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## What are the Top Cultural Characteristics That Appear in High-Performing Organizations Across Multiple Industries?

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# What are the Top Cultural Characteristics That Appear in High-Performing Organizations Across Multiple Industries?

## Abstract

Recently, researchers have investigated the existence of High Performing Organization (HPO) and its characteristics. Because researchers approach the topic of high performance from different backgrounds and angles and with different goals, it makes sense there is not yet a consistent definition of a HPO. We found a meaningful research paper that identifies common characteristics or common themes that seemed to be part of a HPO. This report will cover definitions and cultural characteristics of HPO based on that research paper contrasting and combining results from 91 different quality studies done over the last fifteen years.

## Keywords

human resources, high performing firm, cultural characteristics, multiple industries

## Disciplines

Human Resources Management

## Comments

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### **Question**

What are the top cultural characteristics that appear in high-performing organizations across multiple industries?

### **Introduction: Various researches done about High-Performing Organization.**

Recently, researchers have investigated the existence of High Performing Organization (HPO) and its characteristics. Because researchers approach the topic of high performance from different backgrounds and angles and with different goals, it makes sense there is not yet a consistent definition of a HPO. We found a meaningful research paper that identifies common characteristics or common themes that seemed to be part of a HPO. This report will cover definitions and cultural characteristics of HPO based on that research paper contrasting and combining results from 91 different quality studies done over the last fifteen years.

### **Analysis: Definition and cultural characteristics of High Performing Organization**

There were 3 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 aimed specifically at identifying HPO-characteristics
2. The study consists of either a survey with a sufficient large number of respondents so that its results can be assumed to be representative. The study preferably contains more than one industry in more than one country.
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.

Based on the described criteria, the literature search yielded 91 studies which satisfied the criteria completely or partly (Exhibit 1). The researcher identified common themes in the definitions given in the studies listed in Exhibit 1, and composed a definition based on these common themes.

#### ***Definition of high-performing organizations (HPO):***

*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<sup>1</sup>, by being able to adapt well to changes<sup>2</sup> and react on these quickly, by managing for the long term, by setting up an integrated and aligned management structure<sup>3</sup>, by continuously improving its core capabilities<sup>4</sup>, and by truly treating the employees as its main asset.*

Based upon the research analysis of “Characteristics of high performance organizations”, we have concluded that the following six characteristics as a cultural traits of HPO.

<sup>1</sup> Collins and Porras, 1997; Geus, 1997; Brown and Eisenhardt, 1998; Hodgetts, 1998; Mische, 2001; Weick and Sutcliffe, 2001; Zook and Allen, 2001; Annunzio, 2004; Bruch and Ghoshal, 2004; Van den Berg and De Vries, 2004

<sup>2</sup> Kotter and Heskett, 1992; Brown and Eisenhardt, 1998; Goranson, 1999; Quinn et al., 2000; Foster and Kaplan, 2001; Weick and Sutcliffe, 2001; Hamel and Valikangas, 2003; Annunzio, 2004; Light, 2005

<sup>3</sup> Hodgetts, 1998; Lawler et al., 1998; Kirkman et al., 1999; Lee et. al., 1999; O'Reilly and Pfeffer, 2000

<sup>4</sup> Kling, 1995; Lawler et al., 1998; Garratt, 2000; O'Reilly and Pfeffer, 2000; Weiss, 2000; Doz et al., 2001; Foster and Kaplan, 2001; Mische, 2001; Coffman et al., 2002; Manzoni, 2004; Underwood, 2004; Holbeche, 2005; Siroat et al., 2005

The underneath above lists the *HPO-characteristics for organizational culture* in order of importance. It gives an overview of the underlying elements per culture characteristic.

### **Cultural characteristics of HPO**

- 1. Empower people and give them freedom to decide and act.** HPOs devolve decision making authority and give autonomy to operate to organizational members, within clearly established boundaries and constraints on 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.
- 2. 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.
- 3. 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 behavior 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.
- 4. 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.
- 5. 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.
- 6. 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 towards entrepreneurship when resources are readily available, towards collaboration when they are scarce. Watch for strains in the existing organization to time the shifts in organizational behavior. Strive for agility.

## Appendix

**Table 1. Detailed HPO characteristics**

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 Table 2). 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.

Culture characteristics	A	B	C	Total	% of total	% of sources
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	56,7	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	25,2	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	20,2	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	19,3	14,3
Create a shared identity and a sense of community	6, 17, 19, 19, 31	55, 57, 61	70, 70	41	12,8	8,8
Develop an adaptive culture to achieve long-term success	8, 8	38	71, 71, 87, 87, 87, 87, 91	22	6,9	5,5
Understand the role of culture	11, 11		88	13	4,0	2,2

The score gives an indication of the importance of the characteristic for becoming a HPO. Finally, column ‘% of sources’ divides the number of different sources the aspect is found (this is 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.

Table2. Overview of the selected studies

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	Alunzio	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 multinational	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	Forbes 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	Vanden 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
Management for the	Miller & Le	2005	Interviews	American and European	A

Study title	Authors	Year	Type of research	Research population	Study type
Longman	Breton-Miller			family controlled businesses	
Patterns of Excellence	Sanjiv & Challis	1999	Survey	Firms worldwide	A
Practice what you preach	Maister	2001	Survey	Firms in 15 countries	A
Pressing problems in modern organizations	Quimby, O'Neill & St. Clair	2000	Survey	Worldwide organisations	A
Revival of the fittest	Sull	2003	Case studies	Companies in USA, Europe and Asia	A
Spearheading growth	Kroger, Tram & Vandenbosch	1998	Survey	European organizations	A
Strategies for high performance organizations	Lawler, Moliman & Ledford	1998	Survey	Fortune 1000 (American) companies	A
Survival of the smartest	Mendelson & Ziebler	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 & Meltzer	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, Babeliowski & Stevenaer	2004	Interviews	European multinationals	A
What really works	Joyce, Nolinia & 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	Benchmarking	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	Mosnarls	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

Study title	Authors	Year	Type of research	Research population	Study type
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 110 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
The agenda	Hanuner	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 & Boutlett	1997	Interviews	Large companies from the USA, Europe and Asia.	B
The narrowing-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 & BousouX	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	Hewitt	2004	Quantitative research	Double digit growth companies	C



Study title	Authors	Year	Type of research	Research population	Study type
disciplines to					
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
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 & Valikangas	1998	Unknown	Unknown	C

Study title	Authors	Year	Type of research	Research population	Study type
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	Gurratt	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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