








IMPROVEMENT PROGRAMS CAUGHT RED-HANDED

The stumbling blocks of sustainable improvement efforts

This Quick Insight critically examines the long-term effectiveness of organizational improvement programs. Utilizing the High-Performing Organization (HPO) framework for evaluation, the study finds that despite numerous improvement efforts, there has been minimal sustainable progress in organizations' performance levels. The article identifies possible reasons for this lack of progress, such as economic downturns and the ineffectiveness of commonly used improvement methods. It also underscores the importance of High Performance Managerial Leadership, a balanced blend of visionary leadership and disciplined management, as a key to achieving and maintaining high performance. This Quick Insight is especially relevant for organizational leaders, management consultants, and policymakers interested in the complexities and challenges of achieving sustainable organizational improvement.

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KEY TAKEAWAYS

-  **Research into the Effectiveness of Improvement Programs:** Despite the many improvement methods and techniques introduced over the past decades, it is rarely checked whether these are actually effective in creating lasting improvements in the financial and strategic performance of organizations.
-  **The HPO Framework:** The high-performing organization (HPO) framework, comprising five factors, can be used to evaluate an organization's performance. An analysis of the HPO scores of organizations collected in the periods 2005-2007 and 2017-2018 shows little improvement in their HPO scores and thus in their performance levels.
-  **Possible Causes of the Lack of Progress:** the economic recession during the measurement period, ineffective improvement methods used, or a lack of discipline in organizations to work consistently with an improvement method.
-  **High Performance Managerial Leadership:** The article emphasizes the importance of a balanced combination of leadership behavior and managerial behavior, essential for organizations to become and remain high-performing.
-  **Call to Action:** Instead of relying on temporary "miracle cures," organizations should focus on developing leaders who combine vision and discipline. These leaders must look beyond temporary trends and focus on proven principles of sustainable performance to have a lasting impact.



INTRODUCTION

In recent decades, an entire industry has emerged around ways to improve organizations. Many techniques, models, and frameworks have been proposed and applied. Some of these have come into fashion, gone out of fashion, and come back into fashion, such as agile management. With all these improvement techniques, it is interesting that the question of whether they really work – in the sense that they contribute to creating lasting higher financial performance and strategic performance, such as customer satisfaction, innovation, employee engagement – is not asked more often. Let alone answered. Perhaps because there was no good measurement technique available to evaluate the performance effect. That is to say, until 2005. In that year, we first published about the high-performing organization (HPO) framework we developed, a method to assess an organization on those characteristics that make the difference between an average-performing and a high-performing organization.

THE HPO FRAMEWORK AND THE RESULTS

The framework consists of five factors, with 35 underlying characteristics. The five factors are: management quality, open and action-orientation, long-term orientation, continuous improvement and renewal, and employee quality. If an organization scores higher on the five HPO factors than its peer group (of similar organizations), it performs better, both financially and non-financially, than that peer group.

Since we have been measuring the high-performance level of organizations worldwide for over 15 years, the HPO Center has collected a large database of scores. We dove into this database to compare organizations diagnosed in the period 2005-2007 with organizations measured ten years later in the period 2017-2018 (see Figure 1 on the next page).



THE 5 STRANDS OF SUCCESS



MANAGEMENT
QUALITY



CONTINUOUS
IMPROVEMENT
& RENEWAL



LONG-TERM
ORIENTATION



EMPLOYEE
QUALITY



OPENNESS & ACTION
ORIENTATION





Figure 1: Average HPO scores for organizations measured in the periods 2005-2017 and 2017-2018

Figure 1 paints a disappointing picture: there is hardly any improvement to be noticed between the performance levels of organizations in 2005-2007 and ten years later. This means that despite all those improvement efforts undertaken in organizations, their performance levels have not been raised. Not in a sustainable way, at least.

There may be several reasons for this. One of the causes could be the major economic recession in this period (which began around 2008). That caused organizations to focus mainly on survival and not on increasing performance. Another possible reason is that the improvement methods applied had no, very little, or only short-term performance effects. You could argue that these were then essentially the wrong techniques for creating lasting improvement. A third explanation worth considering is that organizations lacked the discipline to work with their chosen improvement technique for several years (a period that is often necessary for improvement techniques to really take root).

Whatever the reason, there have also been organizations that during the measurement period have wrestled their way out of the malaise by applying the HPO framework in a disciplined manner. They have applied the HPO diagnosis no less than three times, meaning they have worked with this framework for at least four years (which seems an eternity in the fast-changing business world!). We have looked, among other things, at the increase in HPO



scores that these organizations achieved between the first and third HPO diagnosis – this turned out to be 12.8%. This growth led to a significant increase in both financial and non-financial organizational performance. It also turned out that these organizations had managers who shared certain behavioral characteristics that helped them build and maintain an HPO. We can divide this behavior into two types:

- Behavior that shows that managers care about their employees, customers, and organization. They believe in a bright future for their organization as an HPO, and they use that to paint an inspiring and attractive picture of the organization's future. We call this leadership behavior.
- Behavior that managers apply to achieve the desired result in a disciplined manner. With this, they inspire their employees and themselves to achieve extraordinary results by collaborating in various ways. We call this managerial behavior.

THE WAY FORWARD: HIGH PERFORMANCE MANAGERIAL LEADERSHIP

It is striking that excellently performing managerial leaders do not exhibit these behaviors separately. They know how to strike a balance between the two types of behavior: each leadership behavior has a counterpart in managerial behavior and vice versa. We call this combination of leadership behavior and managerial behavior the proven principles of high performance managerial leadership (see Figure 2).

Leadership behavior	&	Managerial behavior
Future-oriented	&	Steadfast and disciplined
Informing, communicating & dialoguing	&	Fast decision-making and action-taking
Improving self and others	&	High-performing in daily life
Externally focused	&	Internally focused
Creative improvement	&	Fact-based

Figure 2: The five principles of high performance managerial leadership

Our call to action now is: stop wasting time on all those 'miracle cures' currently available on the consultancy market. Instead, gather the courage and discipline to work on yourself to become a managerial leader who is the driving force behind the transformation towards an HPO that will make your organization stronger than ever before!




CONCLUSION


The search for lasting improvements in organizations is complex, and often the techniques and methods applied are unable to bring about sustainable changes. The evaluation of organizations through the HPO framework shows that only a few organizations are able to actually achieve and maintain a high-performing status. Crucial here is the balanced interplay between leadership behavior and managerial behavior, which together form the core of high performance managerial leadership. Instead of constantly embracing new 'miracle cures,' the focus should be on developing leaders who have the capabilities to steer organizations with vision and discipline towards excellence. Overcoming temporary crises and building a sustainable future requires leadership that goes beyond temporary trends and focuses on proven principles of sustainable performance.




ARE YOU READY TO TRANSFORM YOUR ORGANIZATION INTO AN HPO?

Then insight is essential. Our [HPO diagnosis](#) (short validated questionnaire and in-depth interviews) provides you with this insight. You will get a clear picture of the current situation within your organization or department and receive practical improvement themes that managers and employees can tackle together. The HPO diagnosis is not just a mirror; it is a compass that guides you in taking crucial steps to achieve your strategic goals and become an HPO. Do you want to elevate your organization to a higher level? The HPO Center can support you in this. We combine over fifteen years of practical experience with hundreds of organizations worldwide with scientific research to provide you with the knowledge and focus that result in demonstrably better performance. HPO is not a project, but a mentality that makes your organization more resilient, flexible, and future-proof. It helps you identify the 'hard nuts' and provides a basis for measuring the effectiveness of the HPO transition. It also strengthens the solidarity within your organization (or part of it) by identifying and addressing shared, supported improvement themes.

 **Customer Focus:** An HPO is invaluable to its customers. The primary goal is to boost customer value and satisfaction.

 **Employee Engagement:** Aiming for high performance re-energizes your team. It leads to increased job satisfaction as HPOs concentrate on what genuinely drives organizational success. It's not a new project; it's a new mindset and approach to work.

 **Adaptability:** An HPO is designed to evolve. It thrives in our ever-changing, competitive world, making your organization more resilient and future-proof. This is achieved through ongoing adjustments, learning, and improvements.

Our Offer

- ✓ Customized [HPO Diagnoses](#)
- ✓ Interactive [Lectures and Workshops](#) on the HPO Framework
- ✓ Comprehensive Interviews, [Articles](#), [Books](#), and Networking Opportunities
- ✓ Guidance in Implementation Led by our [HPO Experts](#)



Why choose the HPO Center?



Experience & Credibility

With over 15 years of practical experience combined with rigorous scientific research, the HPO Center is at the global forefront of organizational improvement advice.



Global Knowledge Center

Based in the Netherlands, the HPO Center collaborates with partners, including in emerging markets, with the aim of fulfilling its mission to improve organizations worldwide.



Unmatched Expertise

HPO doesn't stop at diagnosing organizations. We also explore, investigate, and delve deeply into related topics such as High Performance Leadership, Silo-busting, Futurizing, Social Value Creation, and High Performance Business Ecosystems—evidence of our commitment to continually expand the HPO universe.



More than Just an Organization

With a passion for inspiring, stimulating, and networking, the HPO Center is not just an organization; it's a movement. Through scientific and professional publications (all freely available at hpocenter.com and www.hpocenter.nl), books, seminars, and roundtables, we continually disseminate the knowledge of the HPO Framework and unite professionals interested in continuous improvement and excellence.

Considering an HPO transformation?

The HPO Center is ready to support and guide you on your journey toward high performance. Contact us today for an inspiring conversation or to experience an HPO workshop. Together, we'll redefine your performance.



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