



November 2008

HPC: SACHRA

exxaro

POWERING POSSIBILITY

High Performance Organisations – What do you see?

1



High Performance Organisation Defined

There has been much written on what exactly constitutes a "high performance organization." Our definition, is a simple one.

A high performance organization is:

1. An agile organization where *process, people and technology* are in full alignment, and where
2. The *greater good of all parties*, whether they be investors, executives, management or line workers, *is well served*.
3. A high-performance business *improves faster than its competition* and *sustains that rate*.



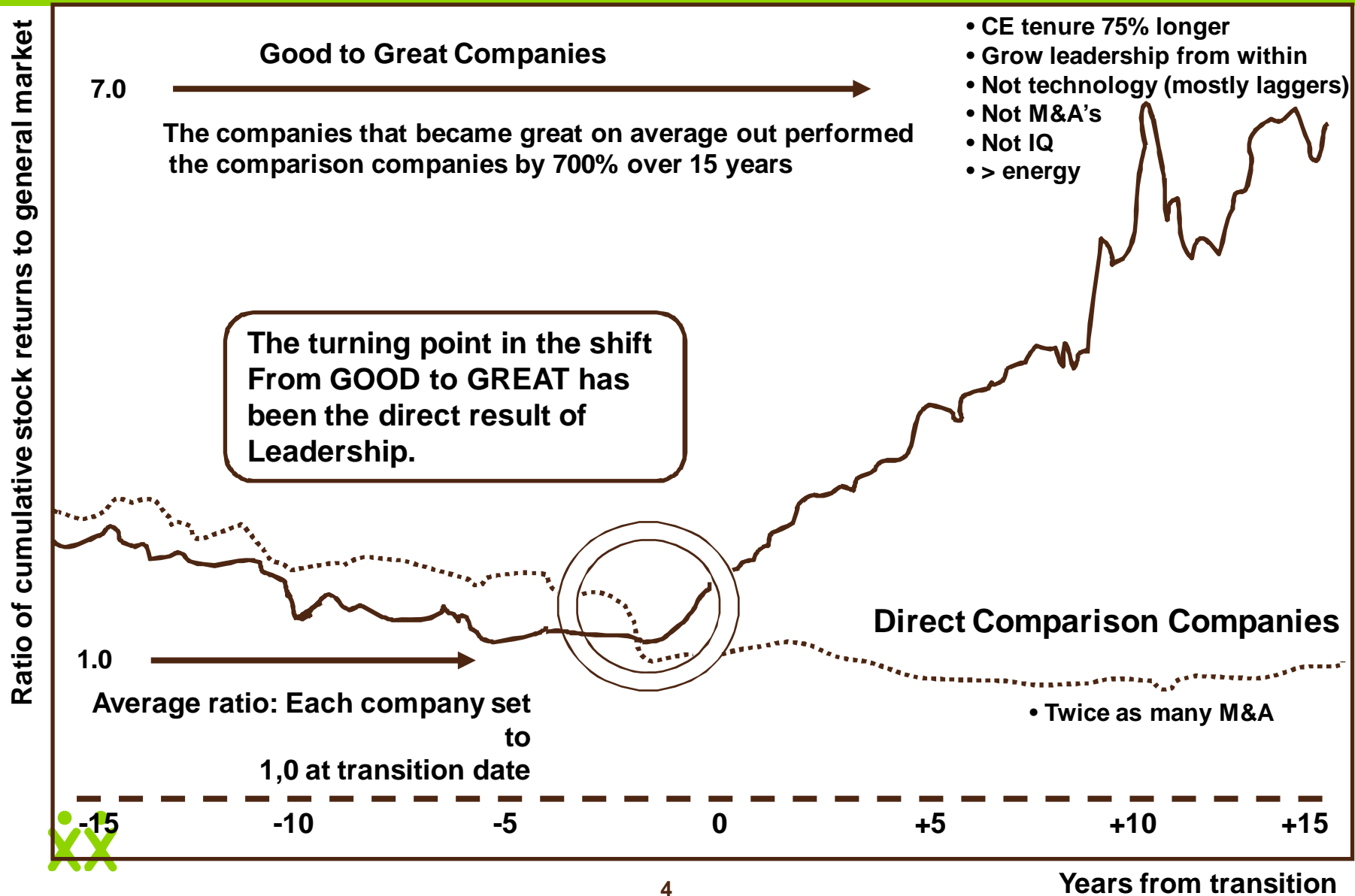
High Performance Organisation Defined (continued)

1. In high performing organizations *Customers, People and Process come first*.
Technology systems support them.
2. *Disciplined financial management* and *employee communications* and regular *performance measurement* nurture them.
3. A high-performance organization is a *learning organization*.
4. *People (i.e. employees) feel engaged and empowered*, enjoy the benefits of company-wide communication and training on core competencies, values, mission and vision.
5. Perhaps most important, *employees have a high knowledge of important measurements of performance and performance goals* (i.e. business and financial results, quality, customer satisfaction) and can modify their own work processes to enhance their own performance.



Impact Of High Performance Leadership

- Jim Collins, Good to Great

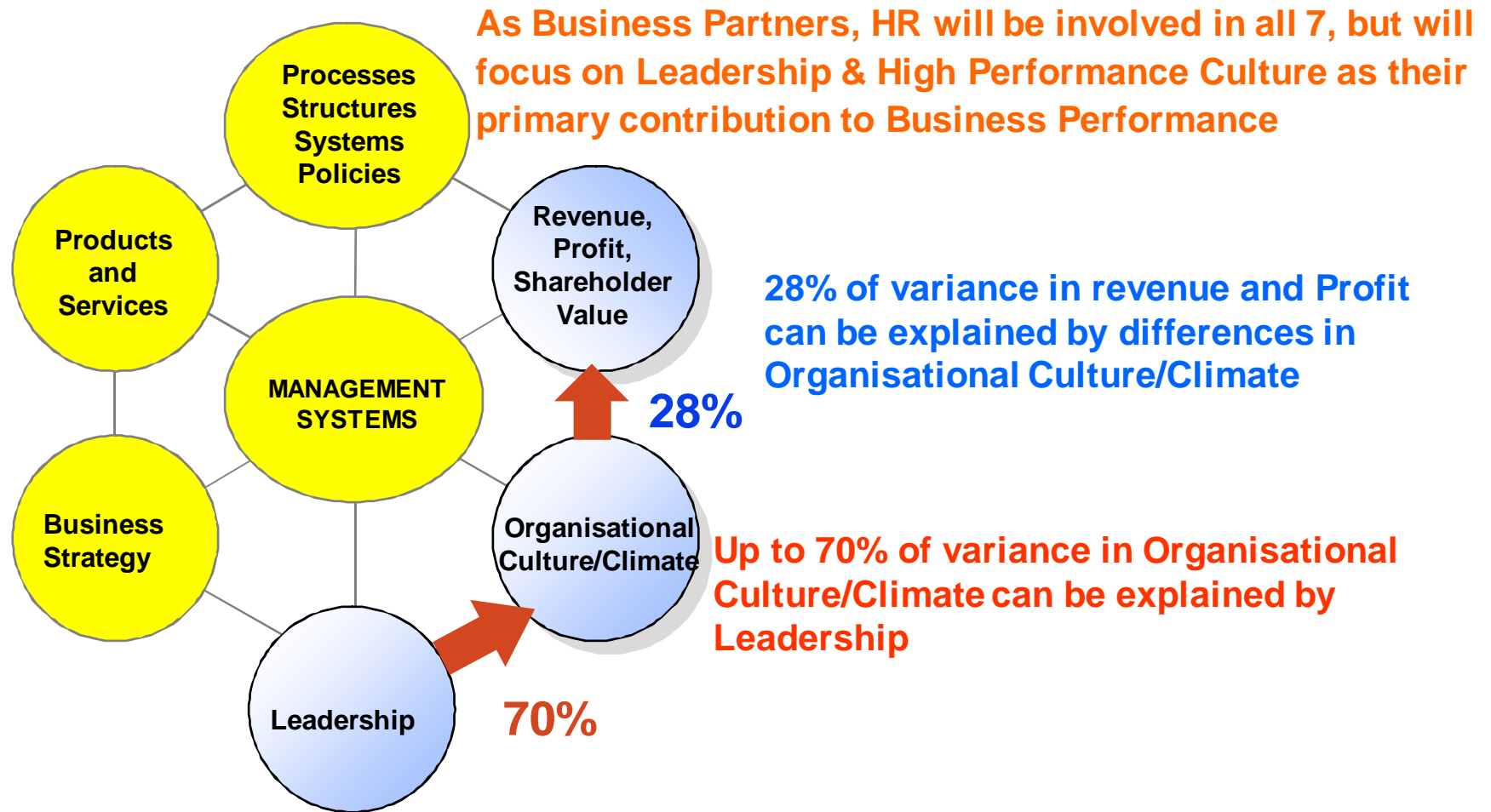


Remember.....

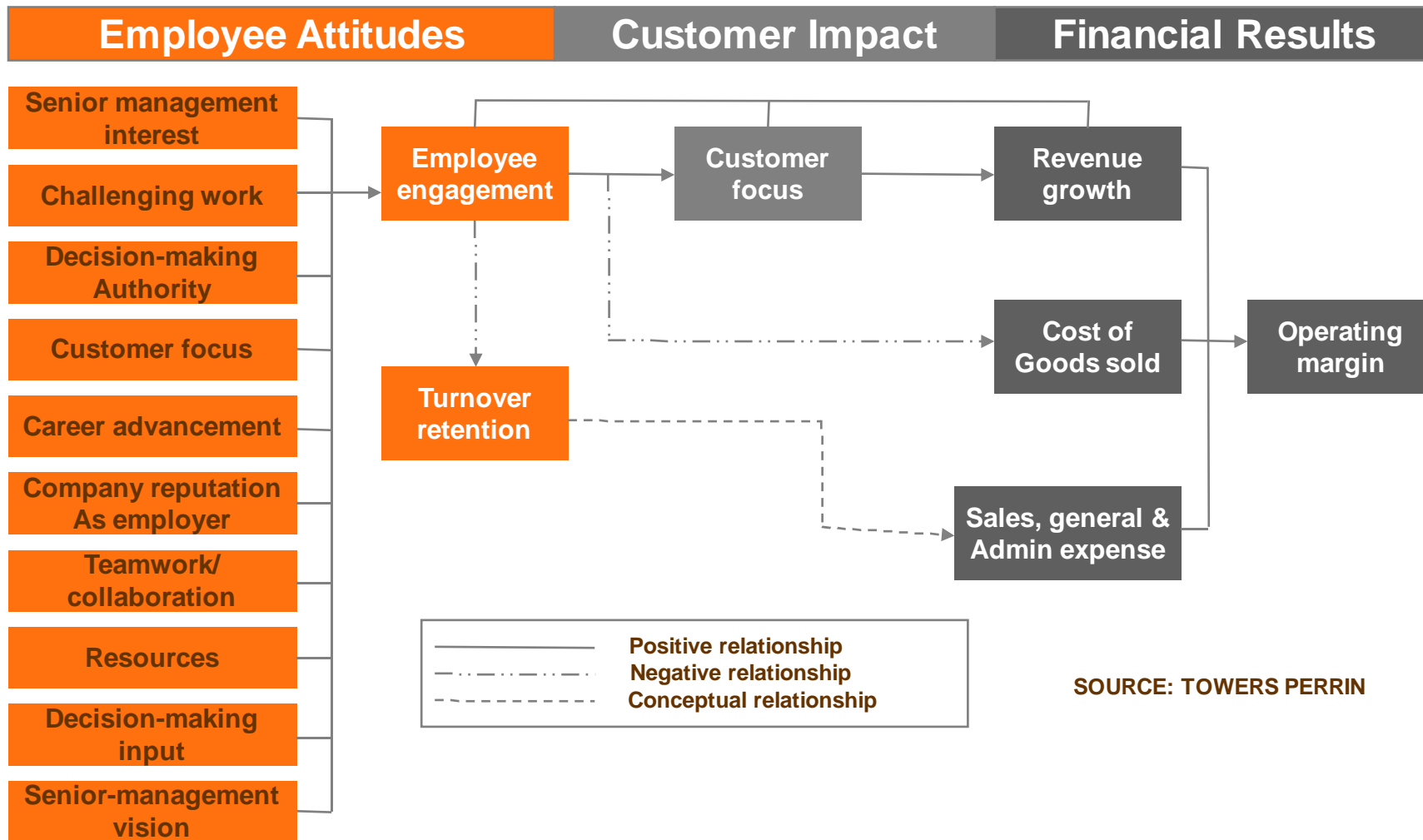
- **You cannot cut your way to Greatness...**
- **You cannot buy your way to Greatness...**
- **Learning & Creating a HPC are not Spectator Sports...**
- **Good is the eternal enemy of Great...**
- **Nobody from outside can do it for you!!!**



A Holistic & Integrated Approach To Performance Excellence

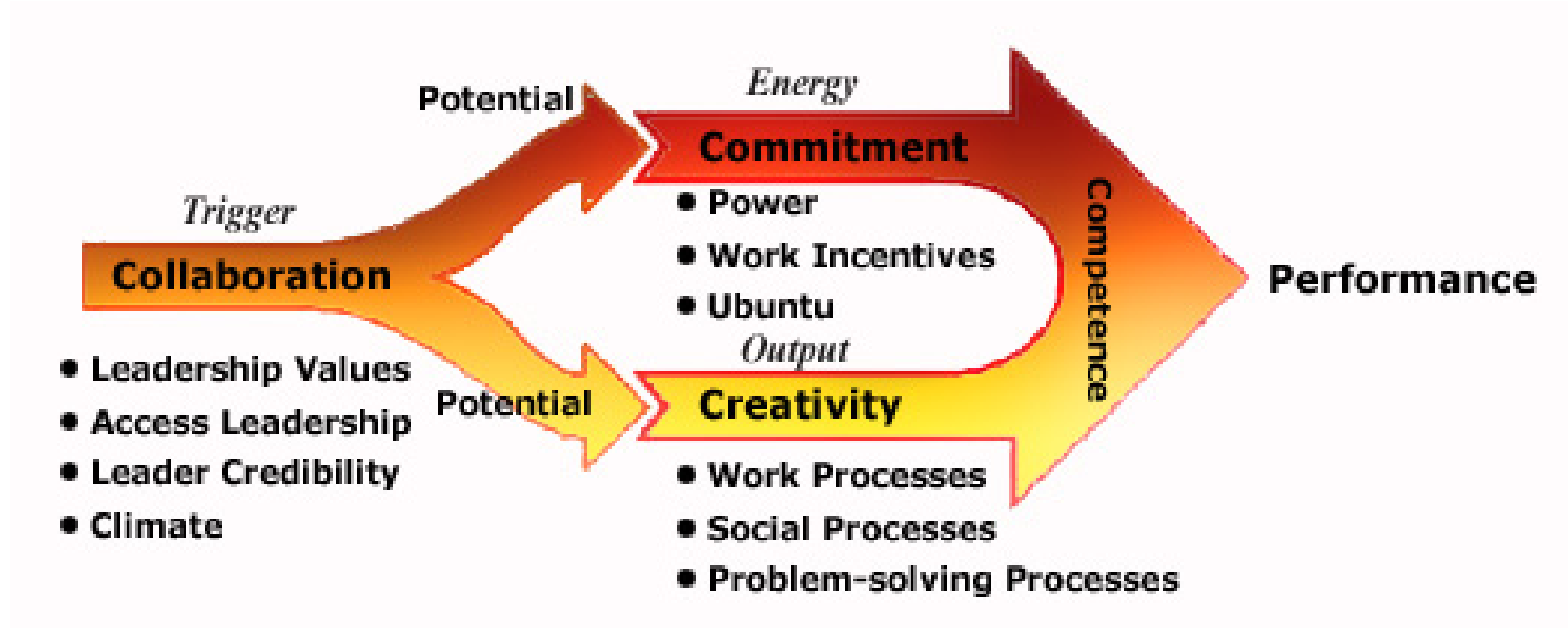


The linkage analysis with engagement



The Competence Process

Dr J Hall



Basic Premise

People are capable of doing what needs to be done.



Please do not (only) do as you are told; do what needs to be done

ENGAGEMENTS CORRELATION TO BUSINESS METRICS IN 2 OF CARGILL'S NORTH AMERICAN BUSINESS UNITS

DO EMPLOYEES FEEL...

65%	•The work processes they have in place allow them to be as productive as possible?	49%
76%	•They have the tools to and technology to do their work well?	54%
78%	•The work environment is appropriate for the work they do?	61%
78%	•They have the authority to make decisions necessary to do work well?	59%
82%	•Their manager understands their job?	55%
67%	•They receive coaching on how to improve their performance?	43%
74%	•Management provides information needed to meet customer needs?	49%
74%	•They have the tools and resources necessary to serve their customers?	59%
50%	•They have enough time to do their work well?	28%
76%	•Their manager gives them information that affects their work?	55%

GROUP A
 Engagement: 66%
 ROA = 28.38%

GROUP B
 Engagement: 41%
 ROA = 3.04%



WHAT DO WE DESCRIBE AS A HIGH PERFORMANCE ORGANISATION?*

Performance = f { Performance Context; Trigger/Catalyst; Competence}**

Structures
Processes
Systems
Pol & proc

Enable & Execute

HPC

Allow & Encourage

Leadership

Enthuse & Direct

Able
Willing

Capacitate

Leadership

HPC = f {CCCC x Processes x Thinking x Passion}

* The Concept of a HPO includes the concepts of a Learning Organisation and of Continuous Improvement

** The performance context does also include a Macro PEST context & a Micro PEST context, including the mineral resource. These are however taken as a fixed given for this conversation



The Iceberg of Transformation

Domain of
Management

WINDS

Logic & Reason

**Group Strategies, Goals
Plans, Structures, Systems**

Culture habits tradition
Attitudes
Prejudice
Ideologies
Thinking patterns
Feelings
Fears
Beliefs
Values

CURRENTS

Spirit & Emotion

Domain of
Leadership



Required Paradigm Shift....

Control management	▲	Leadership
Task focused	▲	Process/value chain and customer focused
Command decisions	▲	Buy in/CCC
Individual work	▲	Team work
Experts & Labour	▲	All experts (including labour)
Control through punishment and fear	▲	Control through positive reinforcement
One right way	▲	Continuous improvement
Tall and rigid organisational structure	▲	Flat and flexible organisational structure
Unstated values and vision > Stated	▲	Shared values and vision
Tough on people > Tough on competition	▲	Tough on standards > Symphony
Wealth exploitation to benefit owners	▲	Wealth creation for all stakeholders
Management training	▲	Knowledge management (Type 2 property)
CYA/Rationalisation	▲	Accountability
Input/ Activity measure	▲	Process /Output measurement
Selective communication	▲	Transparency

HPO's are built on a mindset of Inclusivity & Interdependence

SOLVING THE HPC PUZZLE...

YOUR TASK IS TO:

- Select & Define the concepts
- Illustrate links (flowchart)
- Clarify objectives & outcomes of pieces



Views of 244 Global Executives of Top 3 Issues Critical for Performance



- **Developing Effective Leadership (65%)**



- **Creating an Organisation that adapts to Change (49%)**



- **Engaging and aligning multiple stakeholders (43%)**

Source Accenture, 2005,

Math's of the New Order



Respond twice as fast,

Deliver twice as much,

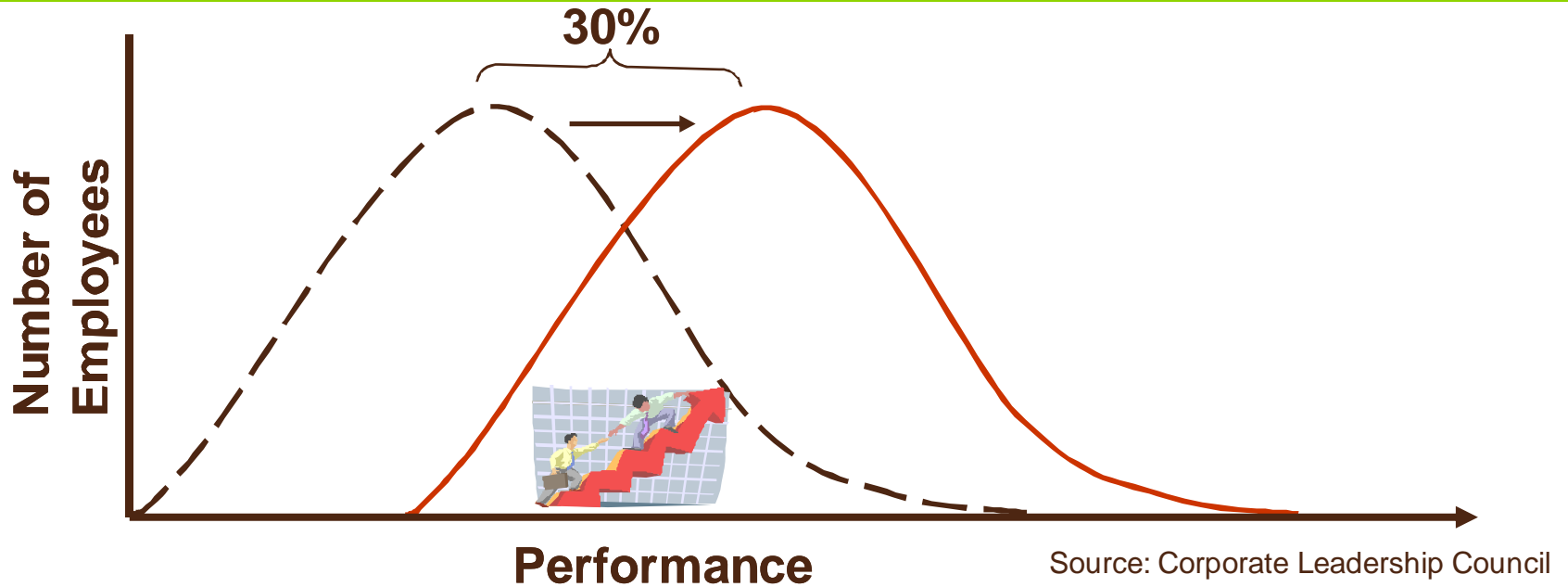
At twice the speed,

At half the cost within half the accepted life span,

And doing all of the above on an ongoing basis



PERFORMANCE IMPROVEMENT



What This is about

- Steady, quantifiable improvement
- Same Person better performance
- Same Workforce, better performance

What It isn't about

- Quantum (unrealistic) leap in Performance
- Replacing low performers with high performers
- Changing the composition of the workforce
- Attracting and retaining talent

Its about....Transforming ordinary South Africans into Winning Teams



KEY SUCCESS FACTORS OF HPC TRANSFORMATION

Anchor it in the Business

- Culture shift should be hardwired into business results
- Use major business initiatives as the “sharp end” of change

Align the leaders

- Ensure that the top team and other important leaders are involved
- Behavioral change at senior leadership level is critical and difficult

Take an integrated approach

- Go beyond communication and pull all influencing levers to drive behavioral change at the individual level
- Tailor the approach along key change management principles
- Align performance management and incentive systems with required behaviors

Go below the surface

- Use analytical rigor to identify underlying blocking mindsets
- Use transpersonal workshops to address limiting mindsets
- Embed shifts through coaching and other interventions

Compel with communications

- Develop a compelling story, linking strategy, performance imperatives and culture
- Balance delivery between top-down push and bottom-up pull with viral techniques and a dialogue-based process – target key influences and stakeholders

Track impact rigorously

- Track the impact of the values journey as rigorously as any business initiative

Source: McKinsey

“Sample” Change Staircase

