

**Research Paper** **D****Understanding High Performance Organizations****Dr. Madhura Bedarkar**

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E-mail id: [madhurabedarkar@sibmpune.edu.in](mailto:madhurabedarkar@sibmpune.edu.in)**Introduction**

High performance organization (HPO) or high performance work systems is a buzz word today. A number of organizations have adopted the strategies being introduced by HPOs at their workplaces. Thus, we can obtain a great deal of learning from HPOs.

However, the term HPO connotes different things to different people. Thus, rigorous research has been hindered due to a lack of comprehensive understanding of the phenomenon. Further, in absence of a commonly accepted definition, managers may find it difficult to identify whether their organisations are really HPOs or not. To add to this confusion, there exists a variety abbreviations used for referring to organisations that are not traditional in their ways of function. Thus, HPOs are also known high performance work organisations (HIPO), high performance work systems, etc.

An HPO is often described as an organization that aims at bringing out the best in its people. It is also looked upon as an organization that delivers sustainable results. An HPO has adopted specific qualities which are typically attributed to high performance.

With the Publishing of Peters and Waterman's (1982) landmark study, 'In search of excellence' and the bestsellers, 'Built to last' (Collins and Porras, 1997) and 'Good to great' (Collins, 2001), there has been a strong interest in identifying the characteristics of HPOs. This interest has increased further due to large-scale changes in the competitive environment of organizations, compelling them to adapt faster to changing international demands for flexibility and pace, on the one hand and to compete on the basis of price, quality, flexibility of terms, speedy and reliable delivery, and after-sales support for their products (Kasarda and Rondinelli, 1998). Thus, the key for organizational success lies in understanding and managing the change, posed by the external environment.

This articles discusses a few definitions and characteristics of HPOs, based on literature review on the subject.

**Definitions and Frameworks**

One finds many definitions of HPOs in the current literature. These definitions commonly point out achievements or characteristics of HPOs, such as delivering strong financial results, enjoying higher levels of customer and employee satisfaction and focus on individual initiative, productivity and innovation, aligned performance measurement and reward systems, and visionary leadership (Epstein, 2004).

HPOs can be defined as organizations that achieve financial results that are much better than of its competitors in a sustainable manner. It adapts well to changes and reacts quickly, by setting up an integrated and aligned management structure. It continuously improves its core capabilities, and truly treats the employees as its main asset.

Kirkman et al (1999) introduced a new term, high performance work organisations (HIPO). Their study points out that there is absence of a universally accepted definition of HPOs and thus, it investigates definitions of leading scholars and researchers who study HPOs.

Waal (2007) defines HPO as an organization that achieves financial results that are better than those of its peer group over a longer period of time by adapting well to changes and reacting 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.

Michael Beer (2009) introduced the term 'High Commitment, High Performance (HCHP) companies. He defines these companies as, "firms designed and led by their founders or by transformational CEOs—those who take charge of a company in a crisis—to achieve sustained high commitment from all stakeholders: employees, customers, investors, and community. These firms stand out by having achieved long periods of excellence."

Beer shares that HCHP firms are able to show sustained performance because they achieve the following three paradoxical goals: Performance alignment, Psychological alignment, and Capacity for learning and change.

A three-year research study by Dr. Don Carew and others included a meta-analysis of studies over a twenty-year period as well as conducting a comprehensive assessment of over a thousand workers in a variety of organizations that validated these categories. Their study defines HPOs as "enterprises that over time continue to produce outstanding results with the highest level of human satisfaction and commitment to success."

As a result of this study, they created a model of HPO, called as The HPO SCORES™ Model. SCORES is an acronym, representing the six elements evident in every high performing organization. A high performing organization scores—hits the target consistently—because it demonstrates strength in each of these six elements. These elements are:

- S = Shared Information and Open Communication
- C = Compelling Vision
- O = Ongoing Learning
- R = Relentless Focus on Customer Results
- E = Energizing Systems and Structures
- S = Shared Power and High Involvement

Stoner, J. L, a business consultant and author presents a model, titled the ASPIRE model for explaining

the framework of HPOs, based on the study of Carew et al. The acronym ASPIRE depicts these traits such as:

A-Aligned around a shared vision  
 S-Supportive systems and structures  
 P-Perpetual learning  
 I-Information shared freely  
 R-Results focused  
 E-Empowered and invoved

There are several studies on characteristics of HPOs or attributes that differentiate HPOs from traditional organisations. The widely accepted characteristics of HPOs are discussed here.

### **Characteristics of HPOs**

#### ***1) People are assets***

HPOs strongly believe that their employees are their assets. Their employees seem happier, more productive and desire to succeed in their jobs. HPOs empower their employees by building their capability.

#### ***ii) Strong team spirit***

Cohesiveness and teamwork are essential for building an HPO. HPOs nurture an environment, where team members are encouraged to collaborate and work together under a flat hierarchy. Every member has a "say" and offers input, regardless of his status in the company.

#### ***Hi) Adopts the latest technology***

Technology increases productivity by freeing up employees to focus on their important tasks. It also helps companies in achieving cost-effectiveness in their functioning and will generate a positive rate of return to stakeholders.

#### ***iv) Devoted to learning***

The HPOs adopt a culture of learning and advancement. Organizational studies indicate that employees who are given greater autonomy are not only happier, but also perform better than those that are micro-managed and not given any latitude in terms of growth.

#### ***v) Goals focused and driven by objectives***

HPOs are dedicated to achieving and exceeding goals. This is accomplished through sharing of vision and values with all stakeholders.

#### ***vi) Oriented to Achieve***

HPOs are driven by results. They develop a culture that focuses on results and thereby, accountability. They believe in the principles of continuous improvement, quality and value addition.

## **Conclusion**

An organization that achieves the HPO status is the one that enjoys competitive advantage in long run. It remains competitive in its respective industry, by balancing the needs of both its internal and external stakeholders.

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