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# THE FOUNDATIONS OF NIRVANA

THE CHARACTERISTICS OF A HIGH PERFORMANCE ORGANISATION

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# CONTENTS

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Preface	3
Age of Extreme Competition	5
Search for the HPO	7
Definition of a HPO	12
HPO Framework	13
Organizational Design Characteristics	14
Strategy Characteristics	15
Process Characteristics	17
Technology Characteristics	19
Leadership Characteristics	20
Individuals & Roles Characteristics	22
Culture Characteristics	24
External Environment Characteristics	25
Conclusion	27
Notes	28
Appendix 1 - Detailed HPO characteristics	33
About the Author	46

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# PREFACE

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This paper, 'The Foundations of Nirvana', constitutes both the end and the beginning of the Nirvana research project. In 2003 and 2004 I published two research papers on the future of the performance management cycle. The aim of both papers was to describe how an organisation could achieve the status of 'Nirvana', the situation in which a company's performance management cycle is both efficient and effective, where everyone in the enterprise works to achieve the same goals, and where all employees are performance-driven. During the writing of these papers I received a lot of help from many interested and committed people. I also relied heavily on two extensive literature studies and thus capitalized on the work of many academics and practitioners - wasn't it Sir Isaac Newton who said that "if I have seen further it is by standing on the shoulders of giants."

The third white paper is in front of you. In a sense, it forms the end of the first phase of the Nirvana research project, in as much that the contours of the idea of high performance organization (HPO) are now clear. At the same time, the paper comprises a beginning because I went back to the origins of the project. The original Nirvana was based on a literature study of around 20 of the most well-known studies of HPOs, like Good to Great (Collins, 2001). For 'The Foundations of Nirvana' I decided to revisit these studies, and also extend the research to ninety-one HPO-studies which have been performed in the last fifteen years. I also enlarged the research scope not only to the performance management cycle, but to all characteristics of an HPO. Therefore, we can speak of a beginning: in this white paper the foundations on which Nirvana was made, are revisited to build a firmer base from which we can start the next phase of the Nirvana research project: looking for ways to actually achieve Nirvana.

For their help in realizing this white paper I would like to extend my gratitude to two persons in particular. Firstly, Robert van der Waerden who wrote summaries of many of the studies and who drafted the first matrix with characteristics of an HPO. Secondly, Onno Draaisma, who as managing director of Hyperion Nederland, once again sponsored me and who is a vivid supporter of the concept. Thanks fellas!

As always, I welcome any comments you have about the contents of this paper and about your experiences with implementing Nirvana.

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# AGE OF EXTREME COMPETITION

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Here are some facts from the business world you might not be aware of:

- More shareholder value has been destroyed in the last five years as a result of mismanagement, wrong decisions, and bad execution of strategy than was lost through all the recent compliance scandals combined. In a recent Booz Allen Hamilton survey among 1,200 large companies, it turned out that at the 360 worst performers 87 percent of the value destroyed, was caused by strategic missteps and operational ineffectiveness. Only 14 percent could be attributed to compliance failures or poor oversight of the company's corporate boards.<sup>1</sup>
- The average time a CEO or managing director spends in the top-position is continually decreasing, from an average of more than ten years two decades ago, to two and a half years today.<sup>2</sup>
- More than 50 percent of managers make decisions based on their gut feeling, not on hard facts and 36 percent have black boxes in the organisation of which they know hardly anything.<sup>3</sup>
- Despite the widespread conviction that employee satisfaction and employee loyalty increase customer satisfaction and loyalty, and thereby increase turnover and profitability of the company, four out of every ten organizations do not actively work on increasing employee loyalty.<sup>4</sup>
- The rate in which companies lose their leadership positions in their industry, the so-called topple rate, has doubled in the last two decades. The rate in which new companies enter the Standard & Poor 500 and old respectable firms fall out of this list has almost doubled in the last half a century. At the same time, the average life span of an organization, irrespective of its size, is now 12,5 years.<sup>5</sup>
- Seventy percent of the population considers government to be not very effective and is therefore losing trust in this authority, and almost the same number of civil service officials have the same opinion! Trust of the public in profit companies has declined from 60 percent in 1980 to 40 percent in 2000, while only 28 percent of the population trusts business leaders to tell the truth (which is still 10 percent higher than the trust in politicians).<sup>6</sup>
- Return rates and warranty costs are dramatically rising while at the same time customer satisfaction levels are steadily decreasing, a strong indication of the deteriorating quality of products.<sup>7</sup>
- Of recent mergers and acquisitions, only 17 percent were reported to add value to the combined company,

30 percent produced no discernible difference, and 53 percent actually destroyed value.<sup>8</sup>

- The majority of companies that get into a crisis, find themselves in this situation because of internal factors, of which dysfunctional management (48 percent of the cases) and inadequate management information systems (42 percent) are the most common causes.<sup>9</sup>

What do all these facts have in common? They are indications that organisations, both profit and non-profit, are starting to come apart at the seams under the continuing pressure of increasing demands of all stakeholders. It is said that this is the age of extreme competition in which the combined forces of global competition, technology, interconnectivity, and economic liberalization make life tougher than ever before for companies.<sup>10</sup> Ever since the eighties business writers have been claiming that the world has been getting more dynamic, turbulent, unpredictable and competitive. Jack Welch, former CEO of General Electric, apparently once said that the 1980s would be a 'white-knuckle' decade of intensifying competition and that the 1990s would be tougher still. As it turned out, in retrospect, the 1990s were 'a piece of cake' compared to what is happening now in the world at large and in the business world in particular. Many trends and developments are fundamentally reshaping the global business economy. The most important ones are listed below.

- *Globalization.* In the so-called borderless economy, competition can literally come from every corner of the world. The globalization of companies and brands makes it difficult to determine the home country and home market of many corporations. Companies must be able to do business in many different countries with many different cultures. Cultural differences increasingly cause problems in doing business and marketing on a world-wide scale. Global mergers create corporations that are more powerful and have a greater value than many countries, which often causes tension between the companies and countries because the latter see the former as 'invaders'. Concurrently, regional economic power blocs, like the growing European Union, NAFTA and ASEAN, create strong economic bases around the world. Manufacturing capacity keeps on shifting from Western economies to nations with cheaper labour.<sup>11</sup>
- *Impact of new technology.* Increased connectivity, caused by the rapidly decreasing costs of telecommunications and the stormy growth in internet use - which creates a virtually unlimited supply of information anyplace, anytime - has created

what is known by the phrase ‘the death of distance’. The working day becomes more blurry because everybody is reachable twenty-four hours a day. At any time of the day it is possible to do business somewhere on the planet. A side-effect, is that this makes it difficult to discern traditional consumer groups in specific countries, people can order products from any place they want and ship it to any place they want. At the same time, the interconnectivity causes identity problems because people find it increasingly difficult to feel they belong to a group. The rate at which new technology is invented and put to use seems to be ever-accelerating, giving rise to new possibilities and at the same time new unforeseen threats. The only way for many companies to pay for this is, to merge or forge strong bonds with former competitors and suppliers. New materials and new manufacturing techniques, like nano-technology have the potential to disrupt complete industries.<sup>12</sup>

- *Rebound of Asian markets and ascension of China.* The hardworking nature of people in these parts of the world, their strong social and family relations and their rising level of education is a strong foundation for their economies. The already existing industrial overcapacity will increase even more, while at the same time making the struggle for raw materials like steel even more fierce. China is set to become the largest economy in the world of this century.<sup>13</sup>
- *Gap between have and have-nots.* This gap both within and between affluent and deprived people in many countries keeps widening, as is the gap between rich and poor nations. This increasingly causes tension between large groups of people and between nations, eventually resulting in ethnic conflicts, wars and the rise of terrorism, resulting in potential worldwide disruptive effects.<sup>14</sup>
- *Environment.* Global warming and other pollutions will accelerate, creating economic and political conflicts between countries and battles over limited resources such as water.<sup>15</sup>
- *Demography.* The population in developed countries is rapidly becoming older while at the same time, the people live longer and are expected to grow even older because of advances in medical science. There is not enough population growth to continue the customary economic growth rates of the last part of the 20th century. The effects will be, an increased struggle for the most valued employees, the growing importance of immigration from less-developed countries to supplement the national workforce, and lower spending by people living on a (meagre) pension.<sup>16</sup>
- *Intangibles.* The falling capital costs, have caused enormous efficiency gains in operational management. In fact, the most valuable resource of today is no longer capital or other tangible assets, it is the intangible resource of the knowledge, skills and

mentality of the workforce. In a world where innovation becomes more and more important, organizations increasingly rely on the ingenuity and resourcefulness of its people. The ‘knowledge economy’ is truly upon us now.<sup>17</sup>

- *Leadership.* The trends above require a new type of leader: a global, literate leader who can inspire people from many different backgrounds and cultural diversity, and who can adapt not only him- or herself quickly to changes but is also able to lead the organisation along this path. In addition to this, the behaviour and attitude of this leader should be beyond reproach, and he should continuously balance the interests of all stakeholders of the company (and certainly not own his own interests) and (re)gain their trust. However, this type of leader is not easy to find.<sup>18</sup>
- *Transparency and information.* The scandals of recent years and the subsequent new laws and regulations have dramatically increased the need for transparency of not only the company’s results, but also its operations. Analysts, banks, shareholders and society at large, keeps a much closer look at what an organization is doing ... and not doing. At the same time, the possibilities to generate data and management information have multiplied a thousand fold, causing the now infamous information overload. Governments can no longer control the flow of information and neither can top management within the company. Customers can easily get comparative quality and price information on every kind of product and service.<sup>19</sup>

As it is the task of every manager to realize the goals of the organization by achieving outstanding performance in the organizational unit he is responsible for, this manager is under great pressure to deal effectively with aforementioned trends and developments. They are forced to “adapt faster and faster to growing international demands for flexibility and speed and to compete simultaneously on the basis of development cycle time, price, quality, flexibility, fast and reliable delivery, and after-sales support for their products”<sup>20</sup> As a result of the changes in industry and also under the influence of significant changes in society, governmental agencies are also subject to changes. They have to rapidly reshape themselves into nimble and flexible organizations which put the interests of citizens central, a movement which is known as New Public Management.<sup>21</sup> In addition to this, there is a growing consensus that effective approaches to management offers organizations a competitive advantage.<sup>22</sup> As a result, and in the wake of the landmark book *In Search Of Excellence* and the recent bestsellers *Built To Last and Good to Great*<sup>23</sup>, there has been a strong interest among managers in identifying the characteristics of high performance to help them in their quest for excellence.<sup>24</sup>



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# SEARCH FOR THE HPO

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In order to deal with extreme competition, there has been a strong interest among managers in identifying the characteristics of HPOs. The results of the search for these characteristics have been documented mainly in the popular management literature and scientific research into HPOs until now, has not been abundant. Therefore, most of the evidence is anecdotal in nature, consisting of surveys, case studies and occasionally a more in-depth study, like Good to Great (Collins, 2001). Currently, there is not even one commonly accepted name or definition for an HPO, giving rise to many designations: 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.

When reviewing the articles and books written on HPOs, it is interesting that many different characteristics are found. The types of characteristics found, seem to depend on the angle of research, or the views and interests of the researchers themselves. This makes it difficult to distinguish an overall set of characteristics that describe an HPO in general. This research paper aims to give direction to future research into HPOs by comparing the studies done over the last fifteen years. The goal of this comparison is to identify common characteristics among the studies or at the very least, to distinguish common themes that seem to be part of an HPO. These characteristics or themes can subsequently be studied to determine their validity and will consequently guide managers as to which actions they need to take to lead their organizations to superior results.

Criteria for including studies in the research were:

1. The study has been performed in the last or present decade (no earlier than 1990) and is aimed specifically at identifying HPO-characteristics or best practices in certain aspects (Such as processes, human resources, or technology) which are explicitly linked to achieving high performance. As argued before, the reason for looking at this time period is that the competitive landscape has changed considerably in the last one-and-a half decade, as have the people ('the human resource') who have developed different expectations and priorities, from being relatively compliant to having a 'self-employed mindset'. It is therefore assumed that

the results of studies older than fifteen years have been rendered largely invalid or at least less relevant or applicable for the modern day organization.

2. The study consists of either a survey with a sufficient number of respondents so that its results can be assumed to be (fairly) representative, or of in-depth case studies of several companies so the results are at least valid for more than one organization. The study preferably contains more than one industry in more than one country because multiple industries, sectors and countries provide a broader base of knowledge.
3. The written documentation contains an account and justification of the research method, research approach and selection of the research population, a clear analysis, and clear retraceable conclusions and results. This way, the quality of the research results can be assessed.

Based on the described criteria, the literature search yielded 91 studies which satisfied the criteria completely or partly (Exhibit 1). Three types of studies can be distinguished:

- A. A study which satisfies all three criteria. These studies form the basis for the identification of HPO-characteristics. Thirty-six of these A-studies were found.
- B. A study which satisfies criterion 1 and 2 but only partly criterion 3, because although the research approach seems (fairly) thorough there is no clear description and justification of the method used. These studies add additional input to the identification of HPO-characteristics. Twenty-five of these B-studies were found.
- C. There is also a study that basically satisfies criterion 1 and 2, but no part of criterion 3, so there is no basis for generalizing the study findings. These studies can be usable as reference and support for HPO-characteristics identified in category A and B studies. Thirty of these C-studies were found.

Exhibit 1: Overview of the selected studies <sup>25</sup>

STUDY TITLE	AUTHORS	YEAR	TYPE OF RESEARCH	RESEARCH POPULATION	STUDY TYPE
A bias for action	Bruch & Ghoshal	2004	Interviews, survey, case studies	North-American, South-American, European and Asian companies	A
Beyond Budgeting	Hope & Fraser	2003	Case studies	Mainly Scandinavian and British profit organisations	A
Building the flexible firm	Volberda	1998	Survey	Dutch profit and non-profit organisations	A
Built to last	Collins & Porras	1994	Case studies	Visionary and ordinary organizations	A
Competing on the edge	Brown & Eisenhardt	1998	Case studies	Businesses, from USA, Europe and Asia	A
Contagious success	Annunzio	2004	Survey + interviews	Knowledge workers from USA, Europe, Asia, Australia	A
Corporate culture and performance	Kotter & Heskett	1992	Survey + case studies	American companies	A
Creative destruction	Foster & Kaplan	2001	Quantitative database	American companies	A
Follow this path	Coffman, Gonzalez & Gopal	2002	Survey	Database with data on many customers, employees and managers	A
From global to metanational	Doz, Santos, Williamson	2001	Interviews + case studies	American, Asian and European multinationals	A
Global Literacies	Rosen	2000	Survey + interviews	Companies worldwide	A
Good to great	Collins	2001	Survey + interviews	Fortune 500 companies	A
Hidden champions	Simon	1996	Survey + interviews	Mainly German medium and small sized companies	A
High performance work systems and firm performance	Kling	1995	Literature study	Overview of the results of 17 studies into HPOs	A
High performing organizations	Van den Berg & De Vries	2004	Survey + case studies	Dutch organisations	A
Information and business performance	Owens, Wilson & Abell	1996	Case studies	British companies	A
Integrating the enterprise	Ghoshal & Gratton	2002	Case studies	Large companies from the USA, Europe and Asia.	A
Less is more	Jennings	2002	Case studies	Highly productive organisations	A
Managing for the long run	Miller & Le Breton-Miller	2005	Interviews	American and European family controlled businesses	A
Patterns of Excellence	Samson & Challis	1999	Survey	Firms worldwide	A
Practice what you preach	Maister	2001	Survey	Firms in 15 countries	A
Pressing problems in modern organizations	Quinn, O'Neill & St. Clair	2000	Survey	Worldwide organisations	A
Revival of the fittest	Sull	2003	Case studies	Companies in USA, Europe and Asia	
Spearheading growth	Kröger, Träm & Vanden bosch	1998	Survey	European organizations	A
Strategies for high performance organizations	Lawler, Mohrman & Ledford	1998	Survey	Fortune 1000 (American) companies	A



<i>STUDY TITLE</i>	<i>AUTHORS</i>	<i>YEAR</i>	<i>TYPE OF RESEARCH</i>	<i>RESEARCH POPULATION</i>	<i>STUDY TYPE</i>
Survival of the smartest	Mendelson & Ziegler	1999	Survey	High-tech companies in Asia, Europe and the USA	A
The agile virtual enterprise	Goranson	1999	Focus groups	Focus group with people from American firms	A
The committed enterprise	Davidson	2002	Interviews	Organizations in the UK and the USA	A
The democratic enterprise	Gratton	2004	Surveys	UK business units of large companies	A
The enthusiastic employee	Sirota, Mischkind	2005	Surveys	Employees in organizations, mainly from North America and Europe	A
The four pillars of high performance	Light	2005	Interviews, survey, document analysis	Interviews with researchers of the research firm RAND and studying of RAND reports	A
The new market leaders	Wiersema	2001	Survey	Statistical analysis of data of 5009 companies	A
The next leap	Bakker, Babeliowsky & Stevenaar	2004	Interviews	European multinationals	A
What really works	Joyce, Nohria & Roberson	2003	Survey	Companies in forty industries in the USA	A
What's your corporate IQ?	Underwood	2004	Survey	Fifteen international companies	A
When good management shows	Accenture	2002	Interviews	US companies	A
Best practices in planning and management reporting	Axson	2003	Bench-marking	Hackett's worldwide database of financial best practices	B
By the skin of our teeth	Morton	2003	Interviews	Mainly United Kingdom organisations	B
Enterprise success	Mosmans	2004	Interviews	Dutch enterprises	B
Heads up	McGee	2004	Interviews	Based on a five-year study	B
Hidden value	O'Reilly & Pfeffer	2000	Case studies	American companies	B
High performance delivered	Accenture	2004	Case studies	High performers in 18 industries	B
High-performance work organizations	Kirkman, Lowe & Young	1999	Literature study	Study of 168 literature sources on HPOs	B
Integrated management systems	Lee, Shiba & Wood	1999	Case studies	American organizations from seven industry sectors	B
Lessons from the top	Citrin & Neff	2002	Interviews	Business leaders of American companies	B
Managing for the short term	Martin	2002	Surveys + interviews	Business executives in more than 50 countries	B
Peak performance	Katzenbach	2000	Interviews	American organisations	B
Power of performance management	De Waal	2001	Case studies	Organisations from the USA, Japan, The Netherlands and the UK	B
Profit from the core	Zook & Allen	2001	Case studies, statistical data	Public organizations in 7 countries	B
Strategic renewal	Mische	2001	Interviews	American companies	B

<i>STUDY TITLE</i>	<i>AUTHORS</i>	<i>YEAR</i>	<i>TYPE OF RESEARCH</i>	<i>RESEARCH POPULATION</i>	<i>STUDY TYPE</i>
The agenda	Hammer	2001	Case studies	Study of business concepts	B
The alchemy of growth	Baghai, Coley & White	1999	Desk research + interviews	Companies with big growth, mainly in the USA, Europe, Australia and Asia	B
The four levers of corporate change	Brill & Worth	1997	Interviews	Leading organizations	B
The high performance organisation	Holbeche	2005	Survey	Survey of people in over 700 organisations	B
The individualized corporation	Ghoshal & Bartlett	1997	Interviews	Large companies from the USA, Europe and Asia.	B
The knowing-doing gap	Pfeffer & Sutton	2002	Questionnaire	American restaurant chain	B
The living enterprise	De Geus	1997	Desk research	'Long-living' organisations	B
The set-up-to-fail syndrome	Manzoni & Barsoux	2002	Interviews	Manufacturing operations of Fortune 100 companies	B
The winning streak mark II	Goldsmith & Clutterbuck	1997	Case studies	Mainly British companies	B
Transforming the company	Coulson-Thomas	2002	Interviews	Executives and top directors from over 2000 companies	B
Zoom	Citrin	2002	Desk-research + interviews	American companies in various industries	B
Adaptive enterprise	Haeckel	1999	Interviews	Interview with American executives	C
Beyond world class	Morton	1998	Literature research	Unknown	C
Building the management and organizational disciplines to grow	Hewitt	2004	Quantitative research	Double digit growth companies	C
Execution	Bossidy & Charan	2003	Personal experience	Major USA firms	C
Five years of insight into the world's most admired companies	Stark	2002	Surveys	Based on the Hay/Fortune research database	C
4 Secrets of high performing organizations	Bilanich	2002	Personal experience	Unknown	C
From high performance organizations to an organizational excellence framework	Manzoni	2004	Qualitative research	Many organizations	C
"Good enough" isn't enough	Weiss	2000	Own observation	Unknown	C
High performance companies: the distinguishing profile	Osborne & Cowen	2002	Own observation	Large and small businesses	C
In search of European excellence	Heller	1997	Personal experience	European companies	C
Managing the unexpected	Weick & Sutcliffe	2001	Case studies	High reliability organizations like nuclear power plants and aircraft carriers	C

<i>STUDY TITLE</i>	<i>AUTHORS</i>	<i>YEAR</i>	<i>TYPE OF RESEARCH</i>	<i>RESEARCH POPULATION</i>	<i>STUDY TYPE</i>
Measures of quality & high performance	Hodgetts	1998	Investigative research	American companies, incl. Malcolm Baldrige National Quality Award winners	C
Profiting from uncertainty	Schoemaker	2002	Personal experience	Unknown	C
Re-inventing HR	Butteriss	1998	Interviews	Canadian multinationals	C
Shaping the adaptive organization	Fulmer	2000	Desk research + fieldwork	American organizations	C
Six principles for designing the accountable organization	Dalziel, DeVoge & LeMaire	2004	Surveys	Unknown	C
The boundaryless organization	Ashkenas, Ulrich, Jivk & Kerr	2002	Case study	GE + other companies	C
The future of work	Malone	2004	Unknown	Unknown	C
The healthy organization	Dive	2002	Case studies	Unilever and Tesco companies	C
The profit zone	Slywotzky & Morrison	1997	Case studies	Companies with high profitability	C
The quest for resilience	Hamel & Välikangas	1998	Unknown	Unknown	C
The service profit chain	Heskett, Sasser & Schlesinger	1997	Unknown	USA and UK organizations	C
The talent solution	Gubman	1998	Personal experience	Unknown	C
The twelve organizational capabilities	Garratt	2000	Personal experience	Unknown	C
Trajectory management	Strebel	2003	Personal experience	Material from executive courses	C
Treat people right	Cheyfitz	2003	Unknown	Unknown	C
Thinking inside the box	Lawler	2003	Personal experience	Unknown	C
What the best CEOs know	Krames	2003	Interviews	'Exceptional' CEOs	C
Why CEOs fail	Dotlich & Cairo	2003	Personal experience	Unknown CEOs	C
Winning behavior	Bacon & Pugh	2003	Case studies	Exemplary companies	C

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## DEFINITION OF AN HPO

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Many different definitions of a high performance organization can be found in the literature. It often describes achievements or attributes of the company, such as; strong financial results, satisfied customers and employees, high levels of individual initiative, productivity and innovation, aligned performance measurement and reward systems, and strong leadership.<sup>26</sup> Because, as stated earlier, researchers approach the topic of high performance from different backgrounds and angles and with different goals, it makes sense that there is not yet a consistent definition of an HPO. A way to proceed, is to identify common themes in the definitions given in the studies listed in Exhibit 1, and to compose a definition based on these common themes.

When the definitions in the literature are combined, the following themes can be discerned:

- an HPO achieves sustained growth, over a long period of time, which is better than the performance of its peer group;<sup>27</sup>
- an HPO has a great ability to adapt to changes;<sup>28</sup>
- an HPO is able to react quickly to these changes;<sup>29</sup>
- an HPO has a long-term orientation;<sup>30</sup>  
the management processes of an HPO are integrated and the strategy, structure, processes and people are aligned throughout the organization;<sup>31</sup>
- an HPO focuses on continuously improving and reinventing its core capabilities;<sup>32a</sup>
- an HPO spends much effort on improving working conditions and development opportunities of its workforce.<sup>32b</sup>

Based on the common themes, the following definition of an HPO is proposed:

**A High Performance Organization is an organization that achieves results that are better than those of its peer group over a longer period of time, by being able to adapt well to changes and react to these quickly, by managing for the long term, by setting up an integrated and aligned management structure, by continuously improving its core capabilities, and by truly treating the employees as its main asset.**

# HPO FRAMEWORK

In order to be able to categorize the characteristics of an HPO, the framework of Kotter and Heskett (1992) is combined with that of Scott Morton (2003).<sup>33</sup>

The Kotter and Heskett framework defines four factors which influence the behaviour of people in organizations: organizational culture; organizational structure, consisting of formal structure, systems, processes and policies; leadership of the organization; and external environment, consisting of competitors, and public and legislative organizations. Scott Morton's framework enlarges the external environment factor by adding customers, suppliers and partners, and broadens the framework by putting individuals & roles into it and by specifically adding strategy, organizational design and technology to the organizational structure factor. The factors in the resulting framework (Exhibit 2) combine to influence the degree in which organizational members exhibit performance-driven behaviour which in turn designates whether the organization is an HPO.<sup>34</sup>

The method used to identify the HPO-characteristics is as follows. For each of the 91 literature sources, the elements the author(s) give(s) as being important for becoming an HPO are identified. These elements are transferred to a matrix in which they are classified in one of the factors of the framework.<sup>35</sup> Because every author uses a different terminology in his study, the elements are grouped into categories within each factor. Subsequently, a matrix per factor is constructed in which each category constitutes a characteristic. For each of these characteristics the 'weighted importance' is calculated, i.e. how many times it occurs in the various study types. Finally, the characteristics which have a *weighted importance of at least five percent* and which *appear in at least five percent of the studies*, are chosen as the HPO-characteristics that potentially make up an HPO. Appendix 1 gives the matrixes for each framework factor, and explains the calculation method in more detail.

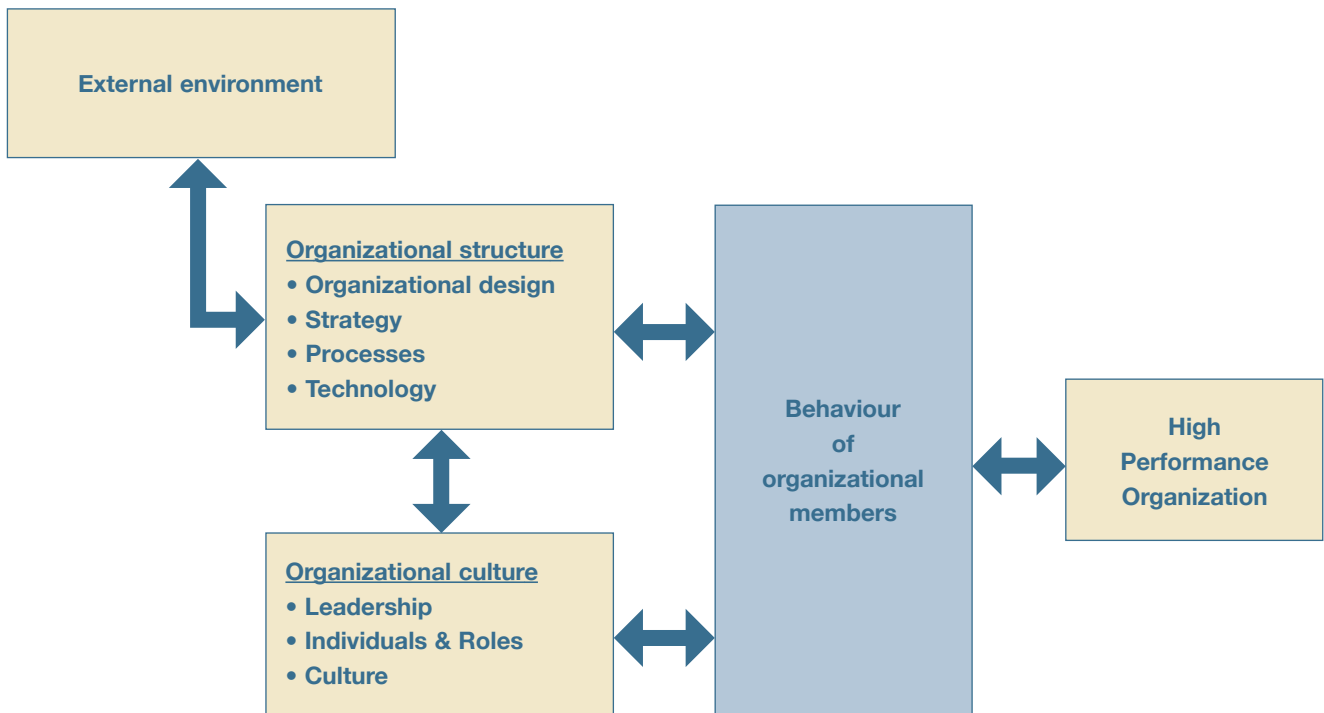


Exhibit 2: Framework with the eight factors influencing high performance

## ORGANIZATIONAL DESIGN CHARACTERISTICS

The table below, lists the HPO-characteristics for organizational design in order of importance. This paragraph gives an overview of the underlying elements per design characteristic.

### ORGANIZATIONAL DESIGN CHARACTERISTICS

- D1. Stimulate cross-functional and cross-organizational collaboration.
- D2. Simplify and flatten the organization by reducing boundaries and barriers between and around units.
- D3. Foster organization-wide sharing of information, knowledge and best practices.
- D4. Constantly realign the business with changing internal and external circumstances.
- D5. Create a sense of ownership and entrepreneurial feel by establishing an integrated network of small, decentralized units.
- D6. Establish a consistent responsibility structure with clear roles and accountabilities.

*Stimulate cross-functional and cross-organizational collaboration* by making teamwork and collaboration top priorities of management and by making managerial teamwork and cooperation standard throughout the enterprise. Create self-managing (global) cross-functional business teams and then foster teamwork by stressing the importance of these teams for the performance of the organization. Develop a team feeling by creating team commitment, getting everyone on the same team, and establishing shared responsibility. Stimulate functional interaction and cooperation by promoting cooperation, developing warm, interesting and cooperative relationships between organizational units and their people, emphasizing long-term internal partnerships, creating and sustaining a collaborative working environment, and fostering high levels of collaboration.

*Simplify and flatten the organization by reducing boundaries and barriers between and around units*, and by removing hierarchical layers and vertical boundaries. This way, the boundaries of the enterprise become more and more ambiguous. Get rid of bureaucracy and fight organizational complexity by simplifying organizational structures. Eliminate redundant organizational layers and bureaucratic structures and reduce barriers between units. Use sharply defined business units that have less autonomous managers.

*Foster organization-wide sharing of information, knowledge and best practices* by creating the infrastructure and incentives for these ideals. Set-up structures and a shared-knowledge base to collect and translate knowledge and best practices company-wide.

Actively manage the sharing processes. Deliberately cultivate and utilize new ideas and knowledge from everyone in the firm.

*Constantly realign the business with changing internal and external circumstances* by setting up an adaptable business model which is easily altered, based on opportunities and chances in the external environment and shifts in customer values, buyer's needs and market conditions. Commit to continuous realignment, regularly changing organizational structures, and to re-inventing the business design at least every five years.

*Create a sense of ownership and entrepreneurial feel by establishing an integrated network of small, decentralized units*. Implement structures that foster smaller working communities and radically decentralize resources and responsibilities. In this way, the rewards of smaller working communities are obtained while the business remains large or continues to grow.

*Establish a consistent responsibility structure with clear roles and accountabilities* by clarifying the roles of responsibilities between headquarters and operating units, and by making clear definitions of concurrent accountabilities. Appoint tie-breakers, who settle inter-organizational disputes and initiate a management protocol which states who owns what. Show organizational members 'the corporate map': the structure of the company, the way things operate, and who is accountable for what. In this way, organizational clarity is created.



# STRATEGY CHARACTERISTICS

The table below, lists the HPO-characteristics for organizational strategy in order of importance. This paragraph gives an overview of the underlying elements per strategy characteristic

## STRATEGY CHARACTERISTICS

- S1. Define a strong vision that excites and challenges.
- S2. Balance long-term focus and short-term focus.
- S3. Set clear, ambitious, measurable and achievable goals.
- S4. Create clarity and a common understanding of the organization's direction and strategy.
- S5. Align strategy, goals, and objectives with the demands of the external environment and build robust, resilient and adaptive plans to achieve these.
- S6. Adopt the strategy that will set the company apart.
- S7. Focus on a limited number of key priorities.
- S8. Regularly alter and renew the organization.
- S9. Have a ruthless focus on value.
- S10. Keep growing the core business.
- S11. Focus on bottom-line profit and cash-flow as well as top-line growth.

*Define a strong vision that excites and challenges* by developing an envisioned, meaningful, compelling and persuasive vision. This vision should be mission-based on a winning strategy or "big idea" and should have a broad picture. Continuously sell the vision so organizational units become united by common goals, a shared ambition and an all-encompassing purpose. This way, the organization is mission and 'feel'-driven, not numbers-driven.

*Balance long-term focus and short-term focus* in order to safeguard the long-term continuity of the business and its contribution to the world, and at the same time obtain short-term results which makes it possible to plan against possible futures. Manage seemingly paradoxical values by effectively balancing short-term operations with medium and long-term development and growth, and long-term strategy with short-term action.

*Set clear, ambitious, measurable and achievable goals* which raise levels of aspiration and thereby create a sense of stretch. Set 'outrageous' targets without creating demotivation, do not tolerate 'dog businesses', and weed-out everything which distracts from the focus of the goals.

*Create clarity and a common understanding of the organization's direction and strategy* which results in a commonly held strategic mind-set among organizational members. Make sure everybody understands the strategy and knows what matters most.

Create company-wide understanding of individual, group, departmental and divisional contributions, and clarity of purpose and action.

*Align strategy, goals, and objectives with the demands of the external environment* so corporate renewal is always based on customers' need. Maintain antennae to address critical realities and fine-tune the strategy to changes in the marketplace. The strategies can only be achieved by building robust, resilient and adaptive plans. Apply scenario-thinking and 'what-ifs', and draft resilient strategies and plans tailored to the levels of uncertainty in the environment. When making the plans, be more interested in resilience than in optimization.

*Adopt the strategy that will set the company apart* and build it gradually and consequently thereby creating widespread opportunities and quantum breakthroughs. Look specifically or high-risk, high-reward opportunities. Develop many new options and alternatives to compensate for dying strategies.

*Focus on a limited number of key priorities* to make sure that fewer businesses are managed well and that organizational members focus on the right things. Make focused investments in areas with the highest value for the company.

*Regularly alter and renew the organization* which prevents reaching inertia and becoming complacent. Introduce new products, methods, processes and

management practices which contribute to achieving 'new' growth. Set new goals when the old have been achieved and regularly change objectives to keep organizational members alert and on their toes.

*Have a ruthless focus on creating value* by understanding the differentiating value drivers of the organization and constantly discerning the important industry drivers of present and future value. Make value-based strategies operational, and improve the critical success factors for competitive success because people on the front-line know how they can contribute to achieving the strategy and thereby create value.

*Keep growing the core business* by concentrating assets in areas where the company has a leadership position and by only expanding into adjacencies when these reinforce the core business. Build a unique strength in the core business, exploit economies of scale, and focus on cost effectiveness.

*Focus on bottom-line profit and cash-flow as well as top-line growth.* Focus on generating cash flows in good times to be ready for the bad times and have cash in hand to obtain flexibility and independence. Regard results as more important than the process (the effort) to obtain them.

# PROCESS CHARACTERISTICS

The table below, lists the HPO-characteristics for the organizational processes in order of importance. This paragraph gives an overview of the underlying elements per process characteristic.

## PROCESS CHARACTERISTICS

- P1. Design a good and fair reward and incentive structure.
- P2. Continuously simplify and improve all the organization's processes.
- P3. Measure what matters.
- P4. Report to everyone financial and non-financial information needed to drive improvement.
- P5. Continuously innovate products, processes and services.
- P6. Strive to be a best practice organization.
- P7. Create highly interactive internal communication.
- P8. Deploy resources effectively.
- P9. Strive for continuous process optimization.

*Design a good and fair reward and incentive structure* which reinforces the design, core values and strategy of the organization and supports a performance culture. Treat organizational members justly in relation to basic conditions of employment by compensating them fairly. Base the compensation structure on respect and trust, not on money. Be creative and flexible with rewards by explicitly using intrinsic rewards which are meaningful (fun, growth, teamwork, challenge, accomplishment). Reward people's achievements with praise and pay-for-performance, but also address poor results. Create compensation practices and programs which accurately reflect organizational performance by tying them to measures. Make sure the relation between reward and performance is transparent. Rewards are based on relative, long-term performance and on results, not efforts. Employ rewards that emphasize the group over the individual. Reward appropriate risk-taking and failure, and honesty. Have a minimum threshold below which no incentive is paid but also do not have a cap on payouts of incentives. Therefore budget for variable pay.

*Continuously simplify and improve all the organization's processes* to improve its ability to respond to events efficiently and effectively. Look for ways to be more efficient by eliminating unnecessary procedures, work, and all forms of excess and waste, and standardizing and simplifying remaining work. Keep the processes relevant and simple, and fight information overload. Use just-in-time processes, right-size processes and re-engineer processes to improve speed. It helps to apply a strong systems perspective, to think lean about every aspect of work, and not focus on the plan, but on the

process. Become adept at rapidly designing and installing new ways of working.

*Measure what matters* by developing a model of the business that links overall goals to specific things the organization needs to control and therefore needs to measure with key success factors. Rigorously measure progress, consequently monitor goal fulfilment and confront the brutal facts. Live by a balanced scorecard performance culture that is taken seriously at all organizational levels. Make ongoing performance improvement inevitable by incorporating it into a disciplined measurement-based process. Abandon the measures inherited from the past and start using customer-centered measures including ones that look into the future. Focus on output, not input. Design measures that are objective, timely, understandable and easy to calculate. Make performance measurement aligned. Quantify everything up to the personal level, thus making measurement a part of everyone's job, and provide organizational members with performance transparency.

*Report to everyone financial and non-financial information needed to drive improvement*, so people can draw logical conclusions from complex information and determine how to use the performance information to reach their goals. Focus hereby on the direct, indirect and cascading effects of what was done in the past. Let facts and measurement triumph over intuition and opinion, focus on what is really going on rather than just on appearances. Share information widely and foster access to it across all boundaries. Deliver it tailored to the needs of the

individual. Focus on what is truly important and emphasise 'no surprises'. Adopt a common language and set of methods and standards for collecting data and measuring improvement.

*Continuously innovate products, processes and services* thus constantly create new sources of competitive advantage. Rapidly develop new products and services to respond to market changes. Foster generating new ideas and excel at implementing these. Encourage creativity through cultivating an environment of learning, openness to change, challenging of old methods, an attitude of continuously seeking improvement, and an obsession with innovation. Experiment widely with a few chosen ideas. Continuously innovate current core activities while simultaneously developing new activities, and look for both incremental and disruptive innovations.

*Strive to be a best practice organization* by being world-class in everything the organization does. Constantly strive to improve productivity and quality by continuously identifying opportunities for improvement, searching for best practices, and by executing flawless operations. Do everything that is necessary to be(come) competent and fight complacency. Appoint senior process owners to measure, manage and improve processes, and emphasize quality in everything that is done. Frequently assess the overall health of the company, to discover 'loopholes' in operations. Develop an effective benchmarking system, and implement the best ideas regardless of their origin.

*Create highly interactive internal communication* through which a continuous and open information exchange takes place. Clearly communicate the strategy and the results achieved to spread conviction. Create new channels of communication and use these as a driving engine to create commitment. See communication as an ongoing senior management responsibility. Drive clarity deep into the organization.

*Deploy resources effectively* to activities that create value. Make resources available when needed, apply continuous planning, and use a flexible planning model and technology. Spend twice as much time on planning and analyzing as on collecting and validating data. Secure key resources and keep some slack resources. Divert resources from yesterday's products and programs to tomorrows.

*Strive for continuous process optimization* by connecting the entire value chain and applying value chain efficiency models. Install a group of spearheaders to take the lead in the optimization process. Drive optimization in the entire corporate system, not just in its parts.

# TECHNOLOGY CHARACTERISTICS

The table below, lists the HPO-characteristics for technology in order of importance. This paragraph gives an overview of the underlying elements per technology characteristic.

## TECHNOLOGY CHARACTERISTICS

- T1. Implement flexible ICT-systems throughout the organization.
- T2. Apply user-friendly ICT-tools to increase usage.
- T3. Become a pioneer at applying the chosen technologies.
- T4. Constantly identify and exploit new technologies to gain competitive advantage.

ICT is crucial to the business in order to be able to extend and leverage the enterprise and neutralize traditional sources of competitive advantage. *Implement flexible ICT-systems throughout the organization* by introducing ICT-systems everywhere in the workplace, creating an accessible and credible database, having back-up systems to take over when accidents happen, and using the internet to share information and streamline transactions. Make sure that every business design that is developed contains a high-level ICT infrastructure design.

*Apply user-friendly ICT-tools to increase usage.* This can be achieved by developing ICT-systems in close cooperation with users and by cultivating organizational members' receptivity and strategic IT-mindset. In this way, new technologies can be rapidly deployed. Use decision-support systems for quick decision-making, early warning systems, and accessible tools, techniques and processes. Teach organizational members the proper use and application of ICT.

After haven chosen for certain technologies, make sure to *become a pioneer at applying these chosen technologies*. Do this by having a clear technology strategy, standardizing the technological infrastructure and exploiting these technologies to better design products and enhance operations.

*Constantly identify and exploit new technologies to gain competitive advantage.* This is achieved by having a deep knowledge of technology, continuously identifying and accessing new technologies, and by introducing disruptive technologies. Make appropriate investments in technology with a focus on long-term applicability and success. In this way, technology is applied to achieve superior performance.

# LEADERSHIP CHARACTERISTICS

The table below, lists the HPO-characteristics for organizational leadership in order of importance. This paragraph gives an overview of the underlying elements per leadership characteristic.

## LEADERSHIP CHARACTERISTICS

- L1. Maintain and strengthen trust relationships with people on all levels.
- L2. Live with integrity and lead by example.
- L3. Apply decisive action-focused decision-making.
- L4. Coach and facilitate.
- L5. Stretch yourselves and your people.
- L6. Develop effective, focused and strong leadership.
- L7. Allow experiments and mistakes.
- L8. Inspire the people to accomplish extraordinary results.
- L9. Grow leaders from within.
- L10. Stimulate change and improvement.
- L11. Assemble a diverse and complementary management team and workforce.
- L12. Be committed to the organization for the long haul.
- L13. Be confidently humble.
- L14. Hold people responsible for results and be decisive about non-performers.
- L15. Have a long-term orientation.

*Maintain and strengthen trust relationships with people on all levels* by valuing loyalty, treating smart people smart, showing people respect, listening to and asking for help from others, learning from others, creating and maintaining individual relationships with people, having belief and trust in others, and exhibiting elemental fairness in the way people are treated. Be and stay in touch with employees by knowing and dialoguing with them. Apply a collaborative, reconciliatory style. Build employee confidence by only criticizing them when they are present or in bilateral conversations, by creating fairness and equity in management decision-making, and by 'fighting to the death' for them. Show organizational members their true value, value their contribution, and recognize them for their achievements. Acknowledge people's efforts to change by giving them credit for it.

*Live with integrity and lead by example.* Be honest and sincere. Show commitment, enthusiasm and respect. Have a set of ethics and standards. Be credible and consistent. Act boldly when needed. Maintain a sense of vulnerability and don't be arrogant. Keep a perspective in a crisis. Don't put form over function, style over substance, and don't try to win a popularity contest. Solicit strong opinions. Don't focus on the negative and don't be aloof. Pick your battles. Ensure that the values are maintained and value behavioural consistency highly. Set and sustain a high level of ethical and moral

behaviour. Display committed executive leadership, by subscribing to specific goals in public. Create congruity between words and actions, between the values that are preached and that are actually lived. "Walk-the-talk". Don't be afraid to do the hard work yourself and endure, don't stop. Be clear about your personal role in executing organizational processes, especially strategy implementation. Be visible as a leader during trying times. Practice what you preach.

*Apply decisive, action-focused decision-making.* Act decisively when trouble is at hand. Avoid over-analysis but come up with decisions and effective actions, while at the same time fostering action-taking by others. Be sure to attach importance to follow-up. Act with speed, boldness and originality but question yourself every decision and ask yourself if there is a good business reason for making that decision. Don't make decisions based on needs and circumstances of the moment: balance thought and action. Be broad-minded, balanced and decisive. Help build systems that turn knowledge in action.

*Coach and facilitate* employees by being supportive, facilitating them, protecting them from outside interference, and by being available. Don't tell people how to achieve their goals but do give them immediate and concrete feedback on their performance.  
*Stretch yourselves and your people* by setting high



standards and stretch goals: keep raising the performance bar. Be competitive; do not be satisfied too soon but balance impatience with a constructive drive for excellence. Make people proud of the company and give them challenging work.

*Develop effective, focused and strong leadership*, by effectively communicating the values and by making sure the strategy has been received and embraced by organizational members. Explain what you are trying to achieve and share the vision by repeating it and by consistently doing it. Solve conflicts in a constructive manner and dispel concerns before they get out of hand. Spot opportunities and problems early. Be committed to information, have disdain for waste, reject bureaucracy, and embrace simplicity. Pay attention to detail but ignore irrelevant issues that impede progress.

*Allow experiments and mistakes*. Permit taking risks, be willing to take risks yourself, and see mistakes as an opportunity to learn. Don't cover mistakes up. Establish a tolerance for failure and setbacks. Identify and support risk-takers and create room for them and for mavericks.

*Inspire the people to accomplish extraordinary results* by applying charismatic leadership, creating a larger-than-life mindset, inspiring all to do their best, and mobilizing individual initiative. Unleash the organization's energies and collective capabilities to maximise workforce productivity. Take pride in one's own and the organization's accomplishments, let people feel they are part of a bigger thing, and inspire them to achieve greatness. Instil in the employees a sense of confidence, collective will, can-do attitude, unified way of thinking, single-minded determination, and emotional energy. Possess a crusading enthusiasm and take time to win people over.

*Grow leaders from within* by encouraging people to become leaders, filling positions with internal talent, and promoting from within. Carefully choose managers on their purpose-fullness, energy, stamina, and their ability to inspire others. Create leadership development opportunities through job rotation and enrichment programs. Identify high-potentials and emerging leaders and put them in critical business opportunities, thus establishing their worth and thereby creating a pipeline for future leaders.

*Stimulate change and improvement* by continuously striving for self-awareness and renewal and developing dynamic managerial capabilities to enhance flexibility. Be a leader of the change process by supporting change and creativity and by being personally involved in these activities. Exhibit behavioural changes yourself. Involve people in moving forward and demand widespread

participation and engagement in making the change happen. Adapt the driving leadership style and change processes to evolving conditions, and complement your style to fit these conditions.

*Assemble a diverse and complementary management team and workforce* to help spot the complexities in operations and to incite creativity in solving them. Make sure to have people who differ in ability, background and personality and who have complementary skills. Focus on getting these people by using differentiated approaches to recruiting, identifying and developing talent. Build a great management team with complementary skills and shared values. Encourage different opinions and scepticism towards established wisdom.

*Be committed to the organization for the long haul*. This entails balancing common purpose with self-interest, and teaching organizational members to put the needs of the enterprise as a whole first. Align personal interests with group interest. Create long-term relationships of people with the company. Exercise careful stewardship and focus on the survival of the company. Avoid 'fad-surfing'.

*Be confidently humble* and serve instead of lead the company. Exhibit the right blend of humility and professional will and keep on learning. Know yourself, your strengths and weaknesses, and recognize your limitations. Be authentic, self-conscience, self-disciplined and modest, become emotionally robust and don't become arrogant. Be committed to discipline and teamwork, and foster discipline by keeping people to their promises.

*Hold people responsible for results and be decisive about non-performers*. Keep your focus on achievement of results, maintain clear accountability for performance, and make tough decisions. Apply full accountability for results by making people and teams personally responsible. Carefully and thoroughly assess personnel performance (top-down and bottom-up). Hold executives personally accountable, individually and as a team, and make sure they face the consequences of non-performance. Be accountable yourself. Enforce intolerance of mediocrity and deal decisively with under- and non-performers. Don't be afraid to make tough decisions.

*Have a long-term orientation* by not solely focusing on task-based transactional priorities. Use a third of the time for strategic issues. Solve short-term issues by taking a long-term view. Keep leaders and managers committed to the business by letting them develop a long-term orientation.

## INDIVIDUALS & ROLES CHARACTERISTICS

The table below, lists the HPO-characteristics for individuals and their roles in order of importance. This paragraph gives an overview of the underlying elements per individuals & roles characteristic.

### INDIVIDUALS & ROLES CHARACTERISTICS

- I1. Create a learning organization.
- I2. Attract exceptional people with a can-do attitude who fit the culture.
- I3. Engage and involve the workforce.
- I4. Create a safe and secure workplace.
- I5. Master the core competencies and be an innovator in them.
- I6. Develop people to be resilient and flexible.
- I7. Align employee behaviour and values with company values and direction.
- I8. Foster self-discipline of people.
- I9. Create a work environment that is challenging, satisfying and fun.
- I10. Treat individuals as investors actively building and deploying their human capital.

*Create a learning organization* by continuously investing in training and upgrading of skills, establishing good management development and top-of-the-line training programs, and by constantly identifying and accessing new competencies. Invest profoundly in people by training them to enhance their problem-solving and quality improvement skills, strategic capabilities, and technical and interpersonal competencies. Foster individual growth and achievement by developing self-reliance of people. Encourage learning, probing, and discovering. Learn from the past and by trying many things. Encourage employees' activities outside of their jobs because this fosters creativity. Assess each learning initiative in the context of the organizational culture to ensure effectiveness, and regularly review and measure the value of training tools. Emphasize internal training, on-the-job learning and external coaching. Make training and development mandatory and ongoing. Develop specific training and development tools that work for the organization.

*Attract exceptional people with a can-do attitude who fit the culture.* First, identify precisely the kinds of people you are looking for, and then carefully choose them and retain and subsequently leverage them. Nurture highly talented employees and give bright people space to change and excel. Identify strengths of employees, create clarity of personal ability, and then make use of their talents. Create high standards for hiring and training people, make sure the hiring process supports the culture, and get rid of the people who do not fit the culture. Make sure everybody knows how they should fit in and whether they now do.

*Engage and involve the workforce* by involving people in developing vision and values, in interactive discussions and the decision-making process and by communicating issues and developments important to the organization. Make the relationship between organization and individual an adult-to-adult one and see them as partners. Work with people to design a desirable future for the company. Foster the personal involvement of people in the business of the organization.

*Create a safe and secure workplace* by giving people a sense of safety (physical and psychological) and job security. Work on retaining employees and do not lay-off people (until it cannot be avoided). Strive for low turnover. Create an enlightened 'welfare state'.

*Master the core competencies and be an innovator in them.* Decide and stick to what the company does best and keep core competencies inside the firm. Build on these core competencies and outsource non-core competencies. Ensure that core competencies are the organizational glue and define the right competencies. Push people to develop, sustain and renew unique core competencies.

*Develop people to be resilient and flexible.* Embrace and accept change as an essential part of doing business and make sure people can cope with uncertainty. Recruit a workforce with maximum flexibility and train it for agility by drawing on lessons learned in the past.

*Align employee behaviour and values with company values and direction* at all organizational levels.

Translate vision into local objectives and let individuals realize they have accountabilities and obligations to themselves and the organization. Know how individual activities and efforts contribute to 'the big picture'. Set clear expectations for group and individual contributions. Align the culture with individual beliefs and values and don't ask employees to sacrifice or compromise personal standards. Create alignment between people's basic values and those of the leadership. Hire people who fit with the values, core competencies and strategic goals of the enterprise.

*Foster self-discipline of people* by making use of their willpower. Make sure they make it happen, again and again.

*Create a work environment that is challenging, satisfying and fun.* Be an expert in managing strategic HR disciplines. Have a continuous stream of data from employees and focus on employee measures. Develop a competency-based personnel framework, workforce strategy, talent management practices, and 'doable' jobs. Design work so that it is meaningful for people. Strive for employee satisfaction and regularly measure it. Create a supportive employee environment and provide a pleasant place to work.

*Treat individuals as investors actively building and deploying their human capital.* Let them participate in determining the conditions of their association. Create a process for fully developing the potential of each individual and see career development as an investment. Balance challenging people by nurturing them.

# CULTURE CHARACTERISTICS

The table below, lists the HPO-characteristics for organizational culture in order of importance. This paragraph gives an overview of the underlying elements per culture characteristic.

## CULTURE CHARACTERISTICS

- C1. Empower people and give them freedom to decide and act.
- C2. Establish strong and meaningful core values.
- C3. Develop and maintain a performance-driven culture.
- C4. Create a culture of transparency, openness and trust.
- C5. Create a shared identity and a sense of community.
- C6. Develop an adaptive culture to achieve long-term success.

*Empower people and give them freedom to decide and act.* Devolve decision making authority and give autonomy to operate, to organizational members, within clearly established boundaries and constraints of what is allowed and what not. Assign responsibility for operational decision making and performance improvement to individuals and work teams because people with the best information and perspective should make the decisions. Empower people to let them feel like owners. Balance control with autonomy but restrict checkpoints. Shift from command and control to creating shared mindsets, stretch goals, and empowered colleagues. Establish a climate of choice and create freedom for individuals to develop their natures and express their diverse qualities, but stress that the liberty of individuals should not be at the expense of others. Let people feel free to question and challenge decisions.

*Establish clear, strong and meaningful core values* and make sure they are widely shared within the company. Become a value-based organization with a common, company-wide value system that balances values with rules. Only make commitments that are aligned with the core values. Also, have clear ethics which are supported by organizational policies.

*Develop and maintain a performance-driven culture.* Don't assume success is permanent, realize that nothing lasts forever, so abandon inertia and complacency and challenge the enemies of a winning mindset. Have a healthy dissatisfaction with the status quo. Focus strongly on getting high excellence in whatever the organization does, and stimulate people to achieve high performance. Enforce performance-driven behaviour and set out to make aspirations reality. Expect

disappointments so have discipline in execution and commitment to resilience, thus accomplishing made agreements. Celebrate successes daily.

*Create a culture of transparency, openness and trust* by establishing a shared understanding, openly sharing information and fostering informality. Demonstrate integrity and openness in all dealings with others, tell the truth, and make sure people have the opportunity to be heard. Encourage open and honest debate and create an information ethos in which errors are reported without fear.

*Create a shared identity and a sense of community* by 'uniting the tribe'. Cultivate a feeling of corporateness and adopt and foster an 'all for one, one for all' mentality. Nurture a cohesive, caring culture with committed and motivated people. Eliminate politics by establishing a true meritocracy. Create a positive atmosphere and above all, have fun.

*Develop an adaptive culture to achieve long-term success* and constant renewal, thereby combating the risk that success sows the seeds of decay. Go with the existing organizational culture in the short run but be sure to simultaneously shape it for the long run. Shift the driving organizational behavior toward entrepreneurship when resources are readily available, toward collaboration when they are scarce. Watch for strains in the existing organization to time the shifts in organizational behavior. Strive for agility.

## EXTERNAL ENVIRONMENT CHARACTERISTICS

The table below, lists the HPO-characteristics for the external environment of the organization in order of importance. This paragraph gives an overview of the underlying elements per external environment characteristic.

### EXTERNAL ENVIRONMENT CHARACTERISTICS

- E1. Continuously strive to enhance customer value creation.
- E2. Maintain good and long-term relationships with all stakeholders.
- E3. Monitor the environment consequently and respond adequately.
- E4. Choose to compete and compare with the best in the marketplace.
- E5. Grow through partnerships and be part of a value-creating network.
- E6. Only enter new business that complements the company's strengths.
- E7. Develop a global mindset.

*Continuously strive to enhance customer value creation* by learning what customers want, understanding their values, building excellent relationships with them, having direct contact with them, engaging them, being responsive to them, and focusing on continuously enhancing customer value. Focus on retaining customer loyalty by making customer satisfaction a central goal and value. Identify the key factors that are critical for superior customer satisfaction, and carefully craft forms of feedback for determining customer satisfaction. Create high standards for dealing with clients and demonstrate and promote a culture of customer focus and service. Deliver products and services that consistently meet customers' expectations, and anticipate their unarticulated needs. Partner intimately with major clients and embrace the radical vision of virtual integration with them. Make customers realize the full value of your products and innovations, and collaborate with them to improve value propositions. Constantly identify and access market knowledge about leading-edge customers worldwide and have a continuous stream of data about them. Consistently create high-value image and acceptance among consumers relative to price and performance. In short, be obsessed with the customer.

*Maintain good and long-term relationships with all stakeholders.* Network broadly, be generous to society, and create mutual, beneficial opportunities and win-win relationships. Understand the needs of key stakeholders by being connected with them. Use vision to align and unite stakeholders. Demonstrate significant financial commitment to local economies and environments. Develop a good corporate reputation by focusing on corporate social responsibility. Reconcile different stakeholder needs.

*Monitor the environment consequently and respond adequately* to shifts and opportunities in the marketplace. Do this by surveying the markets to understand the context of the business, identifying trends and exploring scenarios, capturing external information quickly and accurately, anticipating adversaries through careful study and assessment, and by creating a warning system to spot changes to which the organization must respond quickly. Develop an exceptional sense of reality by becoming highly sensitive to environmental changes and understanding what is happening and what the implications will be. Watch competitors for signs of change and be ready to act. Deal proactively with externalities and their stakeholders. Anticipate industry oscillations and breakpoints. Pursue and integrate useful information from outside the organization, and connect with other organizations to share information and insights.

*Choose to compete and compare with the best in the marketplace.* Always strive for relative success compared to competitors and for obtaining a leading market position. Achieve this by creating a clear competitive advantage and defending it fiercely, and understanding competitor behavior. Lead the pack in all industry standards and practices. Consistently set the standard and rules so competitors must react. Strive to crush the competition. Know how the products stack up against the competition and price for profitability.

*Grow through partnerships and be part of a value-creating network.* Turn the organization into an international network corporation. Make growth happen with mergers and partnerships. Seek alliance and partnership opportunities for noncore activities. Embrace the vision of virtual integration with

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suppliers, and therefore redesign and streamline interenterprise processes. Find the best partner you can and share a common vision with him.

*Only enter new business that complements the company's strengths.* For this, have a proactive merger and acquisition strategy and develop a systematic capability to identify, screen and close deals. Have a balanced portfolio, only acquire new businesses that leverage existing customer relationships, and walk away from bad business. Always have an exit strategy.

*Develop a global mindset* and have a world-focus for sales. Set a global strategy for market expansion, in order to achieve and sustain superior global market penetration and representation. Go global and build an international network.



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## CONCLUSION

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There are some limitations to this HPO-research. Despite an extensive literature search, potentially valuable studies might have been missed. By not taking studies older than fifteen years, research which still might be valid has been omitted. There is also the issue of 'apples and pears': studies of a different kind have all been lumped together, making the results of the comparison potentially incomparable. Also, the studies look by definition on what organizations have done in the past, therefore not necessarily giving a guarantee that these characteristics will also be valid for the dynamic future.<sup>36</sup>

Another drawback is that many organizations characterized as HPOs start foundering in performance in the years following their being studied and written up as examples.<sup>37</sup> Examples of this are many of the companies originally described in the book *In Search Of Excellence*, and organizations like Enron in the USA, Parmalat in Italy and Ahold in The Netherlands.

Despite these limitations, a first picture has been obtained of how a modern HPO might appear. It should be remembered however, that long-term studies into the

birth, survival and death of organizations in America show that "the company equivalent of El Dorado, the golden organization that continuously performs better than the market, never existed, it is a myth."<sup>38</sup> With this, 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."<sup>39</sup>

Further research should focus on validating the characteristics found in this study, so organizations can start improving with confidence, these elements in their structure, strategy, processes and people. Also, additional research should focus on validating the link between the HPO-characteristics and organizational performance, in order to make sure it is worthwhile for companies to improve themselves in the direction indicated in this research paper. Finally, the original design of Nirvana should be updated with the findings of the HPO-research.

## NOTES

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## APPENDIX 1 - DETAILED HPO CHARACTERISTICS

Each HPO characteristic is composed of underlying elements which have been identified in the literature. This appendix lists all the elements for each type of literature study (A, B and C). The numbers in columns 'A', 'B' and 'C' refer to the studies from which the elements are taken (see Exhibit 1). To weigh the elements, each element from study type A gets 6 points, B and C get 3 respectively 1 point. The column 'Total' calculates the total score for all the elements which have been grouped under a particular HPO-characteristic. There are 36 A-studies, 25 B-studies and 30 C-studies which gives a maximum score for a characteristic of  $(36 \times 6) + (25 \times 3) = (30 \times 1) = 321$  points. This score would be reached when all of the 91 studies contained an element which is grouped under the

characteristic under consideration. Column '% of total' divides the total score by 321 to give the weighted percentage of the literature sources in which the particular HPO-characteristic can be found. A score of 100 percent would be reached when the underlying elements of the characteristic would occur in all sources. The score gives an indication of the importance of the characteristic for becoming an HPO. Finally, column '% of sources' divides the number of different sources in which the aspect is found (these are the numbers in columns A, B and C added up without double-counting) by the total number of literature sources (91). This is a measurement of the frequency of occurrence in the literature of the specific characteristic.

<i>ORGANIZATIONAL DESIGN CHARACTERISTICS</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>TOTAL</i>	<i>% OF TOTAL</i>	<i>% OF SOURCES</i>
Stimulate cross-functional and cross-organizational collaboration	15, 15, 16, 19, 22, 22, 22, 24, 30, 33, 34	42, 47, 50, 64, 51, 51, 53, 55	64, 66, 71, 80, 86	93	<b>29,0</b>	22,0
Simplify and flatten the organization by reducing boundaries and barriers between and around units	5, 5, 18, 18, 22, 22, 22, 26, 27, 31, 34, 34	51, 53, 54, 59, 60, 60, 61	77, 78, 78, 87	91	<b>28,3</b>	16,5
Foster organization-wide sharing of information, knowledge and best practices	6, 10, 17, 22, 25, 26, 34	44, 50, 50, 55, 61	79, 79, 83	60	<b>18,7</b>	14,3
Constantly realign the business with changing internal and external circumstances	5, 22, 23, 33, 34	42, 51, 61	81, 82, 87	42	<b>13,1</b>	12,1
Create a sense of ownership and entrepreneurial feel by establishing an integrated network of small decentralized units	2	55, 55, 55, 57, 57, 59	62, 71, 79, 87	28	<b>8,7</b>	8,8
Establish a consistent responsibility structure with clear roles and accountabilities		48, 59, 61	62, 77, 77, 77, 77, 77, 80, 85	17	<b>5,3</b>	7,7
Create an infrastructure that supports the strategy and the value drivers	24	42, 44	81, 83, 86	15	<b>4,7</b>	6,6
Implement a dynamic organizational design to enhance flexibility	3, 34		85, 87	14	<b>4,4</b>	4,4
Stimulate support functions to be integrated business partners	22	44	65, 75	11	<b>3,4</b>	4,4
Think in matrixes	22	55		9	<b>2,8</b>	2,2



<i>STRATEGY CHARACTERISTICS</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>TOTAL</i>	<i>% OF TOTAL</i>	<i>% OF SOURCES</i>
Define a strong vision that excites and challenges	4, 4, 17, 19, 19, 22, 22, 23, 28, 28	38, 45, 47, 47, 55	62, 64, 70, 76	79	<b>24,6</b>	15,4
Balance long-term focus and short-term focus	4, 6, 19, 19, 19, 20, 21, 31, 35	42, 48, 54, 59, 61, 61	63, 66, 79	75	<b>23,4</b>	16,5
Set clear, ambitious, measurable and achievable goals	2, 4, 13, 15, 18, 18, 27, 31	55, 59, 59	64, 76, 86, 86	61	<b>19,0</b>	13,2
Create clarity and a common understanding of the organization's direction and strategy	15, 15, 22, 34, 35	46, 47, 56, 60	65, 65, 65, 67, 76, 76, 84, 88	50	<b>15,6</b>	14,3
Align strategy, goals and objectives with the demands of the external environment and build robust, resilient and adaptive plans to achieve these	11, 31, 33, 34, 34, 36	43, 55, 60	65, 70, 73, 74, 74, 76, 81	46	<b>14,3</b>	15,4
Adopt the strategy that will set the company apart	5, 22, 24, 36	38, 47, 47	80, 81	35	<b>10,9</b>	8,8
Focus on a limited number of key priorities	15, 26, 36	54, 59, 60	64, 64, 76	30	<b>9,3</b>	8,8
Regularly alter and renew the organization	20, 23, 34	50, 57, 61	79, 86	29	<b>9,0</b>	8,8
Have a ruthless focus on value	22, 36	42, 48, 60	77, 77	23	<b>7,2</b>	6,6
Keep growing the core business	34, 36	49, 49, 57	79, 80	23	<b>7,2</b>	6,6
Focus on bottom-line profit and cash-flow as well as top-line growth	19, 22, 36	57	86	22	<b>6,9</b>	5,5
Develop strategy and goals bottom-up using input of people on all organizational levels	5, 15, 15			18	<b>5,6</b>	2,2
Have an integrated set of strategy, structure and systems	20	50	62	10	<b>3,1</b>	3,3

<i>PROCESS CHARACTERISTICS</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>TOTAL</i>	<i>% OF TOTAL</i>	<i>% OF SOURCES</i>
Design a good and fair reward and incentive structure	2, 6, 8, 14, 15, 15, 18, 18, 19, 21, 22, 25, 27, 30, 30, 31, 34, 34, 35	41, 47, 50, 51, 51, 54, 59, 61	64, 64, 64, 64, 64, 65, 65, 66, 66, 70, 73, 73, 75, 78, 79, 83, 85, 86, 86, 88	158	<b>49,2</b>	37,4
Continuously simplify and improve all the organization's processes	6, 15, 18, 20, 20, 20, 20, 22, 22, 22, 22, 22, 25, 26, 26, 31, 34, 34	37, 37, 37, 40, 43, 45, 48, 51, 51, 59, 61, 61	62, 63, 72, 72, 86	147	<b>45,8</b>	23,1
Measure what matters	2, 8, 12, 15, 28, 28, 31, 31	42, 46, 47, 47, 51, 51, 51, 51, 51, 51, 55, 56, 56, 59, 61	64, 64, 66, 66, 69, 73, 73, 73, 73, 74, 74, 74, 74, 76, 79, 84, 85, 86	115	<b>35,8</b>	26,4
Report to everyone financial and non-financial information needed to drive improvement	6, 6, 11, 16, 18, 20, 23, 31, 31	37, 40, 41, 44, 46, 46, 48, 48, 51, 55, 55, 59, 60, 61	62, 68, 69, 72, 78, 82, 83	103	<b>32,1</b>	27,5

<i>PROCESS CHARACTERISTICS</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>TOTAL</i>	<i>% OF TOTAL</i>	<i>% OF SOURCES</i>
Continuously innovate products, processes and services	5, 6, 10, 13, 15, 20, 20	39, 42, 42, 44, 50, 50, 51, 52, 53, 53, 53, 54, 54, 59, 59, 60, 60, 61	69, 73, 73, 86, 89	101	<b>31,5</b>	23,1
Strive to be a best practice organization	21, 34	38, 39, 40, 43, 44, 47, 50, 50, 51, 53, 54	61, 67, 68, 70, 70, 71, 72, 73, 80, 83, 85, 87, 89	58	<b>18,1</b>	26,4
Create highly interactive internal communication	15, 18, 28, 31, 34	46, 51, 55, 59, 60	65, 66, 70, 70, 73, 80, 83, 83	53	<b>16,5</b>	17,6
Deploy resources effectively	2, 2, 35, 36	37, 37, 50, 50, 51	68, 76, 82, 86, 86, 86	45	<b>14,0</b>	11,0
Strive for continuous process optimization	5, 8, 11, 22, 24	42, 59	71, 83, 87	42	<b>13,1</b>	11,0
Create processes that support action	1	56, 61	63, 73, 80	15	<b>4,7</b>	6,6
Coordinate across units	2	41, 51	62, 83	14	<b>4,4</b>	5,5
Let all processes reflect the values	28	45		9	<b>2,8</b>	2,2
Make sure the work is meaningful		47	84	4	<b>1,3</b>	2,2
Become a real-time enterprise, by engaging in real-time opportunity detection		40		3	<b>0,9</b>	1,1
Create an attractive earnings potential without significant personal risk		47		3	<b>0,9</b>	1,1

<i>TECHNOLOGY CHARACTERISTICS</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>TOTAL</i>	<i>% OF TOTAL</i>	<i>% OF SOURCES</i>
Implement flexible ICT-systems throughout the organization	8, 16, 16, 18, 31, 35, 36	47, 50, 51, 53	61, 62	56	<b>17,4</b>	13,2
Apply user-friendly ICT-tools to increase usage	16, 35, 35	42, 44, 60, 60	16, 35, 35	33	<b>10,3</b>	7,7
Become a pioneer at applying the chosen technologies	12, 17, 34, 35			24	<b>7,5</b>	4,4
Constantly identify and exploit new technologies to gain competitive advantage	10, 34, 34	37, 42	72	21	<b>6,5</b>	5,5

<i>LEADERSHIP CHARACTERISTICS</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>TOTAL</i>	<i>% OF TOTAL</i>	<i>% OF SOURCES</i>
Maintain and strengthen trust relationships with people on all levels	6, 6, 11, 11, 12, 12, 12, 13, 18, 20, 30, 30, 33, 34, 35, 35	41, 45, 46, 47, 47, 54, 55, 58, 59, 60, 60, 61, 61	63, 64, 65, 65, 76, 65, 70, 70, 72, 84, 84, 90, 90	148	<b>46,1</b>	30,7
Live with integrity and lead by example	6, 6, 11, 18, 21, 22, 23, 23, 24, 28, 30, 32, 34	41, 45, 47, 50, 51, 51, 51, 54, 59, 59, 59, 61, 61, 61	66, 68, 68, 69, 69, 69, 76, 82, 82, 90, 90	130	<b>40,5</b>	27,5
Apply decisive action-focused decision-making	11, 12, 18, 18, 19, 22, 24, 31, 36	40, 42, 55, 56, 56, 61, 61	65, 66, 76, 79, 87, 90, 90	85	<b>26,5</b>	20,9
Coach and facilitate	1, 6, 6, 6, 8, 15, 15, 18, 21, 22	55, 55, 59	65, 65, 65, 73, 76, 84, 88	76	<b>23,7</b>	15,4
Stretch yourselves and your people	8, 11, 11, 18, 21, 22, 30, 30, 34, 36	55, 59	64, 64, 90	72	<b>22,4</b>	13,2
Develop effective, focused and strong leadership	7, 12, 16, 16, 18, 18, 18, 18, 20, 24, 24, 31, 34	42, 46, 46, 47, 47, 51, 59, 61, 61	84, 85	68	<b>21,2</b>	17,6
Allow experiments and mistakes	4, 6, 6, 18, 24	35, 50, 53, 55, 55, 56, 56, 57, 61, 70, 72, 76, 76, 76, 79, 86, 90, 90	66	20,6	<b>18,7</b>	
Inspire the people to accomplish extraordinary results	11, 12, 22, 26, 30, 32, 34	42, 45, 50	64, 65, 70, 70, 70, 71, 76, 84, 87, 89, 90	62	<b>19,3</b>	20,9
Grow leaders from within	4, 11, 13, 31, 34	47, 50, 50, 54, 59, 59	64, 65, 65, 65, 66, 66, 75, 76, 86, 88	58	<b>18,1</b>	17,6
Stimulate change and improvement	3, 4, 5, 11, 20, 22, 35	38, 46, 51	62, 65, 68, 84, 87, 87, 87	58	<b>18,1</b>	16,5
Assemble a diverse and complementary management team and workforce	6, 9, 11, 18, 19	42, 45, 47, 50, 59	66, 72, 72, 75, 76, 90	51	<b>15,9</b>	16,5
Be committed to the organization for the long haul	11, 19, 19, 19, 19, 20, 22	39, 51	67, 70	50	<b>15,6</b>	8,8
Be confidently humble	6, 11, 12, 18	39, 51, 55, 59, 61	65, 90, 90, 90, 90, 90, 90, 90, 90, 90	49	<b>15,3</b>	12,1
Hold people responsible for results and be decisive about non-performers	1, 8, 15, 19	42	64, 64, 65, 65, 66, 66, 69, 70, 73, 77, 78, 86, 90, 90	41	<b>12,8</b>	16,5
Have a long-term orientation	5, 18, 18, 34	38, 42		30	<b>9,3</b>	5,5
Balance managerial power with the role of an active board		50	87, 87	5	<b>1,6</b>	2,2
Substitute inspirational leadership for formal structure		51		3	<b>0,9</b>	1,1
Build a high degree of strategic consensus among the top team		59		3	<b>0,9</b>	1,1

<i>INDIVIDUALS &amp; ROLES CHARACTERISTICS</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>TOTAL</i>	<i>% OF TOTAL</i>	<i>% OF SOURCES</i>
Create a learning organization	4, 5, 6, 6, 10, 14, 15, 19, 20, 21, 21, 22, 22, 25, 30, 34, 34, 35	41, 43, 47, 50, 53, 54, 55, 56, 60, 60, 61, 61, 61, 61	63, 64, 68, 73, 73, 73, 76, 76, 76, 78, 84, 85, 87, 88, 90	165	<b>51,4</b>	38,5
Attract exceptional people with a can-do attitude who fit the culture	4, 6, 9, 9, 11, 12, 13, 18, 18, 18, 21, 24	41, 47, 50, 54, 59, 59, 60	65, 66, 66, 70, 75, 85, 86, 86, 88	102	<b>31,8</b>	24,2
Engage and involve the workforce	1, 9, 14, 22, 22, 28, 29	37, 44, 46, 55, 57, 61	64, 80	62	<b>19,3</b>	15,4
Create a safe and secure workplace	13, 17, 17, 19, 19, 30, 30, 30, 34			54	<b>16,8</b>	5,5
Master the core competencies and be an innovator in them	12, 13, 13, 19, 19	41, 42, 42, 59	64, 84	44	<b>13,7</b>	8,8
Develop people to be resilient and flexible	8, 11, 15, 20, 30, 31, 33			42	<b>13,1</b>	7,7
Align employee behaviour and values with company values and direction	20, 20, 28, 29	54, 59	69, 69, 84, 84, 84, 88	36	<b>11,2</b>	8,8
Foster self-discipline of people	1, 1, 12, 24	55		27	<b>8,4</b>	4,4
Create a work environment that is challenging, satisfying and fun	21, 34		64, 66, 66, 68, 69, 75, 77, 78, 84, 85, 86	23	<b>7,2</b>	13,2
Treat individuals as investors actively building and deploying their human capital	29, 29	59	66, 73, 76	18	<b>5,6</b>	5,5
Inspire individual creativity, initiative and entrepreneurship		55, 55, 59, 60	79	13	<b>4,0</b>	4,4
Strive for peer respect	16	55	64, 70	11	<b>3,4</b>	4,4
Master deal-making and partnering skills		61		3	<b>0,9</b>	1,1

<i>CULTURE CHARACTERISTICS</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>TOTAL</i>	<i>% OF TOTAL</i>	<i>% OF SOURCES</i>
Empower people and give them freedom to decide and act	1,1, 2, 2, 4, 6, 12, 12, 14, 15, 15, 18, 19, 20, 21, 22, 25, 26, 29, 29, 31, 31, 34, 35	43, 45, 53, 54, 55, 59, 59, 59, 60, 61	71, 76, 77, 78, 78, 79, 88, 90	182	<b>56,7</b>	36,3
Establish strong and meaningful core values	1, 2, 4, 19, 23, 28, 34, 35, 35	38, 41, 53, 54, 59, 59, 60	62, 65, 66, 70, 75, 76	81	<b>25,2</b>	22,0
Develop and maintain a performance-driven culture	15, 24, 24, 34, 35	39, 41, 48, 54, 54, 54, 59, 60, 60	65, 65, 68, 69, 70, 70, 72, 86	65	<b>20,2</b>	17,6
Create a culture of transparency, openness and trust	1, 2, 11, 12, 16, 18, 19, 20	55, 55, 60, 61	72, 76	62	<b>19,3</b>	14,3
Create a shared identity and a sense of community	6, 17, 19, 19, 31	55, 57, 61	70, 70	41	<b>12,8</b>	8,8
Develop an adaptive culture to achieve long-term success	8, 8	38	71, 71, 87, 87, 87, 87, 91	22	<b>6,9</b>	5,5
Understand the role of culture	11, 11		88	13	<b>4,0</b>	2,2

<i>EXTERNAL ENVIRONMENT CHARACTERISTICS</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>TOTAL</i>	<i>% OF TOTAL</i>	<i>% OF SOURCES</i>
Continuously strive to enhance customer value creation	2, 6, 9, 9, 10, 13, 13, 19, 19 20, 20, 20, 21, 21, 22, 32, 32, 34, 36, 36	50, 50, 50, 51, 51, 51, 51, 51, 53, 54, 54, 54, 59, 59, 59, 60, 60, 61, 61	62, 64, 64, 66, 66, 68, 69, 73, 73, 73, 76, 80, 85, 86, 86, 87	196	<b>61,1</b>	33,0
Maintain good and long-term relationships with all stakeholders	7, 11, 19, 19, 19, 19 19, 20, 20, 28, 28	38, 38, 39, 39, 50, 50, 50, 53, 54	63, 67, 87	123	<b>38,3</b>	14,3
Monitor the environment consequently and respond adequately	6, 11, 11, 15, 20, 20, 20, 26, 31, 31	38, 38, 42, 43, 44, 44, 51, 57, 60, 61	62, 64, 74, 76, 76, 76, 87, 87, 89, 89	100	<b>31,2</b>	22,0
Choose to compete and compare with the best in the market place	2, 13, 13, 13, 18, 20, 20, 36, 36	47, 47, 50, 50, 50, 56, 59, 59	70, 70, 71, 76, 76, 85	84	<b>26,2</b>	14,3
Grow through partnerships and be part of a value creating network	22, 26, 27, 33, 34	42, 42, 50, 51, 51, 53, 60, 61, 61	76, 78	59	<b>18,4</b>	14,3
Only enter new business that complement the company's strengths	22, 34, 34, 34, 35, 36		86, 86	38	<b>11,8</b>	5,5
Develop a global mindset	11, 13, 22	50, 53, 60		27	<b>8,4</b>	6,6
Emphasize organic growth over acquisitions	13, 36			12	<b>3,7</b>	2,2
Establish a small market focus in regard to product, technology and application	13			6	<b>1,9</b>	1,1



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Dr. André A. de Waal MBA was born in 1960 in Rotterdam, the Netherlands. He is a management consultant and an associate professor of strategic management at the Maastricht School of Management. André is also guest lecturer in management accounting at the University of Amsterdam, Erasmus University Rotterdam and Free

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André has seventeen years of experience as a consultant and a partner with Arthur Andersen and Holland Consulting Group. Since 2002 he has his own consulting practice which specializes in performance management, improvement of production, logistic, financial and

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