

OUTPERFORMANCE

What it means. And how to achieve it.

February 2015





Outperformance: the ability of an organisation to achieve results that are consistently better than a chosen peer group.

Outperformer: an organisation with a clear purpose that uses benchmarking to continually stay ahead of its peers.

Have you noticed how some organisations do better by every measure? How they can offer great products or services, inspire fantastic loyalty from staff and customers and deliver impressive results?

At Investors in People, we call these organisations the Outperformers. When we redesigned our framework for 2015, we decided to focus on them. What makes them tick? And how can others become Outperformers themselves?

What makes an Outperformer?

In 2010, the management thinker **André de Waal** published a seminal paper called “The Characteristics of High Performance Organisations”. He studied 290 examples of continuous organisational success to identify key themes.

He concluded that strategy, technology and management structure weren’t as important as many people thought. Instead, the key factors for Outperformance lay in the culture of the organisation. The extent to which people shared a common purpose, the way they collaborated, and their commitment to continuous improvement.

Or, as Peter Drucker said, *“Culture eats strategy for breakfast”*.



Outperformance and Investors in People

When setting the new Standard we took our lead from the academic research on High Performance.

We built on the huge body of academic work. We looked at hundreds of case studies, in academic journals, in the reports of research institutes and professional bodies, in the publications of management consultancy firms, and the practitioner research carried out by large, global organisations. Then we used crowd sourcing to test our conclusions.

We worked closely with over 1000 organisations of all sizes and in all sectors to ensure that our academic findings were relevant to the needs of actual, existing organisations. This led us to identify the nine key attributes of Outperformers that shape the framework for Investors in People 2015.



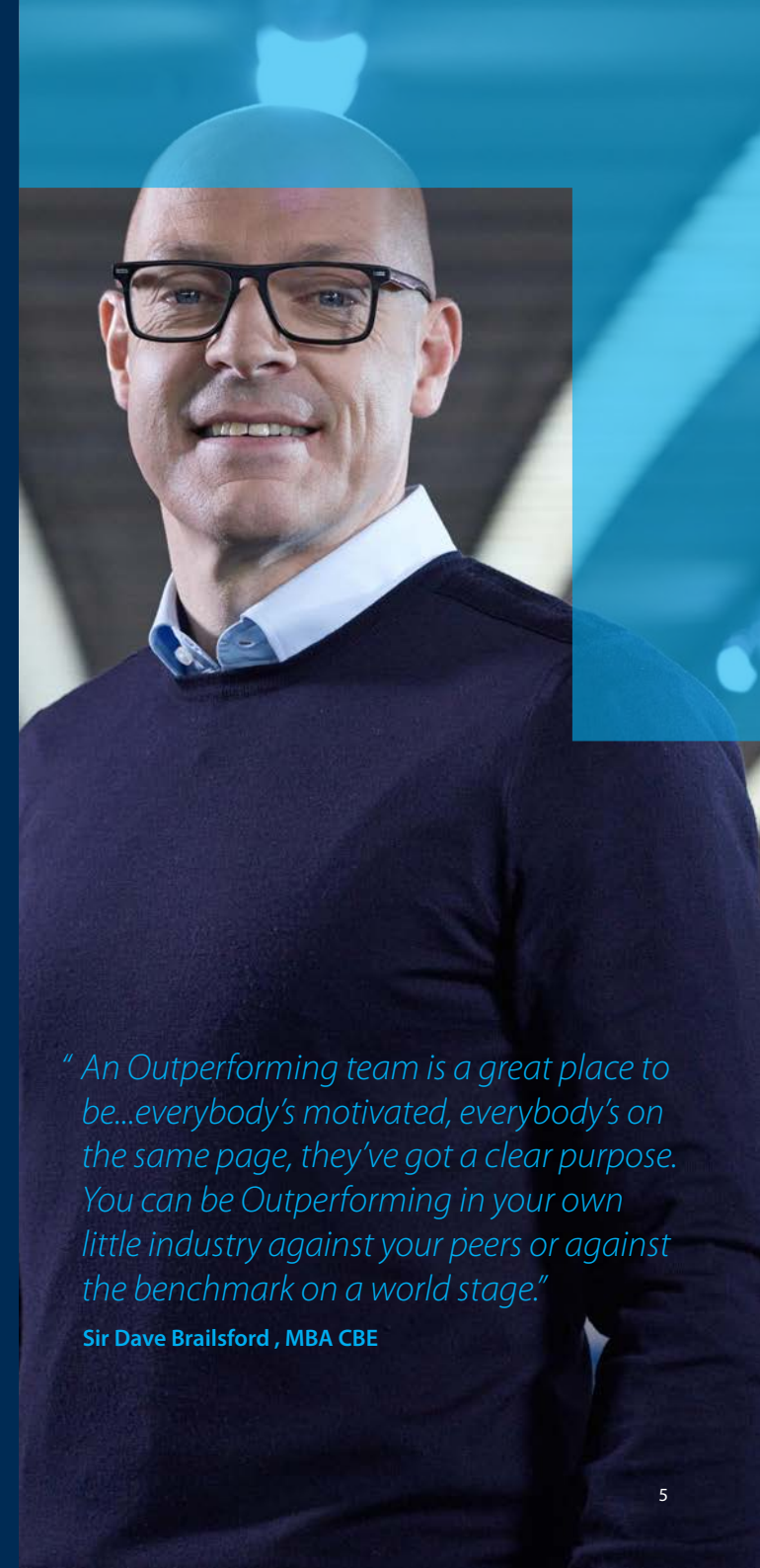
Can any organisation be an Outperformer?

In a word, **yes**.

Our own research shows that Outperformance is just as relevant to the public, not-for-profit and voluntary sectors. Whatever the organisation's size or sector, it is always true to say that:

1. **Outperformers have a clear purpose and objectives and this shows itself in the day-to-day actions of employees.**
2. **Outperformers strive to continually improve. The organisation is always looking to achieve its full potential.**
3. **Outperformers identify external benchmarks to stay ahead. Rigorous metrics give an organisation a clear idea of where it is at the moment, and what needs to improve.**

Outperformance is about how well an organisation lives up to its stated ambition and how well it performs relative to its peers. This is as just as true for a care home, a school or a charity as it is for a multinational business. Whatever the challenge, it's people that make the difference.



"An Outperforming team is a great place to be...everybody's motivated, everybody's on the same page, they've got a clear purpose. You can be Outperforming in your own little industry against your peers or against the benchmark on a world stage."

Sir Dave Brailsford , MBA CBE



Outperformance isn't an event. It's a journey.

Outperformance is about developing a culture of continuous improvement. That's why the new framework is built around a simple performance model.

It gives you an overview of all your people practices, across the nine indicators, so you can see if you are operating at a developing, established, advanced or high-performing level. Few organisations can – or need to – score 10/10 in every area. But every organisation is capable of identifying those areas where it can improve and which improvements will help it to achieve Outperformance.

This forms the basis for the long-term development of the organisation. It lets you focus on small, easily achievable changes in exactly the right areas. It enables you to see how the organisation is improving and puts you on the path to even better performance.

Outperformance and the HR professional.

There is a growing recognition that an engaged workforce drives success. This is fundamentally changing the role of HR departments from administrators of transactions to agents of transformation.

Investors in People can support HR professionals as they assume a more strategic role within organisations. We can help you to raise awareness that the strength of your organisation's culture, leadership and talent is inextricably linked to business outcomes. From customer loyalty and staff retention to stakeholder returns.

Ultimately, to be an Outperformer, you have to be an investor in people.



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To read more on Outperformance and access downloadable resources to help you achieve it, visit www.investorsinpeople.com/outperformance

