



High Performance Culture

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High performance culture – give yourself a sporting chance



Competition brings out the best in any field. And as the stakes become higher, the commonalities between sport and business become more and more apparent.

These days, raw talent is just the beginning for anyone aspiring to the elite level. Players don't just play, they play a role. It's strategies and structures. Decision-making. Accountability. KPIs.

And the magic bullet for on-field success is club culture. A mysterious amalgam of team values, leadership groups, trademark behaviours and peer assessment, where creating a winning culture is the name of the game.

Work, play, the message is the same. Get the culture right and you have an environment where high performance can flourish.

A peer perspective on high performance culture

We're bombarded on a daily basis with the latest management theories and trends, but how do they really measure up in the cut and thrust of everyday corporate life?

One of the great things about The CEO Institute is that you get to compare notes with your peers about what works and what doesn't work in the real world. At a recent Syndicate meeting in Queensland, members examined the impact of corporate culture in their own businesses.

It's a difficult thing to see, they agreed, but the culture of your business shows itself in the behaviour and actions of the people who set the norms for the organisation.

Every company is different, of course, with positive and negative characteristics; even companies of similar size in the same industry have different cultures, just as twins who grow up in the same household can be very different. But even if there's no perfect culture, members were able to identify some of the characteristics that facilitate high performance, and others that don't.

The clear message is that organisations that embrace, adopt and implement change easily are the ones most likely to establish a true high performance culture.

So how can you combat negative aspects of culture? Well, the members had a number of ideas on that score:

- **Practice what you preach.** Model the behaviour you want from others. Any change to corporate culture must start with key leaders.
- **Reinforce new, positive behaviours.** Acknowledging people who do the right things is crucial to overcoming bad cultural habits; reinforce feedback on a day-to-day basis.
- **Repetition.** Preach the virtues simply, consistently and repeatedly. Changing aspects of corporate culture requires a steady continuum.
- **Consistency.** Make sure people don't see strategy as just another "gimmick of the month." If they do, initiatives will soon be a thing of the past.
- **Passion.** Management must believe in strategy and be passionate about it or no one else will. Communicate with fire and enthusiasm.

Tips to create a high performance culture

- Clearly define what winning looks like
- Spell out your "preferred culture"
- Set stretch targets. Connect to the big picture
- Develop an ownership mentality
- Improve performance through transparency
- Increase performance through employee engagement
- Storytelling
- Internal communication
- Take the time to celebrate!

High performance characteristics	Cultural barriers to change
Empowered people and cross-functional communication	Turf-building and hierarchical organisational structures
Open, honest and flowing communication	Hidden agendas, dishonesty, lack of openness
Trust and confidence	Distrust and fear
Long-term, quality, service and excellence	Short-term, strictly bottom-line
Customer-oriented, externally focused	Task-oriented, internally focused
"Can-do" spirit	"Can't be done" attitude
Embracing new ideas - innovation, ingenuity, breakthroughs	Holding on to the past, resistance to change
Flexible, fluid and rapidly responsive	Strict rules and rigid policies
Win/Win	Win/Lose

Creating a compelling leadership culture

This is an edited version of an article by Ricky Nowak, CAHRI (Syndicate 16). Ricky speaks regularly at Syndicate meetings on leadership and teamwork.

Compelling leadership cultures don't happen by accident. They are nurtured in environments that are rich in quality care, quality people and quality values.

And while the sweet spot where they intersect is the foundation for a compelling leadership culture, it takes tenacity, continuous engagement and rigorous feedback to ensure the culture is rich and unique.

Organisations often try to create a leadership culture with learning events, workshops, lunch-n-learn or expensive conferences and programs, supported by all the bells and whistles, but they will not consolidate the learning on their own. That takes the integrity and commitment of all involved.

Once positive leadership behaviours are integrated into the values and behaviours of day-to-day activities it becomes a culture. Simply trying to create a series of disconnected events, endless meetings, procedures and processes can be a serious waste of resources, motivation and time, and has little to do with culture.

Cultures are formed and shaped by personalities, robust and open conversations, commitment to a set of values and behaviours that are owned by all, and bypass the ego and the obsolete.

They are geared up to be drivers of change, innovation and diversity. They are prepared to challenge the predictable patterns of behaviour so people can be truly engaged in thinking and imagination. They require different thinking and mind space: the thinking of a leader - not a follower.

On one hand, a profound leadership culture requires a left-brain approach - active planning, tight scrutiny of procedures and processes, clear direction and attention to detail. On the other hand, a right-brain approach of creativity, intuition, immediate responses and continuous adjustments is required to take it from detail to implementation.

Both perspectives in their own way focus on three questions:

1. How to prepare a culture that not only delivers great leadership but stimulates inquiry and enthusiasm so that others can lead too
2. How to support the leadership culture during an innovative phase of growth so experiences are heightened
3. How to ensure implementation while allowing new initiatives to keep occurring.

Try the following pathway to achieve exceptional results:

1. Have staff create their "Professional Business Action Plan", with dates, expected outcomes, and signed agreement to commit to or abandon the process
2. Have the manager of the team(s) review the Action Plan immediately and then again at 30/60/90 days
3. Give staff opportunities to source, initiate and champion new strategies and decide which old ones are redundant
4. Schedule time in between concept and implementation to review what's working and what's not
5. Don't wait for training programs to be completed before HR reviews implementation commitments
6. Avoid problems with implementation by identifying main issues and looking at obstacles
7. Don't get bogged down in day-to-day details. Go for outcomes.
8. Keep your nose in and hands out. Let your people go!

John Stokes
Australian Institute of Management SA
 (Syndicate 26)

"Successful leaders can make people change the way they think – high performance culture is critically linked to getting people in any organisation to think and act the same way i.e. being of the same mindset.

Get the mindset right and what follows is excellent organisational practices that will help achieve superior performance and the development of a high performance culture. People continue to buy-in because they see the positive outcomes and momentum is maintained.

But the essential driver is good leadership - not only to develop the right culture in the first place but to keep it going in the future; without the right leadership the best practices in the world will miss the mark, will be ineffective and unproductive.

This is why great organisations – big and small – commit to the ongoing development of their leaders."

Karen Gately
Ryan Gately
 (Syndicate 12)

"Performance is driven by two things: the capabilities that people bring (knowledge, skills, experience) and the capacity to tap into those capabilities and leverage them to achieve a result, which comes down to the strength of team spirit.

The most important thing about High Performance Culture is making it matter. Getting traction past the talking about what it looks like to holding people accountable to behaving in ways that are in line with and supportive of the culture.

Because ultimately culture and influencing culture is part of the leadership toolkit. Helping people feel hopeful, feel important, feel determined – passionate about what they are doing and very clear about the goals they're trying to achieve.

When we look at an organisation and see a high performance culture, it's because people are inspired, and motivated, and passionate about achieving at the peak of their potential."

Geoff Lawyer
Complete Color Printing
 (Syndicate 16)

"I consider my organisation to have a high performance culture. It stems from having the right people on the bus in the right seats."

State news

New South Wales



Yvonne Howie
Chief Executive - NSW

The general sentiment in New South Wales at the moment is optimistic, although it's equally clear that certain sectors of the economy continue to face real challenges.

Members want stronger leadership from the federal government, and policies aimed at positively charging economic growth, along with increased access to capital. Considering the highly volatile nature of many markets, the pressing need for effective growth strategies is clear and compelling.

People issues are another perennial concern for CEOs, irrespective of economic ups and downs. The challenge of retaining and motivating staff is ongoing, and is central to the creation of a high performance culture.

Consumer confidence continues to be of concern. Unfortunately, customers seem more cautious than they need to be given the apparent strength of several key indicators, which has led to a spending 'strike' of sorts. This lack of consumer confidence is insidious.

A highlight for a number of our members this quarter was a small dinner we hosted with leading law firm Ashurst (formerly Blake Dawson Waldron). Their presentation focused on the implications of the various pieces of litigation surrounding the James Hardie cases. It was a timely reminder of the responsibilities faced by both CEOs and company directors.

Also in July, Louise McCann took up the chair of the new Syndicate 76, adding welcome experience and drive to our high quality team of chairpersons.

Queensland



Evan Davies
Chief Executive - QLD

The financial future continues to worry Queensland business owners. Housing prices in Australia are relatively the highest in the western world and affordability is a real issue, particularly given the level of interest rates. The mining boom has overshadowed the struggles of many smaller companies, with the construction industry particularly hard hit as it enters its 23rd successive month in decline.

After modest improvements in recent months, business conditions have weakened again. Forward orders and other indicators of near-term demand remain soft, while confidence has slipped further as European uncertainty outweighs RBA rate cuts.

The multi-speed economy persists despite the softening of commodity prices. Investment forecasts for the next 12 months rose slightly, reflecting a pick up in non-mining capex intentions. Short-term employment conditions eased. Lack of demand will hurt profits, and there are concerns about interest rates, wage costs, capital capacity and suitable labour. Product price inflation was again subdued with annualised growth of just 0.5% and retail price inflation was essentially flat. Growth in labour and purchase costs remained modest.

The high dollar is driving significant structural change in the economy and the household sector is deleveraging. The global slowdown is biting and export demand has weakened. It's a combination that points to restrained growth in housing construction and public investment, selective consumer spending and subdued investment in the non-mining sector. One that is producing a substantial growth divide across sectors and states.

Finally, we congratulate chairman Ray Weekes who was awarded an Honorary Doctorate from QUT.

South Australia



Jeremy Harris
Director - SA

South Australian CEOs are a positive bunch, but there are still a variety of issues to keep us on our toes: the impact of global events which is outside our control, the continuing high dollar which affects different sectors in different ways, and the ongoing uncertainty evident in political decision making.

In fact political uncertainty is the big talking point and a real stumbling block to effective planning and investment decisions. How do you predict future policies and decisions in the face of an apparent lack of policy direction from either major party?

Trading hours is another contentious topic. Opinions on this one are split, but the over-riding concern is the overbearing level of control being exercised by the State Government.

Syndicate 26 recently enjoyed a stimulating presentation from Glenn Cooper, Executive Chairman of Coopers Brewery. Glenn highlighted the need for consistent marketing to maintain such an iconic brand. He also outlined the challenges of maintaining a now very large family owned business and the need to resist a "custodian" mentality as opposed to real-time ownership - nurturing an ongoing preparedness to change while still maintaining the core values and culture which have contributed to the business's exponential growth and success. It's fair to say that the discussion was as refreshing as Glenn's excellent product which is now enjoyed by consumers around the world.

Victoria



Joanne Neely
Acting Chief Executive – VIC

Business expectations in Victoria reflect the uneven, even contradictory, experiences of members, many of whom have enjoyed a solid financial year. The overall feeling, however, is that trading conditions will be flat to steady in the year ahead.

There are a range of factors that lead to this generally conservative outlook and modest growth predictions: consumer discretionary spending, the carbon tax (though it is early days to identify the true impact), precarious overseas markets, the challenge of passing on increasing costs through higher prices (margin pressure), and the high Aussie dollar creating a dichotomy between importers and exporters.

Business conditions and the economy aside, a common talking point at the moment is IT in the workplace, with issues that are wide ranging and ever changing. Social media remains a vibrant topic of conversation. The ROI of LinkedIn as a market research and business development tool. The changing role of IT tools for the sales force, such as the transition from mobile/smart phone to iPads. The importance of an effective online presence, including opportunities to capture a slice of online trading. And that most nebulous of concepts, cloud computing.

At the syndicate level, it's been a lively couple of months, as groups heard from a variety of top speakers. Kirk Peterson addressed the issue of Company Alignment from the CEO. Karen Gately spoke on Motivating Key Staff. David Caldwell looked at Theft of IP and Electronic Discovery. Andrew Douglas discussed the War Against Casuals and Contracts. Louise Mahler was captivating in her session on Vocal Intelligence and Difficult Situations. And Phil Ruthven was Looking to the Future - A 20 Year Vision.

Western Australia



Steve Stanley
Director - WA

'Cautious' describes the mood in the west. There is a prevailing uncertainty and not all parts of our economy are on a boom cycle. I lean more towards pessimism than optimism.

The two or more speed economy has been well documented. The popular conception that the WA economy is booming rings true for the north-west but has a distinctly hollow tone in other parts of the state, where many businesses face serious difficulties. The slowing of the Chinese economy and the ongoing tribulations in Greece have a lot of people nervous about growth and investment.

The mining divide has other implications, too. Recruiting and retaining staff, for instance, is a major issue in Western Australia as the mining sector lures good tradespeople with wages the city just can't match.

It's also fair to say that our members would love a bit of certainty about the state of economic growth in Australia. There is a general belief that the current government is not leading and confidence is being seriously eroded.

On the activities front, members were recently treated to an authoritative presentation by Sir Rod Eddington on the topic of Eroding Australian-Japan Business Relations. As Chair of the Australia-Japan Business Co-operation Committee (currently celebrating its fiftieth year), Sir Rod was able to reflect on the impact of globalisation and the challenges facing one of our most important trading relationships.



Certified CEO

Welcome to Queensland University of Technology (QUT) who have recently confirmed their partnership with The CEO Institute for the academic pathway to Certified CEO status. We're proud to see the merits of this global initiative acknowledged by our inaugural University Partner, QUT, whose MBA programs are internationally acclaimed and accredited.

A recognised MBA (or higher) is a pre-requisite for the academic pathway to Certified CEO certification. The opportunity to leverage that qualification by becoming a Certified CEO provides a virtual expressway for the next generation of corporate leaders.

105 Fellows of The CEO Institute have travelled the experiential pathway to certification; now they can look forward to being joined by Certified CEOs from the academic pathway.

Two distinct pathways, one certification - Certified CEO - the gold standard for excellence in business leadership.

What does this mean for Certified CEOs?

- **Knowledge.** Through a commitment to continued professional development, gaining access to contemporary applied management thinking
- **Networking.** Joining an exclusive network of Certified CEOs
- **Recognition.** For achieving the required academic qualifications, combined with extensive experience at CEO or senior management level
- **Competitive advantage.** Setting recipients apart from their peers when applying for highly sought after leadership roles
- **Distinction.** The right to call oneself a Certified CEO, and use the prestigious post nominal CCEO
- **World-class resources.** Readily accessible content and peer network, helping business leaders gain a global perspective



Esmé Alfred
Program Director

CEO buzz

Everybody's talking, but what about? Our Syndicate Chairmen keep you in touch with the issues dominating discussion amongst your fellow CEOs:

Strategic direction. Being innovative with new products/services and finding new markets to counter reductions in bottom-line revenue.

Revenue and cash flow. Driving income diversity through multiple clients or products.

Business acquisitions. Dealing with the emotional drivers of stakeholders when acquiring a company.

Business growth. What does the business need to look like to service growth opportunities?

Carbon tax. How to cost the impact of the carbon tax in forthcoming budgets.

Business uncertainty. Keys to and importance of resilience during difficult trading periods - need for substance and clear signals to staff and other key stakeholders.



Global markets. Europe emerging as an alternative to China - higher quality, lower cost, more flexible.

Managing performance. Managing an existing long-term, high performing employee who is behaving badly.

Staff development. The power of mentoring - "Really good people make me look fantastic".

Employee engagement. Identifying and nurturing career prospects and job satisfaction of key talent within the organisation.

Recruitment. Challenges of getting the best staff - start by having the courage to move non-performers out of the organisation.

Managing a Board. The Board has to show leadership and make the hard decisions.

Change management. Managing oneself during a change management process.

Life-long learning. Be clear on your values, understand compromise; a leader is a thought leader, not a decision maker.

CEO career. How long should you stay on as CEO? As long as you're adding value to the organisation and growing as an individual.

Social media. Social media is transforming decision-making through the public's ability to respond instantly to issues, with increased demand for transparency and access to information.

Technology changes. Responding to technological change may mean re-visiting traditional offerings; sometimes massive and fundamental change is required.

10 characteristics of a high performance team

A high performance business demands a high performance team. Tony Gattari from Achievers Group, a regular speaker at Syndicate meetings in Sydney, identifies ten characteristics of a top performing team.

1. Common goal

This is your purpose and your mission. It needs to inspire people. It's got to be very clear.

2. Winning culture

People buy into values and what they represent. Eliminate any of your team who do not embrace your business culture.

3. Live the culture

Hypocrisy will work against you. What happens when you tell me about the winning culture but you don't live it yourself?

4. Grow and support your stars

If you don't look after your best, your best will leave. People who are brilliant, but who feel unloved and un-praised will go, and the ones you don't want will be the ones who stay.

5. Flat salaries breed flat performances

Pay an employee a flat salary and they will only do as much as they need to do. There is no reason to go for the gold.

6. Keep your incentive program simple

Simply do this - reward people for the things you want them to do and penalise them for the things you don't want them to do.

7. Support the people who take the risks

It's the people who are inherent risk takers that need to be supported. Correct people when they make a mistake, but do not destroy their self-worth in the process.

8. Train your team in all areas

Training is a matter of show and tell, of dogged, determined role playing until we get it right. Don't just hand them a manual and leave.



9. Give people clear job descriptions, roles and duties

Be absolutely clear when you employ people. How can you measure performance if you cannot test it?

10. Hire on attitude, not on skill

If you can align their attitude with your culture, you'll have an amazingly profitable marriage.

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New Chairmen offer a guiding hand to Future CEO™ groups

The Future CEO™ program has been designed for future business leaders, equipping next-generation leaders with the skills, knowledge and contacts they need to confront problems and manage growth.

The CEO Institute has appointed two new Future CEO™ Chairmen, chosen for their professorial credentials as leading business academics as well as practical business experience:

DAVID GILBERT

*Associate Professor (Innovation & Entrepreneurship) College of Business, RMIT University
Founder & President, Haruken Corporation*



David has worked extensively in international business for over 20 years at CEO, President and Partner levels in both corporate and private enterprises in Japan, USA, Singapore, Malaysia, Taiwan, Korea and Hong Kong. He has founded a number of successful businesses in Australia and internationally.

David holds a PhD in Management Innovation from the Graduate School of Business at the University of Newcastle. He is currently Deputy Head of Industry Engagement in the College of Business at RMIT University and Associate Professor (Innovation and Entrepreneurship) in the School of Management.

DAVID GRAY

*Adjunct Professor and CEO in Residence, Queensland University of Technology
Chairman, Queensland Motorways*



David has had an illustrious career in manufacturing, engineering, project management and the defence industries. He was CEO of Boeing Australia for 12 years, CEO of EEC Marconi Australia for 6 years, and prior to this held senior management positions in industry in South Africa.

David was awarded the Centenary Medal for his contribution to the aviation industry and in 2001 was awarded an honorary doctorate from Queensland University of Technology for his advancement of the education and aviation industries.

The Future CEO™ program is available to your future leaders now - ask your state office how to join.

Selection of photos from recent events



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Head Office

Suite 1, 1632-1638 High Street
Glen Iris 3146
T +61 3 9885 5122
institute@ceo.com.au

New South Wales

Suite 1, 11 Rangers Road
Neutral Bay 2089
T +61 2 9904 3744
nsw@ceo.com.au

Queensland

Unit 1, 154-162 Petrie Terrace
Brisbane 4000
T +61 7 3368 5200
qld@ceo.com.au

South Australia

PO Box 3068
Unley 5061
T +61 8 8272 8835
sa@ceo.com.au

Victoria

Suite 5, 1632-1638 High Street
Glen Iris 3146
T +61 3 9885 5122
vic@ceo.com.au

Western Australia

Unit 3, 16 Hulme Court
Myaree 6154
T +61 8 9330 9188
wa@ceo.com.au