

# A Culture of Performance Excellence

by Soren Eilertsen, Ph.D.

*Your organizational culture can be an asset or a liability. At times, the culture becomes an anchor that holds the organization from moving forward. Organizational leaders instill the culture through their behavior and practice of the organization's values. Leaders who understand the importance of culture has the opportunity to instill performance excellence throughout the organization.*

## Introduction

Your organizational culture can be an asset or a liability. Organizations create their own culture and dynamics that may arrest development and create complex issues to overcome in the pursuit of excellence. Organizational cultures emerge when groups of people work together. In the ideal, the organizational leaders instill the culture through their behavior and practice of the organization's values. More frequently, the culture emerge haphazardly from the prevailing mindset of the formal and informal influencers in the organization.

We believe that all organizations have the potential for excellence but only a few achieve excellence due to the lack of committed leadership who understands the importance of instilling a deliberate culture. This paper explores the role of leadership in this endeavor and the systems philosophy that we believe organizations must adopt in order to pursue excellence in a purposeful manner.

## Adopting a Systems Perspective

The organization must adopt a systems perspective in order to instill a culture of excellence and guide the journey towards excellence. Systems are best understood as structures that assists by creating some order out of the chaotic world every organization exist in and so establish a system that moves the organization forward. The structures must be flexible and can never become a bureaucratic solution to compensate for incompetence.

To pursue performance excellence requires a commitment to become a learning organization that values self-understanding (facts) and is process driven. In a process driven organization, the process is (almost) as important as the result. More focus on process allows everyone in the organization the responsibility to be right and the authority to be wrong. Allowing and learning from errors is a fundamental requirement to creatively adapt and innovative to an uncertain future.

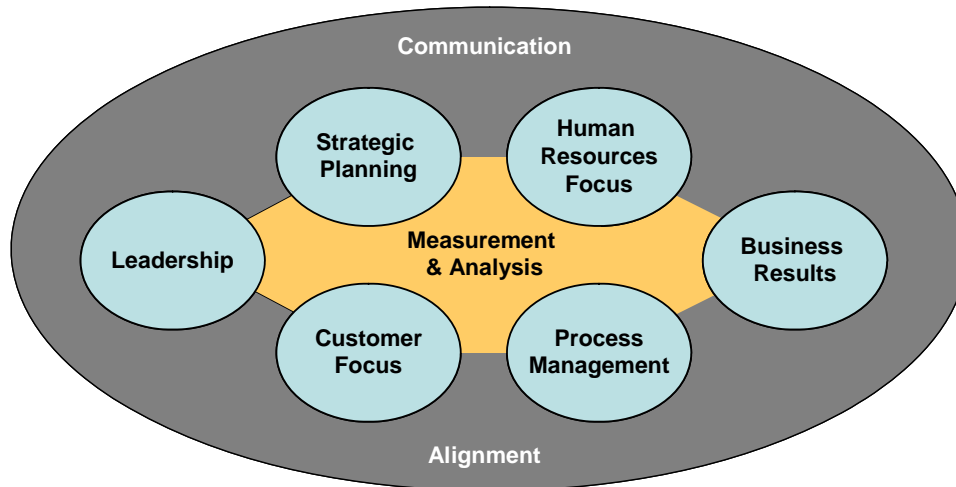
We subscribe to organizational performance excellence frameworks that are based on the performance excellence criteria from the Baldrige National Quality Program. This proven framework is both flexible and industry generic, and provides a system perspective for managing the organization to achieve performance excellence. The framework is important as a unifying mechanism to facilitate progress and assist with organizational learning.

The business goals of this system perspective is to help organizations use an integrated approach to organizational performance excellence that results in:

- Delivery of ever-improving value to customers, contributing to marketplace success
- Improvement of overall organizational effectiveness and capabilities
- Organizational and personal learning

Inside the main organizational performance excellence framework has seven areas of organization:

## Performance Excellence Systems Perspective



Adapted from Baldrige National Quality Program's Criteria for Performance Excellence

## Learning and Systems

Systems thinking is the corner stone that underlies all learning disciplines. Systems thinking provide the discipline for seeing wholes, to make the full patterns clearer and to help us see how to change them effectively. Systems thinking allow us to see the structures that underlie complex situations and give living systems their unique character. The essence of systems thinking, according to Peter Senge<sup>1</sup>, is the ability to see “interrelationships rather than linear cause-effect chains, and seeing processes of change rather than snapshots.” In an increasingly complex world, the ability to discern the whole system and the forces at work enables us to make interventions to foster health as opposed to jumping on the first problem at hand. Whole systems often mask a dynamic complexity with subtle cause and effect over time.

Systems thinking is the antidote to the traditional cause-and-effect and quick-fix problem solving approaches. These approaches assume that human behavior is linear and therefore leave out important human factors. Instead of rushing to find explanations for the problem, systems thinking advocates a more intellectually challenging and team oriented approach.

Effective systems thinking requires understanding of the individual and organizational belief systems or mindsets. Mindsets are the mental models, cognitive maps or beliefs (images, assumptions, stories) which we carry in our minds of ourselves, other people, the organization, and every aspect of the world. Our actions are taken based on these mental models. Mental models are formed through the meanings, assumptions, and conclusions we have added on top of observed data and experiences. The resulting beliefs in turn affect how we observe the world

<sup>1</sup> Peter Senge, *The Fifth Discipline: The Art and Practice of The Learning Organization*

and what data we select to make “important” in our internal world. The culture of an organization can be seen as the collective mental models of the people within it.

Systems thinking is both a mindset and a set of specific tools. It requires an overall organizational improvement approach that values knowledge, team work, individual development, and planning in the spirit of benefiting stakeholders, including employees, customers, and society at large. The organization’s leadership must set clear and visible values that balance the needs of all stakeholders. With that foundation, a systems perspective can be deployed to assist in building knowledge and capabilities, stimulating innovation, and achieving excellence.

### **The Role of Leaders**

Having the right people – specifically the right leaders – in the right positions is the most critical factor for organizational success. Leaders must be assessed for their level of development and placed appropriately within the organization. Problem behaviors and incompetence must be dealt with efficiently since leadership dysfunction is mirrored throughout the organization. Strong leadership competencies should be found at all levels of the organizations. Most organizations have a severe shortage of leaders to deal with our rapidly changing world.

People are motivated by passion and opportunity, so passion for what the organization does and how it goes about things is essential to motivate people in the organization for the long-term. The right leadership can address this issue and correct the organizational vision to ensure this ingredient. The will and ambition of the leadership team will instill passion throughout the organization, if the vision and leadership is right.

The leaders must drive performance excellence by:

- Teacher and Model. The cross-functional and project nature of the work required to achieve performance excellence, provide a natural stepping stone to display leadership as well as be a teacher and model within organizations.
- Even without the entire organization subscribing to a systems perspective, the individual leader can provide leadership by using the performance excellence framework within his or her functional area.
- Active in Strategic Planning. Every leader is obliged to take an active role in the leadership and strategic planning functions within organizations. Systems and technology are an intrinsic component of the success of today’s organizations and any systems and technology strategy must be closely aligned with the business strategy.
- Leadership of Performance / Process Management Systems. The leader must drive understanding and evolution of the performance management and process management systems.

- a. Performance management examines the measurement and alignment of performance at all levels and in all parts of the organization. This includes ensuring the quality and availability of needed data and information for employees, suppliers/partners, and customers.
- b. Process Management examines the key aspects of the organization's customer-focused design, product and service delivery, as well as key business and support processes for all work units.

## About the Author

As President of Kollner Group, Soren Eilertsen has helped numerous clients in different industries activate and align leadership teams around business results and innovation. Clients praise him for his ability to guide business leaders and teams to insights and new levels of success.

Soren works as a business consultant, educator and leadership coach specializing in strategy and organization development. He helps clients build effective leadership teams, create winning strategies, and obtain success with change initiatives.

Since establishing Kollner Group in 1999, Soren has helped shape the strategic directions and create results for numerous businesses and non-profits in both Europe and the United States. He has worked on world-class endeavors and been fortunate to engage with leaders in great organizations such as AECOM Design, American Suzuki, McKesson, Mission Critical Technologies, MK Sound, Motown Museum Project, Nordisk Film Biografer, Pacific Coast Producers, Pacific Theatres, Polar Air Cargo, Rand, System Simulations, UC Health System and Vulcan (Paul Allen).

Combining his education as a psychologist with years in corporate executive roles, Soren takes a unique integral approach that enables him to examine a business from the perspective of its internal leadership, systems, and culture as well as from the market-, business value-, and external customer perspectives.

Visit [www.kollnergroupp.com](http://www.kollnergroupp.com) to find out more about Soren Eilertsen and the Kollner Group.

## Contact Information

Soren Eilertsen, Ph.D.  
President / Managing Director  
Kollner Group, Inc.  
15332 Antioch Street, PMB #335  
Pacific Palisades, CA 90272  
USA

Phone: +1 310 230-3150  
Email: [soren@kollnergroupp.com](mailto:soren@kollnergroupp.com)

Website: [www.kollnergroupp.com](http://www.kollnergroupp.com)