

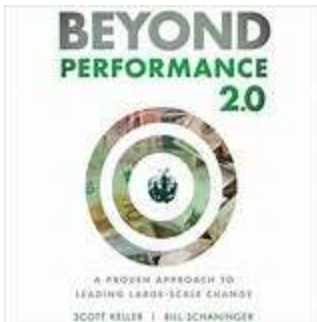
FWPMI Book Review by: GREG HUITSON

“BEYOND PERFORMANCE 2.0”

by Scott Keller & Bill Schaninger

Publisher:	WILEY
Date of Publication:	2019
Number of pages:	277
Book Club rating:	4.0

Plot Summary:



The central theme of this book is that leaders should put equal emphasis upon organizational health factors as much as they do on organizational performance factors for making change happen. Performance factors relating to changes that need to be made would include “how will it *buy* its raw materials, *make* them into products, and *sell* them into the market more efficiently and effectively”. Health factors relating to changes that need to be made would include how it “aligns, executes, and renews”. How does it *align* the full organization on a shared direction, execute the work that needs to be done with minimum internal friction, and rapidly adapt and *renew* itself in response to an ever-changing environment”? Five things make this book stand out from its counterparts. They are: 1) Research and rigor behind the

recommendations. 2) Comprehensiveness and pragmatism of the tools. 3) Uniqueness of the solutions. 4) Proof that the approach works in practice as promised. 5) Increases an organization’s ongoing capacity for change. Putting equal emphasis on organizational performance and health related factors is necessary for changes of scale. Performance is what an organization measures using financial and operational metrics. Health is what an organization does to improve internal alignment, execution, and commitment to sustainable performance objectives and goals. Healthy companies perform better in total return to shareholders and in return on invested capital. Paying attention to performance measures alone may produce short-term gains, but they are unlikely to last. The decline in tending to organizational health factors will be felt by shareholders, employees, customers, and communities. This book advocates for 5 stages in the change process known as the “5As”. They are: 1) Aspire – *Where do we want to go?* 2) Assess – *How ready are we to go there?* 3) Architect – *What do we need to do to get there?* 4) Act – *How do we manage the journey?* and 5) Advance – *How do we continue to improve?* Within each of these 5 stages, guidance is given for each in the organization health and performance frameworks. The five performance frameworks are: 1) Strategic objectives (Aspire), 2) Skillset requirements (Assess), 3) Bankable Plan (Architect), 4) Ownership model (Act), and 5) Learning infrastructure (Advance). The five health frameworks are: 1) Health goals (Aspire), 2) Mindset shifts (Assess), 3) Influence levers (Architect), 4) Energy generation (Act), and 5) Leadership placement (Advance). Within organizational health are nine elements known as “outcomes”. They are: Direction, Leadership, Work Environment, Accountability, Coordination & Control, Capabilities, Motivation, External orientation, and Innovation & Learning. Knowing how much you have of each of these outcomes is necessary to gauge organizational health. Making the changes mentioned above is a process and does not happen overnight nor is it a “quick fix.” These kinds of changes require centered leadership. Centered leadership consists of Meaning-Strengths, Purpose, Vision; Framing – Optimism, Resilience, Self-Awareness; Connecting-Emotional Quotient, Networking, Reciprocity; Engaging-Boldness, Presence, Accountability; Energizing-Energy literacy, Recovery practices, and Flow. Of these five elements of centered leadership, “meaning” makes the greatest contribution to satisfaction with work and life.

Book Club Meeting Discussion:

After brief small talk opening up the meeting, the discussion turned to the assigned book “Beyond Performance 2.0”. Organizational performance and organizational health started the book discussion. What does each mean? Quoting from the book, “*Performance* is what an enterprise does to deliver improved results for its stakeholders in financial and operational terms” and “*Health* is how effectively an organization works together in pursuit of a common goal.” With that as the backdrop, we then moved to the five stages of the change process. Those stages as discussed are known as the “5As” and they are: Aspire, Assess, Architect, Act, and Advance. Relating those stages to our current jobs was challenging whether or not you were in management. If you weren’t in management, what effect could you have in the change process and even if you were in management, the buy-in from organizational staff would be a hurdle at best. In addition, this is a process over the long-haul and management has to be tenacious, persistent, and focused. The change process discussed involves continuous improvement. Typically, organizations focus on the financial and operational side of things, and do little or nothing to address the health side of the organization. When the health of an organization declines, many stakeholders are affected such as employees, customers, communities, and investors. Modern day examples of corporations that did not pay attention to their declining organizational health are Enron, Lehman, Deepwater Horizon, Atari, and IBM to name a few. Some are no longer around while others had to make significant organizational health related changes to stay in business. A change leader in the organization must stay on top of and out in front, driving the changes process to stay relevant in today’s world.

Personal Comments:

As an Executive in management, I found this book to be significantly important and beneficial to the change management process. I have added it to my library of books to use as a reference for change management in the organization I lead. I believe much of the material can be used in smaller organizations such as this one. It will require an intentional focused and concentrated effort over the long haul. The five stages in the change process known as the “5A’s” gives our organization a road map to effect change within. We will be evaluating where do we really want to go and how ready is this organization to get there? What do we need to do to get there? Lastly, how do we manage the process and how do we continue to improve? These are questions we have to answer to start the journey and I appreciate this book articulating as such. With the five performance frameworks and five health frameworks, the journey comes into focus. It is especially helpful that the book exhibits lay out the steps & tasks for each “5A” process within each of the frameworks. Lastly, this book evaluates whether or not change has to start at the top and the role of the senior leader in the change process. It is necessary for the senior leader(s) to be a “Centered Change Leader” thus giving change leaders the resilience and emotional capacity to lead the “doing” of each of the frameworks. Do you have or better yet, “do I have what it takes”. I’ll see and get back with you.