to reflect on the world we live in and what it is that drives productivity improvement.

Some commentators and observers would lead us to believe productivity improvement is easy. However, after some 17 years experience in senior and executive management positions it is clear that enabling organizations become more productive is a serious challenge for contemporary management.

Initially there is the recognition of the need to change. In a global economy or a competitive national economy, change is constant if you want to be or remain competitive. Then there is the want or desire to change. This is more intrinsic, a motivated drive for improved productivity and performance. And there is the know how. What does a person as a leader or part of a management team need to know to effect improvement and how does he go about it.

From many past studies there appear to be seven main characteristics of high performing organizations. I will present an overview of these characteristics in this issue. In future issues I will explore each of these elements in more detail.

It is not surprising to find a strong correlation between various National Quality Award criteria, Business Excellence frameworks and these seven distinctive attributes. What makes the characteristics of high performing organizations different from the awards criteria is that they should exist as the scope for action in enterprises which drive productivity improvement. Awards criteria can be used to measure the progress and performance of these same organizations.

Deming said "Workers work in the system, managers work on the system." It is only management therefore who can change the system. The Deming PDCA cycle is a proven model. The accountability and responsibility for productivity improvement therefore lies with the senior management of the organization, cascading through the organization in a series of closed loops and concluding the cycle again at the top.

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organization in a series of closed loops and concluding the cycle again at the top."

So what are the key characteristics of high performing organizations? They are:

1. Evidence of a sense of shared vision

It starts at the leadership level and is cascaded throughout the organization, understood and shared by all. The vision, which some refer to as mission, should be connected to the products and services of the organization, so everyone understands how the vision/mission is fulfilled. A properly articulated vision signals to everyone where the organization wants to be in a given time frame.

2. Development and implementation of a strong and unswerving strategy which turns vision into reality

These days this requires more frequent planning cycles so that the workforce is connected to the vision in practical terms. Take care not to confuse the difference in meaning between strategy and plans.

3. Setting clear and challenging goals for all

Most people respond well to challenging and meaningful goals. These need to be set annually and reviewed quarterly with teams and individuals. The workforce wants to perform well; it's the management system that can inhibit their performance.

4. Establishment of team-based working

There is no doubt that team based workplaces are effective because teamwork builds trust. Linked to appropriate customer expectations, teamwork will galvanize the workforce into action and prioritize objectives.

5. Effective Measurement of Performance

Clear, simple and meaningful measurements of performance and processes should go beyond the traditional top and bottom line financial business performance measurements. Appropriate measurement, reward and recognition systems will drive desired behavior.

6. A culture of commitment and performance

This is a challenge in dynamic organizations particularly when employment is often simultaneously dynamic or volatile.

7. A clear communication strategy

Easy access to current information and data is vital in bringing the workforce along on the journey. Messages need to be simple, concise and easy to access.

Along with the seven characteristics there are these essential practices which should be present to progress organizational productivity improvement:

- ▶ a committed, involved and harmonious executive leadership team
- ▶ an investment in learning skills and staff development
- ▶ recognition and diligent understanding of customer requirements
- ▶ activity-based management through empowered workplace teams
- ▶ continuous improvement
- ▶ regular performance reviews, including 360 degree staff appraisals

- ▶ investments which make a significant contribution to the bottom line
- ▶ a plan to become a learning organization through the capture, storage and distribution of intelligent insights as they occur, for later easy access
- ▶ encouragement of continuous experimentation, rather than the search for the final best solution
- ▶ respect for innovation and improvisation
- ▶ cultivation of change through data-based and business case decision-making
- ▶ encouragement of a positive attitude to change
- ▶ judicious outsourcing of all non-core business or key competency areas

How do you think your enterprise will rate against these seven characteristics? Why not do a self-assessment to find out? What about compiling a checklist for the Top Management Team (or a staff meeting if you are an SME) and get their feedback. Will their assessment be the same as yours?

As another practical suggestion, carry out a SWOT Analysis on your Strengths, Weaknesses, Opportunities and Threats. Consider doing this in two phases-the long term view (2-3 years vision) and the immediate future (one year operating plan) -- with the senior management team or the whole organization, depending on the size of your operation. See what you discover about the business environment or landscape in which you are operating.

High performing organizations are already employing these methodologies and many other quality management tools to improve productivity and sustain performance.

If you would like to get in touch with Mr. Richard Barton to offer any opinions or comments on this article, he could be reached at e-mail: rmbarton@bigpond.com. Alternatively, if you would like us to consider publishing your comments, please write to:

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