

# High Performance Working

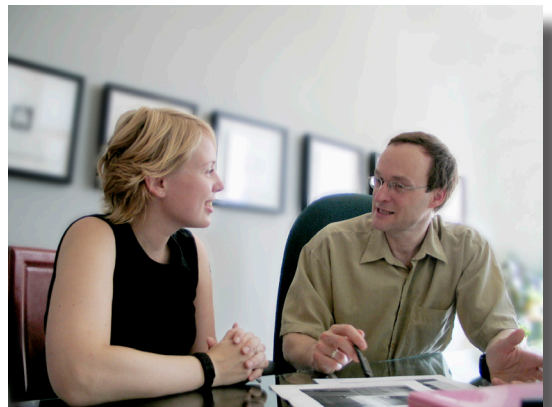
The idea behind High Performance Working (HPW) is central to much current discussion on boosting UK economic competitiveness and growth. The UK Commission on Employment and Skills define HPW as:

*'a general approach to managing organisations that aims to stimulate more effective employee involvement and commitment in order to achieve high levels of performance... designed to enhance the discretionary effort employees put into their work, and to fully utilise the skills that they possess.'*

In fact UKCES has concluded that the prevalence of HPW in the UK is both low and static and as a result it is trying to uncover the means by which broader application of HPW might be encouraged in the UK. As part of this research UKCES has recently completed a study of how competitor countries approach HPW and encourage its more widespread use. Sweden, Finland and Germany were selected as acknowledged front runners in organisational innovation activities, along with Ireland, Canada, Australia and New Zealand.

UKCES found that some countries approach this issue via legislation whereas others adopt a voluntary approach. Countries such as New Zealand, Australia and Canada have a preference for a more HR-focused HPW strategy, pursuing a more voluntarist intervention framework, similar to that operated within the UK. According to BIS the HR practices that support HPW include:

- Annual appraisal
- Formal feedback on job performance from superiors/employers and from customers/clients
- Reviewing vacancies in relation to business strategy plus formal assessment tools for recruitment (e.g. competencies etc.) and structured induction training
- Annual review of employees' training needs with training to perform multiple jobs
- Continuous skills development programmes linked to 'work-(re)design' for improved performance.
- Business strategies based on quality and innovation are more likely to adopt HPW practices than those emphasising cost control and competition based primarily on price



It takes time to build a national infrastructure of expertise to promote building awareness, understanding and stakeholder support for HPW. In Finland a long-duration and coherent approach has been adopted explicitly linking HPW to the national innovation system with top-level political leadership. Similarly in Germany HPW initiatives in the workplace are joined increasingly to those encouraging innovation. Germany and Finland have both developed networks of research and enterprise promotion partners. They have found that to maintain real momentum with the spread of HPW the underlying philosophy needs to be well understood both at firm level also by employer associations and unions.

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The Coalition are currently developing Business Coaching for Growth, which is scheduled to be launched in January 2012, with the aim of helping up to 10,000 high growth businesses a year to address barriers to growth and grow more rapidly. The programme will target established SMEs with the potential to increase employment or turnover by 20 per cent or more each year for three years and new start-ups with the potential to achieve turnover of £1m within three years of starting trading, or to have at least 10 employees within three years. The service will include coaching of senior management teams to develop and implement growth strategies and develop leadership and management skills. It remains to be seen how far this new service will cover the HPW agenda which is clearly relevant to its goals.

As Industry Forum developed it was realised quite early on that successful process management needed to be supported by management and leadership development to sustain global competitiveness and as a result team leadership was brought into our portfolio. For some while this has been supplemented by a coaching approach which is proven to accelerate overall organisational performance improvements. We have found that developing the coaching ability of leaders increases the organisational energy that can be released to achieve business objectives and realise true organisational potential. Our coaching programme is linked to the ILM level certificate for Professional Workplace Coaches.



Other elements of talent management within IF's offering include:

- Leadership Development
- Management Development
- Strategic Workforce Planning
- Organisation Development
- Succession Planning



In the recent IF article on inward investment we covered McKinsey's research on the quality of management globally in medium sized manufacturing firms. The proven model used by McKinsey to assess managers' capabilities covered three key aspects - shop floor operations, performance management and talent management. Comparing the UK and Sweden this work showed that the UK's overall rating was pulled down by a long tail of underperforming firms which were mostly UK owned; the two countries' multinationals scored equally well in management capability. This is linked to UKTI research which shows that foreign owned manufacturers in the UK have increased their output over the long term at the exceptional rate of 5-6% CAGR - much faster

than the average for domestically owned firms.

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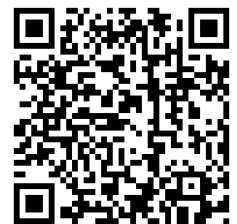
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In summary, the IF approach encompasses most of the McKinsey management capabilities model and many of the HR practices that are found within the High Performance Working model. Rather than worrying about terminology, that key point emerges from the McKinsey work, the UKTI study and UKCES's examination of High Performance Working is that not enough UK firms are using the right combination of operational and organisational development methods to be truly competitive. The UKCES study also points out that national initiatives need to be linked to related areas of expertise because of the difficulty spreading a high level of organisational performance right the way through an economy in a manner which Sweden, for example, seems to have achieved to a greater extent than the UK.

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