

What really counts in a high performance organization

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ABSTRACT

In the past few decades organizations all over the world have been searching for the elements that constitute continuous organizational success. Fuelled by bestsellers such as *In Search Of Excellence* and *Good to Great*, managers have been trying out many different improvement concepts, often with mixed results. The aim of this study is to identifying the factors that determine the continuous success of a high performance organization (HPO). A meta analysis of 280 research studies into high performance initially identified 44 potential characteristics of a HPO which were verified in a case study at a large Dutch bank. This yielded 15 characteristics which turned out to be distinguishing whether this bank becomes and stays a HPO. The results of the study show that it is possible to identify factors that determine continuous organizational success, and that managers can be offered a framework that adds focus to improvement projects aimed at making their organizations high performing.

INTRODUCTION

Ever increasing demands of stakeholders are forcing organizations to adapt quickly to growing international competition and at the same time compete on the basis of price, quality, flexibility, delivery times, and after-sales support (Kasarda and Rondinelli, 1998). They are pressured into defining the elements that make up high performance, as there is a growing consensus that effective approaches to management offer organizations competitive advantage (Lawler, 2003). As a result of the developments in industry and society, governmental agencies and non-profit organizations are also subject to change. They have to rapidly reshape themselves into nimble and flexible organizations which put citizens' first, a movement which is known as New Public Management (Zeppou and Sotirakou, 2002; Pollitt, 2003). In the wake of the landmark book *In Search of Excellence* (Peters and Waterman, 1982) and the more recent bestsellers *Built to Last* (Collins and Porras, 1994) and *Good to Great* (Collins, 2001), managers have developed a strong interest

in learning the characteristics of high performance to help them in their quest for excellence. Identifying these characteristics is of paramount importance because clients of organizations are becoming both more demanding and more dissatisfied with the performance of organizations. In this day and age of increased importance of tailoring to consumers' needs, organizations cannot afford bad interactions with their clients. In addition, organizations not only need to become better than they were, they also have to be better than the rest for a longer period of time. To do so they need to know what factors determine continuous high performance. The aim of this study was to identifying the factors that determine the continuous success of a high performance organizations (HPOs). A meta analysis of 280 studies on high performance that were published in the past thirty years identified 44 organizational characteristics that were potentially decisive for achieving and maintaining long-term good performance. To ensure the validity of the results, the characteristics were tested at a large Dutch bank with thirteen regions. A comparison of best performing and worst performing regions showed that fifteen of the examined characteristics were indicative of continuous good performance. These are referred to as HPO characteristics, and management of the case company has to focus on improving these characteristics if it wants to increase the company's performance. The significance of this research study is that it uncovers organizational characteristics that are at the heart of high organizational performance and thus provides a scientific footing for improvement strategies that are aimed at increasing company performance by using the HPO framework given. Amidst the many advices of consultants and the myriad of new improvement concepts launched in the past two decades, the research results of this study provide a solid base for practitioners. It gives managers insight into what really counts for the success of their organizations and thus enables them to focus and increase the effectiveness of their improvement actions.

METHOD

The literature mentions many different types of characteristics in relation to HPOs, depending on the angle of research and the researcher's views and interests. This diversity makes it difficult to develop a single set of characteristics for HPOs. The aim of this study is to compile a set of HPO characteristics on the basis of a meta study of multidisciplinary research performed the past thirty years. The research method consisted of formulating a definition of the concept of HPO, selecting and categorizing research studies on high performance, and identifying characteristics which potentially make a HPO. These characteristics were verified at a case company with the result that a small set of

characteristics were identified which distinguish whether an organization becomes and stays a HPO.

Formulating a definition of HPOs

Until now scientific research into HPOs has not been abundant. It includes mainly case studies and occasionally a more in-depth study, like Good to Great (Collins, 2001). Currently, there is no generally accepted name or definition of high performance organizations, and in the literature the HPO is often referred to as the accountable organization, the adaptive enterprise, the agile corporation, the flexible organization, the high performance work organization, the high-performance work system, the high reliability organization, the intelligent enterprise, the real-time enterprise, the resilient organization, the responsive organization, the robust organization, and the sustainable organization. In many publications the HPO is described in terms of achievements or attributes of the organization, such as having strong financial results, satisfied customers and employees, high levels of individual initiative, high productivity and innovation, aligned performance measurement and reward systems, and strong leadership (Epstein, 2004). One way of achieving uniformity of definition is to identify common themes in the literature and incorporate those into a single, all-encompassing definition. In Some of the common themes found after studying the literature were: sustained growth; better financial and non-financial performance compared to its peer group; long-term orientation; better results over a period of at least five years. Taking the common themes as a starting point, the following definition of HPO was formulated: *A high performance organization is an organization that achieves financial and non-financial results that are better than those of its peer group over a period of time of at least five to ten years.*

Selecting and categorizing research studies

The basis for the meta analysis was an extensive search of both scientific and popular management literature. The criteria used for including studies in the analysis were:

1. The study specifically aimed at identifying characteristics for HPO or best practices in certain business aspects (such as processes, human resources, or technology) which were explicitly linked to achieving high performance.
2. The study consisted of either a survey with a sufficient number of respondents so that its results could be assumed to be (fairly) representative, or an in-depth case study of multiple companies so that the results were valid for more than one organization.

3. The written documentation contained an account and a justification of the research method and approach and a selection of the research population, a clear analysis, and clear retraceable conclusions and results. This allowed assessment of the quality of the research.

No distinction was made between the different fields of study of the research (such as economics, sociology, human resource management, strategic management), nor between the industries or the countries of establishment of the examined organizations. 280 Studies were selected because they satisfied the described criteria partly or completely.¹

Subsequently they were categorized into three types of studies:

- A. A study which satisfied all three criteria.
- B. A study which satisfied criteria 1 and 2 but only partly criterion 3, because despite the fact that the research approach seemed thorough, there was no clear description and justification provided of the method that was used.
- C. A study which basically satisfied criteria 1 and 2 but not criterion 3, so there was insufficient basis for generalizing the study findings.

A studies form the basis for the identification of HPO characteristics and B studies were used for additional input. C studies were used as further support for the HPO characteristics identified in A and B studies.

Identifying and categorizing HPO characteristics

For each research study, those elements that the authors considered as being important for high performance were identified. These elements were transferred into a matrix in which they were categorized in HPO factors. Because the researchers used different terminologies, the elements were also grouped into categories within each factor, each category constituted a HPO characteristic. For each of the characteristics a 'relative importance score' was calculated, by multiplying the number of times it was described in studies with the weight awarded to a research study type (A = 6, B = 3, C = 1). Finally, the characteristics which had a relative importance score of at least 100 were called potential HPO characteristics. The used research method and its results were discussed and validated by an academic staff member of Cranfield University (United Kingdom).² Table 1 provides an overview of the 44 potential HPO characteristics that resulted from the meta analysis.

¹ A complete overview of the research studies examined can be obtained from the author.

² The author is grateful for the assistance of Dr. Veronica Martinez (Cranfield University).

No.	Potential HPO characteristic
1	Our organisation has a flat structure: there are few hierarchical layers.
2	In our organisation people of different organisational units can easily cooperate.
3	The management of our organisation allows experiments.
4	Our organisation has an open culture.
5	In our organisation organisational members have the freedom to decide and act.
6	Our organisation has adopted a strategy that sets it clearly apart from other organisations.
7	In our organisation processes are continuously improved.
8	In our organisation processes are continuously simplified.
9	In our organisation processes are continuously aligned.
10	In our organisation everything that matters to the performance is explicitly reported.
11	In our organisation both financial and non-financial information is reported to all members.
12	The management of our organisation frequently engages in a dialogue with employees.
13	Organisational members spend much time on communication, knowledge exchange and learning.
14	Organisational members are always involved in important processes.
15	The management of our organisation is trusted by organisational members.
16	The management of our organisation has integrity.
17	The management of our organisation is a role model for organisational members.
18	The management of our organisation applies fast decision making.
19	The management of our organisation applies fast action taking.
20	The management of our organisation coaches organisational members to achieve better results.
21	The management of our organisation focuses on achieving results.
22	The management of our organisation is very effective.
23	The management of our organisation applies strong leadership.
24	The management of our organisation is confident.
25	The management of our organisation is decisive with regard to non-performers.
26	The management of our organisation allows making mistakes.
27	The management of our organisation inspires members to accomplish extraordinary results.
28	Organisational members are trained to be resilient and flexible.
29	The management of our organisation welcomes change.
30	Our organisation is performance driven.
31	The management of our organisation always holds members responsible for their results.
32	New employees are selected on their ability to fit in with the organisational culture.
33	Our organisation has a diverse and complementary management team.
34	Our organisation has a diverse and complementary workforce.
35	Our organisation excels in its core competencies.
36	Our organisation continuously innovates its core competencies.
37	Our organisation continuously innovates its products, processes and services.
38	Our organisation maintains good and long-term relationships with all stakeholders.
39	Our organisation is aimed at servicing the customers as best as possible.
40	Our organisation explicitly chooses to compare itself with the best in the market place/industry.
41	Our organisation grows through partnerships with suppliers and/or customers.
42	The management of our organisation has been with the company for a long time.
43	New management is promoted from within the organisation.
44	Our organisation is a secure workplace for organisational members.

Table 1: The potential HPO characteristics³

³ A detailed description of the 44 potential HPO characteristics can be found in Waal (2005).

Testing the characteristics at a case company

The company where the potential HPO characteristics were tested on their validity was a Dutch bank, one of the largest in the country.⁴ It had several divisions, one of which sold a broad array of financial services to more than one million clients, both private and business, in four segments: private banking, private persons, small and medium enterprises, and mid corporate companies. The examined division employed more than 2,500 people who worked at one of the 200 branches or at headquarters. The market was divided into 13 regions which were each headed by a separate management team, consisting of a chairman and directors for each of the segments. Clients were serviced by sales teams. Each team consisted of a sales force employee responsible for sales visits to (potential) clients, a sales employee who was responsible for inbound calls and visit planning, and a person for operational support. All teams had an equal number of full time equivalents (FTEs), namely two and a half.

The sales process of the bank consisted of several stages:

1. *Visiting (potential) clients.* The sales force visits clients and potential clients with a commercial purpose. The result of a visit is afterwards documented in the customer relation management (CRM) system by the sales employee together with a visit report.
2. *Issuing proposals.* Proposals are offered to a (potential) client during or after the visit of the sales force. The details of the offer are entered in the CRM system by the sales employee and the proposal is then issued to the (potential) client.
3. *Processing accepted proposals.* Proposals are accepted by the (potential) client. The acceptance details are entered in the CRM system by the sales employee and an acceptance confirmation is issued.
4. *Closing.* The financial value of the proposal, measured in capital, is entered in the CRM system by the sales employee. Capital is the volume of the deals. Two loans of €1 million at an interest rate of two percent will give a capital of € 2 million (and a margin of €40.000). After that, the capital and the net income of all accepted proposals is calculated by the financial systems. The financial amount is the sum of the net capital of products sold (based on proposals which have been turned into definitive contracts) and the deal margins.

Several years ago, after a period of difficulty to meet financial budgets, the division announced a program called Result Oriented Management (ROM) with the goal to increase

the performance of the sales organization. While the division had implemented a balanced scorecard several years earlier, the use of this PMS was not widely spread in the company. Reasons for this were the lack of alignment between local and strategic goals, lack of depth (not all commercial functions were included), and absence of valid and timely information. Top management had not adopted the new PMS and consequently neither had the rest of the organization. In 2003 a new chief executive officer was appointed. He commissioned a study into the sales performance of the different segments, which found that the results between sales teams in a particular segment could differ in a ratio of 1:5, meaning that one sales team outperformed another seven times. This difference was found in all segments and this was the trigger for a revitalisation of the ROM program. The program goal was to decrease the 1:5 ratio. The top 25 percent of best performing sales teams were set as the benchmark and the other sales teams had to improve their performance to the benchmark level. An important part of the program was the structural improvement of operational sales management. As part of the program, performance management was reintroduced during the summer of 2003.

RESULTS

The 44 potential HPO characteristics found in the meta analysis were included in a survey which was sent in January 2007 by e-mail to management and employees of the Dutch bank during the period January - February 2007. In this survey, the respondents indicated how well their region performed on the 44 potential HPO characteristics (on a scale of 1 to 10). 480 Valid responses were received. With a principal component analysis with oblimin rotation, six factors were extracted from the characteristics (Table 2).⁵

By setting the cut-off point at a loading of .350, nine items were removed (13, 20, 26, 28, 29, 33, 39, 40 and 41). The remaining items yielded the following six factors:

- *Factor 1: Continuous Improvement and Renewal* – The first factor is very much in line with a trend which has been keeping organizations busy for the past two decades: continuous improvement and innovation. This starts with a HPO adopting a strategy that will set the company apart by developing many new options and alternatives to compensate for dying strategies (6). After that, the organization will do everything in its power to fulfil

⁴ The company has asked to remain anonymous. The author is grateful for the assistance of the members of staff who participated in the research.

⁵ The author gratefully acknowledges the assistance of Prof. T.L.C.M. Groot (Vrije Universiteit Amsterdam).

Item	Component					
	1	2	3	4	5	6
1	-.011	.074	-.135	.842	-.138	-.013
2	.039	-.036	-.004	.751	-.037	.058
3	-.040	-.028	-.014	.804	.003	-.033
4	-.145	-.089	.207	.701	.156	-.048
5	.041	-.067	.125	.636	-.026	-.103
6	.372	-.081	.169	.359	.134	.081
7	.816	-.026	.106	-.005	-.064	-.073
8	.801	-.118	.021	.017	-.029	-.219
9	.791	-.067	-.059	.025	-.035	-.308
10	.337	.097	.001	-.021	.171	-.563
11	.136	.117	.039	.129	.066	-.598
12	.111	-.041	.057	.299	.239	-.432
13	.142	.236	.044	.236	.046	-.256
14	.382	-.030	.080	.364	.008	-.183
15	.153	-.049	.382	.293	.166	-.097
16	-.040	-.064	.631	.114	.199	-.139
17	-.032	.123	.719	.032	-.010	-.031
18	.299	-.022	.644	.111	-.064	-.038
19	.299	.014	.600	.158	-.027	.013
20	-.078	.224	.277	.199	.029	-.331
21	-.187	.687	.367	-.109	-.217	-.096
22	.388	.117	.460	.054	.101	.018
23	.215	.170	.490	.039	.202	-.053
24	.121	.241	.448	.005	.275	-.004
25	.272	.447	-.157	.123	.146	.003
26	.013	.066	.246	.215	.158	-.251
27	-.072	.421	.361	-.008	.092	-.246
28	.261	.189	-.009	.122	.279	-.246
29	.115	.316	.184	.192	.168	-.083
30	-.092	.838	.143	-.083	-.012	-.072
31	.099	.761	-.193	.009	.056	-.067
32	.048	.388	-.118	.254	.288	-.004
33	.179	.267	.188	.150	.288	.064
34	.121	.410	.101	.236	.209	.185
35	.472	.154	.151	.177	.189	.179
36	.511	.220	.095	.217	.142	.216
37	.658	.131	.065	.013	.107	.196
38	.126	.173	.183	-.019	.484	.014
39	.266	.163	.294	.134	.164	.066
40	.162	.284	.202	.006	.324	.169
41	.328	.264	.060	.091	.304	.149
42	.027	.002	-.064	-.058	.787	-.001
43	-.072	.005	-.108	.003	.844	-.154
44	-.094	-.202	.350	.024	.655	-.050

Table 2: Pattern matrix of the HPO characteristics
(oblimin with Kaiser normalization, 41 iterations)

this unique strategy. It continuously simplifies (7), improves (8) and aligns (9) all its processes to improve its ability to respond to events efficiently and effectively and to eliminate unnecessary procedures, work, and information overload. Management then involves employees in all important business and organizational processes so these are executed as best as possible (14). The organization continuously innovates its products, processes and services (37), and by that constantly creates new sources of competitive advantage by rapidly develop new products and services to respond to market changes. It also masters its core competencies (35) and is an innovator in them by deciding and sticking to what the company does best, keeping core competencies inside the firm and outsourcing non-core competencies (36).

- *Factor 2: Result driven* - The second factor indicates the result orientation and drivenness of the organization and its people (30). Management is always oriented on achieving results (21) and encourages employees to achieve extraordinary performance (27). Management also holds people responsible for their results (31) and is decisive about non-performers (25) by maintaining clear accountability for performance, and making tough decisions. New employees are selected on their ability to fit in the result-oriented culture of the organization (32), while great care is taken to assemble a diverse and complementary workforce which has the capacity, flexibility and creativity to detect the complexities in operations and to solve these (34).
- *Factor 3: High Management Quality* - The third factor concerns the quality of management of the organization. In a HPO, management combines many characteristics. It maintains trust relationships with people at all organizational levels by valuing employees' loyalty, treating smart people smart, showing people respect, creating and maintaining individual relationships with employees, encouraging belief and trust in others, and treating people fairly (15). Managers of a HPO live with integrity (16) and are a role model (17) by being honest and sincere, showing commitment, enthusiasm and respect, having a strong set of ethics and standards, being credible and consistent, maintaining a sense of vulnerability and by not being self-complacent. They apply decisive, action-focused decision-making (18) by avoiding over-analysis but instead coming up with decisions and effective actions, while at the same time fostering action-taking by others (19). Managers of a HPO develop an effective (22), confident (24) and strong (23) management style by communicating the values and by making sure the strategy is known and embraced by all organizational members.

- *Factor 4: Autonomy* – This factor is all about creating freedom and autonomy for people to act. The organization has a flat and simple structure because hierarchical layers and vertical boundaries are removed (1). This limits bureaucracy and organizational complexity and makes it possible for organizational units and people to easily communicate and cooperate with each other (2). People are empowered and have the freedom to decide and act (5) because decision making authority, responsibility for operational decision making and performance improvement has been devolved to individuals because people with the best information and perspective should make the decisions. Management also gives people the freedom to experiment and to make mistakes, because these are seen as opportunities to learn (3). The organization has a culture of transparency and openness, information is openly shared, and a common understanding is created (4).
- *Factor 5: Long Term Commitment* - The fifth factor indicates that long-term commitment is far more important than short-term gain. And this long-term commitment is extended to all stakeholders of the organization, that is shareholders but also employees, suppliers, clients and the society at large. A HPO maintains good and long-term relationships with all stakeholders by networking extensively, being generous to society, and creating mutual, beneficial opportunities and win-win relationships (38). Management of a HPO is committed to the organization for the long haul by balancing common purpose with self-interest, and teaching organizational members to put the needs of the enterprise as a whole first (42). They grow new management from their own ranks by encouraging people to become leaders, filling positions with internal talent, and promoting from within (43). A HPO creates a safe and secure workplace by giving people a sense of safety (physical and mental) and job security and by not immediately laying off people (44).
- *Factor 6: Openness* - The last factor concerns characteristics that not only create an open culture in the organization but also focus on using the openness to create dialogues between management and employees. The organization measures (10) and reports everything that matters, so it rigorously measures progress, consequently monitors goal fulfilment and confronts the brutal facts. It reports these facts not only to management but to everyone in the organization, so that all organizational members have the financial and non-financial information needed to drive improvement at their disposal (11). Management engages frequently in a dialogue with employees to discuss the performance of the organization and to exchange opinions, ideas, opportunities and risks (12).

For each of the 13 bank regions, the scores on the six HPO factors were calculated by averaging the scores on the underlying characteristics. This was done for the Small and Medium Enterprises (SME) segment because for this segment reliable operational sales data were available for a period of four years (for the other segments this was only two years). An average HPO score was also calculated by averaging the scores on the HPO factors (Table 3).

HPO factor	1	2	3	4	5	6	7	8	9	10	11	12	13
Continuous Improvement	5,8	5,4	5,5	5,5	5,2	5,1	5,3	5,4	5,3	5,2	5,1	6,1	5,9
Result driven	7,7	7,3	7,6	7,6	7,1	7,3	7,2	7,6	7,5	6,9	7,0	7,4	7,5
Management Quality	7,1	6,6	7,2	7,1	6,8	6,6	6,4	6,9	7,3	6,7	6,4	7,3	7,1
Autonomy	6,1	5,4	5,5	5,9	5,7	5,2	5,3	5,7	6,0	6,1	5,2	6,4	5,8
Long Term Commitment	7,2	6,8	7,0	6,5	6,8	6,5	6,5	6,9	7,1	7,0	6,4	6,9	6,7
Openness	6,5	5,8	6,2	6,1	6,0	5,7	5,5	6,1	6,7	5,8	5,6	6,3	6,0
Average HPO	6,73	6,21	6,49	6,44	6,28	6,08	6,03	6,46	6,64	6,26	5,95	6,73	6,49
HPO ranking	1	10	4	7	8	11	12	6	3	9	13	2	5

Table 3: HPO scores for the 13 regions, segment SME

Operational sales performance

The definition of a high performance organization stresses the importance of continuous high performance. It does not only concern the improvement of the results but also the continuity in the (high) level of results. To find out which of the regions can be designated as HPO, the HPO scores given in Table 3 were related to the performance of the regions. For this, operational sales data of the SME segment was collected for the years 2004 - 2006, specifically 'net capital of products sold'. The net capital of products sold was chosen as capital is the final outcome of the sales process and therefore constitutes a good indicator of the effectiveness and thereby the performance of a region. In addition, the number of commercial and supporting staff and management in each region was determined. Because these data in full time equivalents (FTEs) were not accurate enough, an approximation was made in the form of the number of sales teams operating in the region. The number of teams was used to normalize the data so effects of a growth or decline in FTEs on the quantitative results were taken into account. The data for the KPI was normalized by dividing the KPI results for a specific period by the number of teams in operation in that region during that same period (Table 4).

Year	1	2	3	4	5	6	7	8	9	10	11	12	13
2004	2267	1185	1654	1324	1300	1270	1144	1366	1589	1460	1151	1518	1442
2005	3568	1628	1922	1638	1461	1493	1274	1762	1659	1578	1153	1778	1684
2006	2978	1650	1839	1677	1674	1611	1609	1665	1713	1977	1678	2019	1785

Table 4: Normalized 'net capital of products sold' (in € 1.000), SME segment

A ranking of the regions on the basis of their 'net capital of products sold' was made by comparing the normalized capital for all regions (Table 5).

2004	2005	2006
1	1	1
3	3	12
9	12	10
12	8	3
10	13	13
13	9	9
8	4	11
4	2	4
5	10	5
6	6	8
2	5	2
11	7	6
7	11	7

Table 5: Ranking of the regions, based on their net capital of products sold, SME segment

HPO-ranking	Net capital 2004	Net capital 2005	Net capital ranking 2006
1	1	1	1
12	3	3	12
9	9	12	10
3	12	8	3
13	10	13	13
8	13	9	9
4	8	4	11
5	4	2	4
10	5	10	5
2	6	6	8
6	2	5	2
7	11	7	6
11	7	11	7

Table 6: Matching HPO ranking with net capital ranking, SME segment

The sales performance ranking of Table 5 was matched with the HPO ranking of Table 3. This yielded a clear group of HPO leaders with both the highest HPO scores and the highest net capital of products sold: 1, 12 and 3 (Table 6). It also gave a clear group of HPO laggards with both the lowest HPO scores and lowest net capital: 11, 7 and 6. For all of the remaining regions the match between their HPO scores and net capital was virtually the same.

A comment has to be about the regions' difference in market volume. A region may have obtained a high ranking in Table 5 merely because it had a higher market volume. This effect has been taken into account by normalising the data in Table 4 to net capital sold per sales team. As it is reasonable to assume that a region with a large market volume also has more sales teams operating, the volume effect can be considered as neutralized. To check whether this was the case, a comparison was made of the degree in which the regions were able to achieve their budget versus actual, in percentages. The assumption was that a larger market share should be factored in a larger budget. So if a small region had achieved 100 percent of budget and a large region had done the same, their performance was considered equally good. The comparison showed that, just as in Table 5, Region 1 had the highest ranking in the years 2004 - 2006, and Regions 2 and 7 had the lowest ranking which seemed to indicate that the normalised data provided an accurate picture. The ranking of the other regions however was different than that in Table 5, indicating that there could be some 'pollution' in either the budget or the actuals data, caused by budget games (setting the budget too low) or unreliability in actuals because of overhead cost attribution.

An interesting fact is that in the course of 2007 the manager of Region 1 (the region that was HPO leader) was promoted and became the trustee of the new management of the bank, the manager of Region 12 (also a HPO leader) was promoted to head of the bank in Eastern Europe, and the managers of Regions 7 and 11 (the HPO laggards) were both demoted.

Difference between HPO leaders and HPO laggards

Now that the HPO leaders and the HPO laggards are known, it is interesting to verify whether leaders and laggards emphasize different HPO characteristics. The differing characteristics may well be the ones that make the distinction between being a leader or a laggar in the bank. The scores on the individual HPO characteristics for Regions 1 (leader) and 7 (laggar) were compared to identify the characteristics that shared the largest deviation. After this, the characteristics with a minimum deviation of ten percent were identified as those

characteristics to which the bank had to pay most of its attention in order to elevate the lagging regions to a higher HPO status (Table 7).

HPO characteristic	Region 1 (leader)	Region 7 (lagger)	Difference 1 - 7	% deviation
1	5,8	5,4	0,4	7
2	5,9	5,2	0,7	13
3	5,7	4,8	0,9	19
4	7,0	5,6	1,4	25
5	6,1	5,5	0,6	11
6	6,4	5,1	1,3	25
7	5,5	4,7	0,8	17
8	4,7	4,5	0,2	4
9	4,4	4,1	0,3	7
10	6,5	5,3	1,2	23
11	6,9	5,5	1,4	25
12	6,0	5,7	0,3	5
14	5,5	5,0	0,5	10
15	6,8	5,6	1,2	21
16	7,4	6,9	0,5	7
17	7,3	6,8	0,5	7
18	6,8	6,2	0,6	10
19	6,7	6,0	0,7	12
21	8,3	8,0	0,3	4
22	6,9	6,1	0,8	13
23	7,3	6,7	0,6	9
24	7,8	7,2	0,6	8
25	7,0	5,9	1,1	19
27	7,7	7,3	0,4	5
30	8,1	8,0	0,1	1
31	7,7	7,7	0,0	0
32	7,7	7,0	0,7	10
34	7,1	6,5	0,6	9
35	6,7	6,1	0,6	10
36	6,9	6,5	0,4	6
37	6,1	6,0	0,1	2
38	7,0	6,3	0,7	11
42	7,0	6,4	0,6	9
43	7,2	6,5	0,7	11
44	7,7	6,7	1,0	15

Table 7: Identification of the differentiating HPO characteristics

The fifteen differentiating characteristics for the bank are:

2. People of different organizational units can easily cooperate in the organization.
3. Management allows experiments.
4. The organisation has an open culture.
5. Organisation members have the freedom to decide and act.

6. The organisation has adopted a strategy that sets it clearly apart from other organisations.
7. Processes are continuously improved in the organisation.
10. In the organisation everything that matters to the organisation's performance is explicitly reported.
11. In the organisation both financial and non-financial information is reported to organisational members.
15. Management is trusted by organisational members.
19. Management applies fast action taking.
22. Management is very effective.
25. Management is decisive with regard to non-performers.
38. The organisation maintains good and long-term relationships with all stakeholders.
43. New management is promoted from within the organisation.
44. The organisation is a secure workplace for organisational members.

HPO scores on these fifteen characteristics are significantly higher for the leading regions than for the lagging regions, implying that these regions have paid more attention to them. This is important for management to know because, despite the fact that the type of research described in this article can only show correlation and not causality, it gives management a strong indication of what direction to take: actively start (or keep) working on improving these fifteen characteristics. In this way, their attention is focussed on those activities that are the most likely to add value to the organization.

DISCUSSION AND CONCLUSIONS

The aim of this study was to identify the factors that determine the continuous success of HPOs. A meta analysis of 280 studies on high performance and subsequent testing at a large Dutch bank yielded fifteen organizational characteristics that were decisive for this bank to achieve and maintain long-term good performance. The implication of the research results is that management of the case company has to focus on improving these characteristics if it wants to increase the company's overall performance. However, long-term studies into the birth, survival and death of organizations show that "the company equivalent of El Dorado, the golden organization that continuously performs better than the market, never existed, it is a myth" (Foster and Kaplan, 2001). Therefore the warning of Strebel (2003) should be taken seriously that "to work effectively, best practice has to be adapted to the specific

situation a business is facing. Because the business and its environment are continually evolving, best practice also has to be adapted to the times. What matters is the right managerial practice, exploiting the right business drivers to adapt to and shape the conditions facing a business over time.” The research in this article aimed to take a next step in this regard by showing the characteristics which, from a larger set of characteristics, turn out to be the most important for an organization to become HPO.

The differences in approach of the research described in this article in comparison with other studies into high performance is considerable. First of all, in many studies of high performance a selection – based on financial parameters – is made at the beginning of the study of good or excellent organizations in a specific sector followed by a comparison with less well-performing organizations. From this comparison, the researchers subsequently identify the distinguishing factors between the two types of organizations. The weakness in this approach is the initial selection of organizations: if for some reason this is not performed meticulously, the subsequent research results have to be questioned. There is always an element of chance: Did the researchers have the best information available at their disposal? and Did they use the proper selection criteria? During the research described in this paper, there was no prior selection of organizations made because the starting point of the meta study was the literature. The potential HPO characteristics were derived from the broadest set of scientific disciplines and professional literature as possible, something which to the knowledge of the author of this article has not been done previously in high performance research. This approach guarantees that a wide variety of elements (structural, human, emotional, strategic, resource based, etc.) was included, which makes the chance on an improper selection of organizations (and therefore of HPO characteristics) less likely.

Second, a lot of the studies into high performance have not been replicated as is proper procedure with scientifically based research, so no objective verification of the research results has taken place. In contrast, the study results given in this article have been verified by another institute, which therefore make them a more solid base for future research.

Third, many studies into high performance focus on the North American business world. The case company described in this article is a Dutch organization which makes this research an addition to the study of European high performance.

Further HPO research should focus on validating the characteristics found in this study at other organizations, in other industries and other countries. This will enable management in

different types of organizations to start their improvement process with confidence. In addition, further research can look into validating the link between the HPO characteristics and organizational performance, in order to verify that it is worthwhile for companies to improve themselves in the direction indicated in this article. Finally, the HPO characteristics themselves can be studied at organizations so that actual behaviour examples can be tied to each characteristic. This will make it easier to identify and subsequently improve the characteristics in practice.

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