

# **The LHRP Framework**

**How leadership, hiring, retention, and performance form  
a behavioral system**

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## Executive Summary

Many companies struggle simultaneously with poor hiring decisions, rising turnover, and fluctuating performance. These problems are usually addressed in isolation: through recruiting optimizations, benefits, training programs, or performance management systems.

In reality, these challenges are closely interconnected. They do not arise independently of one another, but rather as the result of the same organizational behavioral system.

The LHRP Framework views companies as an integrated system consisting of four core areas:

- Leadership
- Hiring
- Retention
- Performance

The central thesis of the model is:

Leadership determines who we hire.  
Who we hire determines who stays.  
Who stays determines performance.

Instead of treating individual symptoms, the framework addresses the behavioral architecture of the entire system.

## The Typical Organizational Problem

In many organizations, similar patterns emerge:

- Key positions remain unfilled for long periods.
- New employees do not fit well into the team.
- Performance is inconsistent or declining.
- Strong performers leave the company prematurely.
- Leaders are overloaded or ineffective.

These symptoms are often treated as separate issues:

- Hiring becomes the responsibility of recruiting.
- Turnover becomes an HR topic.
- Performance is addressed through KPIs, bonuses, or training programs.
- Leadership is “improved” through seminars or individual coaching.

The organization runs multiple initiatives simultaneously — yet results fail to materialize or prove unsustainable.

## The Core Misconception

The fundamental mistake lies in viewing these topics in isolation.

Companies treat:

- Hiring
- Retention
- Leadership
- Performance

as separate functional areas. In reality, however, they are part of an interconnected system.

Turnover is rarely an isolated HR issue.

Weak performance is rarely purely a training issue.

Poor hiring decisions are rarely just a recruiting problem.

These challenges stem from the same underlying causes:

- Leadership behavior
- Decision-making logic
- Incentive systems
- Behavioral norms within the organization

In other words:

Companies do not have isolated HR problems.

They have behavioral architecture problems.

## The LHRP Mental Model

The LHRP Framework describes companies as a behavioral system with four levels:

**Leadership → Hiring → Retention → Performance**

These levels are linked through a clear cause-and-effect relationship.

### 1. Leadership – The Source of the System

Leadership determines:

- which decisions are made
- which priorities apply
- which behaviors are rewarded
- which behaviors are tolerated

Leaders shape the daily experiences of employees. They influence:

- the quality of hiring decisions
- the working environment
- the team culture
- performance expectations

#### **Core function:**

Leadership defines the behavioral system.

## 2. Hiring – The Input into the System

Hiring determines:

- which personalities enter the organization
- which ways of thinking and working enter the team
- how well new employees fit into the system

Many organizations focus primarily on:

- technical skills
- résumés
- experience

However, long-term performance is largely driven by behavior:

- decision-making patterns
- communication style
- ownership and accountability
- ability to learn
- response to feedback

### **Core function:**

Hiring determines which behavioral patterns enter the system.

## 3. Retention – System Stability

Retention reveals:

- which employees remain in the organization
- which leave the system
- how stable teams and performance truly are

Employees primarily stay or leave because of:

- leadership behavior
- decision-making logic
- work environment
- development opportunities
- perceived fairness

Retention is therefore not a primary lever, but an indicator.

### **Core function:**

Retention shows which behavioral patterns the system keeps — and which it loses.

## 4. Performance – The Output of the System

Performance is the result of:

- the people in the system (Hiring)
- the leadership within the system (Leadership)
- the stability of the team (Retention)

Many companies attempt to optimize performance directly, for example through:

- goal-setting systems
- bonuses
- KPIs
- training programs

However, performance is not an isolated starting point.

### **Core function:**

Performance is the output of the entire behavioral system.

## The Behavioral Chain

The entire model can be illustrated as a simple cause-and-effect chain:

**Leadership → Hiring → Retention → Performance**

Or in three sentences:

Leadership determines who you hire.  
Who you hire determines who stays.  
Who stays determines performance.

### Example

A company hires new employees quickly to fill open positions. Selection is based primarily on technical skills and availability.

Leaders are heavily involved in day-to-day operations, provide little feedback, and make short-term decisions.

After six to nine months, several new employees resign. The remaining teams are overloaded, and performance declines.

The company responds with:

- higher salaries
- new benefits
- recruiting campaigns

Yet turnover remains high.

The problem was not the benefits or recruiting marketing, but rather:

- the leadership patterns
- the hiring decisions
- the behavioral architecture of the system

## Practical Implications for Organizations

If leadership, hiring, retention, and performance form an interconnected system, clear consequences follow.

### 1. Leadership Is the Primary Lever

Leadership influences:

- the quality of hiring decisions
- the work environment
- employee retention
- performance standards

Without effective leadership behavior, many HR initiatives remain superficial.

### 2. Hiring Must Be Behavior-Based

Not only skills, but above all behavior determines:

- team dynamics
- coachability
- development
- long-term performance

Hiring should therefore focus more strongly on:

- behavioral patterns
- decision-making logic
- learning ability
- cultural fit

### **3. Retention Is a System Indicator**

High turnover signals:

- structural problems
- leadership deficiencies
- poor hiring decisions
- unclear expectations

Retention can rarely be “fixed” in isolation.

It improves when leadership and hiring function effectively.

### **4. Performance Is an Outcome, Not a Starting Point**

Sustainable performance emerges when:

- the right people are in the system
- leadership is effective
- teams remain stable

Performance programs without a systemic approach typically produce only short-term effects.

## How the LHRP Framework Is Applied

Practical implementation typically takes place in three steps.

### 1. System Diagnosis

Analysis of:

- leadership behavior
- hiring decisions
- turnover patterns
- performance differences

Goal:

Make the true root causes within the behavioral system visible.

### 2. Behavioral Architecture Design

Design of:

- leadership decisions
- hiring processes
- feedback and incentive systems
- decision-making structures

Goal:

Shape the system so that desired behaviors become more likely.

### 3. Implementation and Support

Support in:

- leadership development
- hiring redesign
- retention interventions
- performance stabilization

Goal:

Sustainable transformation of the entire system.

## Conclusion

Most companies treat leadership, hiring, retention, and performance as separate topics. In reality, they are part of the same behavioral system.

The LHRP Framework connects these four areas into a clear cause-and-effect logic:

- Leadership shapes the system.
- Hiring determines the input.
- Retention reflects stability.
- Performance is the outcome.

Organizations that understand and deliberately design these interdependencies achieve:

- better hiring decisions
- lower turnover
- stronger leadership impact
- more stable performance

## Next Step

If you are experiencing hiring challenges, rising turnover, or fluctuating performance, the root cause usually lies within the behavioral system.

The LHRP Framework helps make these root causes visible and transform them systematically.

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