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# Creating a High Performance Organization

# Shahin Mohammadkhani

3533 Centralia ste, Lakewood, CA

[shahin.khani@gmail.com](mailto:shahin.khani@gmail.com)

510-621-3341

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# Ross Hopkins

Abstract

This paper is intended to be an opportunity to utilize the High Performance Organization and Organizational Behavior concepts discussed in class as well as in the textbook to assess the current state of my company and department. In addition it will provide a review of the HPO principles as well as suggested steps and actions towards accomplishing a high performance organization status for the intended organization.

In recent times, with consistent competition, the significance of a high performance organization has become very critical. The ability to be able to respond to industry and business changes and maintain effectiveness is crucial for any high performance organization. Moreover, for absolute success, many previous management methods should be replaced with more modern and innovative approaches. This process can be called the TAO process (Test, Analyze, Optimize).

Creating a High Performance Organization

**Introduction**

My company is one of the major players in Internet advertising industry. The department that I work with is directly tied with the company’s web traffic team specifically the organic search engine traffic reaching our twelve hundred domains. It begins with customer request to improve a certain technology on a site, then trough analysis, and design and testing, the application is delivered. The organic search engine traffic is optimized by focusing on optimizing code and logic so that it complies with major search engines such as Google and Yahoo and that their robots index and follow our sites effectively. A Traffic Solutions Technology Services (TSTS) is a cross-functional and cross-organizational team that links and facilitates the needs of the Traffic team.

Our department consists of a Technical Software Leads and Software Developers. The Technical Software Leads provide support to the Software Developers by doing technical requirement gathering aimed at identifying the correct technology that needs to be used for the specific project. Once the technical requirements are documented, the Technical Software Leads facilitate meeting and discussions to identify deadlines and what the final product will be. A proof of concept is then crated based on the discussions. In the Technical Software Lead position, my roll is to be the liaison between the client and the software developers, turning business requirement into technical workflow. Moreover, I am responsible of making sure that the developers are using the correct approach and play as a mentor and coach if they need any technical help.

**Problem Statement**

The scope of the Search Engine Traffic Technology Team starts and ends with the stakeholder, which is the customer. The company’s emphasis on code reusability, code integrity and code scalability as well as customer satisfaction plays an important role on the management of the (TSTS). In addition, the team is fairly new compared to the overall existence of the company. Nevertheless, we have become one of the trend leaders in our industry. Moreover, the creating of TST started as a pilot initiative, which produced great outcomes for the company, which lead of creating subsequent teams such as Quality Improvement Technology Services and Data Administration Technology Service for other big strategic initiatives. These 3 teams encompass the majority of the information technology department. As a result of this phased implementation, teams are now at different level of knowledge and maturity.

One major concern amongst the management of the IT team is the lack of empowerment and say the teams have over the processes, procedures and business requirements that govern their projects. While, it may appear to be the problem of the teams, it may be a symptom of the problem the teams share. There is a lack of transparency from management and they do not align and synch up the teams with the requirements of and business processes and scope. As a result, many of the teams are seen as low performers.

The question would be what would take to elevate our department and concurrently our IT team, to a High Performance Organization level?

**Literature Review**

Every performance-based company strives to become a High Performance Organization, yet most do not even know what a High Performance Organization is. Instead of looking at what a High Performance Organization is, lets consider what it is not. “Have you ever watched a group of people try to row a boat, but they struggle to get anywhere because their rowing is out of sync, or everyone tries to steer? They expend a lot of energy, but their individual efforts end up hurting the group’s progress. They go in circles or get passed up by other boats whose rowers who are in sync with each other. This boat is the equivalent of a low performance

Organization” (Young 2005). Thus we can conclude that it is not a rock star rower than wins the race by a group of synchronized rowers. A synchronized group is more efficient. The previous analogy and what we conclude from it is the fundamental definition of a high performance organization.

According to the American Management Association, High Performance Organizations are the “…role models for the organization world. They represent real-world versions of a modern managerial ideal: the organization that is so excellent in so many areas that consistently outperforms the most of its competitors for extended periods of time” (American Management Association 2007). Moreover, according to Varma, “High Performance Organizations as those that take business situations into consideration including the external environment, the business results and the business strategy of the organization” (Varma 1998, p.2).

Any organization that outperforms the competition and sets the bar can be considered a High Performance Organization or any variance of. They all share the same goal of continuously obtain the maximum result by wasting little energy and putting emphasis on the human side of the business.

Many companies have elaborate definitions and lists of what a HPO are. My company consist of “Work smart, not hard. Always do your best. Don’t Take anything personally; be impeccable with your words. Don’t make any assumptions”. The following is a short overview of the principles perceived by some authors and organizations that composed a HPO.

Newbold-Coco, R. (2006), cites R.V. Armstrong and Associates (1997), when stating that ―a high performance

Organization is reflected within a company’s structure, management operating system and culture where everyone participates in a shared vision and innovative leadership, dynamic change, sharing of information, systems understanding, self-managed teams, cross-trained workers, customer focus and the on-going introduction of new technology is present (R.V. Armstrong & Associates, 1997). The five components of a high performance organization include employee involvement, self- directing work teams, integrated production technology, organizational learning, and total quality management (Schermerhorn, Jr., Hunt, Osborn, 2003)‖ (Newbold-Coco, 2006, p.1).

Lawler III (n.d.), in his Designing High Performance

Organizations, suggests four components of employee involvement to increase performance:

* Information about business strategy, processes, quality, customer feedback, events, and Business results
* Knowledge of the work, the business, and the total work system
* Power to act and make decisions about the work in all of its aspects Rewards tied to business results, individual growth, capability, and contribution‖ (Lawler III, n.d., p. 14).

Young (2005) lists the three qualities of a high performance organization as:

* Effective Change Management Processes
* Open, Multi-Directional Communication
* Culture of Continuous Learning‖ (Young 2005, pp.2-5).

Fisher & Thomas (1996), identify the seven practices of highly effective teams as:

* A commitment to a clearly defined mission;
* Mutual support and encouragement among team members;
* The existence of clearly specified roles and   responsibilities;
* Win-win cooperation among team members [and other stakeholders],
* Individual competency among the team’s members;
* Empowering communication; and
* A winning attitude‖ (Fisher & Thomas, 1996, pp. 37- 38).

Realistically no organization big or small works in a vacuum. They are all susceptible to external influences and factors that may sway results. Newbold-Coco mentions that “external criteria [that are] important consequential changes in the business environment: Economy, Demand shifts, Competitive conditions, Globalization of markets, intense international competition, deregulation, Shifting resources, merging operations, adding operations, Obsolesce, Pace of change, Market demand, market share, industry trends, Growth, different customers, suppliers, new competitors, new products, services, patents. Loss, acquisition of major customers, synergy, and integration with an acquisition, new business, sold off assets; discontinued a business, product line growth, new partner, joint venture, merger. International ventures (R.V. Armstrong & Associates, 1997)”(Newbold-Coco, R. 2006, p.2). In addition, the American Management Association sorted many of these external factors into several categories: Talent and skills of the workers where it encompasses the primary drive of a high performance organization. Global Competition is a consequence of globalization, which has impacted the economy of all countries over the past decade. Faster and more disruptive changes entail progress in technology and the dynamics of the market demand. This has increased the need for companies to adapt quicker to new technologies. If not, they can fall behind. Moreover, technology plays a massive role in a HPO where it can affect one’s performance depending on their learning curve and overall literacy. Political changes such as government includes will always be present with organizations and can sometimes header their performance. Last but not least, ethics plays a big role in performance of a company. “In 2006, Baylor University professors and two of five coauthors of ―Ethical Attitudes in Small Business and Large Corporations” — a survey sent to 10,000 U.S. business professionals in 1985, 1993, and 2001—concluded that an ethical atmosphere in an organization was good for efficiency and the bottom line” (American Management Association, 2007 pp. 13-14).

**Analysis**

Earlier in the paper, it was mentioned that the business process and procedure was not aligned with the TSTS and comparing to the literature review, some issues can be identified as contributors to the problem. As mentioned by Lawler III (n.d.) as well as

Fisher & Thomas (1996) during the literature review; empowerment is the most important key. The current structure prevents teams to act and perform decisions about the process and procedures. Armstrong & Associates further express that empowerment is very important to self-management. Preventing a group to self manages, only disables and prevents the organization form maturing at even levels.

Empowerment is not the only issue. Bureaucracy is another cause of the problem. As companies mature, a flat organization may turn into a vertical bureaucratic one which in term can add additional layers between management and workforce and slow down business progress. This can most often discourage organization member to try new technologies or ideas or pus the limit. O’Reiley mentions that “if you are going to be flexible and cope with rapid growth, you can’t be bureaucratic”. (O’Reiley & Pfeffer 2000, Ch. 6). Bureaucracy is the enemy of improvement.

With the addition of empowerment if there is a lack of reward, businesses can suffer low performance. This issue is due to poorly defined metrics for the teams where it is not tangible. Thus preventing proper planning and execution within teams.

Lastly, the lack of integration of teams amongst each other and into the normal business cycle can have negative effects. Lack of integration creates isolation where teams slowly lose sight of business process. Managers are concerned about teams working all the time and not collaborating cross departmentally. Lack of integration brings to lack of communication brings to lack of vision where it can lead to lack of vision of reaching goals. Then one might think that they need to work harder to achieve their goal, not knowing that the goal they are working on can be no longer a goal in the first place. Thus team members start to only focus on daily goals. This lack of integration is often discouraging for team members to work on an improvement activity knowing that they have the normal daily work goals as perceived top priority.

**Solutions**

Based on our analysis it is evident that any of the above can have a positive influence in moving the IT department towards a high performing organization. Nevertheless, the most challenging improvement would be to change the current model. The traditional model should be replaced with a business management and process model suited for each team. This change can be an enabling factor to teams where they feel more empowered as they know what to expect. There are less bureaucratic layers to go through which allows teams to work more efficiently while strengthening the company structure and culture. With an efficient team, the company is allowed to be more innovative. Harvard Business School professor Lynda M. Applegate says during Q&A of HBS Working knowledge published in April 27, 2009: ―This is a time of unprecedented opportunity to rethink offerings, markets, business processes, and organizational structure—and to improve them to achieve growth” (Applegate, April 27, 2009, p.1).

**Reflections**

I believe this project has been a good learning tool for me to apply both at work and in my personal life. Young’s publishing was not solely business related and it can be perceived from many different angles. This project and class in general allowed me to see many things differently and approach situations from different angles. It has given me the tools to allow me to be a better leader. It has also given me the tools to have stronger arguments and discussions with my managers and even be able to provide alternate solutions where everyone can be. I will be making recommendations to my management team as to how we can further improve our organization. Academically, my knowledge base has grown tremendously which allows me to have a different perspective at events happening in my life.

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