Modus
RESEARCH

High Performance Organizations

Analytic Report

February,2020

Introduction

This report presents the results of the recent HPO survey.

- The results in this report are based on a survey of 529 executives and managers from all types of enterprises across Canada.
- These data have a margin of error of plus or minus 4.3 per cent, 19 times out of 20

Please note a few of the reporting conventions used for this report:

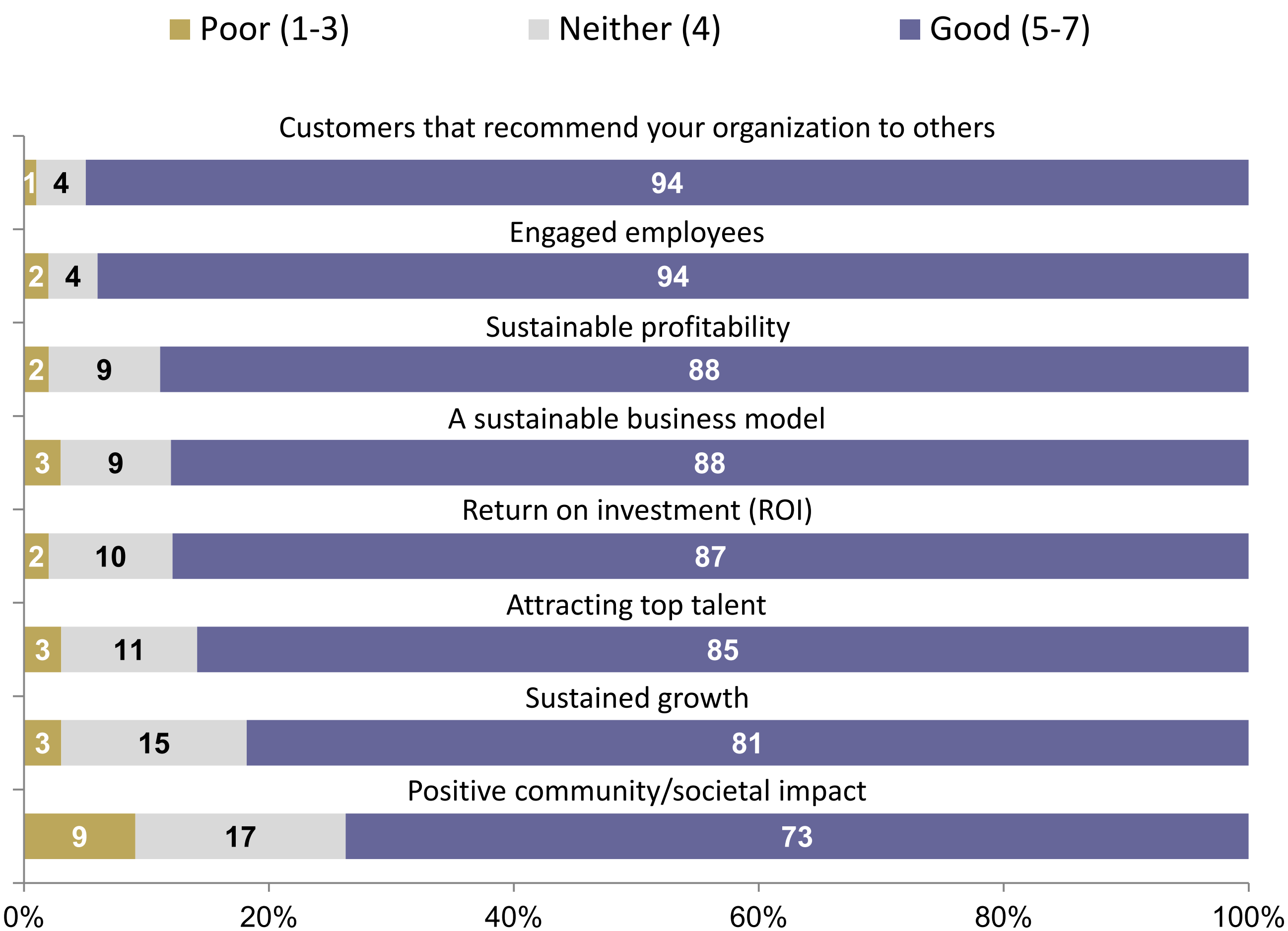
- Relevant subgroup variation is noted in the text boxes on each slide.
- If there is no mention of particular breakouts (e.g., region) it means there are no notable or statistically significant variations to report.

Analytic Highlights

- Those who say leadership is a strong high level driver of performance show a few notable trends:
  - These respondents are also much more likely than others to say that all other high level drivers are strong.
  - They also have a greater propensity to select leadership development as an important driver but are no different than others on leadership pipeline.
  - They place lesser priority than others on continuous innovation, skillsets, goals and objectives, and agility.
- Results are consistent across enterprise size and seniority, with a few noted exceptions.
- Equity and market focus (domestic/international) show pronounced variation as noted throughout the report.

Measures of Organizational Performance

There are a number of different ways to measure organizational performance. How would you rate each of the following in terms of being indicators of strong organizational performance:

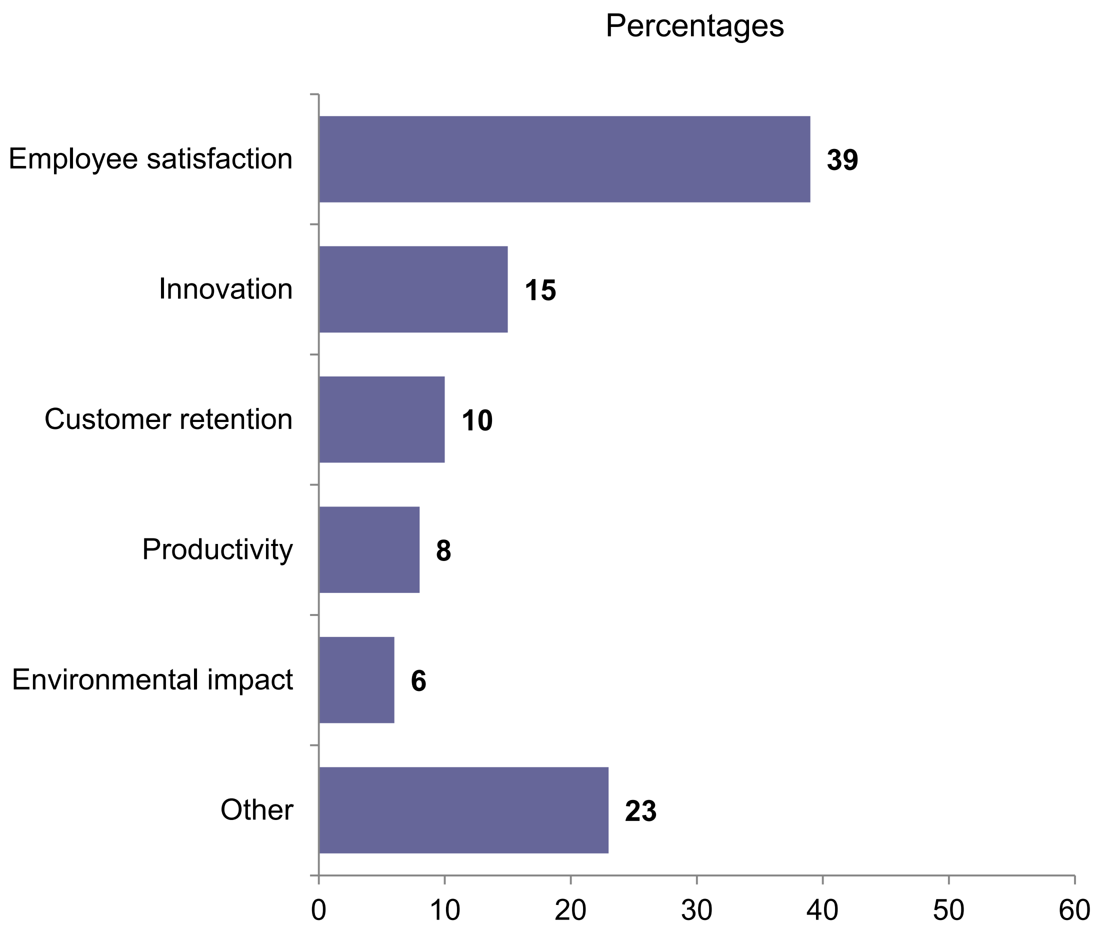


- All variables are considered important for measuring organizational performance.
- There is, however, a notable hierarchy with NPS and employee engagement topping the field.

Base: all (n=529); percentages

Other Measures of Organizational Performance

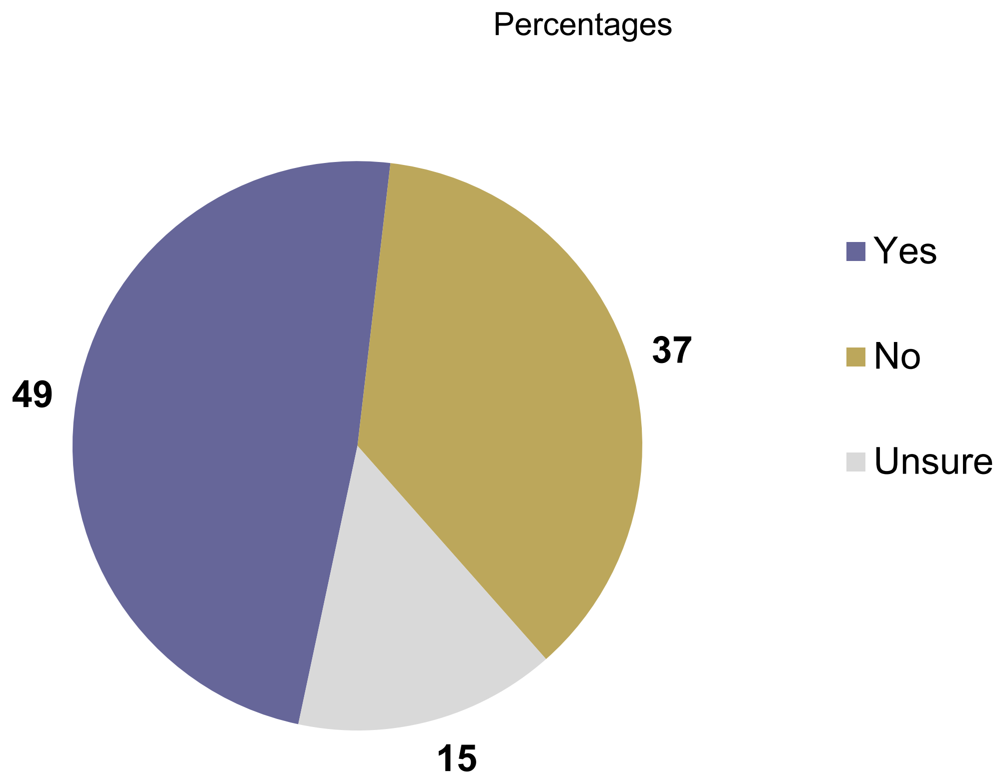
Are there any measures of organizational performance that you consider important but are not included above?



Base: provided response, excluding repeats (n=103); coded open-end responses

Self-identified HPOs

Based on what you feel is important for measuring organizational performance, do you consider your organization to be a high performance organization?

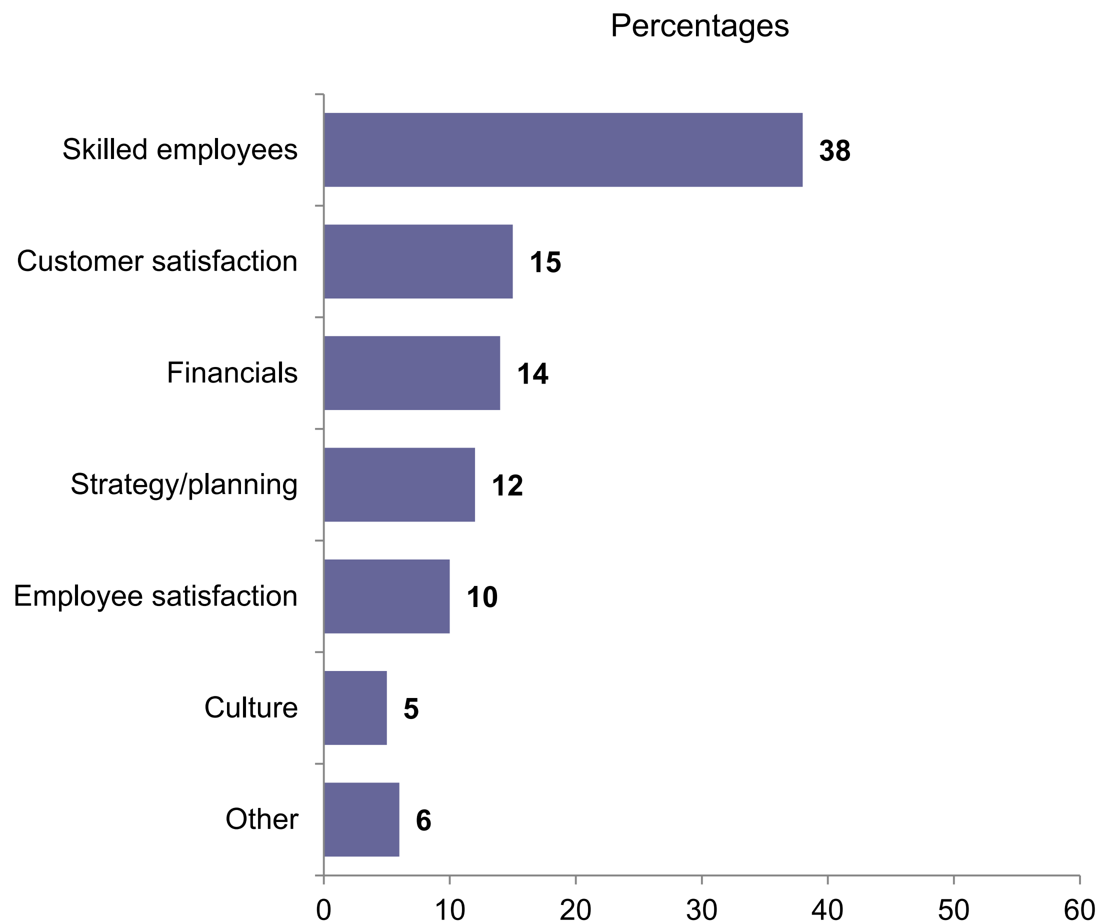


- Almost one half of organizations describe themselves as high performance.
- A significant number are unsure, likely reflecting uncertainty about the term.
- Note:
  - Alberta firms are the least likely to see themselves as HPOs (just 23%).
  - Those without equity are significantly more likely to see their organization as an HPO than those with equity (45% vs. 34%, respectively).

Base: all (n=529)

Top-of-mind Drivers of Performance

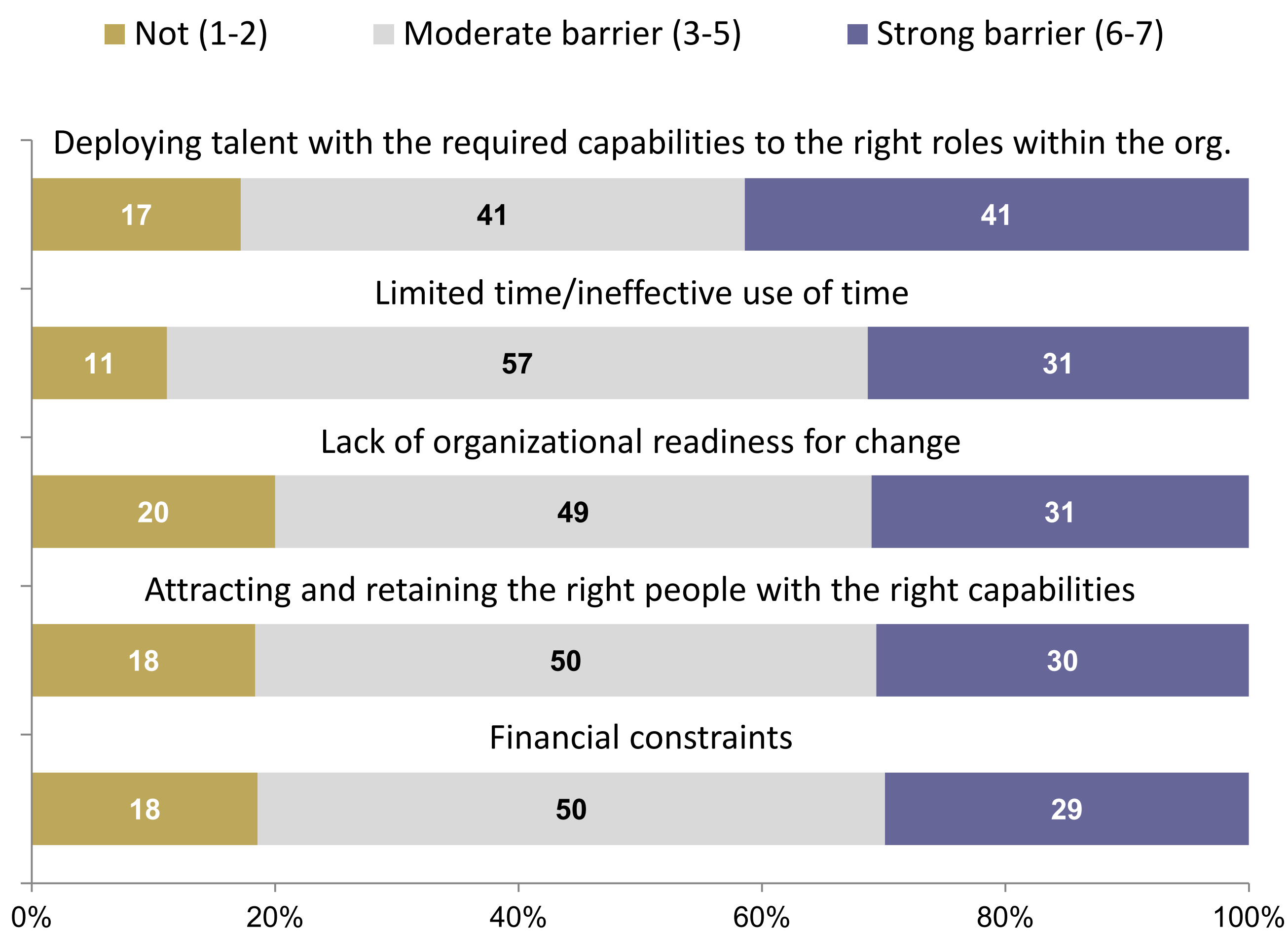
What would you say are the most important things that drive performance in your organization?



Base: provided response (n=394); coded open-end responses

Internal Barriers of Performance

To what extent are each of the following internal barriers to performance in your organization?

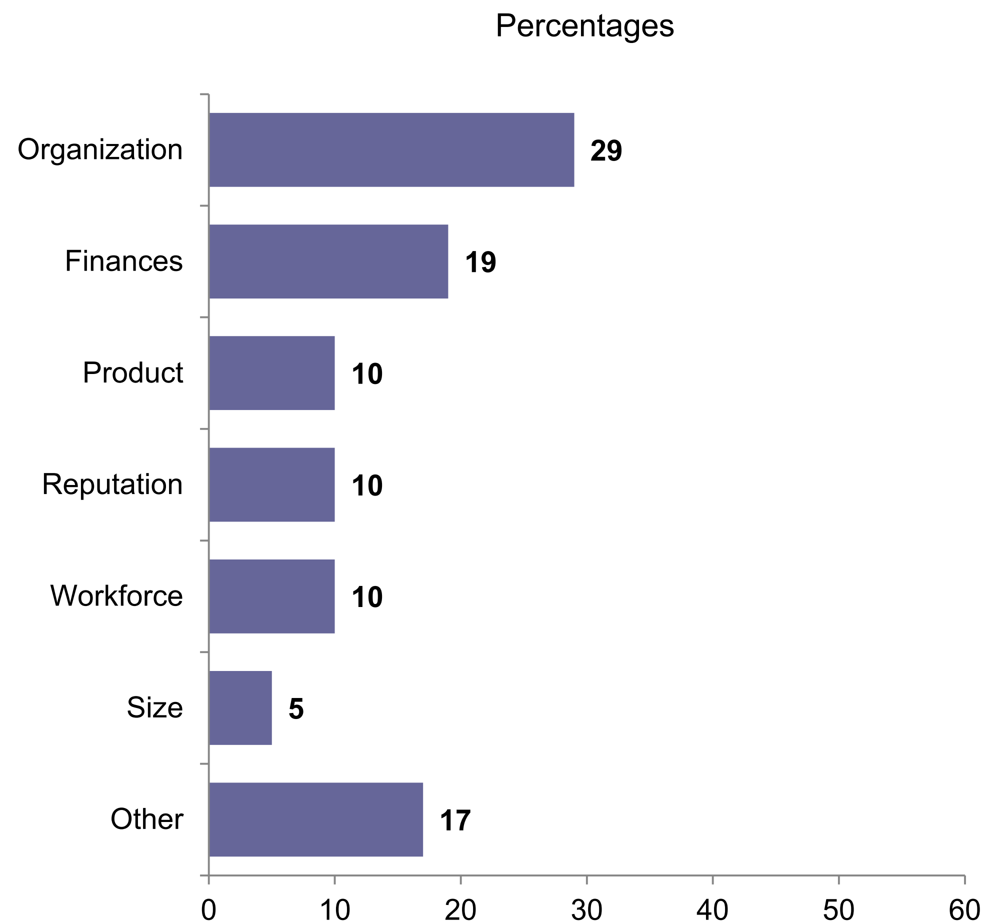


Base: all (n=529); percentages

- There is little to distinguish between the various barriers of performance.
- Deployment ranks as the top barrier, while usage of time is seen by the fewest as a barrier.
- Note:
  - Firms with a strictly domestic focus place greater emphasis on attracting and retaining talent (37%) than firms conducting international business (22%).
  - Prairie and Albertan firms are less concerned about time than other regions (21% and 27% say not a barrier, respectively). The opposite holds for Quebec, where almost half (49%) identify this as a strong barrier.
  - Those without equity are twice as likely as those with equity to view organizational readiness as a strong barrier (40% vs. 20%, respectively).

Reasons for Identifying HPOs

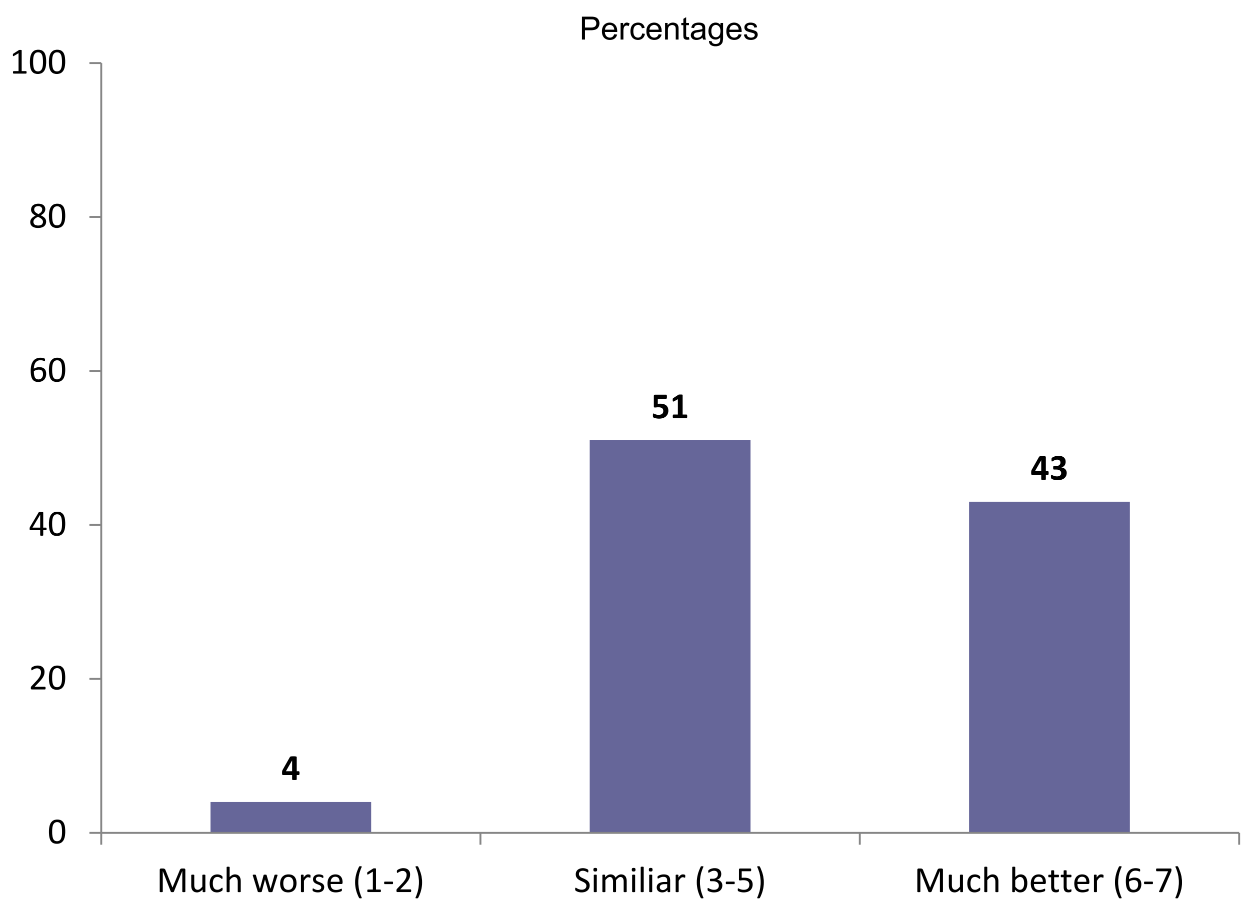
Why would you say this organization(s) [named by respondent] is high performing?



Base: named an HPO in their industry (n=189); coded open-end responses

Performance vs. Peers

Relative to your peers, how would you rate your organization's performance over the past five years?

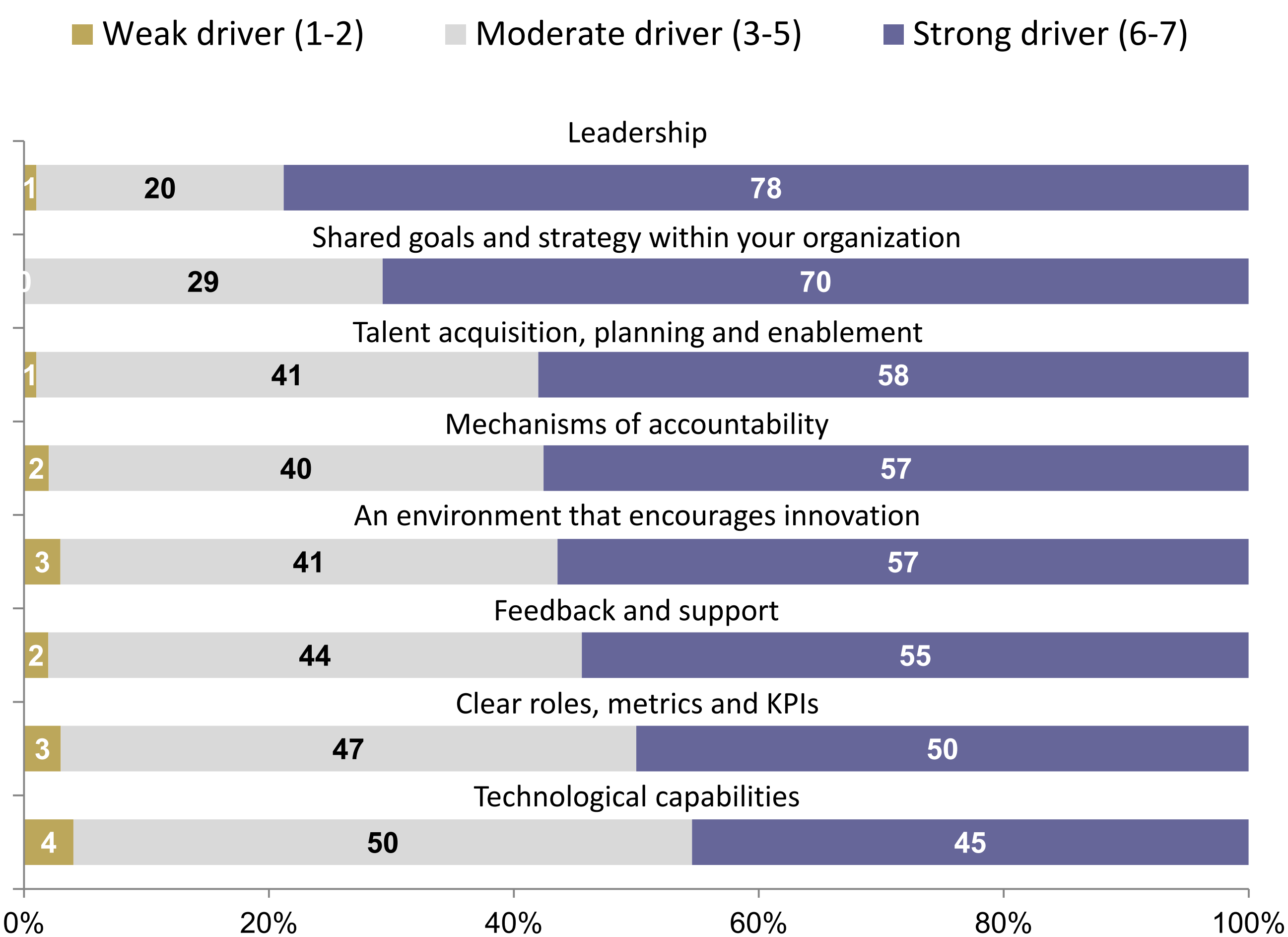


- In keeping with half seeing themselves as HPOs, a high number of executives view their performance as significantly better than their peers.
- Note:
  - FSIs rate are much more likely themselves as on par with peers than other sectors (76% similar).
  - Smaller firms (10 to 99) rate themselves significantly better than larger firms.
  - Equity holders are much more likely to rate themselves highly relative to those without equity (51% vs. 32%, respectively).
  - C-suite rate themselves more highly than either senior or middle management (56%, 36% and 29%, respectively).

Base: all (n=529); 3% non-response

High Level Drivers of Organizational Performance

At a high level, what priority would you place on each of the following for driving organizational performance?

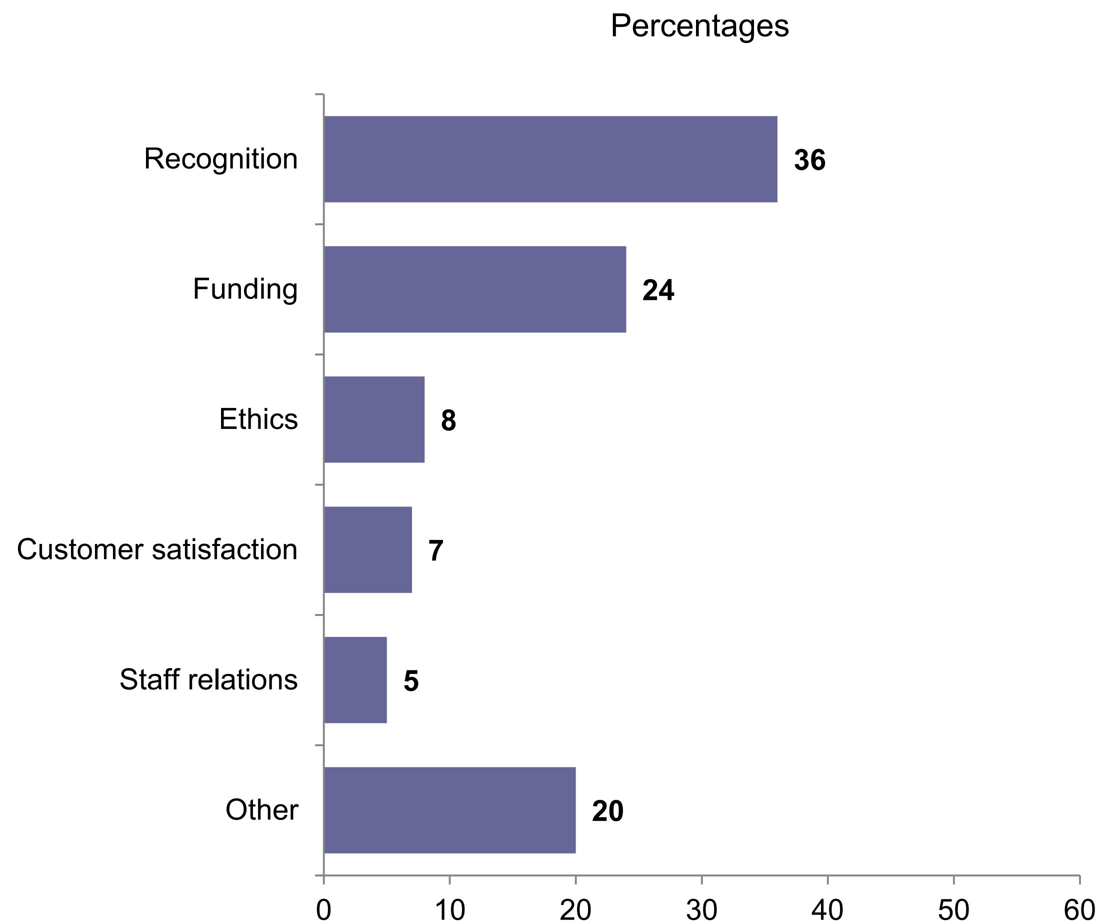


- Leadership dominates as the most important high level driver of performance followed by shared goals and strategy.
- Technological capabilities and metrics/KPIs are relatively unimportant for most organizations.
- Note:
  - Firms doing business in the U.S. are less likely than others to see innovation as a driver of performance (41%)
  - FSIs place much lower priority on accountability than others (just 25% high priority).
  - Female managers and executives, as well as those without equity, place an above average priority on accountability (70% and 64%).

Base: all (n=529); percentages

Other High Level Drivers of Organizational Performance

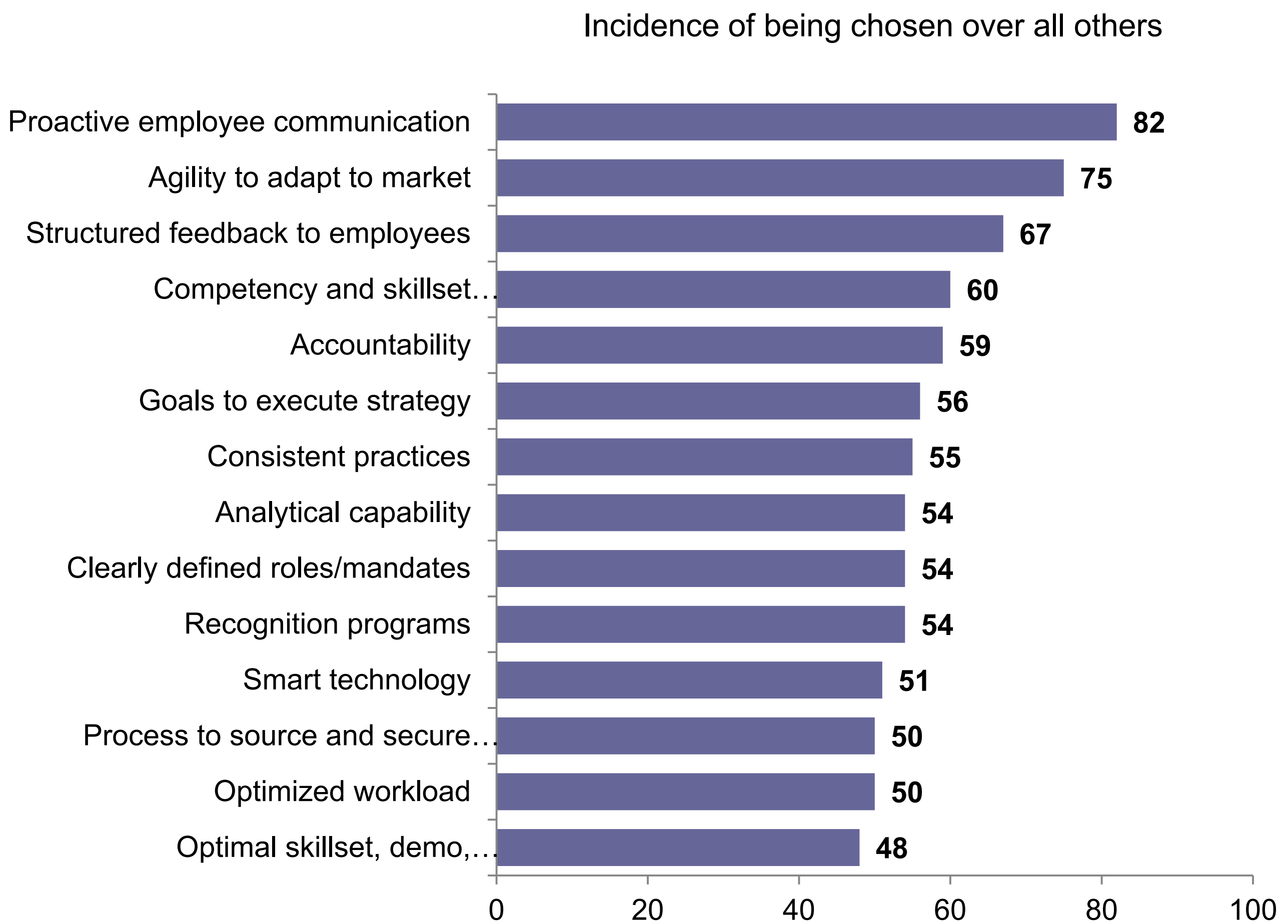
Are there any other important dimensions for driving performance that are not covered above?



Base: provided response, excluding repeats (n=48); coded open-end responses

Drivers of Organizational High Performance (first group)

For each of the following paired choices, please select the one that, in your opinion, has the bigger impact on driving organizational high performance.

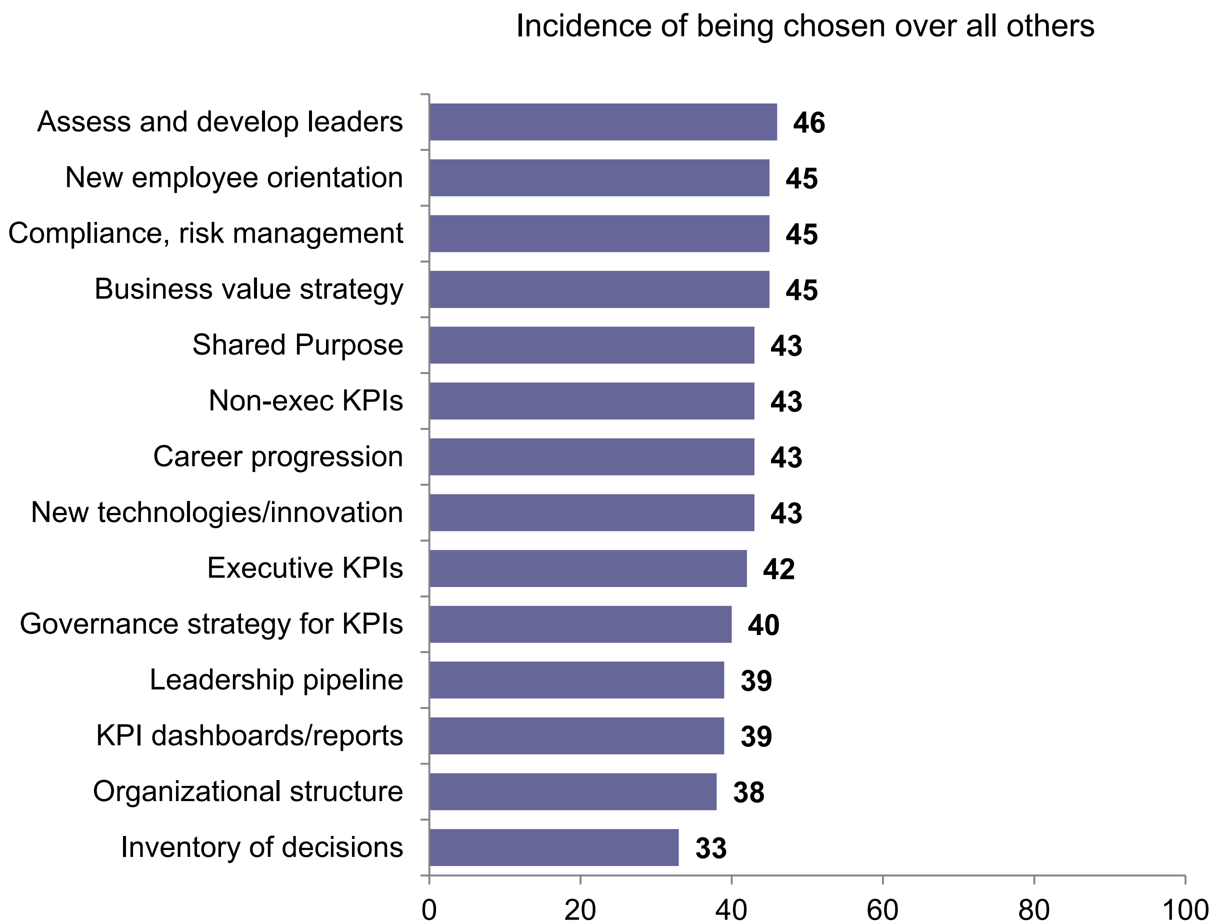


- 28 indicators were tested against each other. Trade-offs were measured through randomly paired choices.
- These results show how often each item was chosen against all others.
- Employee communication and the agility to adapt to changing market conditions are viewed as the top drivers. These percentages are quite high for paired choice selection.
- Also emerging as strong drivers structured feedback to employees, competency and skillset development, and accountability.

Base: all (n=512); random paired choices

Drivers of Organizational High Performance (second group)

For each of the following paired choices, please select the one that, in your opinion, has the bigger impact on driving organizational high performance.



Base: all (n=512); random paired choices

Notable Trends for Drivers of High Performance

- There are a number of important trends by sector, namely:
  - FSIs place much higher priority on non-executive KPIs (65%) but much lower priority on senior KPIs (9%). This likely is a factor of fewer c-suite in this sub-sample.
  - Only 2% of FSIs select inventory of decisions.
  - Smart technology and career road maps are given higher than average priority among FSIs. (87% and 72%, respectively).
  - Finally, FSIs are much less likely than others to select communication as a driver (59%).
- Firms doing business in markets outside of Canada are significantly less likely to select consistent practices (just 45%) compared with other firms (56%+). These firms are also less likely to select roles and mandates (just 43%) than others.
- Firms focused in the domestic market have a greater propensity to select optimized workload than other firms (57% vs. 45%, respectively). These firms are also below average on recognition/rewards (46%).
- Firms with a global focus place greater priority on non-executive KPIs (52%). These firms also place much lower priority on organizational structure.
- Regionally, there are a number of notable trends:
  - Leadership development is more likely to be seen as an important driver in Ontario (54%)
  - Leadership pipeline scores higher in Alberta (51%) and much lower in Quebec (19%). Alberta is also less likely to place priority on skillsets (34%) and shared purpose (29%).
  - BC firms are much less likely than others to prioritize strategy (27%)
  - Ontario firms are below average in accountability (50%).

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