



Center for
Organizational Performance

Working on high performance in the UK:
an overview of current research and practical application

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im·pro·pri·ety
correctness; unusual
remark, etc.

im·prove /im'pr
become better: T
~ it. He came b
~d health. He i
improving. [VP]

INTRODUCTION

Dear Reader,

It is our distinct pleasure to present you with an overview of the high performance organisations (HPO) research and its practical application in the United Kingdom. This booklet contains recent papers which have been published or are in the review stage at journals. Therefore the booklet provides you with state-of-the-art information on HPO. In the first paper, 'The secret of high performance organisations', an introduction of the HPO ideas and framework is given. The article describes the research behind the HPO Framework and describes the five HPO factors in detail. The second paper, 'Working on high performance in the UK: the case of the ATLAS consortium', describes the practical application of the HPO Framework at a consortium of five IT companies. At this consortium over a periode of two years two HPO diagnoses were conducted and the results of these are discussed in the paper.

The main factor of an HPO is quality of management. In the third article, 'Comparing Dutch and British high performing managers', research into the characteristics of excellent managers is described. The resulting high performing manager (HPM) framework is applied on Dutch and British managers and the paper gives the results of this comparison. When working on becoming an HPO, an organisation may find itself held back by its partners in the value chain. It is teherfore crucial that all parties in that value chain improve htemselves toward high performance. The fourth paper, 'The high performance partnership framework as value chain enhancer', describes who this 'upgrade' can be achieved. The article introduces the high performance partnership (HPP) framework which is applied at the five IT aprtners in the ATLAS consortium.

We hope that reading the papers in this booklet will inspire you to start the journey toward high performance with your organisation. If so, please do not hesitate to call us to ask your questions and share your stories and experiences. Bon voyage!



Dr. André A. de Waal
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About the Center for Organizational Performance

Five years of scientific and practical research, by Professor Andre de Waal MBA, resulted in the formation of the most important HPO guidelines. The objective was to give managers the knowledge and opportunity to implement targeted measures in order to allow their organisation to develop into a High Performance Organisation.

Now we can provide answers to many important questions that play a role in the organisation:

- What really makes us better and faster (and what does not!)?
- What behavior leads to high performance?
- What is the best leadership for us?
- How do we find the balance between short-term and long-term results?
- How do we create a culture in which HPO behavior is permanently guaranteed?
- What are we doing right and where can we improve right away?

We help our clients (for-profit, non-profit and government organisations) with practical, applicable tools. We help organisations and stakeholders (employees, clients, investors and partners) profit from permanent, improved performance.

The Center for Organizational Performance is an independent, international research and inspiration center for the permanent performance improvement of organisations. We provide the market with a continuous stream of new knowledge and inspiration regarding High Performance Organizations (HPOs) based on scientific and practical research that is collected in a unique HPO knowledge base.

The HPO Research

For five years Dr. André de Waal MBA researched the factors that allow an organisation to perform better.



In this section we describe the results of the five-year academic and practical study conducted by Dr. André de Waal, the difference between the HPO study and other methods of quality management, performance per branch and strategic improvement methods that are not distinguishing.

But when exactly is an organisation high performing?

André de Waal's definition based on the study is as follows:

“A High Performance Organization (HPO) is an organisation that achieves better results than comparable organisations over a period of at least five to 10 years.”

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HPO Factors per Branch

The HPO study shows that there is a direct and positive correlation between the five HPO factors and the organizational result. Organizations that pay more attention to the five HPO factors logically not only score better on these five factors but also achieve better results than their colleague organizations, irrespective of the branch, industry or country they are in. Vice versa it also applies that the organizations that score low on the five factors belong to the worst performing organizations in their branch. The difference between HPOs and non-HPOs is best visible with factor 3, the long-term orientation. HPOs devote significantly more attention to all the characteristics of this factor.

Closer analysis shows that the five HPO factors are greatly linked to each other. This means that if an organization works on one of the factors, the others will also improve due to this. Nevertheless, the five factors are not a general recipe for all organizations. There can be substantial differences. For example, for-profit organizations must work on all five aspects at the same time, while in the non-profit sector an initial focus on three specific factors is important for improvement: high quality of management, openness and action orientation and long-term orientation. There are also differences per industry: the order in which the factors are important can differ. For example, in the financial services industry the high quality of management is of primary importance, thereafter comes long-term orientation, then continuous improvement and renewal and finally the high quality of employees. In the healthcare industry another order prevails: there the emphasis is first placed on continuous improvement and renewal followed by high quality of management. It is therefore important for management to know which factors are the most important for the specific branch before an organization embarks on the path of becoming an HPO.

The factors that determine what makes an organization an HPO: an organization that achieves better financial and non-financial results than comparable organizations over a period of at least five to 10 years are in brief:

- **Management Quality**
The management of an HPO is high-quality and combines integrity and coaching leadership with fast decision-making.
- **Openness and Action Orientation**
The culture of an HPO intensively involves everyone through dialog and actions aimed at achieving better performance.
- **Long-Term Orientation**
The long-term orientation of an HPO applies to customers and cooperation partners but also to employees. Management is supplemented by promotions from the inside out.
- **Continuous Improvement and Renewal**
An HPO knows its distinguishing characteristics in the market and allows all employees to continuously contribute to improving the organization's processes, services and products.
- **Quality of Employees**
The employees on an HPO are diverse, complementary and work together well. They are flexible and resilient in their focus on achieving the intended result.

What does HPO status give for-profit and non-profit organisations?

The Center for Organizational Performance has discovered that “HPO status” is quite advantageous for organisations.

- The revenue of HPOs grows 4 to 16 percent (depending on the industry and the size of the organisation) faster than that of non-HPOs
- The profitability is 14 to 44 percent higher than that of non-HPOs
- The ROA (Return on Assets) of HPOs is 1 to 12 percent higher than that of non-HPOs
- The ROE (Return on Equity) 9 to 25 percent higher than that of non-HPOs
- The ROI (Return on Investment) 15 to 26 percent higher than that of non-HPOs
- The ROS (Return on Sales) 2 to 18 percent higher than that of non-HPOs
- The TSR (Total Shareholder Return) 4 to 42 percent higher than that of non-HPOs

But HPO status is not only interesting to for-profit organisations. High Performing Organizations in the non-profit and government sector appear to be able to do more essential things with the same financial resources.

And it is not only the financial performance that appears to be continuously better than comparable organisations in the same sector over a period of five to 10 years. The study shows that the strategic performance of an HPO is significantly better than that of a non-HPO.

These organisations also appear to score higher as regards:

- Customer satisfaction
- Customer loyalty
- Employee satisfaction
- Quality + renewal of services/products (innovation!)
- Complaint handling

It pays to be an HPO!

Open doors... through which you must pass

Are the five factors that emerge from the study actually open doors?

You knew this all along? Because you were always bombarded with one or the other improvement method in recent years? However, many available methods do not have a scientific basis, which in principle limits the chance of success because success depends more on luck than really knowing what works. It is like taking a trip and arriving at an intersection with a hundred open doors. Which door should you choose? They all lead somewhere, don't they? Unfortunately, many of the chosen doors send organizations on the wrong track and cause them to devote much effort in the area of improvement without achieving demonstrable, permanent results. The HPO study only indicates the doors that actually lead to the desired end-result: the permanently excellent organization. How you subsequently pass through the doors, quickly or slowly, with a leap, limping or shuffling, depends on the specific circumstances in which you (and your organization) find yourself. The HPO study gives you scientific proof that you must pass through the doors in a disciplined manner. You may therefore not slacken as regards the HPO factors but you must continuously pay attention to them and bring your organization to a higher plane. To this end, familiarity with the listed factors is an advantage, which significantly increases the chance of improvement measures succeeding.



International Study Dimension

- More than 3,500 surveys from 65 countries
- Supported by the Maastricht School of Management
- Validated by the Cranfield School of Management (UK)
- Results apply for all countries, all sectors (for-profit, non-profit and government) and all sizes of organisations
- HPO study on banking industry in Vietnam (paper EURAM 2008 conference)
- HPO study Nabil Bank Nepal (paper MsM Partner 2008 conference)
- HPO study Corporate Social Responsibility and HPO in the Mining Industry in Peru (paper British Academy of Management 2008 conference)
- HPO study AMANCO PLASTIGAMA Ecuador (April 2008)

Publications

Numerous articles and interviews have been published on HPO including:

- British Academy of Management
- Business Strategy Series (Emerald)
- International Journal of Productivity and Performance Management
- Management Online REview (MORE)
- The European Academy of Management (EURAM)

These and more articles can be freely downloaded from www.hpocenter.com.

Management Tools That Don't Allow You to Permanently Perform Better

Many management models or improvement methods that were traditionally regarded as important appear not to be decisive in the study as regards permanently performing better. It is not that they are unimportant, but only focusing on these elements does not ensure that the organization becomes “high performing.”

Organizational Structure

The HPO showed that there is no direct connection between organizational structure and better results. In principle, it does not matter what type of organizational structure the organization has when it comes to performing well. Functional design, a process-oriented institution or a matrix organization - none of these organizational designs guarantees the transition to a high-performance organization. Reorganization, something for which many organizations appear to opt time and again when difficulties arise, will thus not necessarily help sustainably improve performance.

Employee Autonomy

Even a large degree of employee independence does not “automatically” lead to better results. Too much freedom for employees can even lead to large financial losses - just think of the example of Ahold and Food Services. Management must indicate the playing field in which the employees can operate autonomously and thus also the limits they may not exceed.

The Strategy Chosen by an Organization, Provided That...

It appears that the type of strategy of an organization is not decisive for excellent performance. It is relatively unimportant for the rendering of top performance whether an organization opts for cost/price leadership, product differentiation, customer intimacy or a combination of these strategies. The factor that differentiates the HPO from the non-HPO is oneness in the chosen strategy within the sector in which the organization is operating.

Communication

“We have to communicate more ... then they will understand.”

Employees are not concerned about understanding but about whether or not they are heard. It's about dialog. In a dialog there is no longer one-way communication but two-way communication. Listening and hearing both sides, exchanging ideas and working towards understanding. Less soapbox and more round table, in other words.

High Compensation and Bonuses

Statistics did not survive one aspect that has to do with compensation. The compensation structure in itself is thus not a distinguishing factor for becoming high performing. In other words, high bonuses do not help create a successful organization.

Technology

In conclusion, technology appears to play a relatively unimportant role in performing better than the competitor. Many organizations spend a lot of time and energy implementing new ICT systems, but this does not “automatically” lead to becoming an HPO.

Research the Potential for Improvement at Your Organization

“Measuring and Systematically Improving”

The first step in the HPO diagnosis is an introduction of the organisation to the HPO framework, HPO factors and HPO diagnosis. We then develop a plan of approach together with you, in order to ensure that our activities are in line with the questions that you want to be answered.

An online HPO scan is then performed among a number of managers and employees to create a “photograph” of the organization. This is followed by several interviews in order to understand the story behind the photo. We then analyze the data and organize a workshop to provide feedback on our findings to the most important parties involved (usually starting with the Board of Management). The recommendations for improving the HPO status of the organisation are also discussed during this interactive workshop. Finally, we submit to you a concise report containing the results of the HPO diagnosis.

Throughout this entire process, you can benefit from the HPO knowledge and ‘best ideas’ already developed and take advantage of our library of publications (articles and books).

The result is insight into the strengths and improvement potential of your organization and a focus on those aspects requiring attention in order to perform better in the long term. The results of your organization are also compared to your sector colleagues.

The HPO final report provides you with a document and checklist to initiate a process of improvement with the right focus. It also makes clear which paths and projects you should consider terminating. You now have a common language and direction to improve the performance of the organization on a permanent basis. All activities are finally in sync!

For more information, please contact Chiel Vink (vink@hpocenter.com).

suc-ces-ful (suk 's
cess, esp. financial

suc-cess (sək ses')

1 orig., result; out
result b) something

wealth, fame, ran

suc-cess-ful (-fəl
... was be

THE SECRET OF HIGH PERFORMANCE ORGANIZATIONS

André A. de Waal

- published in Management Online Review, <http://www.moreexpertise.com/download.php?id=88> -

Introduction

Ever increasing demands of stakeholders force organisations to adapt faster to growing international competition and to compete simultaneously on the basis of price, quality, flexibility, delivery times, and after-sales support (Kasarda and Rondinelli, 1998). They are pressured into defining the elements that make up high performance, as there is a growing consensus that effective approaches to management offer organisations competitive advantage (Lawler, 2003). In the wake of the landmark book *In Search of Excellence* (Peters and Waterman, 1982) and the more recent bestsellers *Built to Last* (Collins and Porras, 1994) and *Good to Great* (Collins, 2001), managers have developed a strong interest in learning the characteristics of high performance to help them in their quest for excellence. Identifying these characteristics is of paramount importance because clients of organisations are becoming more demanding and at the same time more dissatisfied with the performance of the organisations. In this day and age of increased importance of tailoring to consumers' needs, organisations cannot afford bad interactions with their clients. In addition, organisations not only need to become better but even more difficult ... stay better for a long period of time. As every sportsperson can tell you: "It ain't that difficult to get to the top, staying there is the hard part." So the search is on for the factors that do not cause a one-time good result but stress sustainable high performance. For this, I took a long and in-depth look at the so-called high performance organisations (HPOs).

Until now there has been no generally accepted name or definition of HPOs, and in the literature the HPO is often referred to as the accountable organisation, the adaptive enterprise, the agile corporation, the flexible organisation, the high performance work organisation, the high-performance work system, the high reliability organisation, the intelligent enterprise, the real-time enterprise, the resilient organisation, the responsive organisation, the robust organisation, and the sustainable organisation. In many publications a HPO is described in terms of achievements or attributes of the organisation, such as having strong financial results, satisfied customers and employees, high levels of individual initiative, high productivity and innovation, aligned performance measurement and reward systems, and strong leadership (Epstein, 2004). One way of achieving uniformity of definition is to identify common themes in the literature and incorporate those into a single, all-encompassing definition. In Some of the common themes found after studying the literature were: sustained growth; better financial and non-financial performance compared to its peer group; long-term orientation; better results over a period of at least five years. Taking the common themes as a starting point, the following definition of HPO was formulated: *A high performance organisation is an organisation that achieves financial and non-financial results that are better than those of its peer group over a period of time of at least five to ten years* (Waal, 2006, 2007).

It pays to be a high performance organisation

To find out ‘the secret’ of high performance organisations, I undertook a five year study into the characteristics which are part of all excellent organisations worldwide and can be influenced by managers so they are able to take targeted actions to start achieving superior results. The research involved examination of over 280 publications on studies performed in the last 30 years in the area of high performance. The common themes that were found were tested in a worldwide survey executed at over 2500 profit, non-profit and governmental organisations. I first identified how much better HPOs perform than non-HPOs. Table 1 gives the differences in financial performance for both types of organisations when comparing the data given in the 230+ studies. It clearly shows that HPOs achieve better to much better financial results than non-HPOs, year in year out. In the area of non-financial performance HPOs show similar results: they achieved much higher customer satisfaction, customer loyalty, employee loyalty, and quality of products and services than their less able counterparts. In short, it pays to be a HPO!

Types of performance	Financial results of HPOs compared to those of non-HPOs (in %)
Revenue growth	+ 10
Profitability	+ 29
Return On Assets (ROA)	+7
Return On Equity (ROE)	+ 17
Return On Investment (ROI)	+ 20
Return On Sales (ROS)	+ 11
Total Shareholder Return	+ 23

Table 1: Financial results of HPOs compared with those of non-HPOs

The statistical work I performed on the survey data (see appendix for more details) identified 35 characteristics in five factors which determine whether an organisation becomes and stays a HPO or not (Table 2). An analysis of each of these factors is given in the following sections.

Continuous improvement

1. The organisation has adopted a strategy that sets it clearly apart from other organisations.
2. In the organisation processes are continuously improved.
3. In the organisation processes are continuously simplified.
4. In the organisation processes are continuously aligned.
5. In the organisation everything that matters to performance is explicitly reported.
6. In the organisation both financial and non-financial information is reported to organisational members.
7. The organisation continuously innovates its core competencies.
8. The organisation continuously innovates its products, processes and services.

Openness and action orientation

9. Management frequently engages in a dialogue with employees.
10. Organisational members spend much time on communication, knowledge exchange and learning.
11. Organisational members are always involved in important processes.
12. Management allows making mistakes.
13. Management welcomes change.
14. The organisation is performance driven.

Management quality

15. Management is trusted by organisational members.
16. Management has integrity.
17. Management is a role model for organisational members.
18. Management applies fast decision making.
19. Management applies fast action taking.
20. Management coaches organisational members to achieve better results.



21. Management focuses on achieving results.
22. Management is very effective.
23. Management applies strong leadership.
24. Management is confident.
25. Management is decisive with regard to non-performers.

Workforce Quality

26. Management always holds organisational members responsible for their results.
27. Management inspires organisational members to accomplish extraordinary results.
28. Organisational members are trained to be resilient and flexible.
29. The organisation has a diverse and complementary workforce.

Long term orientation

30. The organisation maintains good and long-term relationships with all stakeholders.
31. The organisation is aimed at servicing the customers as best as possible.
32. The organisation grows through partnerships with suppliers and/or customers.
33. Management has been with the company for a long time.
34. The organisation is a secure workplace for organisational members.
35. New management is promoted from within the organisation.

Table 2: The five HPO factors with their 35 characteristics

HPO factor 1: High Management Quality

The first and foremost factor is the quality of management of the organisation. In a HPO management combines many characteristics. It maintains trust relationships with people on all organisational levels by valuing employees' loyalty, treating smart people smart, showing people respect, creating and maintaining individual relationships with employees, encouraging belief and trust in others, and treating people fairly. Managers of a HPO live with integrity and are a role model by being honest and sincere, showing commitment, enthusiasm and respect, having a strong set of ethics and standards, being credible and consistent, maintaining a sense of vulnerability and by not being self-complacent. They apply decisive, action-focused decision-making by avoiding over-analysis but instead coming up with decisions and effective actions, while at the same time fostering action-taking by others. HPO management coaches and facilitates employees to achieve better results by being supportive, helping them, protecting them from outside interference, and by being available. Management holds people responsible for results and is decisive about non-performers by always focusing on the achievement of results, maintaining clear accountability for performance, and making tough decisions. Managers of a HPO develop an effective, confident and strong management style by communicating the values and by making sure the strategy is known and embraced by all organisational members.

HPO factor 2: Openness coupled with Action Orientation

The second factor concerns characteristics that not only create an open culture in the organisation but also focus on using the openness to take dedicated action to achieve results. Management values the opinion of employees by frequently engaging in a dialogue with them and by involving them in all important business and organisational processes. HPO management allows experiments and mistakes by permitting employees to take risks, being willing to take risks themselves, and seeing mistakes as an opportunity to learn. In this respect, management welcomes and stimulates change by continuously striving for renewal, developing dynamic managerial capabilities to enhance flexibility, and being personally involved in change activities. People in an HPO spend much time on communication, knowledge exchange and learning in order to obtain new ideas to do their work better and make the complete organisation performance-driven.

HPO factor 3: Long Term Commitment

The third factor indicates that long-term commitment is far more important than short-term gain. And this long-term commitment is extended to all stakeholders of the organisation, that is shareholders but also employees, suppliers, clients and the society at large. A HPO continuously strives 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. A HPO maintains good and long-term relationships with all stakeholders by networking broadly, being generous to society, and creating mutual, beneficial opportunities and win-win relationships. A HPO also grows through partnerships with suppliers and customers, thereby turning the organisation into an international network corporation. Management of a HPO is committed to the organisation for the long haul by balancing common purpose with self-interest, and teaching organisational members to put the needs of the enterprise as a whole first. They grow new management from the own ranks by encouraging people to become leaders, filling positions with internal talent, and promoting from within. A HPO creates a safe and secure workplace by giving people a sense of safety (physical and mental) and job security and by not immediately laying off people (until it cannot be avoided, as a last resort).

HPO factor 4: Focus on Continuous Improvement and Renewal

The fourth factor is very much in line with a trend which has been keeping organisations busy for the past two decades: continuous improvement and innovation. This starts with a HPO adopting a strategy that will set the company apart by developing many new options and alternatives to compensate for dying strategies. After that, the organisation will do everything in its power to fulfill this unique strategy. It continuously simplifies, improves and aligns all its processes to improve its ability to respond to events efficiently and effectively and to eliminate unnecessary procedures, work, and information overload. The company also measures and reports everything that matters so it rigorously measures progress, consequently monitors goal fulfillment and confronts the brutal facts. It reports these facts not only to management but to everyone in the organisation so that all organisational members have the financial and non-financial information needed to drive improvement at their disposal. People in a HPO feel a moral obligation to continuously strive for the best results. The organisation continuously innovates products, processes and services thus constantly creating new sources of competitive advantage by rapidly develop new products and services to respond to market changes. It also masters its core competencies and is an innovator in them by deciding and sticking to what the company does best, keeping core competencies inside the firm and outsourcing non-core competencies.

HPO factor 5: High Workforce Quality

Complementary to the first factor high management quality, the fifth factor addresses workforce quality. A HPO makes sure it assembles a diverse and complementary management team and workforce and recruits a workforce with maximum flexibility, to help detect the complexities in operations and to incite creativity in solving them. A HPO continuously works on the development of its workforce by training them to be both resilient and flexible, letting them learn from others by going into partnerships with suppliers and customers, inspiring them to work on their skills so they can accomplish extraordinary results, and holding them responsible for their performance so they will be creative in looking for new productive ways to achieve the desired results.

The good news

The HPO study shows that there is a direct relation between the HPO factors and competitive performance. Organizations which pay more attention to HPO factors and score high on these consistently achieve better results than their peers, in every industry, sector and country in the world! Conversely it is also true that organisations which score low on HPO factors rank performance-wise at the bottom of their industry. The difference between HPOs and non-HPOs is particularly significant in the case of HPO factor Long Term Commitment: HPOs pay considerably more attention to the designated aspects of long-term commitment than non-HPO organisations, and are therefore able to improve their performance significantly.

Closer analysis of the study results show that the five identified HPO factors are interrelated. This means that when an organisation starts working on improving one of the HPO factors, the other factors will also be improved. Together however, the five HPO factors do not constitute a generic recipe as there may be significant differences for individual organisations. For instance organisations in the profit sector need to focus on all five HPO factors to become and stay an HPO, where as non-profit organisations need to concentrate initially on three HPO factors (Openness and Action Orientation, Long Term Commitment, and Continuous Improvement) and governmental agencies need to focus specifically on Management Quality. There are also differences between industries. For instance organisations in the Financial Services industry need to first pay attention to improving Management



Quality, then Long Term Commitment, then Continuous Improvement and finally Workforce Quality; while Healthcare should first focus on Continuous Improvement and then on Management Quality. It is important that management knows which factors are most important for their industry before starting the journey to become a HPO.

But ... what is not important?

It is interesting to see what techniques and methods do not help an organisation in becoming a HPO. There are many things that managers traditionally considered important which turn out to be non-distinctive for becoming a HPO. For instance, none of the organisational designs and structures examined showed a relation with high performance and therefore are not a prerequisite to make an organisation a HPO. It makes thus no real difference whether management chooses a functional design, a process design or a matrix design. Consequently, starting a reorganisation to boost performance seems not ideal. Similarly more empowerment of staff may not necessarily contribute to high performance. The research results show that a high level of autonomy has a negative relation with competitive performance. Too much freedom of employees can lead to internal disorder and confusion if it is not backed up with sufficient means of coordination and can seriously damage an organisation.

Another interesting outcome of the research is that organisational strategy plays a relatively unimportant role in becoming a HPO. It does not make much difference whether the company's strategy focuses on cost leadership, product differentiation, customer intimacy or a combination of these; the distinctive factor is the uniqueness of the strategy compared to competitors in the same industry. Adopting merely a 'me-too' strategy is not enough to become a HPO. The analysis of the HPO survey showed that when the characteristics of strategy and management quality are compared, the latter proves far more important to the success of an organisation. A team of good people can achieve anything it wants, while an organisation with a clear and well-defined strategy but without the right people to execute it is bound to go nowhere.

A third, perhaps surprising research outcome is the relative unimportance of technology and in particular information and communication (ICT) in becoming a HPO. Many organisations spend a lot of time and resources on implementing new ICT systems but this will not make them HPOs. Although many of the characteristics (especially of continuous improvement) cannot or barely be improved without ICT systems, the implementing of new systems and technology itself does not necessarily help the organisation perform any better, the implementation has to support at least one of the HPO factors. Finally, the study showed that benchmarking is less effective than expected. When an organisation embarks on a benchmarking project it usually aims to identify best practices, emulate these and attain the same level as on a par with the industry's best. HPOs, however, have a completely different view on best practices. They regard competitors' best performance merely as the baseline for performance, a starting point from which HPOs distance themselves as much as possible.

HPO knowledge in practice

The significance of this study into HPOs is that once management knows the HPO factors it can determine the HPO status of the organisation. This can be done by distributing a questionnaire among managers and other staff which examines the HPO characteristics of the organisation by means of a rating system. One of the first companies to do this was a division of a large financial service provider. Over 500 employees filled in the questionnaire, awarding marks to their organisation for 35 organisational characteristics. The scores were calculated and averaged, to give the HPO status of the company as depicted in Figure 2.

When the scores of the company were compared with those of the top 3 of best performing financial service providers in the HPO database, it became clear that the organisation still had to improve considerably on all factors to achieve the top 3 performance level. When looking into the scores of the HPO characteristics, a number of improvement themes could be identified. First, the resoluteness of decision-making and action-taking by management and the effectivity of management needed improvement. At the same time, there had to be less distance between management and employees so they could really work on building relationships on trust, making it possible to start coaching and guiding people towards better performance. Management also had to

involve employees more in important business processes, especially the decision-making process. Employees on the other hand had to spend more time on training, increase their flexibility and resilience, and interact more with each other and with external parties (suppliers, customers) to share knowledge and experiences and improve the information flow in and out of the company. This required better process management and performance management in order to continuously improve and align business processes and make information on the status of these processes freely available. As a logical consequence, the organisation had to pay more attention to renewing itself, in particular focusing on developing a unique strategy, products and services.

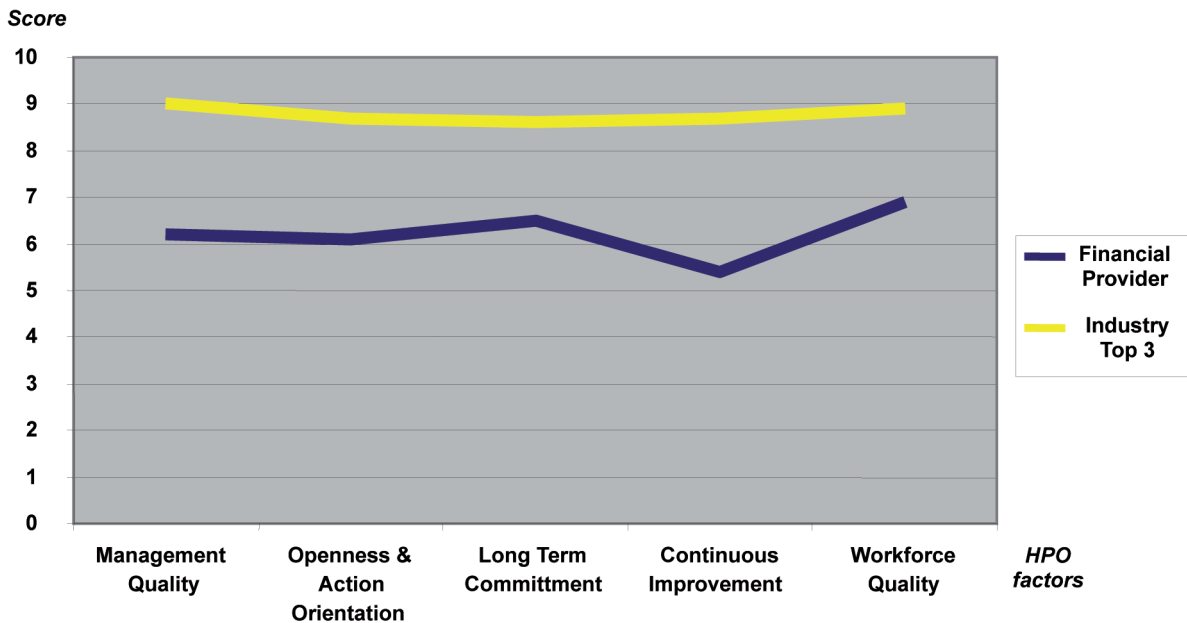


Figure 2: HPO status of a large financial service provider, compared to the averaged score of the Top 3 financial service providers

Company management discussed the HPO scores and the improvement themes at length, also with employees, and especially talked about whether the organisation wanted to be a HPO in the first place, and if so, whether it should start the transition in a single division or company-wide. Management decided to start the HPO transition as a pilot in one division by addressing the biggest ‘dip’ in the HPO graph (see Figure 2) through several improvement projects in the area of process management. This was done to obtain experience with the improvement process and to raise awareness throughout the organisation of the current HPO status and improvements needed. This prepared managers’ and employees’ minds for the impending, and necessary transition. After all, the new strategy of the company was to become “the best financial provider and preferred supplier for customers within the next five years”, something which could not be achieved without working on becoming a HPO.

Conclusion

This study into HPOs shows what makes an excellent organisation. Because the research is so wide-ranging and thorough - it encompasses not only structural but also the behavioral aspects of management and external and environmental circumstances and has been conducted worldwide - it provides a unique insight into what makes a truly great organisation tick. In addition, the research results not only allow an organisation to determine its HPO status, they also are the foundation for an action agenda listing the improvement efforts for the next periods. In this respect, managers can immediately start 'upgrading' their organisation. It should be kept in mind however that, because organisations and environments are continually evolving, improvement ideas and practices need 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 (Strebel, 2003). If this is not done, organisations run the risk of meeting the same fate as many organisations characterized as excellent in the past. Their performance foundered in the years after they had been denominated as examples of excellence. (Manzoni, 2004). HPO managers are flexible and creative enough to not let such a downfall happen so that they can make and keep their organisation world-class.

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Appendix

The basis for the research described in this article is an extensive literature search of both scientific and professional publications. The criteria for including studies in the comparison were: (1) the study focused specifically at identifying HPO characteristics in certain aspects of business (such as processes, human resources, or technology) which are explicitly linked to achieving high performance; (2) the study consisted 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 a single organisation; and (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, so the quality of the research can be assessed. No distinction was made in the industries of the organisations studied or the countries where these companies were established. These distinctions could be the topic of further study. Based on the described criteria, the literature search yielded 280 studies which satisfied the criteria completely or partly. Three types of studies were distinguished: (A) a study which satisfies all three criteria, these studies formed the basis for the identification of HPO characteristics; (B) a study which satisfies criteria 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 formed an additional input to the identification of HPO characteristics; and (C) a study which basically satisfies criteria 1 and 2 but not criterion 3, so there is no basis for generalizing the study findings, these studies were used as further support for HPO characteristics identified in category A and B studies.

The method used to identify the HPO characteristics is as follows. For each of the literature sources, the elements the authors give as being important for becoming a HPO are identified. These elements were transferred to a matrix in which they were classified in one of the factors of the framework. Because every author used a different terminology in his study, the elements were grouped into categories within each factor. Subsequently, a matrix per factor was constructed in which each category constitutes a characteristic. For each of the characteristics the 'weighted importance' was calculated, i.e. the number of times it occurred in the various study types. Finally, the characteristics which had a weighted importance of at least 100 points were chosen as the HPO characteristics that potentially make up an HPO, because these characteristics can relatively be found the most in the HPO-studies. The research method and its results were discussed and validated by a fellow professor of Cranfield University, United Kingdom.

The potential HPO factors found during the literature search were included in a survey which was administered worldwide and which yielded more than 3200 responses. In this survey the respondents indicated how good their organisations were on the various HPO characteristics (on a scale of 1 to 10) and also what their organisational results were compared to their peer group. This competitive performance was calculated with two formulas: (1) Relative Performance (RP) versus competitors: $RP = 1 - ((RPT - RPS) / [RPT])$, in which RPT = total number of competitors and RPS = number of competitors with worse performance; (2) Historic Performance (HP) past five years versus competitors (choices: worse, the same, or better). This subjective measure of organisational performance has been shown to be a good indication of real performance (Dawes, 1999; Devinney et al., 2005; Dollinger and Golden, 1992; Glaister and Buckley, 1998; Heap and Bolton, 2004; Wall, 2004). With a statistical analysis (both correlation and factor analysis) the factors which had the strongest correlation with organisational performance were extracted and identified as HPO factors. In the first step of the statistical analysis a principal component analysis with oblimin rotation was performed. This confirmed the grouping of HPO characteristics in HPO factors. The factors were then put in a non-parametric Mann-Whitney test to identify which ones had a statistically significant correlation with competitive performance. The correlation was as expected: the high-performing group scored higher on the five HPO factors than the less well-performing group. This means that organisations that pay more attention to these HPO factors achieve better results than their peers, in every industry, sector and country in the world. Conversely, organisations which score low on HPO factors rank performance-wise at the bottom of their industry.

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WORKING ON HIGH PERFORMANCE IN THE UK: THE CASE OF THE ATLAS CONSORTIUM

André de Waal, Simon van der Veer and Manley Hopkinson

- to be published in the forthcoming book on HPOs, Spring 2011-



A big thank you to the management of ATLAS, specifically former CEO Huw Owen and current CEO Chris Abbott, which allowed us access to the consortium to do the research. Also many thanks to all interviewees for their time, and to Nick Churchman and Emma Riddell who supported us every step of the way.

Introduction

The interest in finding the factors that influence sustainable high performance in organisations has increased dramatically these past few years (O'Reilly III and Pfeffer, 2000; Hess and Kazanjian, 2006; Porras et al., 2007; Thoenig and Waldman, 2007; Gottfredson and Schaubert, 2008; Simons, 2008; Tappin and Cave, 2008; Spear, 2009). The current difficult economic climate, the potentially adverse demographic developments in the Western world, and ever rapidly appearing and disappearing management fads has caused academics and practitioners to search frantically for scientifically sound evidence that these factors of high performance indeed exist and can be influenced by organisations. The UK is no exception in this respect. From the nineties onwards there were researchers that specifically looked at factors that positively influence the performance of British organisations. Examples are Owens et al. (1996) who investigated the role of information systems in creating high performance, Greenley and Oktemgil (1998) who looked at the importance of slack resources for increasing the flexibility and thereby the results of organisations, and Hoque (1999) who studied the influence of sound human resource management practices on the creation of sustainable high performance. In the 21st century the research efforts were increased, resulting in a multitude of studies and concepts. Davidson (2002) launched 'the committed enterprise' in which highly motivated employees, urged on by a strong vision and accompanying values, cause loyal customers which creates continuous high performance. Hope and Fraser (2003) advocated a new management model, called 'beyond budgeting', in which a combination of adaptive processes and devolved responsibilities cause better performance. Pettigrew et al. (2003), in a review of innovative forms of organising, noticed large changes in the structure (delaying, down scoping, project forms of organising), processes (communicating horizontally as well as vertically, practising new human resources) and boundaries (decentralising, outsourcing, developing strategic alliances) of organisations, all aimed at improving results. Gratton (2004) introduced 'the democratic enterprise' in which the relationship between the organisation and the individual is adult-to-adult and individuals are seen primarily as investors actively building and deploying their human capital, causing more agile companies with committed and purposeful members that achieve better results. Smith et al. (2005) noticed that British high performing organisations deploy diverse and flexible human resource policies which are backed by a human resource strategy that is integrated with the business strategy. High performing organisations give a greater degree of emphasis to the attributes of culture, leadership and strategic planning associated with the performance criteria, compared with low performance firms, as O'Regan and Ghobadian (2004) found in their study of small UK firms. They state that strong leadership and culture styles, irrespective of the style itself, as well as strong planning characteristics result in higher performance. Bevan et al. (2005) cracked, as they put it, the performance code of British firms and found that high performing organisations are informal, stress continuous dialogue, strive for simple processes, openly share information, make leadership accessible and have employees that are proud of the organisation and its innovativeness. Roberts and Young (2005) point to the important role a good supervisory board can play in creating a high performance organisation, while Bloom and Van Reenen (2006) stress the overall importance of good management practices for creating and sustaining high performance. Finally, Alavi and Karami (2009) find that the presence of non-financial mission statements is positively related to firm performance.

Despite the identification of multiple factors that potentially underlay sustainable high performance, a shortage of longitudinal research in organisations can be noticed in the literature. Most research looks at the financial performance of organisations over a longer period of time and then retrospectively identifies the factors which potentially caused high performance (Collins, 2001; Collins and Porras, 1994; Dean and Kroeger, 2004; Joyce et al., 2003; Miller and Le Breton-Miller, 2005; Slywotzky and Morrison, 1997). The issue with these types of studies is that there is no assurance, let alone a guarantee, that the identified factors will also support sustainable high performance in the future (Manzoni, 2004; Morton, 2003). This is also the case for the research in British organisations. Unfortunately there are hardly any studies that identify potential factors for high performance and then over a period of time follow the results that UK organisations achieve when paying particular attention to these factors (Mabey, 2008). When such studies would show an increased performance over time, a reasonable assumption can be made that the identified factors at least partly cause or support sustainable high performance in British organisations. This article describes longitudinal research into the factors that potentially cause and support sustainable high performance in a British organisation. The research was performed at the ATLAS Consortium (ATLAS), a partnership of the UK branches of five international ICT companies, charged with upgrading the ICT infrastructure of the British Ministry of Defence. The research described in this article takes the high performance organisation framework developed by De Waal (2008, 2010) and focuses on the way ATLAS paid attention to these factors and the consequences this had for the performance of the consortium. A check of the high performance literature reveals that the type of longitudinal research done at ATLAS is unique for British context. As noted in the previous section, most research has been into elements of high performance instead of a holistic view on all factors of high performance together.

The article is structured as follows. In the next section a description of ATLAS is given. Then the approach and results of the first HPO diagnosis at the consortium is given. This is followed by a description of the second HPO diagnosis and its results. The article closes with a discussion of the research results, limitations and opportunities for further research. The research described in this article constitutes the first longitudinal study into the factors of sustainable high performance in the UK and as such adds to the strategic management literature by showing that the HPO concept can be applied in the UK to identify elements of sustainable high performance in British organisations.

Description of ATLAS

The ATLAS Consortium consists of five leading IT organisations - HP (formally EDS, the lead contractor), Fujitsu, General Dynamics, EADS Defence and Security Systems, and Logica - that work together since March 2005 designing and implementing the United Kingdom Ministry of Defence's Defence Information Infrastructure

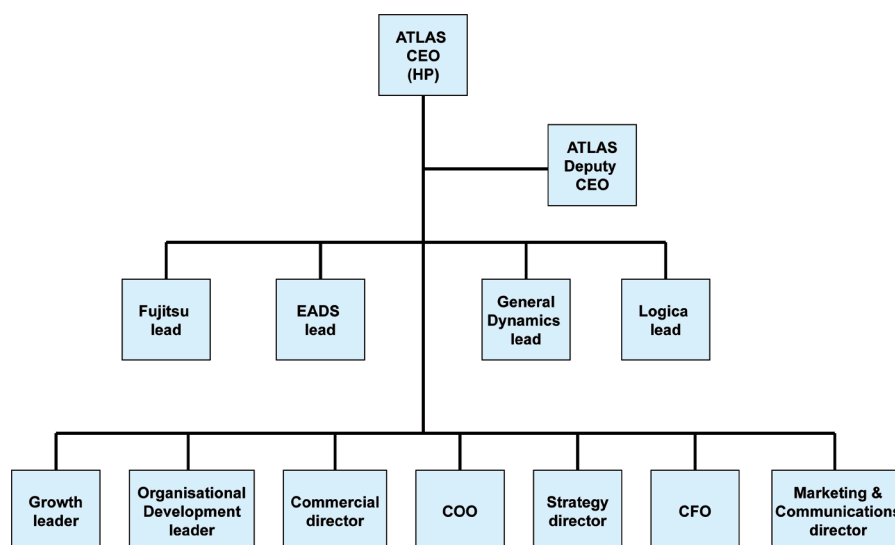


Figure 1: ATLAS' organisation chart (Ministry of Defence, 2008)

(DII) project. The consortium organisations all share major experience in developing and delivering reliable and seamless systems integration, in both the public and private sectors. The ATLAS headquarters are located in Reading, United Kingdom, and over 2800 staff currently works on the DII project. Figure 1 provides the organisation chart of ATLAS. The ATLAS Management Board (AMB) consists of the CEO and the Leads from each partner. The ATLAS Leadership Team (ALT) consists of the other functions mentioned in Figure 1.

The vision of ATLAS is to be “the trusted partner of choice for the delivery and integration of information services, enabling the transformation of the Ministry of Defence (MoD) and secure Government effectiveness through the delivery of one information infrastructure.” In this vision, the element ‘trusted partner’ is most relevant as it entails what ATLAS and the MoD value in terms of a relationship: “Information services are unique in that the degree of dependency between a business and its IS supplier is very high and enduring. Hence, for the benefits to be consistently delivered there is a need for trust and a long term relationship based on clear understanding of the business imperatives between all parties.” The mission of ATLAS states that the consortium aims “to develop and deliver secure and coherent information services, at minimum whole life cost, in order to enable the Defence Change Portfolio, and Equipment Capability Plans and to achieve the aims of Network Enabled Capability” (Ministry of Defence, 2008). For the delivery of the DII project, ATLAS maintains a close relationship with the DII Group and the Senior Responsible Owner (SRO) within the Ministry of Defence (MoD). The goal is to advance from a joint to a fully integrated form of working as this would improve both efficiency (through reduced operating costs) and effectiveness (through increased tempo and mutual understanding). ATLAS is set-up as a project organisation in which five partners cooperate towards the delivery of the DII project. The partitioning of tasks and responsibility is presented in Figure 2 and described underneath.

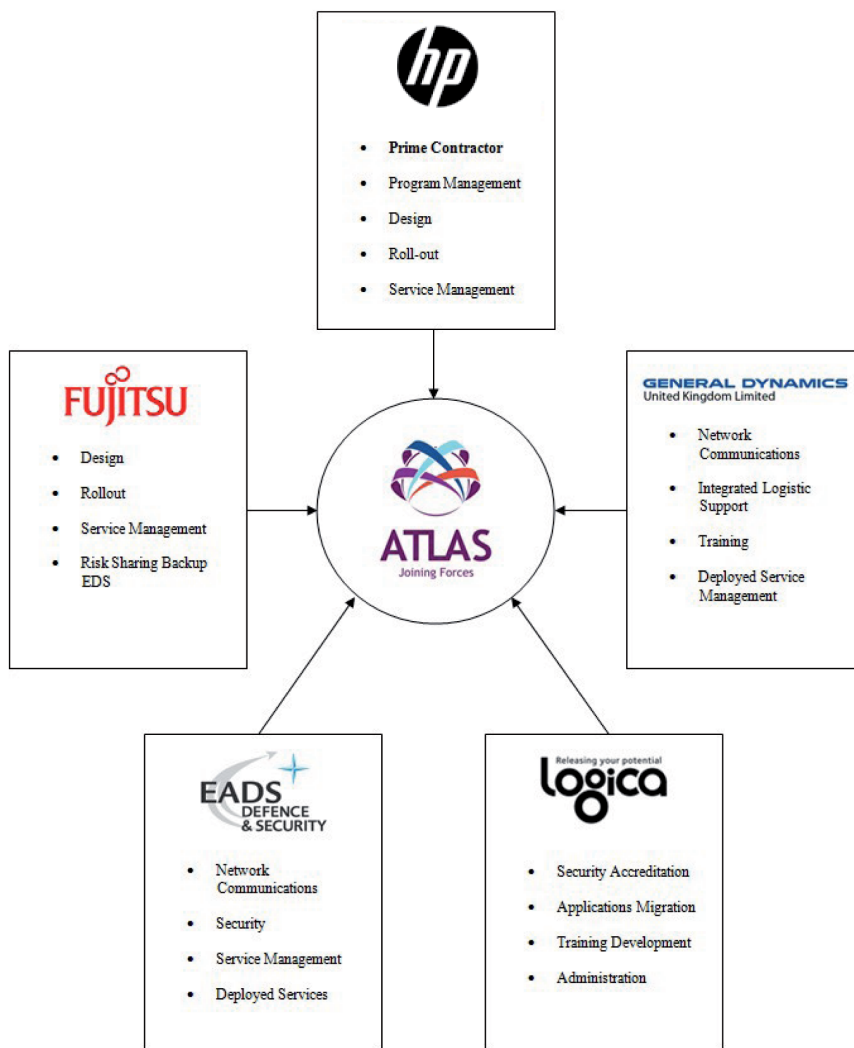


Figure 2: Tasks and responsibilities overview of ATLAS

HP is the prime contractor and founder of the ATLAS Consortium. Initially EDS was the lead partner of the consortium. EDS, established in 1962, in time evolved from a \$1,000 investment into a \$20+ billion industry leader with over 136,000 employees. The company was acquired by HP in August 2008. HP is an information services provider with expertise in design, build, rollout and support of large-scale, complex IT projects. The company provides information technology, applications, and business process outsourcing services to both commercial customers and governments. Within ATLAS, HP provides prime contract program management, design, roll-out and Service Management of DII IT Infrastructure. *Fujitsu*, established in 1935, is a Japanese multinational specializing in computer hardware and IT services, including IT consultancy. Fujitsu has subsidiaries and affiliates in over 70 countries and has over 175,000 employees worldwide. Fujitsu profiles itself as a company that “creates cutting-edge solutions based on advanced information technology”. The organisation has key strengths in large-scale, high availability integration projects, messaging and security systems. Within ATLAS, Fujitsu provide design, rollout and service management of DII IT infrastructure, program management and risk sharing backup to HP as prime contractor. *General Dynamics* is a U.S. defence conglomerate and a world leading specialist in military tactical communications. The company employs approximately 92,900 people worldwide. General Dynamics specializes in business aviation; land and expeditionary combat vehicles and systems, armaments, and munitions; shipbuilding and marine systems; and mission-critical information systems and technologies. Within ATLAS, General Dynamics provide network communications, integrated logistic support, training, and deployed service management. *EADS* (European Aeronautic Defence and Space Company) is a relatively young corporation, formed by the merger of DaimlerChrysler Aerospace AG, Aérospatiale-Matra and Construcciones Aeronáuticas SA on 10 July 2000. The organisation has over 118,000 employees. EADS develops and markets commercial and military aircraft (Airbus, Eurocopter, and partner in the Eurofighter consortium), communications systems, missiles, space rockets, satellites (for example: Ariane and Galileo), and related systems, with particular expertise in all elements of information assurance. Within ATLAS, EADS provides network communications, security, service management and deployed services. Logica was founded in 1969 and merged in 2002 with CMG. Currently Logica employs around 40,000 employees. Logica is the UK leader in information management security, business consulting, systems integration, and IT and business process outsourcing services. Within ATLAS, Logica provides security accreditation, applications migration and training development and administration.

The MoD is both a policy-making Department of State – like any other central UK government department – as well as being the highest level military headquarters in the UK, providing political control of all military operations. It controls resources for the Armed Forces of some £30 billion per year. Within it and across MoD, military and civilian personnel work closely together to deliver Britain’s defence. The MoD’s vision is to “deliver security for the people of the United Kingdom and Overseas territories by defending them, including against terrorism; and to act as a force for good by strengthening international peace and stability. In the present, contributing to success in Afghanistan and Iraq remains the Department’s highest priority. Given the international strategic context in which the UK is required to operate and respond, the MoD has determined that the requirement for deployable, flexible agile and capable Armed Forces will remain crucial, as will the need to prepare for the longer term” (Ministry of Defence, 2008). The DII project is very important to the MoD as it is one of the most complex and biggest single infrastructure project rolled-out to date in Europe, and will help make the MoD more agile by ensuring a more effective environment to securely communicate, collaborate and to share knowledge and information with the 300,000 user accounts on 150,000 terminals (desktop computers, laptops, kiosks for communal areas, etc.) across 2,000 MoD sites worldwide. DII will replace the current system which consists of over 300 individual systems and related support arrangements. DII will make it possible to go from 6000 to 500+ applications accessible through one single secure system. All authorized personnel across the world will have access to the same view of information, making decision making more efficient. Current estimates show that DII will enable the realization of £1.5 billion of efficiency savings across the Defence Change Portfolio, over the 10-year DII contract. In addition to saving costs DII is all about saving lives. For example, when someone is shot on the battlefield the ‘golden hour’ is activated, which means that this person needs to get back to base to receive medical treatment. With DII it will be possible to immediately adapt the medical treatment to the specifics of this person, so when he or she arrives everything is optimal prepared. This new way of working will save time and therefore lives. Because of the immense importance

of DII, the premises of ATLAS resemble the 'look & feel' of a military base. When arriving as a visitor one is thoroughly scrutinised, since the content of the project is strictly confidential and therefore security is a top priority. Illustrative for this is that as a visitor one is not allowed to go to the toilet by oneself but is always accompanied by an ATLAS employee. Also when walking through the buildings one notices everywhere the emphasis on security and safety, in signs, guards and posters.

The first HPO diagnosis at ATLAS

ATLAS can be seen as a unique organisation with a huge and important task to do. Since the start in 2005, this uniqueness has however brought some tensions in the consortium. From the outset it was assumed that, since each consortium partner had broad experience with working in long-term partnerships with the MoD and, in many instances, with each other to deliver highly complex military and public sector programs, combining these strengths would bring synergies and lower the project risks. However it turned out to not only be a case of 'combining strengths' but also of 'combining differences' such as different country and organisation cultures, different ways of working, different incentive systems and performance standards, and different commercial partner interests. Overcoming these differences requires tremendous effort in a hectic environment where there is not always time to reflect on these differences, due to the strong focus on constant delivery of User Access Devices (UADs) and realizing targets before the 'deadline'. Working in a consortium to deliver a single, secure and coherent information infrastructure from business-space to battle-space, is rewarding if strengths, experiences and qualities complement each other and create synergy. But this same consortium can be challenging and a source of frustration if partner differences create discussions and differences of opinion instead of dialogue. This affects performance negatively and needs to be addressed. One way of doing this is to conduct a HPO diagnosis in which the HPO status of the consortium and its partners is established and specific recommendations are given on how to improve the future performance of the consortium. As the HPO research shows that diversity and complementarity enhance performance, it is of particular interest to evaluate whether the different competences each partner brings to the consortium create performance synergies for ATLAS as a project organisation, and whether it is beneficial to work together instead of each partner independently.

The first HPO diagnosis at ATLAS took place in the period April to July 2009. In April the online HPO questionnaire was opened for all ATLAS personnel and subsequently filled-in by 902 managers and employees, a response rate of 32.1 percent. During June the HPO scores were analyzed by the research team and interview questions were drafted. In July in-depth interviews were conducted by the research team with ATLAS managers and employees, with different functions and partners, to understand 'the story behind the statistics'. The interviews were conducted on the premises of ATLAS (Reading, Corsham, Theale) in a semi-structured way, with questions directly relating to the scores on the HPO characteristics and open questions used for informal discussions to acquire a higher level of detail in information. In total eight interviews were conducted, with representatives of Logica (1), General Dynamics (1), EADS (2), HP (2) and the CEO and People Director of ATLAS. After the interviews all questionnaire and interviews results were evaluated and a preliminary analysis with recommendations were developed. These were presented during a debrief with the People Director and one of his deputies. In December 2009, the HPO diagnosis results were formally presented to ATLAS' management during a senior management retreat in Rotherwick, Hook.

Results

Figure 3 depicts the overall score of ATLAS, compared to the average score of HPOs and the average scores for companies in the ICT industry. The average HPO-score for ATLAS is 5.6. This shows that the consortium classifies as a medium low performing organisation, also when compared with the average score for the IT sector. Therefore, ATLAS still has a considerably way to go to become an HPO (= 8.5). The appendix gives the detailed scores.

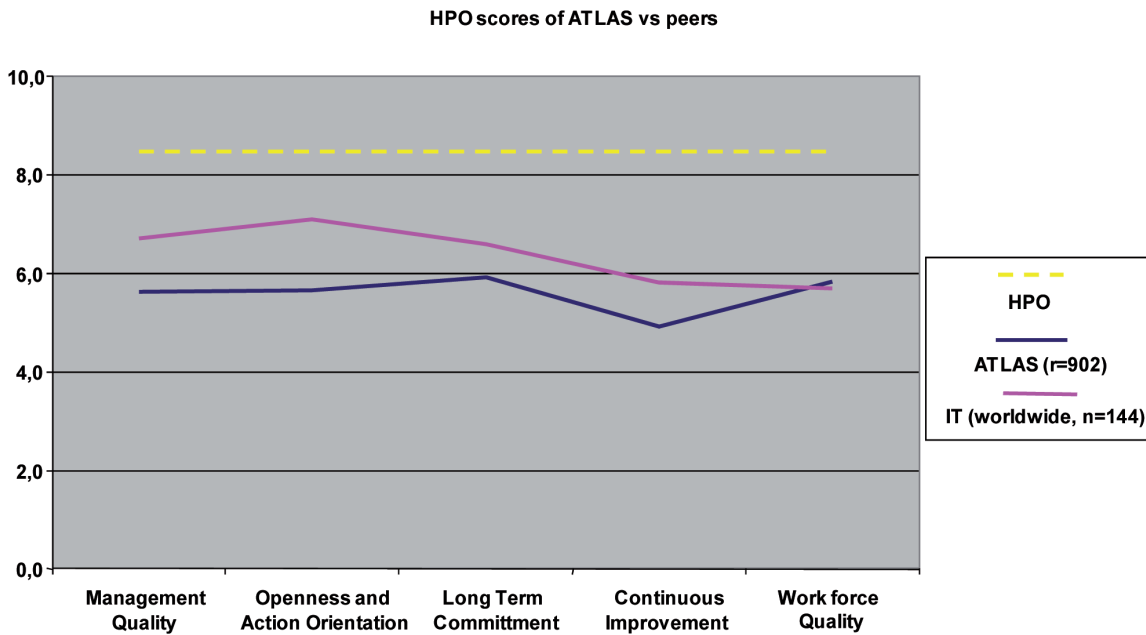


Figure 3: HPO score for ATLAS, compared with HPOs and industry average

Based on the HPO questionnaire and interview results ATLAS profiles as a performance-driven consortium, with a highly motivated and cooperative workforce, focused on delivering results, but operating in an environment with clear performance gaps which need attention so the consortium can achieve its full performance potential. As ATLAS scores almost 1 point lower than individual IT companies, it is obvious that the potential of the consortium has not been reached yet as the sum of the parts should be higher than the individual parts. In addition, it is interesting to hear most consortium partner personnel talk about ATLAS as an account and not as a company. The interviewees still mainly feel part of their parent company and culture, hence there is a limited feeling about 'ATLAS as a company'. Fortunately, as Figure 4 shows, the various function levels in ATLAS do look at the consortium in the same way as there are hardly any differences in scores. This means there is a strong foundation for a shared vision to improve.

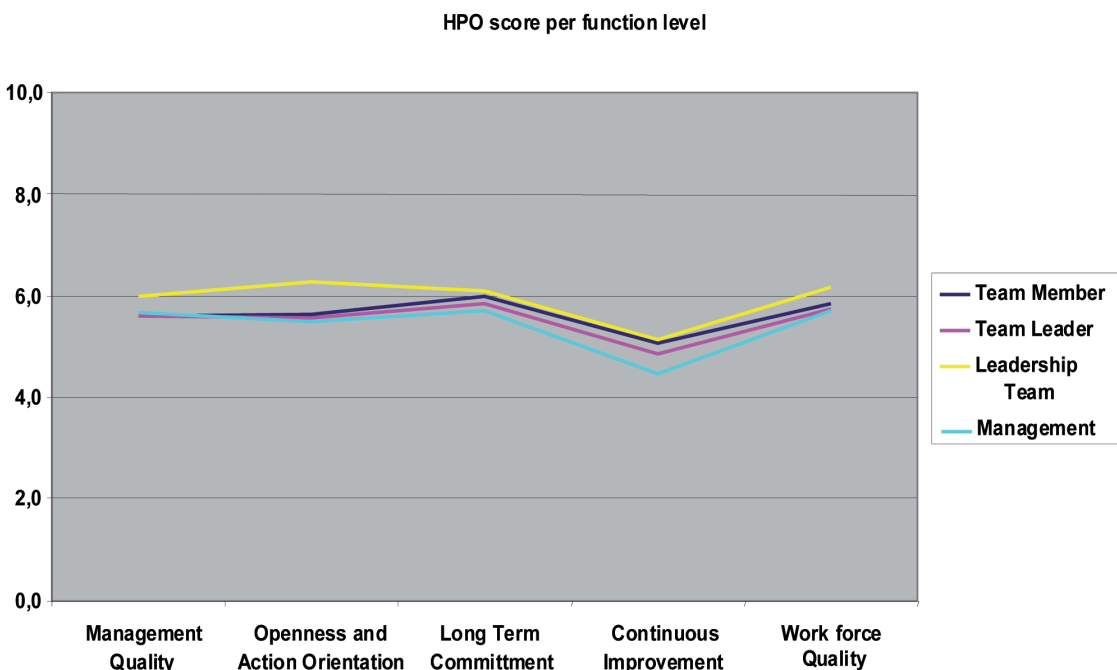


Figure 4: HPO score for the various function levels in ATLAS

In the following paragraphs the attention points are presented upon which ATLAS should explicitly focus its time and energy in order to create a HPO. In each attention point the HPO characteristics (and their scores) that are addressed by the attention point are mentioned in italics.

Attention point 1: Create a high performance partnership

External and internal communications states that ATLAS is an organisation. However, as mentioned before, the interviews showed another reality. People did not speak about ATLAS as an organisation, but looked at the consortium as an 'account' to work on, based on contractual arrangements between the various partners. As one of the interviewees said: "ATLAS for me is a prime contractor – subcontractor arrangement. I work for Logica on the ATLAS account. I work for and represent ATLAS to the outside world but inside myself I am a Logica person, and that is also how my staff feels. Management is trying to treat it as a one company but it isn't. You cannot run it as a company when it isn't." (*The organisation has adopted a strategy that sets it clearly apart from other organisations: 5.5*)

The partnership is intertwined with contractual relationships and commercial interests. These interests create a culture wherein the partners are primarily concerned about protecting their commercial interests and managing risks and constraints which might damage these interests. As an interviewee stated: "Because of the commercial position which is so big there is always the risk of partner claims for non-performance. So you have to make sure that you have a good and clear audit trail to prove that you did the right thing and that takes a lot of time. One step wrong could lead to a multi-million dollar claim for your organisation. Fortunately the commercial issues are handled by a separate group and senior management. Claims however can come from the operations and the commercial side. So you are always wary of the politics: 'Are you doing your job or are you setting me up?' Thus the constraints you have to deal with in ATLAS are based on commercial grounds. This caused ATLAS to evolve into silo's, everybody is protecting his own turf in his own silo." The interesting thing is that virtually all interviewees stated that on a day-to-day level, on the work floor, the relationships between engineers from the different partners are excellent. That is because these people do not have an exposure to the commercial interests and do not have to guard these. (*The organisation grows through partnerships with suppliers and/or customers: 6.3*).

The prime focus within ATLAS is to keep the team up to speed for delivering output results such as UAD's. Meetings between partners are mostly about politics and defending interests. An interviewee elaborated: "I recognize that ATLAS does not seem to be one organisation. We proclaim to adhere to the concept of a consortium but in reality there is a different attitude with inherent protection of own interests and defensive routines and patterns. Partners remain safely in their own little working area. Each of the partners is protective, especially due to the current economic circumstances. In many areas this hurts project progress and thus the client." (*The organisation is aimed at servicing the customers as best as possible: 6.5*)

This pattern of 'protecting one's own turf' also inflicts a culture within ATLAS of 'making it happen at all costs' which puts a lot of pressure on people. An interviewee complained: "It is very easy for a senior manager to say 'make it so' and we make it happen, and then after a few hours seeing the action has been ticked off. However, for the lower levels this management behaviour creates enormous pressure and they are doing all the hard work." ATLAS seems to be much more of a partnership, both in set-up, commercial arrangements and in the minds of its people. A partnership demands a different communication approach than an organisation. It has to be mentioned that ATLAS was set-up as a consortium on the request of the MoD, because the Ministry operated from the assumption that a consortium would be more 'safe' and therefore more effective in the long run. The 'safeness' came from establishing a construction in which each part of the work done by a partner is backed-up by another partner so that if one partner fails another partner can step in right away. Although this is a good idea and ATLAS is indeed organized in such a way that partners complement each other, in practice there is a lot of overlap in regard to skills and knowledge. (*The management of the organisation is trusted by organisational members: 5.5*)

To summarize this attention point, the management of ATLAS has to focus more on fostering a culture of trust (stop claim-counterclaim, protective and defensive behaviour, blaming & shaming) and thereby regaining the trust of employees, dealing swiftly with the commercial anchors, and helping each partner to improve its quality, attitude and way of working. Management should focus its time and energy not on creating a high performance organisation but on creating a high performance partnership.

Attention point 2: Strengthen process management

Different partners bring different ways of working to the table and thus, fostered by the attitude of protecting one's own turf and commercial interests, the aforementioned silos have caused people to lose the view on the importance of an efficient and high quality end-to-end delivery process. An end-to-end vision, supported by proper working guidelines, on how the processes should be executed is lacking. One of the interviewees explained: "This comes from a poor level of understanding of what each partner should be delivering in the service chain from end-to-end, and what the impact of your actions are on the other partners. The different partners do not see the consequences of their behaviour on one another." In addition, different ways of working also have an impact on the quality delivered: "Focus is on getting delivery out of the door on time. Process management has been forgotten. There is still no common infrastructure which cost a lot of time and money." Another interviewee commented on this issue that "everybody works hard and is not slacking, but the time schedule is so tight that there is a lot of pressure, and the first to go when cutting corners is quality control." Due to inefficient managed deadlines, time for quality control and reflection is lacking: "It seems that when the pressure of deadlines is mounting people are tempted to cut corners. This means short term gains versus long term losses of quality." The interviewees indicated that there is an immediate need for a uniform internal IT infrastructure which should make it possible for everybody to work on the same system and enable sharing of information or documents. ATLAS started in 2005 but currently there are still no aligned IT processes and a common infrastructure. The interviewees indicated that one common IT infrastructure is lacking because of the partnership arrangements and the lack of urgency for organizing a common IT infrastructure. The partners have different methods and systems to work and share information and therefore the desire and necessity to have a common IT infrastructure is not felt strongly enough. But as an interviewee commented: "Everybody complains about this, but little is done on the issue. Since a common IT structure is lacking we waste half our week on working around the system." People create 'workarounds' to organize their work as efficient as possible, which on an individual basis costs extra man-hours per week. *(In the organisation processes are continuously improved: 5.2; In the organisation processes are continuously simplified: 4.1; In the organisation processes are continuously aligned: 4.5)*

To summarize this attention point, ATLAS should focus on increasing project management knowledge and skills, improving process management and planning, preventing cutting corners and compromising quality, fostering an end-to-end delivery view and understanding, and introducing a common IT infrastructure.

Attention point 3: Increase the quality of leadership

Employees feel that management thinks the current situation is fine and hence does not show an urgency to change. In the eyes of the employees, management displays re-active behaviour by solving operational issues (issue management) but lacks pro-active behaviour in improving the overall working situation. In the beginning, the leadership, such as the new CEO, created momentum to improve the working culture. As one interviewee expressed this: "They created momentum with a focus on priorities and a hands-on attitude. However, currently their communication is depressing, at meetings we only hear we are not performing. But you shouldn't communicate that to your workforce in such a way. It is very negative to only highlight redundancies and cut backs, only talk about people who are not needed anymore." *(The management of our organisation is a role model for organisational members: 5.4; The management of our organisation coaches organisational members to achieve better results: 5.0)*

Overall the interviewees feel that the AMB and ALT are letting the gap widen between management and employees: "We used to have Town Hall meetings and monthly team events for better cascaded communication. Now you only see management during these Town Hall meetings to present something to us. The intention behind the meetings is to enhance two-way communication but in practice it is more of a one-way briefing. On different sites from different people of the AMB or ALT there is the same briefing, but because of the big group there is no inviting environment to ask questions. Therefore it does not help to have an open dialogue session." Another interviewee added: "People are not attracted enough by it. The discussion is generally about business objectives that are of course the focus of the leadership team, but if the briefing is, for instance, for engineers it does not match with their world and they are not really appealed by the message. This creates a growing disconnect between AMB, ALT and staff." *(The management of our organisation frequently engages in a dialogue with employees: 6.0)*

Trust is, amongst others, based on following-up on what you promised and by giving feedback. When proper follow-up and feedback are lacking, trust evaporates. At ATLAS employees have had some bad experiences with this: “A senior manager came to visit and asked ‘what can I do to help?’ We told him we needed a certain product. So he said ‘well I authorised them, so it is fine, it will be taken care of.’ That was six months ago and we still have not received anything. We don’t expect him as senior manager to follow-up on that action, but he needs to have quality people around him who will follow-up. If a manager says he’ll take care of business and nothing happens, it does not help to breed a culture of trust.” Furthermore, following-up requires discipline. For instance, the AMB introduced purple booklets containing the ATLAS objectives and wherein everyone had to write his personal objectives aligned with the ATLAS objectives. The follow-up action was that one of the AMB or ALT members was going to discuss with people how their personal objectives were meeting the overall objectives. However, such a discussion only occurred once and the purple booklets were never heard of again. According to an interviewee: “It seems to me we are going through the right motions and at the same time we are just going through the motions, just ticking the box, but the question is: is it actually used and lived upon through behaviour?” (*The management of our organisation applies fast decision making: 5.2; The management of our organisation applies fast action taking: 5.3; The management of our organisation is trusted by organisational members: 5.5*)

Complementing follow-up is feedback. In the case of feedback, focus on the right things is important. Currently, there are ‘Star Awards’ for recognition of people and these do work to help raise motivation. However, as an interviewee commented: “They should go to the right people. They are now awarded to people who work long hours. There is a macho culture here where you have to work long hours, also in the weekend, and then you’ll get rewarded. But we need to work smarter, not necessarily harder.” (*The management of our organisation applies strong leadership: 5.7*)

People indicated in the interviews that feedback measurements are in place, but that there is strong need to share this information more proactively with everybody within the consortium: “There is quite a lot of communication from the work floor to the top, but we also expect feedback from the top on this because then people know the leaders are listening to them. This feedback is lacking” Another example mentioned to illustrate the lack of proper feedback concerned one of the Town Hall meeting: “There was a slide projected with the text ‘There are 9 things the customer is unhappy with and that is where we should focus’ on it but the slide did not mention the actually nine things. The question from the audience was ‘Can you share these nine things so that we are aware and we can do something about it?’ The AMB in fact did not share that information. However, the solutions to those nine things rest most of the time in the hands of the workforce. It is no wonder nothing was done to solve them.” (*The management of our organisation is very effective: 5.3*)

To summarize this attention point, ATLAS should focus on fostering empathic leadership, stimulating pride, ownership and pro-activity, enhancing personal responsibility and accountability, emphasizing unambiguous and accepted role models, stressing more personal coaching from AMB and ALT members, and improving communication skills and an dialogue attitude.

‘The road to hell ...’

ATLAS is currently undertaking many good initiatives to increase its performance. The three most important ones, which can also be linked to the HPO attention points, are described underneath.

- *Creating a high performance partnership with MoD.* ATLAS is developing an Optimisation Program of the DII project. This program recognizes the need to view the relation between ATLAS and MoD as a partnership and to steer the objectives as a partnership. In order to be able to achieve this, each partner’s objectives are to be aligned with those of ATLAS.
- *Strengthening process management.* Part of the Optimisation Program is that ATLAS is appointing Function Leaders for end-to-end delivery. Also resources can be put into use in a more flexible way by using a central human resourcing system. In this new end-to-end model, teams are responsible for identifying and distributing lessons learned, and there also will be a quality team to coordinate the end-to-end process quality.

- *Increasing the quality of leadership.* Within ATLAS there is a strongly felt urgency that high quality leadership is vital in order to be able to improve performance, therefore leadership development is an important topic on the agenda. To improve leadership quality, ATLAS is developing a leadership program, and is also changing the Town Hall meetings format so that it better aligns with a two-way communication.

So it seems that the attention points are already being tackled. However: ‘the road to hell is paved with good intentions.’ Building trust requires that management initiatives are not only started but are also seen through. Unfortunately there is increasing scepticism among staff in regard to ‘lip service’ and ‘another tick in the box’ and “perhaps HPO is just another initiative which probably will not be finalized” as an interviewee put it. It is therefore imperative that effective control mechanisms are organized that follow up on agreed actions and increased discipline to truly follow-up on actions. And, as ‘people listen to what you do, instead of what you say’, true leadership behaviour is key. The AMB and ALT are important drivers in this respect, as one management team member remarked: “We need to demonstrate to the customer we are one brand. High quality leadership is the carrier for this, but if this is not backed up with the right behaviour and role models it will not deliver results. It is about being one team. The current pattern of ‘returning back to business after the workshop’ needs to be altered to a new pattern.”

The second HPO Diagnosis at ATLAS

In March - April 2010 ATLAS conducted a second HPO diagnosis to evaluate whether progress was made. This time the online HPO questionnaire was filled-in by 1185 managers and employees, a response rate of 42.3 percent which is higher than that of the first HPO diagnosis. In April in-depth interviews were conducted by the research team with ATLAS managers and employees, on the premises of ATLAS (Bristol, Bracknell, Reading, Corsham). In total 8 interviews were conducted, with representatives of Logica, Fujitsu, EAD, HP, and the CEO. After the interviews all questionnaire and interviews results were evaluated and a preliminary analysis and recommendations were developed. These were presented and discussed during a debrief with the CEO and the COO.

Results

Figure 5 depicts the overall score of ATLAS, compared to the average score of HPOs and the score of ATLAS from the first HPO diagnosis. The average HPO-score for ATLAS is now 5.9 which constitutes an increase of 0.3 points in one year. The appendix gives the detailed scores.

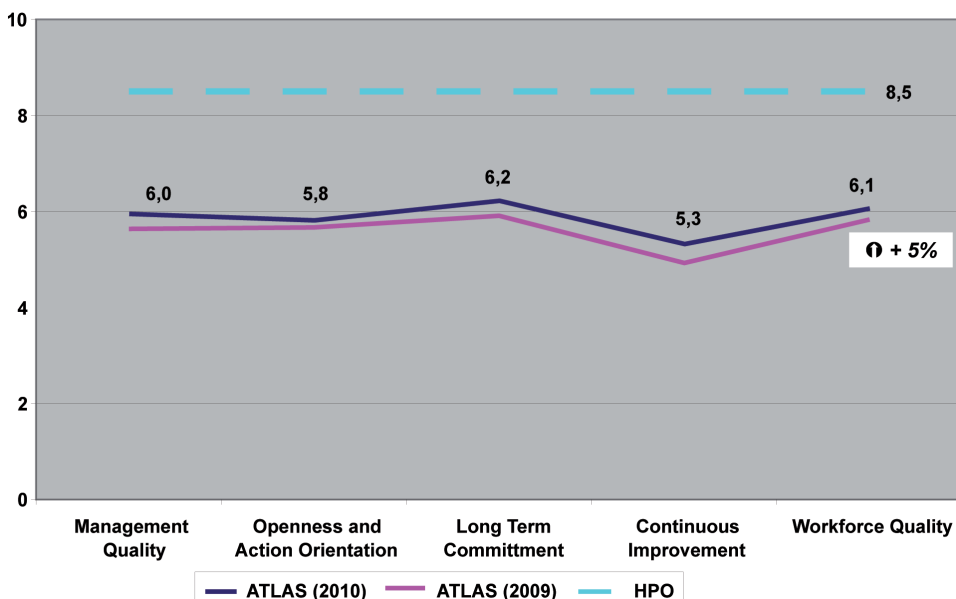


Figure 5: HPO score for ATLAS, from the first and second HPO diagnoses

Although it seems that ATLAS has not made much progress over the past year, the interviews tell another story (see Figure 6). In the beginning of its existence, ATLAS had some difficult years in which the consortium partners had to get used to working with each other and the client DII. The results of ATLAS were not as expected and the consortium could be described as being in a 'bad shape'. This lasted until 2007 when new management was brought in. Focus in the next two years was on solving many of the issues that prevented partners from cooperating effectively and that made the client unhappy. Many actions could be described as fire-fighting and ATLAS was very much 'issue driven'. The actions had effect and the performance of the consortium increased considerably, to the average HPO score of 5.6 as measured in April 2009. However, because not much time could be spent on setting future directions and undertaking more strategic actions, causing many of the more strategic, difficult and long-term issues to remain unsolved, performance started to level off. Then it was decided by the AMB to use the period of 2009/Q1 until 2010/Q1 to stabilize the consortium, by dealing with various ingrained issues (like the commercial anchors) and to make real headway with the Optimisation Program in which the relation between ATLAS and MoD as a partnership was to be improved and also cost efficiency measures were to be taken. The AMB realised that the consortium constitutes such a complex environment that large scale change cannot be undertaken without considerable preparation, consisting of discussions, negotiations, smoothing out difficulties, and working on setting a common direction. During this 'stabilisation/preparation' phase, various improvement actions already set in motion were continued, leading to the slightly higher average HPO score of 5.9 in April 2010.

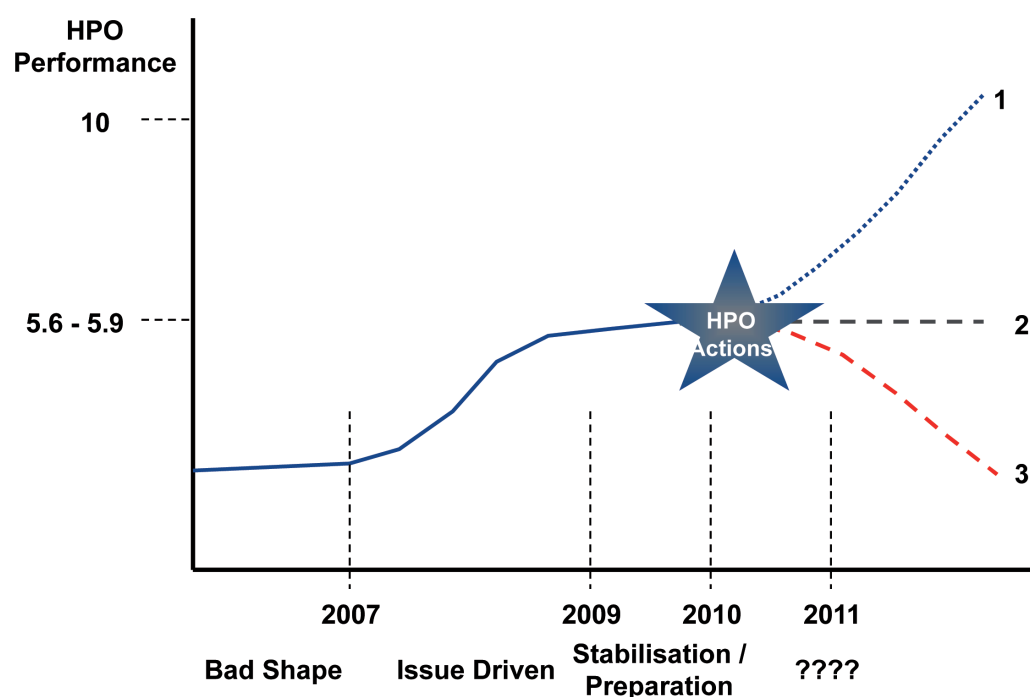


Figure 6: Life-cycle stages of ATLAS

Thus, at the moment of the second HPO diagnosis, ATLAS finds itself on a cross-roads with three possible future routes. According to the interviewees, if major initiatives like the optimisation program and the HPO transition do not take root in the consortium, and if cooperation with the DII cannot be improved, ATLAS' performance will more likely than not suffer considerably and Route 1 of Figure 6 is the most likely one. This route eventually spells the end of ATLAS. If some of the initiatives will take hold but the commercial anchors cannot be removed the interviewees feel that ATLAS could continue on its current path of small improvements. (Route 2 of Figure 6) The client will eventually get what was agreed upon but possibly not more and certainly not sooner. If the optimisation program really kicks in during the remainder of 2010, if the commercial anchors are dealt with once and for all, and if the HPO transition is taking seriously, all interviewees felt that Route 3 of Figure 6 is the most likely, and the most desired, outcome. For this, three specific HPO actions have to be taken.

In the first HPO action, ATLAS has to deal with the ‘communication iceberg’ (Figure 7). During the interviews it became clear that the lower one goes in the consortium, the less the knowledge about HPO becomes. Although the ABM and the ALT are very knowledgeable about the HPO framework and the HPO improvements to be carried out, and are ‘waving the HPO flag’ on the surface, in the lower levels this “HPO light” does not penetrate enough. It seems there is a ‘clay layer’ just beneath the surface, starting in the ALT, which filters much of the HPO news so that employees are hardly aware what is happening at the surface. One of the consortium partners stated during the interview that he acknowledged this problem and was busy replacing many of his people in this clay layer. He now has people who believe in the HPO thinking and are willing to involve their people in the HPO transition. The removal of the clay layer has top priority otherwise there will not be enough critical mass among the employees to make the HPO transition and for ATLAS to be able to take Route 3 in Figure 6.

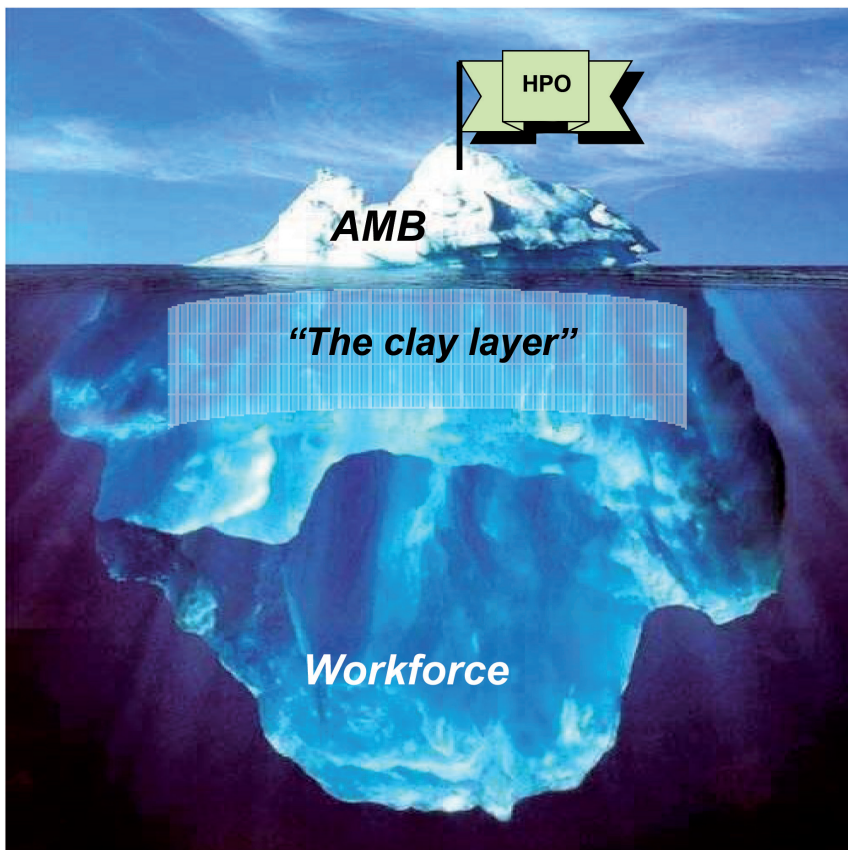


Figure 7: The clay layer in ATLAS' communication iceberg

In the second HPO action, ATLAS has to develop an improvement program that simultaneously develops the people and the organisation. As Figure 8 shows, in 2009 and the first part of 2010 the consortium paid specific attention to developing the quality of its management, in order to create high performance individuals (HPIs). Currently ATLAS is busy rolling out the Optimisation Program, aimed at improving organisational processes internally and externally (with DII). The strong focus on optimisation has the risk that not enough attention is paid to the continuous development of ATLAS' management. This is necessary, not only because ATLAS enters a new phase of its life-cycle with new demands on managers, but also because management frequently rotates in and out of the consortium. New managers have to be trained and developed in the HPO thinking otherwise they cannot be part of the HPO transition. ATLAS therefore has to simultaneously develop the organisational improvement track (Optimisation) and the people development track (HPIs). This can be achieved by making sure that the two activities are part of the initial three HPO attention points, as defined after the first HPO diagnosis. Then and only then ATLAS can be sure it addresses all relevant improvement and development tracks needed to be undertaken in the consortium in order to become HPO.

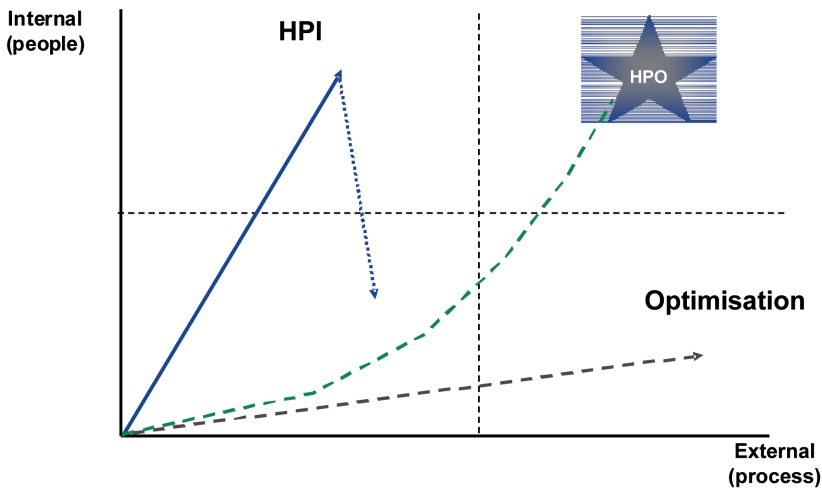


Figure 8: The two main improvement tracks in ATLAS

In the third HPO action, ATLAS has to make sure that it deals with the commercial anchors once and for all. As long as the conflicting commercial interests are present in ATLAS the consortium partners are inclined to look out for their own best interest instead of the interests of ATLAS. Also, the resulting claims and counter claims create an atmosphere of distrust that is not conducive to real and extensive cooperation. When the commercial conflicts are solved, people all over the consortium will have their hands free to concentrate on the main goal of ATLAS: serving DII as best as possible, in a profitable way.

Going forward

A final recommendation was made to make sure that ATLAS is able to take Route 3 of Figure 6. ATLAS is to appoint HPO champions in all parts of the consortium. These HPO champions are top talent from the ATLAS partners who will be coached and developed in such a way that they can help ATLAS grow into an HPO. The HPO champions will get an HPO transition program in which they will obtain the knowledge and the tools to help their parts of the consortium develop from the inside into an HPO (Figure 9). They will work closely together with ATLAS' CEO and the partner leads. The program will run for 1½ years, with four meetings of two days. The champions will do assignments during the course of the program and they will carry out the third HPO diagnosis themselves, in 2011, to measure progress. Each meeting concentrates on one of the HPO attention points, and the meetings will be held at different locations of the partners. By already announcing that a third HPO diagnosis will take place in 2011, the AMB shows its seriousness about the HPO transition and its willingness to commit itself for a longer period of time on developing the organisation into an HPO.

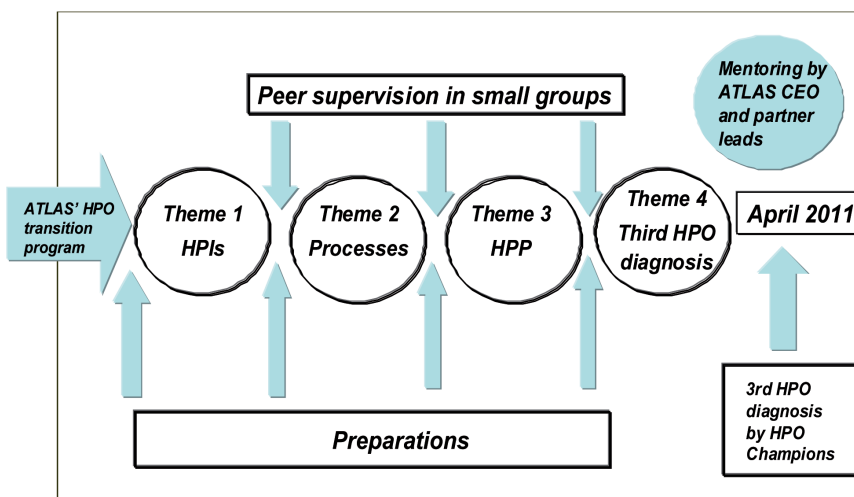


Figure 9: The set-up of the HPO transition program for ATLAS

Lessons learned

- This case study shows that the HPO framework can be used to give direction to a consortium to become high performing. The framework focuses primarily on strengthening the internal organisation and indicates that the links between the partners in a consortium also have to be of a high quality. In this respect the HPO framework in a consortium setting has to be used to create a High Performance Partnership.
- A critical mass of high quality leaders is needed to make the transition to an HPO possible. Once again management quality, discipline and role model behavior turn out to be critical.
- In a complex environment, such as a consortium, especially one of the scale of ATLAS, more preparation time is needed before the transition to HPO can actually commence. This time has to be taken to solve issues which (potentially) block the start and/or can cause delays in the transition. Therefore only a small increase in the average HPO score in the first year is to be expected and should not be a reason for panic ... as long as a major improvement takes place in the next year.
- Although the CEO and partner leads of the consortium are responsible for the HPO transition, they cannot do this alone. In order to create a critical mass, and guarantee unhindered progress of the transition, HPO champions in all parts of the consortium need to be appointed. These HPO champions are responsible for becoming real HPO experts and helping their parts of the consortium to make the transition.
- Main issue in a complex environment like ATLAS is making sure the dialogue mechanisms throughout the consortium are effective. A strong focus should be put on making sure that the HPO message coming from the top reaches the lowest levels of the consortium. The 'clay layer' which exists in every organisation has to be combated in order for the HPO information to flow freely.

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APPENDIX – ATLAS' HPO SCORES, FOR 2008 AND 2009

This appendix lists the detailed scores for the HPO characteristics, for ATLAS in 2009 and 2010.

Nr	Factor	Items	2009	2010	2010-2009
1	ci	Our organisation has adopted a strategy that sets it clearly apart from other organisations.	5,5	5,8	0,3
2	ci	In our organisation processes are continuously improved.	5,2	5,6	0,4
3	ci	In our organisation processes are continuously simplified.	4,1	4,6	0,4
4	ci	In our organisation processes are continuously aligned.	4,5	4,9	0,4
5	ci	In our organisation everything that matters to the organisation's performance is explicitly reported.	5,1	5,6	0,5
6	ci	In our organisation both financial and non-financial information is reported to organisational members.	4,9	5,3	0,4
7	ci	Our organisation continuously innovates its core competencies.	4,9	5,3	0,4
8	ci	Our organisation continuously innovates its products, processes and services.	5,3	5,5	0,3
9	oao	The management of our organisation frequently engages in a dialogue with employees.	6,0	5,9	-0,1

10	oao	Organisational members spend much time on communication, knowledge exchange and learning.	5,1	5,3	0,2
11	oao	Organisational members are always involved in important processes.	5,0	5,3	0,3
12	oao	The management of our organisation allows making mistakes.	5,7	5,8	0,1
13	oao	The management of our organisation welcomes change.	6,1	6,1	0,1
14	oao	Our organisation is performance driven.	6,2	6,5	0,3
15	mq	The management of our organisation is trusted by organisational members.	5,5	5,8	0,3
16	mq	The management of our organisation has integrity.	6,0	6,3	0,3
17	mq	The management of our organisation is a role model for organisational members.	5,4	5,8	0,3
18	mq	The management of our organisation applies fast decision making.	5,2	5,6	0,4
19	mq	The management of our organisation applies fast action taking.	5,3	5,6	0,3
20	mq	The management of our organisation coaches organisational members to achieve better results.	5,0	5,3	0,3
21	mq	The management of our organisation focuses on achieving results.	6,7	6,9	0,2
22	mq	The management of our organisation is very effective.	5,3	5,7	0,4
23	mq	The management of our organisation applies strong leadership.	5,7	6,0	0,4
24	mq	The management of our organisation is confident.	6,4	6,7	0,3
25	mq	The management of our organisation is decisive with regard to non-performers.	5,2	5,6	0,4
26	mq	The management of our organisation always holds organisational members responsible for their results.	5,9	6,1	0,2
27	wq	The management of our organisation inspires organisational members to accomplish extraordinary results.	5,1	5,4	0,3
28	wq	Organisational members are trained to be resilient and flexible.	5,0	5,3	0,3
29	wq	Our organisation has a diverse and complementary workforce.	6,9	7,0	0,1
30	ltc	Our organisation grows through partnerships with suppliers and/or customers.	6,3	6,5	0,1
31	ltc	Our organisation maintains good and long-term relationships with all stakeholders.	6,1	6,3	0,2
32	ltc	Our organisation is aimed at servicing the customers as best as possible.	6,5	6,6	0,1
33	ltc	The management of our organisation has been with the company for a long time.	5,9	6,3	0,4
34	ltc	New management is promoted from within the organisation.	5,6	6,0	0,3
35	ltc	Our organisation is a secure workplace for organisational members.	5,2	5,7	0,5
Average			5,5	5,8	0,3



—see also LOSS LEADER
lead·er·ship /'li:dəʃɪp/ -ər-
leader: He was elected to the
party. | Britain has lost her le
ing industry. 2 [U] the qual
She lacks leadership. 3 [C-
ple who lead: The leadersh
agreement on this issue.
... in/ n remar
... television

COMPARING DUTCH AND BRITISH HIGH PERFORMING MANAGERS

André A. de Waal, Béatrice I.J.M. van der Heijden, Denny Meyer, Christopher Selvarajah

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Introduction

According to Lee and Yu (2004), and Kirkman et al. (2006), national cultures have a strong influence on the performance of organisations, and bring about different determinants of high performance, in terms of the traits, attitudes, and behaviors that people see as valuable (Sparrow and Hiltrop, 1997; Iguisi, 2009). Culture has been described as “something to do with the people and the unique quality and style of organisation” (Kilmann et al., 1985, p. 11) or “the way we do things around here” (Deal and Kennedy, 1982, p. 12). A frequently used definition is the one by Hofstede (2001): ‘The collective programming of the mind that distinguishes one group or category of people from another’. Hoecklin (1995) stated that there is an intimate relationship between national culture and organisational culture; and asserted that companies cannot develop an organisational culture that does not incorporate, substantially, the prevailing cultural factors of the country in which it operates. Merchant and Van der Stede (2003) argued that national culture has a direct effect on organisational performance because it can cause organisational members to react differently on similar performance information. Therefore, national culture appears to be a relevant factor for the performance of organisations, and its influence should be taken into account when studying the traits of High Performing Managers (HPMs) (Gerstner and Day, 1994; Gabrielson et al., 2009).

At the same time, many studies that focus upon the attributes of successful managers show that, notwithstanding the fact that national culture does affect these attributes, there are attributes that are similar for managers across countries (Dickson et al., 2003). The Globe project (Den Hartog et al., 1999) reported that in all countries participating in the project, outstanding managers were perceived by participating middle managers to be encouraging, motivational, dynamic and have foresight. Ineffective managers were seen to be non-cooperative, ruthless and dictatorial. The outcomes of the study by House et al. (1997) indicated that there are some leader attributes and behaviours that are universally accepted and considered effective, regardless of the specific national culture.

Brodbeck et al. (2000) studied the cultural variation of leadership prototypes across 22 European countries, and found that, for virtually all European countries, leadership attributes that were assumed by participating middle managers to be important for success included being inspirational, having vision and integrity, being performance-oriented, being decisive, and being a team integrator. Being self-centred and malevolent was perceived as detrimental for being an effective leader. In a similar vein, in a study among US and European managers, Robie et al. (2001) found that a drive for results and analysing issues effectively were the best predictors for effective managerial performance. Lesley and Van Velsor (1998) found that US and European managers perceive managerial effectiveness as having personal influence, being cooperative, and accepting rules and procedures set by an external authority.

Other researchers, like Dorfman et al. (1997), Boehnke (1999), Juhl et al. (2000), Mehta et al. (2001), Silverthorne (2001), Matic (2008), Zagorsek et al. (2004), and Bret Becton and Field (2009), also reported common attributes among effective managers in diverse cultures. A possible explanation, for this similarity in outcomes, was proposed by Hazucha et al. (1999) as they hypothesized that, as the nature of managerial work tends to be similar across countries, the attributes to be successful in managerial work converge to similarity. Analogously, Taras et al. (2009) remarked that specific attributes linked to national culture might become obsolete as in today’s global village geographical boundaries are becoming less relevant, and could therefore be less useful as denominators. Zagorsek et al. (2004, p. 31) even concluded: “Culture does matter. But its impact is not as strong as is commonly thought. Maybe the world is actually becoming a ‘global village’ after all.” Den Hartog et al. (1999), however, warned that, although the leader attributes that are assumed to be important can be similar for different cultures, the perceived importance of these attributes can vary across cultures.

This article aims to further the research into common attributes for managerial success. More specifically, it reports on empirically validated profiles of Dutch and British HPMS in one sector, being Information and Communication Technology (ICT), by applying a cross-cultural framework to a sample of managers from the Netherlands and the UK. Subsequently, based on the profiles, the similarities and differences between Dutch and British HPMS are identified. The article is organized as follows. In the next section the cross-cultural research framework that formed the basis of our study is introduced (De Waal et al., 2010). Then, using the cultural frameworks from Hofstede (1989), and the ones used in the Globe project (House et al., 2004), hypotheses focusing on the similarities and differences between Dutch and British HPMS are presented. These hypotheses have been tested using a sample of responses from managers from the Netherlands and the UK. The article ends with a discussion section comprising a reflection upon the outcomes, an outline of the limitations of the research and recommendations for further study, and some practical implications.

The framework of excellent leadership

In order to identify the characteristics of HPMS, the framework of Excellent Leadership by Selvarajah et al. (1995) was chosen, because this framework is based on a multicultural approach, and because it has both etic and emic traits (Jayakody, 2008). The *etic* approach argues that leadership theories are universal while the emic approach claims that these are culture - or context-specific (Jayakody, 2008). Instead of the terms etic and emic, Morrison (2000) used the terms *generalizable* and *idiosyncratic*. Another variation in terminology is suggested by Marcoulides et al. (2004) who referred to the *rationalist* and *culturalist* views, and indicated that leadership practices depend on sector developments, as well as on the uniqueness of a country's culture.

Selvarajah et al.'s framework is based upon the assumption that there are leadership factors that are universal (etic), but that these factors are manifested in various overt behaviours, which depend on the cultural (emic) context, thus sidestepping the etic-emic dilemma (Javidan & Carl, 2004; Jong et al., 2009; Smith et al., 1989). The purpose of the study by Selvarajah et al. (1995) was to develop factors or dimensions which clustered behavioural values in national and sub-national groups. For this aim, they developed 94 'excellence in leadership' value statements. In their theoretical framework, 'excellence' is defined as "surpassing others in accomplishment or achievement" (Taormina and Selvarajah, 2005, p. 300), and the concept is operationalized and examined in terms of *behaviours* exhibited by someone in a managerial position, rather than in terms of personal traits or personal characteristics, as the latter are difficult to observe (Selvarajah and Meyer, 2008).

The statements were formulated based on an in-depth study of relevant literature on leadership and management excellence, both from a Western (Bennis, 1983, 1989a, 1989b; Bennis and Nanus, 1985; Burns, 1978, 1984; Hollander, 1978; Hunt and Larson, 1979; Kantor, 1985; Peters and Waterman, 1983; Prigogine, 1984; Rost, 1991; Stogdill and Coons, 1957; Takala, 1998; Yukl, 1989), and from an Eastern perspective (Bedi, 1990; Ling, 1989; Ling et al., 1992; Misumi, 1984; Mukhi, 1989; Pascale and Athos, 1981; Sinha, 1980; Srivastava, 1983; Swierczek, 1991; Xu et al., 1985). Subsequently, a group of researchers from six Asian countries (Brunei, Indonesia, Malaysia, Philippines, Singapore, and Thailand) explored the statements with the objective of categorising them within broader dimensions, expressing a balanced international perspective, rather than using instruments developed for a Western culture only. The five broader dimensions that were identified were: (1) Excellent Leadership; (2) Personal Qualities; (3) Managerial Behaviours; (4) Organisational Demands; and (5) Environmental Influences (see Selvarajah et al, 1995).

Excellent Leadership describes the combination of behaviours and attitudes that are desirable and required for good leadership within a certain cultural context (Selvarajah, 2008). *Personal Qualities* are the personal values, skills, attitudes, behaviour and qualities of an individual, and emphasise morality, religion, inter-personal relationships, and communication. *Managerial Behaviours* cover a person's nature, values, attitudes, actions and styles when performing managerial duties. They emphasise persuasive powers. *Organizational Demands* are the ways a manager responds to the goals, objectives, structures and issues in an organisation, and emphasise the importance of organisational prosperity. *Environmental Influences* are external factors that influence the success of the entire organisation. They emphasise the importance of scanning and evaluating the external environment for opportunities. The conceptual framework for the study of excellent leadership is illustrated in Figure 1 (Selvarajah et al., 1995).





Figure 1: Conceptual Framework for the Study of Excellent Leadership (Selvarajah et al., 1995)

The 94 'Excellence in Leadership' value statements that were developed by Selvarajah et al. (1995) were subjected to a Q-sort technique (Kerlinger, 1973), using the above five dimensions as the framework for categorization. This was performed by a sample of Asian managers who were attending executive programs at the Asian Institute of Management in Manila, and at the Vocational Technical Institute (VOC-TECH), the Southeast Asian Management Education Organisation (SEAMEO) institute located in Brunei Darussalam.

For the Q-sort technique, all statements were each printed three times on small cards, and the managers were asked to sort the resulting sets of cards in three different ways. The first sorting was used to determine the order of importance of each statement in the light of excellence in leadership. The second sorting was used to determine to which of the four dimensions each statement belonged, and the third sorting was used to determine the importance of each statement in terms of its chosen dimension (i.e., the importance of each statement in proportion to the other statements assigned to the same dimension).

The relationships between the 94 statements, and the specific structure of the summated scales calculated for the five dimensions, vary depending on the cultural context in which the managers are working. Therefore, the construction of each dimension differs across countries, and provides cultural insights into leadership behaviours, and values in various countries, as illustrated by Taormina and Selvarajah (2005), Selvarajah and Meyer (2007, 2008), and Selvarajah (2008). In this article, we have exactly used the approach as explained above, and we expect the individual items assigned to each dimension to reflect both the Dutch and English contexts.

Hypotheses' development

In this section, the hypotheses that will be tested using the framework of Selvarajah et al. (1995) are given. The hypotheses are based on the cultural frameworks from Hofstede (2001), and the Globe project (House et al. 2004). However, before we can move towards the hypotheses' tests, the general assumption underlying our study has to be tested, that is, whether HPMs in the Netherlands and the UK can be described using the framework of Excellent Leadership developed by Selvarajah et al. (1995). This gives rise to the first Hypothesis:

- H1. *A five-dimensional factor structure consisting of the dimensions of Excellent Leadership, Managerial Behaviours, Environmental Influences, Personal Qualities and Organisational Demands is valid to describe Dutch and British HPMs.*

For the other hypotheses, the dimensions of Hofstede (2001) and House et al. (2004) are used, in a similar way as Suutari (1996) did. To distinguish between national cultures, Hofstede formulated four dimensions, or distinguishing characteristics, and later added a fifth dimension (long-term orientation) which was assumed to be valid to distinguish the difference in thinking between the East and the West (Hofstede et al., 2002). The initial four dimensions were: (1) uncertainty avoidance, which refers to the extent to which people in a society feel comfortable with ambiguity and uncertainty; (2) individualism versus collectivism, which refers to the extent to which one's identity is derived from one's self as opposed to the group of which the individual is a member; (3) power distance, which refers to the extent to which members of a society accept that institutional power is distributed unequally; and (4) masculinity versus femininity, being the extent to which the social gender roles in a society are clearly masculine (assertive and hard) or feminine (equality, solidarity, and consensus). Hofstede (2001), in his book *Cultures' Consequences*, reported the results for the Netherlands for the first four dimensions on a scale ranging from 0 to 100: masculinity versus femininity (14), power distance (38), uncertainty avoidance (53), and individualism versus collectivism (80). These results suggest a more feminine-oriented society with a relatively low power distance, medium uncertainty avoidance, and a highly individualistic culture. Hofstede (2001) also fed back the scores for the UK: masculinity versus femininity (66), power distance (35), uncertainty avoidance (35), and individualism versus collectivism (89). These results suggest a more masculine-oriented society with a relatively low power distance, low uncertainty avoidance, and a highly individualistic culture. In a feminine-oriented culture like the Netherlands, it is not possible that a manager evaluates the performance of an employee without taking into account the well-being of the person concerned, and there is a strong drive to avoid conflicts by striving for consensus and being a team player. In contrast, in a masculine-oriented culture like the UK, managers are more decisive, assertive, aggressive and competitive. They resolve conflicts by denying them or fighting them until "the best man" wins (Hofstede, 2001, p. 318). This gives the following Hypothesis:

H2. Value statements which emphasise managers' respect for their employees are more important for the Netherlands, which is characterized by a rather feminine culture, than for the UK, which is characterized by a rather masculine culture.

In a society with a low power distance, such as the Netherlands and the UK, creating an egalitarian society with equality between people is necessary, as managers and employees are basically considered equal. Subordinates expect to be consulted because their opinions should be regarded as important by the management (Hofstede, 2001, p. 108). This suggests the next Hypothesis:

H3. Value statements which emphasise managers' drive for consensus are equally important for the Netherlands and the UK, which are both characterized by a low amount of power distance.

The Netherlands score higher on the uncertainty avoidance dimension compared to the UK. This means that, according to Merchant and Van der Stede (2003), and Chong and Park (2003), compared to the UK, there is a stronger focus in the Netherlands on managers using elaborate formal planning systems with many procedures, rituals and targets, in order to diminish the uncertainty level of organisational members. These systems are expected to reduce the uncomfortable feelings people experience in unstructured situations (Hofstede, 2001, p. 169). This brings us to the following Hypothesis:

H4. Value statements which emphasise managers' preference for rules, procedures and formal systems are more important for the Netherlands, which is characterized by a medium level of uncertainty avoidance, than for the UK, which is characterized by a low level of uncertainty avoidance.

In individualistic cultures, such as the Netherlands and the UK, people are more self-oriented rather than organisation-minded, individual initiative and individual decision-making is encouraged (McCoy et al., 2005), and individuals are supposed to look after themselves rather than to remain integrated into a group (Hofstede, 2001, p. 244). This gives the fifth Hypothesis:

H5. Value statements which emphasise managers' self-orientation are equally important for the Netherlands and the UK, which are both characterized by a highly individualistic culture.

Hofstede (2001) has indicated that his cultural framework is not a finished product but rather a base for further investigation. Several researchers, such as House and associates in the GLOBE project (Javidan and House, 2001; House et al., 2004), have responded to this call for more research, and have formulated nine dimensions that are aimed to distinguish between national cultures (House et al., 2004):

1. *Assertiveness* – The degree to which individuals are assertive, confrontational and aggressive in their relationship with others.
2. *Collectivism I (institutional collectivism)* – The degree to which organisational and societal institutional practices encourage and reward collective distribution of resources and collective action.
3. *Collectivism II (in-group collectivism)* – The degree to which individuals express pride, loyalty, and cohesiveness in their organisations or families.
4. *Future orientation* – The extent to which individuals engage in future-oriented behaviours such as delaying gratification, planning and investing in the future.
5. *Gender egalitarianism* – The degree to which a collective minimizes gender inequality.
6. *Humane orientation* – The degree to which a collective encourages and rewards individuals for being fair, altruistic, generous, caring and kind to others.
7. *Performance orientation* – The degree to which a collective encourages and rewards group members for performance improvement and excellence.
8. *Power distance* – The degree to which members of a collective expect power to be distributed equal.
9. *Uncertainty Avoidance* – The extent to which a society, organisation, or group relies on social norms, rules and procedures to alleviate unpredictability of future events.

In House et al. (2004, Appendix B2), the scores for the Netherlands and the UK are listed, using a scale ranging from 1 to 7 (see Table I for the scale means).

Dimension	Score for the Netherlands	Score for the UK
Assertiveness	4.46	4.50
Future orientation	4.72	4.13
Gender egalitarianism	3.62	3.36
Humane orientation	4.02	4.18
Performance orientation	4.46	4.45
Power distance	4.32	4.92
Institutional collectivism	4.62	4.21
In-group collectivism	3.79	4.22
Uncertainty Avoidance	4.81	4.15

Table I: Mean scores from the GLOBE project for the Netherlands and the UK

No additional hypotheses have been developed for power distance, collectivism and uncertainty avoidance as these have been addressed in Hypotheses 2 through 5. Neither has a hypothesis been developed for gender egalitarianism because, in our opinion, this has more to do with the number of female managers, and their position in society, than with the feminine orientation of a culture. However, for the remaining dimensions, additional hypotheses have been developed.

According to House et al. (2004), societies like the Dutch and the British one score higher on the assertiveness dimension, value dominant behaviour, have sympathy for the strong, value competition, try to have control over the environment, stress competition and performance, emphasize results over relationships, value taking initiative, and expect demanding and challenging targets. This leads us to the following Hypotheses:

H6. Value statements which emphasise the strength of managers are equally important for the Netherlands and the UK, which are both characterized by a fairly, highly assertive culture.

Societies such as the Dutch one that score higher on future orientation, are comprised of individuals who are more intrinsically motivated, and who are willing to learn continuously, and have organisations with a longer strategic

orientation, which are more flexible and adaptive. These societies also value the deferment of gratification by placing a higher priority on long-term success, and emphasize visionary leadership that is capable of seeing patterns in chaos and uncertainty (House et al., 2004). This brings us to the following two Hypotheses:

- H7. Value statements which emphasise managers' long-term orientation are more important for the Netherlands, which is characterized by a future-oriented culture, than for the UK, which is characterized by a less future-oriented culture.*
- H8. Value statements which emphasise the flexibility and adaptiveness of managers are more important for the Netherlands, which is characterized by a future-oriented culture, than for the UK, which is characterized by a less future-oriented culture.*

In societies like the Dutch and the British ones, that score relatively high on humane orientation, others are important, values of altruism and generosity have high priority, personal and family relationships are important, and people are expected to promote paternalistic norms and relationships (House et al., 2004). This leads us to the following Hypotheses:

- H9. Value statements which emphasise managers' ability to create a family-like organisational culture are equally important for the Netherlands and the UK, which are both characterized by a medium humane-oriented culture.*

In societies like the Netherlands and the UK, that score higher on performance orientation, results are more emphasised than people, performance is rewarded, assertiveness and competitiveness are valued, giving feedback is seen as necessary for improvement, having a sense of urgency is important, and being direct and explicit in communications is valued (House et al., 2004) as well. Therefore, the last Hypothesis is formulated as follows:

- H10. Value statements which emphasise direct and straight-forward communicating managers are equally important for the Netherlands and the UK, which are both characterized by a highly performance-oriented culture.*

Methodology

This study looked into the characteristics of Dutch and British HPMS, working at all managerial levels in an organisation. A managerial position is defined as a position in which the person has at least one subordinate. The research population in the Netherlands was approached through the Internet - in the period January to July 2009 - by means of the website of the largest management periodical in the Netherlands, *Management Team*, and through several organisations that were known to one of the authors. As the exact number of people invited to participate is unknown, the response rate can not be calculated. The research sample in the UK consisted of employees of ATLAS, a consortium of five ICT companies that were charged with improving the information and communication technology infrastructure of the British Ministry of Defence. Most of these employees were based in England.

In order to protect anonymity and to increase the response rate, neither the respondents nor their organisations were identified. A total of 808 usable questionnaires were filled out for the Netherlands, while 286 usable ones were filled out for the UK. The respondents were asked to rate the importance of each of the 94 statements from the framework of Excellent Leadership (Selvarajah et al., 1995) in the context of a successful manager, using an importance scale ranging from 1 (very unimportant) to 5 (very important). As such, the questionnaire explored perceptions of what good management should be (Laurent, 1983).

Of the Dutch respondents, 64% were men and 34% were women. 12.9% were younger than 35 years, 20.2% of the respondents was between the ages of 35 and 40, 19.9% between 41 and 45, 20.2% between 46 and 50,



24.8% between 51 and 55, none of the respondents were between the age of 56 and 60, and 2.1% were over the age of 60. Of the responding organisations, 59.7% were for-profit organisations, and 40.3% were not-for-profit ones, 10.3% were family-owned businesses, and 25% were quoted on the stock-market. The largest industry represented in the sample comprised education (21.3%), followed by construction (10.6%), professional services (10.5%), government (7.7%), financial services (7.5%), production (6.8%), accountancy (5.3%), consultancy (5.0%), healthcare - elderly care (4.8%), healthcare - hospitals (4.7%), Information & Communication Technology (4.5%), and others (11.3%). Of the British respondents 85% were men and 15% were women 9.4% were younger than 35 years, 15.0% of the respondents was between the ages of 35 and 40, 24.2% between 41 and 45, 20.2% between 46 and 50, 18.2% between 51 and 55, 10.1% between 56 and 60, and 2.8% over the age of 60. All of the respondents worked for for-profit companies within the ICT sector. There are significant differences between the Dutch and UK samples in terms of gender and age and this needs to be considered when interpreting the results. The higher percentage of women in the Dutch sample is particularly relevant.

Results

The empirical validity of the framework suggested by Selvarajah et al. (1995) was tested by means of a Confirmatory Factor Analysis (CFA) (confirming the five distinguished dimensions) using AMOS version 17. In order to achieve a satisfactory fit, badly differentiating items for either country were removed from the original measurement instrument. According to Byrne (2001), the Root Mean Square Error of Approximation (RMSEA) should be less than .08, with goodness of fit indices (GFI and CFI) above .90 for both countries. The resulting scales showed acceptable reliability (Hair et al., 1998) with Cronbach alpha values above .60. This analysis served to support the first hypothesis. Invariance tests were then used to establish whether the same measurement model could be used for UK and Dutch managers for each of the five dimensions of the framework thereby testing the remaining hypotheses. The results given in Table II show a significant difference in the perceptions of leadership excellence for managers from the Netherlands and the UK (Chi-square = 13.10, df = 5, p = .022), with UK managers giving more weight to the motivation of employees and continuing to learn how to improve performance than Dutch managers.

Value statement	Loadings for the Netherlands	Loadings for the UK
EL1. Have confidence when dealing with work and people	.608	.764
EL2. Give recognition for good work	.631	.701
EL3. Create a sense of purpose and enthusiasm in the workplace	.630	.765
EL4. Motivate employees	.560	.815
EL5. Continue to learn how to improve performance	.502	.716
EL6. Have a strategic vision for the organisation	.446	.461
RMSEA	.026	.075
GFI	.994	.973
CFI	.994	.979

Table II: Excellent Leadership items' factor loadings

Environmental influences, such as economic circumstances, political situation, and cultural and legal factors, are external factors that influence the success of the organisation. Table III shows the loadings for this construct for UK and Dutch managers. There are no significant differences between these managers in terms of the weights for this construct (Chi-Square = 7.065, df=4, p=.132).

Value statement	Loadings for the Netherlands	Loadings for the UK
EI1. Have a multicultural orientation and approach	.604	.711
EI2. Identify social trends which may have an impact on the work	.587	.695
EI3. Be socially and environmentally responsible	.548	.771
EI4. Be responsive to political realities in the environment	.342	.457
EI5. Constantly evaluate emerging technologies	.280	.458
RMSEA	.015	.025
GFI	.997	.992
CFI	.997	.997

Table III: Environmental Influences Items' items' factor loadings

Personal Qualities comprise the personal values, skills, attitudes, behaviour and qualities of an individual. As Table IV shows, the loadings are similar for managers from the UK and the Netherlands. There is no significant difference between the weights for these two sets of managers (Chi-Square = 7.566, df = 9, p = .578).

Factor with value statements	Loadings for the Netherlands	Loadings for the UK
PQ1. Respect the self-esteem of others	.565	.688
PQ2. Be consistent in dealing with people	.585	.746
PQ3. Accept responsibilities for mistakes	.515	.702
PQ4. Deal calmly in tense situations	.523	.658
PQ5. Be dependable and trustworthy	.566	.770
PQ6. Write clearly and concisely	.444	.527
PQ7. Listen to the advice of others	.454	.643
PQ8. Be an initiator, not a follower	.392	.587
PQ9. Have a sense of humour	.392	.480
PQ10. Follow what is morally right, not what is right for self or for the organisation	.403	.418
RMSEA	.034	.074
GFI	.983	.934
CFI	.970	.942

Table IV: Personal Qualities items' factor loadings

Managerial Behaviours entail a person's nature, values, attitudes, actions and styles which are shown to the outside world when performing managerial duties. There are significant differences between the measurement models for Dutch and UK managers (Chi-Square = 30.417, df=9, p<.001), with UK managers attributing more importance to delegation, persuading others to do things, and trusting those to whom work is delegated..

Factor with value statements	Loadings for the Netherlands	Loadings for the UK
MB1. Make work decisions quickly	.523	.658
MB2. Select work wisely to avoid overload	.506	.497
MB3. Make decisions without depending too much on others	.465	.385
MB4. Trust those to whom work is delegated	.401	.612
MB5. Listen to and understand the problems of others	.453	.595
MB6. Focus on the task-at-hand	.504	.597
MB7. Delegate	.360	.610
MB8. Persuade others to do things	.426	.653
MB9. Keep up-to-date on management literature	.382	.260
MB10. Be logical in solving problems	.441	.472
RMSEA	.054	.078
GFI	.971	.935
CFI	.907	.902

Table V: Managerial Behaviours items' factor loadings

Organisational Demands relate to the way a manager responds to the goals, objectives, structures and issues in an organisation. There was no significant difference in the weights for the UK and Dutch managers as shown in Table VI (Chi-Square = 6.771, df=5, p=.238), suggesting that UK and Dutch managers' perception of Organizational Demand is similar.

Value statement	Loadings for the Netherlands	Loadings for the UK
OD1. Sell the professional or corporate image to the public	.626	.686
OD2. Support decisions made jointly by others	.537	.595
OD3. Share power	.561	.641
OD4. Give priority to long-term goals	.395	.503
OD5. Focus on maximising productivity	.399	.551
OD6. Adjust organisational structures and rules to realities of practice	.332	.439
RMSEA	.021	.056
GFI	.99	.98
CFI	.99	.97

Table VI: Organisational Demands items' factor loadings

In summary, the perceptions of managers from the UK and the Netherlands are similar in terms of Organisational Demand, Personal Qualities and Environmental Influence. However, there are significant differences in terms of Excellent Leader and Managerial Behaviour. UK managers attach more weight to 'employee motivation' and 'continuing to learn how to improve performance' as more important for an excellent leader than do Dutch managers. In addition UK managers consider three managerial behaviours to be more important than managers from the Netherlands. These three behaviours are 'trusting staff to do their jobs', 'persuading others to do things' and 'delegation'. The significantly higher proportion of females in the Netherlands sample made it necessary for invariance tests also to be performed for gender, however no significant differences were found for the measurement models of men and women, suggesting that the above differences between the UK and the Netherlands cannot be attributed to gender differences. Invariance tests performed for age categories also showed no significant differences, so the mentioned differences between the two countries also cannot be attributed to age differences.

When scales were constructed for the five dimensions, a Multivariate Analysis of Variance showed that there were significant differences in the average scores for UK and Dutch managers. As Table VII shows, UK managers attributed significantly higher importance to managerial behaviour, personal qualities and organisational demand, while Dutch managers attributed significantly higher importance to environmental influence. However, the size of these effects was small and there was no significant difference in regard to the importance of leadership excellence. Interestingly there were no significant gender nor age differences within each country or between countries ($F(5,1085)=2.10, p = .064$; $F(5,1086)=1.40, p=.222$ respectively).

	Country	Mean	Std. Deviation	F (1,1092)	p-value	Partial η^2	Cronbach's alpha																																							
Organisational Demand	Netherlands	3.8315	.48815	6.479	.011	.006	.66																																							
	UK	3.9225	.60013					Personal Qualities	Netherlands	4.2099	.38051	36.208	.000	.032	.78	UK	4.3783	.47338	Environmental Influence	Netherlands	3.7691	.51436	22.500	.000	.020	.63	UK	3.5825	.70892	Leadership Excellence	Netherlands	4.4282	.42046	2.983	.084	.003	.76	UK	4.4819	.53143	Managerial Behaviour	Netherlands	3.8438	.48370	29.004	.000
Personal Qualities	Netherlands	4.2099	.38051	36.208	.000	.032	.78																																							
	UK	4.3783	.47338					Environmental Influence	Netherlands	3.7691	.51436	22.500	.000	.020	.63	UK	3.5825	.70892	Leadership Excellence	Netherlands	4.4282	.42046	2.983	.084	.003	.76	UK	4.4819	.53143	Managerial Behaviour	Netherlands	3.8438	.48370	29.004	.000	.026	.75	UK	4.0308	.55935						
Environmental Influence	Netherlands	3.7691	.51436	22.500	.000	.020	.63																																							
	UK	3.5825	.70892					Leadership Excellence	Netherlands	4.4282	.42046	2.983	.084	.003	.76	UK	4.4819	.53143	Managerial Behaviour	Netherlands	3.8438	.48370	29.004	.000	.026	.75	UK	4.0308	.55935																	
Leadership Excellence	Netherlands	4.4282	.42046	2.983	.084	.003	.76																																							
	UK	4.4819	.53143					Managerial Behaviour	Netherlands	3.8438	.48370	29.004	.000	.026	.75	UK	4.0308	.55935																												
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	UK	4.0308	.55935																																											

Table VII: Comparison of Mean Values for Scales

Discussion

The above results show that the framework for Excellent Leadership developed by Selvarajah et al. (1995) is valid for both the Dutch and British context. The research results indicate that the five-factor structure is a sound representation of data, portraying reliable factors that are important to characterize Dutch and British HPMS. This suggests strong support for the first hypothesis.

Table VII gives an overview of the outcomes concerning the other hypotheses. As our approach concerned an exploratory study, for every hypothesis to be tested we have selected those value statements that, construct-wise, appeared to suitably cover the specific hypothesis. For example, Hypothesis 6 - *Value statements which emphasise the strength of managers are equally important for the Netherlands and the UK, which are both characterized by a fairly, highly assertive culture* - is best described by items EL1 "Have confidence when dealing with work and people", PQ5 "Deal calmly in tense situations", and 4 "Make decisions without depending too much on others". These items all refer to managers who are confident in their work, and thus can be described as managers who are seen by employees as being strong in their managerial duties. Then for those items the loadings for the Dutch and British HPMS are compared, to evaluate whether the hypothesis should be accepted. If more than half of the value statements supported the hypothesis, it was accepted. In the case of hypothesis 6, although the loading on EL1 differs between the two countries, the loadings on the other two value statements PQ5 and MB4 are equal and therefore hypothesis 6 is accepted.

From the nine hypotheses in Table VII five appear to be supported. Possible explanations for the rejected Hypotheses 2, 4 and 10 might be found in the work of Suutari (1996). Suutari (1996), specifically, categorised European countries, using the Ronen and Shenkar (1985) country clusters as a basis. Suutari placed the UK in the Anglo cluster (together with Ireland), while the Netherlands was categorised in the Nordic cluster (together with Sweden, Finland, and Denmark). As Suutari's research did not provide data for the Netherlands, but it did for Sweden, we take the corresponding scores for the latter country as a proxy for the Dutch scores. When

looking at the scores for the UK and Sweden on the 14 scales developed by Suutari (1996), many scores appear to highly correspond. The largest differences can be noticed for the scales 'decision participation', 'individualized consideration', 'conflict management', and 'role clarification', where the UK scored higher than Sweden so, by proxy, than the Netherlands. 'Decision participation' comprises the extent to which a leader consults with subordinates, and allows them to participate in making decisions. As the Netherlands scored lower than the UK in this regard, managers in the Netherlands appear to be less willing to involve their employees in decision-making which could be seen as an indication of less respect. This is supported by the outcome on 'individualized consideration', i.e., the extent to which a leader treats each employee as an individual, and gives personal attention to each follower's needs and hopes, where the Netherlands again scored lower than the UK. In this sense, it is better understandable why hypothesis 2 ('Value statements which emphasise managers' respect for their employees are more important for the Netherlands, which is characterized by a rather feminine culture, than for the UK, which is characterized by a rather masculine culture') is not confirmed.

'Role clarification' concerns the extent to which a leader clarifies roles by making sure that the work group has clear rules, detailed job descriptions and clearly defined functions. As the Netherlands scored lower than the UK in the Suutari (1996) research, managers in this country tend less frequently to see a need to clarify roles compared with managers from the UK. This might explain the rejection of Hypothesis 4, ('Value statements which emphasise managers' preference for rules, procedures and formal systems are more important for the Netherlands, which is characterized by a medium level of uncertainty avoidance, than for the UK, which is characterized by a low level of uncertainty avoidance').

'Conflict management' is the extent to which a leader helps subordinates to resolve conflicts and quarrels among themselves and can be seen as a part of direct and effective communication. As the Netherlands scores lower than the UK, managers in this country have a lower need for eliminating conflict. This might partly explain the lack of confirmation for Hypothesis 10 ('Value statements which emphasise direct and straight-forward communicating managers are equally important for the Netherlands and the UK, which are both characterized by a highly performance-oriented culture').

To find a possible explanation for the rejection of Hypothesis 5 ('Value statements which emphasise managers' self-orientation are equally important for the Netherlands and the UK, which are both characterized by a highly individualistic culture'), we turn to the outcomes of the Globe project. This project distinguished ten culture clusters (Gupta et al., 2002), with the Netherlands being classified in the Germanic Europe group (together with Austria, Germany, and the German-speaking part of Switzerland) while the UK was categorised in the Anglo group (Together with Australia, the English-speaking part of Canada, Ireland, New Zealand, white-sample South Africa, and the USA). The German Europe group was characterised as having a high focus on participative leadership and cooperation between management and employees for the good of the organisation (Szabo et al., 2002), in contrast to the Anglo group which was much more oriented toward individualistic performance (Ashkanasy et al., 2002). This could partly explain the lack of confirmation for Hypothesis 5 for the Dutch managers.

Limitations, practical implication and further research

The main limitation of this study lies in the fact that the findings are based upon reports from one single source; namely managers' perceptions. Hence, common-method effects may have inflated the correlations. The magnitude of such effects is subject to intense debate (Crompton and Wagner 1994; Podsakoff et al., 2003). However, most researchers agree that potential risks can be reduced by a careful questionnaire design (e.g., changes in the response format, anonymity, and encouraging participants' openness), which we paid specific attention to by testing the questionnaire beforehand among a small group of volunteers and by stressing specifically the anonymity of the survey.

The practical implication of the research is that multinational companies have to take the differences in HPM attributes into account when training their managers for overseas assignments. As managers cannot rely unconditionally on the attributes which made them successful in their home country, they need to be aware of the requirements put on them to become effective managers in another country, taking into account the attributes found in the research described in this article (Suutari, 1996; Bennett et al., 2000; Puck et al., 2008).

Additional research is needed in order to establish whether the five dimensions have predictive validity, for instance in terms of both managerial as well as organisational success. This should be done using a longitudinal design, in order to test causality. Multi-wave designs are especially useful in this regard, as they can provide more specific information about the stability of the measurement model and cross-lagged relationships between the factors of the Excellent Leadership framework and future success, subjective and objective, managerial as well as organisational, over time (De Lange et al., 2004).

An alternative strategy could be to perform a qualitative study to obtain further insight into the importance of the identified statements (items) in the light of future managerial and company performance. Another research opportunity is to extend the British data to other parts and sectors in the UK. This is especially important as there are indications that there exist multiple cultures within one country (Beugelsdijk et al., 2006; García-Cabrera and García-Soto, 2008).



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Hypothesis	Value statements	Loadings of Netherlands versus the UK	Confirmed?
<p>H2. Value statements which emphasise managers' respect for their employees are more important for the Netherlands, which is characterized by a rather feminine culture, than for the UK, which is characterized by a rather masculine culture.</p>	<p>EL2. Give recognition for good work PQ1. Respect the self-esteem of others PQ10. Accept that others will make mistakes MB5. Trust those to whom work is delegated MB14. Tell subordinates what to do and how to do it (-)</p>	<p>EL2: equal PQ1: equal PQ10: lower MB5: no significant loading for the Netherlands MB14: no significant loading for the Netherlands</p>	<p>No</p>
<p>H3. Value statements which emphasise managers' drive for consensus are equally important for the Netherlands and the UK, which are both characterized by a low amount of power distance.</p>	<p>OD2. Support decisions made jointly by others OD3. Share power OD4. Act as a member of the team MB4. Make decisions without depending too much on others</p>	<p>OD2: equal OD3: no significant loading for the Netherlands OD4: lower MB4: equal</p>	<p>Yes</p>
<p>H4. Value statements which emphasise managers' preference for rules, procedures and formal systems are more important for the Netherlands, which is characterized by a medium level of uncertainty avoidance, than for the UK, which is characterized by a low level of uncertainty avoidance.</p>	<p>MB9. Try different approaches to management (-) OD5. Adaptability (-) OD8. Adjust organisational structures and rules to realities of practice (-)</p>	<p>MB9: higher (-) = lower OD5: higher (-) = lower OD8: equal</p>	<p>No</p>
<p>H5. Value statements which emphasise managers' self-orientation are equally important for the Netherlands and the UK, which are both characterized by a highly individualistic culture.</p>	<p>PQ13. Follow what is morally right, not what is right for self or for the organisation OD3. Share power (-) OD4. Act as a member of the team (-)</p>	<p>PQ13: higher (no significant loading for the UK) OD3: no significant loading for the Netherlands OD4: lower = higher</p>	<p>No</p>
<p>H6. Value statements which emphasise the strength of managers are equally important for the Netherlands and the UK, which are both characterized by a fairly, highly assertive culture.</p>	<p>EL1. Have confidence when dealing with work and people PQ5. Deal calmly in tense situations MB4. Make decisions without depending too much on others</p>	<p>EL1: lower PQ5: equal MB4: equal</p>	<p>Yes</p>

H7. Value statements which emphasise managers' long-term orientation are more important for the Netherlands, which is characterized by a future-oriented culture, than for the UK, which is characterized by a less future-oriented culture.

EL6. Have a strategic vision for the organisation
OD6. Give priority to long-term goals

EL6: higher
OD6: higher

Yes

H8. Value statements which emphasise the flexibility and adaptiveness of managers are more important for the Netherlands, which is characterized by a future-oriented culture, than for the UK, which is characterized by a less future-oriented culture.

EL7. Constantly evaluate emerging technologies
OD5. Adaptability
OD8. Adjust organisational structures and rules to realities of practice
MB9. Try different approaches to management
MB11. Keep up-to-date on management literature

EL7: higher (no significant loading for the UK)
OD5: equal
OD8: higher
MB9: higher (no significant loading for the UK)
MB11: higher (no significant loading for the UK)

Yes

H9. Value statements which emphasise managers' ability to create a family-like organisational culture are equally important for the Netherlands and the UK, which are both characterized by a medium humane-oriented culture.

EL3. Create a sense of purpose and enthusiasm in the workplace
EI1. Have a multicultural orientation and approach
EI4. Be socially and environmentally responsible
MB2. Select work wisely to avoid overload
OD4. Act as a member of the team

EL3: equal
EI1: equal
EI4: equal
MB2: no significant loading for the Netherlands
OD4: lower

Yes

H10. Value statements which emphasise direct and straight-forward communicating managers are equally important for the Netherlands and the UK, which are both characterized by a highly performance-oriented culture.

PQ4. Speak clearly and concisely
PQ7. Write clearly and concisely
MB6. Listen to and understand the problems of others

PQ4: lower
PQ7: equal
MB6: higher (no significant loading for the UK)

No

Note 1: (-) denotes that the loading for this specific value statement illustrates the opposite of the specific hypothesis
2: when the difference between the loadings for the Netherlands and the UK is < 0.1, the scores are denoted to be equal

Table VIII: Matching hypotheses with value statements for the Dutch and British HPMS



5). partner sb at bridge, to
tango. 2 (phr v)
cause two people
2): We (were) pa
part·ner·ship |
being a partner or par
worked in partnership. ○ He
in partnership. ○ F
his brother. ○ F
ship.



THE HIGH PERFORMANCE PARTNERSHIP FRAMEWORK AS VALUE CHAIN ENHANCER

André de Waal, Ruben Orij and Simon van der Veer

- Draft article to be submitted to a journal -

Introduction

To maximize performance and profit an organisation should not restrict its focus to the internal organisation but also focus on optimizing the value chain. Value chain optimization consists of integrating all volume and value decisions, in order to maximize profits across the entire value chain. An optimized value chain stands for the long-term vision of managing profitability, volume flows and services for all parties in the chain in a future-oriented manner. To get to the point of value chain optimization, the organisation has to go through three stages: function optimization, supply chain optimization, and value chain optimization (Figure 1).

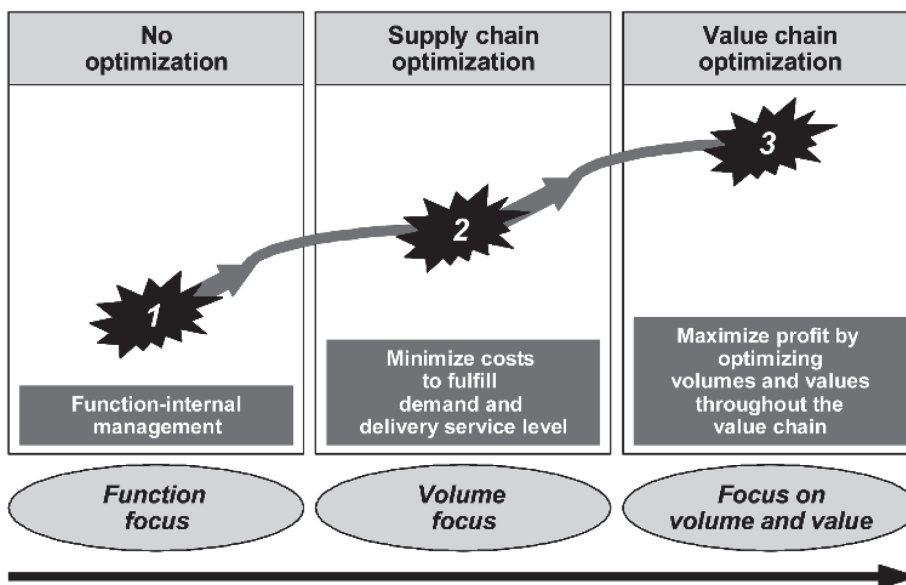


Figure 1: The value chain evolutionary model (Schulz et al., 2007)

In the first stage of the value chain evolutionary model, the focus is on the internal management of primary and secondary functions such as production, logistics, procurement, marketing and sales. In this stage an organisation is focused mainly on optimizing effectiveness and efficiency within the boundaries of the organisation itself. In the second stage the organisation focuses on supply chain management. Supply chain management has the objective to deliver high quality service levels and minimize the supply chain costs, and thereby meeting customer demand. To make the supply chain process more efficient the organisation has to implement a decision-making approach in regard to production and distribution volumes which includes the suppliers and customers of the organisation. However, without an overall inclusive approach which also includes collaboration in the value chain of the secondary functions, the organisation will not be able to produce in the most efficient and effective way. Therefore, in stage three the organisation focuses on optimization of the entire value chain which entails collaborating on production and distribution volumes and on the whole scale of primary and secondary functions, to maximize quality and organisational profit.

In order to obtain the full potential of the value chain, it makes sense that each party in the chain strives to become an High Performance Organization (HPO) and that the collaboration between the parties in the chain is also of a high performance nature. A high performance organisation is defined as an organisation that achieves financial and non-financial results that are better than those of its peer group over a period of time of at least five

to ten years (De Waal, 2007). When an organisation is transforming into an HPO, at some point the quality of the value chain becomes important. After all, when the partners of the organisation, its suppliers and customers, are not HPOs themselves, the potential quality of the end product or service as delivered by the HPO will be partly or completely be annulled by the bad quality of the partners in the chain. The result is that the end customer (the consumers) will never be serviced optimally. From previous research into the value chain of the diamond industry, De Waal et al. (2009) found that a difference in an organisation's HPO status, compared to its partner organisations, could influence the quality of the value chain. These researchers suggested that having a lower HPO status than the partner could have a negative influence on the effectiveness of the partnership. In other words, the low performance of one partner can work deter on the performance of the other partner. At the same time, an improvement in organisation 1 can foster an improvement in organisation 2. However, to enjoy the latter it is important that the partners use a collaborative approach in their continuous improvement efforts, and act in favor of mutual rather than individual benefits. Therefore it is important that not only the quality of the organisation itself but also of its partners is of the highest level. This means that it is not enough if all parties in the value chain become HPO, the links in the chain also need to become HPO: a high performance partnership (HPP) has to be created (Figure 2).

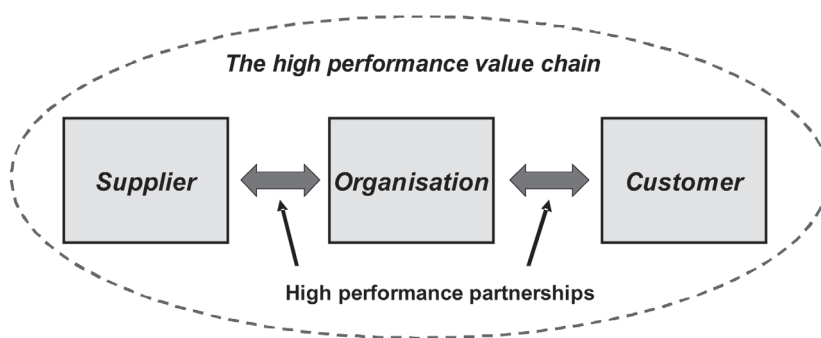


Figure 2: The high performance value chain

This article describes the development of the HPP framework, which makes it possible to create the desired high performance partnerships. In the next section an extended discussion of the theoretical foundation of the HPP framework is given. This framework is then tested at ATLAS, a British partnership of five leading IT suppliers which is charged with upgrading the IT infrastructure of the British Ministry of Defence. The results of the application of the HPP framework in such a complicated environment are evaluated and the HPP framework is finalized. The last section gives the practical implications of the research for management.

Developing the HPP framework

The value chain concept represents the organisation as a central unit in a network of links, with each link improving the value of the chain. Upstream links represent the organisation's suppliers and downstream links their customers. Management used to focus its attention on the individual functions within the value chain. However, to optimize the value chain organisations need an integrated approach to managing the chain. Value chain management is defined as the optimization of volumes and values by incorporating cross-functional management concepts and integrated decision making (Schulz et al., 2007). Managing the value chain provides management with specific knowledge to determine how to improve and increase the flow of supplies, products, services and information to the final point, the consumer. This knowledge should be acquired by collaborating with the other parties in the value chain. Effective collaboration includes more than the exchange of goods and services between the organisations. It also involves continuous improvement of production and distribution processes which requires coordinating joint activities with the partners, with adequate know-how in the organisation about the partners' processes and quality management. This in turn requires trust and skills in coordinating joint activities between all parties. Trust is needed because organisations will have to share valuable information on organisational and operational processes. Coordination skills are needed to effectively manage the process of joint continuous improvement. Integration and sustainability of partnerships have this become a necessary condition for successful supply chain management.

Fostering partnerships leads to multiple benefits throughout the value chain. Cost reductions and higher service levels may be expected when, across the value chain, co-ordination and integration of product and process decisions are improved. However, partnerships are costly in terms of time and effort. Therefore it is important to ensure that scarce resources are dedicated only to those relationships in the value chain that will truly benefit from a partnership and to those activities that improve the chances of partnership success. Organizations should in this respect focus on long-term operational integration. Operational integration is a form of cooperation where the business partners have aligned their production processes to acquire higher levels of efficiency. Also, to increase the effectiveness of a relationship prior experience in negotiating partnering arrangements is beneficial.

The terms 'inter-organisational partnership' and 'alliance' are often used interchangeably to describe a wide variety of relationships between organisations. Inter-organisational partnership refers to the collaboration of an organisation with partner organisations, which involves the exchange of products and/or services with the expectation to mutually benefit from this relationship. An inter-organisational partnership is characterized by shared goals, a common purpose, mutual respect, willingness to negotiate and cooperate, informed participation (an enriched knowledge gathering process, achieved by encouraging participants to consider multiple perspectives of a given issue, by learning from their peers), and information giving and shared decision making. To function efficiently the partners of a value chain have to collaborate effectively. The success of strategic partnerships is dependent on both the hard and soft side of relationship management. The hard side refers to the structural characteristics 'organisational design' and 'control'. Control could prevent value chain partners to strive solely for personal gain, instead of mutual benefits. Such behavior could cause conflict, and conflict should be avoided as it is found to hold back good performance. Therefore conflict also needs to be looked at. The soft side includes behavioral characteristics like trust, commitment coordination, interdependence and communication. The soft side also includes and the development and management of the socio-psychological (human) capital of the parties involved. Finally, to develop effective (international) collaboration it is necessary to create an organisational environment where diversity is both acknowledged and valued as each partner is different and will bring different traits to the table. Diversity can be both beneficial and disadvantageous for partnership performance and therefore also has to be discussed.

The above mentioned characteristics have all in common that they have significant influence on partnership performance. From this point on these characteristic will be referred to as HPP characteristics, which are defined as: HPP characteristics are characteristics that are related to high performance (partner) relations between organisations. In the next sections, each HPP characteristic is discussed in detail.

Organizational Design

Organizational design is the blue print of an organisation's authority and flow of communication and is considered to affect the behaviour of organisation members. The design of an organisation can be described by three different structural variables: formalization, centralization and complexity. Research suggests that higher formalization and higher centralization are key dimensions of inter-organisational relationships. In addition, a partnership should be structured based on the needs of both partners.

Control

In the context of the value chain, control is needed to prevent the display of undesired behaviour of the organisations involved. In case of the value chain, control crosses the legal boundaries of the organisation itself as it extends to all links of the organisation's value chain. Control is required to ensure the success of strategic alliances. It has three attributes: focus, extent, and mechanisms. The first attribute, focus, refers to the scope of activities over which one seeks to exercise control. The second attribute, extent, is the degree to which the organisation actually exercises control, in other words the reach of control which could be a particular process, or for example measurement based on individual or team sales levels. Mechanisms, in turn, refer to the means and organisational abilities to exercise control, for example reward systems and systems developed to track individual performance. There are two types of control: formal control and informal control. Formal control consists of high levels of output and process control, examples are formal contracts. The second type of control, informal control, includes the informal organisational cultures and systems influencing the collaboration and the behaviour of parties. Examples of informal control are the norms and values embedded in the organisational culture.

Trust

Trust refers to the expectation that a partner will not behave in an opportunistic manner and has the ability to reduce transaction costs by ensuring the true intentions (mutual or individual benefit) of the parties involved. Trust has received much attention in recent literature and has been found to be at the core of good management practices. For example, trust is mentioned to be a prerequisite for the development of high levels of communication needed to facilitate the sharing of knowledge. To foster learning, and continuous improvement, organisations should build a trusting relationship. One way to increase trust is by exploring mutual rather than individual benefit opportunities. The lack of trust would disable the institutionalization of knowledge transferring. There are two different kinds of trust: capability trust and goodwill trust. Capability trust (also referred to as competence trust) is described as the expectation the partner organisation has what it takes to perform a task satisfactorily. Goodwill trust (also referred to as intentional trust) refers to the willingness and sincerity of the intention to collaborate. It consists of the expectation the other party will act in favour of mutual gain, even when this conflicts with that organisation's individual interests. Both kinds of trust enhance the possibility of a successful partnership. Trust develops over time and the previous history between the partners is a determinant of the future direction of the relationship.

Commitment

Commitment in terms of organisational partnerships is generally defined as the interest in the relation and willingness to develop a long-term partnership. Valuing cooperation and being committed to share responsibility, risk, power and accountability is a necessity for a successful partnership relation. Commitment can be viewed from a formal (economical) or an informal (emotional) perspective. The formal aspect consists of the costs and formal means of maintaining the partnership. Partners could for example use a contract as a tangible expression of their commitment. This contract can partly be perceived as a symbol, or signal of their loyalty and trust towards the collaboration. Simple contracts based on mutuality, trust and commitment to the purpose of the partnership, are essential for partnership success. The informal aspect of commitment refers to the emotional and behavioral ties between the partners. An informal culture and interpersonal relations have been found to increase trust and commitment. There is a strong correlation between commitment and performance in strategic alliances. The level of commitment between partners in successful international strategic alliances is higher than in less successful partnerships.

Coordination

Coordination is the management of important organisational activities and the extent to which partners and their processes are mutually integrated to reduce uncertainties and improve the collaboration and performance. Coordination requires demonstrating effective leadership and management of information with external bodies. Organizations which create clear coordination structures to manage organisational change are the most successful in their supply chain partnership. In a trusting environment a contract may be used to improve coordination. In this context the contract would function as a statement of common goals. Such a contract focuses more on positive notes (how and what to achieve) and should be interpreted as a technical aid in managing the collaboration. Coordination is closely related to the factor interdependence (see next section), as coordination can be enhanced by balancing the level of autonomy within the relationship.

Interdependence

Interdependency is generally defined as the equality of dependence between the partners in terms of investments and resources, and the substitutability of the partnership itself. Interdependence should however not result in excessive formalization and monitoring of the relationship, as this is found to cause conflict and distrust. Collaborations where partners are equally dependent perform better and managers report higher levels of satisfaction, as partners share the same interest and decision power. Inequality between partners is one of the main contributors to partnership failure. So, to avoid inequality between partners, organisations should search for partners that are somewhat similar in terms of organisational characteristics and abilities. Partnerships that equally share power, risk, responsibility, and accountability have been found more successful than those that do not.

Communication

Without any form of communication (face-to-face, letters, e-mail, etc.) collaboration would not be possible. Increasing the quality of communication contributes highly to the success of an organisation and its partnerships. When organisations fail to communicate effectively within the value chain this could lead to conflict between the partners and within the organisation itself. Especially in the case of international strategic alliances,



communication is important, as cultural differences complicate cooperation, caused by differences in for example language (including body language), and expected behaviour. Continuous and effective communication is needed to bridge differences and add to the success of the partnership. In addition, communication influences partnership behaviour and the ability to respond quickly to changing customer needs as improving the lines and quality of communication shortens partner and market distance. Good communication entails three practices: high quality of information, effective information sharing, and high levels of participation. High quality information includes aspects as the accuracy, adequacy, credibility and timeliness of the information transmitted. High quality of information contributes to the partnership as it reduces misunderstandings, and thereby increases trust. In every part of an organisation information is created, gathered, and shared. Thus, the concept of information sharing refers to the extent of information that is exchanged between partners. Effective information sharing increases mutual organisational knowledge and the value of this knowledge to the firms in the value chain. Effective information sharing is associated with trust and commitment. Participation refers to the degree of involvement regarding support activities such as planning, decision making, and goal setting within a partnership. The need for participation increases when partners have the ability to influence one another's performance, and thereby its competitiveness. Clarity about roles and responsibilities are important aspects of participation, and together with joint decision-making and goal formulation they help an alliance to succeed. Implementing good communication practices strengthen the lines and means of communication amongst partners, which will help to settle conflicts of interest and contributes to maintaining effective management within partnerships.

Conflict

Several studies have identified a negative relationship between conflict and partnership performance. There are many causes of relationship conflict, including differences in culture, management style, and operational processes. Often these differences lead to misunderstandings and distrust, with the consequence of reduced cooperation and poor performance. Low levels of commitment, trust, or noise in communication (causing misunderstandings) can all be the cause of conflict. However, the concept of conflict is not solely related to poor partnerships and related poor performance. Joint problem solving of conflicts can enhance the success of a partnership. Managing the external environment together allows a mutually satisfactory solution to be developed. Partnerships that recognize the potential for conflicts and preventing these by developing joint solutions are found to be more successful. Solutions to conflict include: constant feedback and evaluation of performance and processes, a balance of power and systematic resolution of conflicts, because they lower the change of bias, and miscommunication. In the context of a partnership such solutions have to be implemented cooperatively to increase the efficiency of conflict resolution and understanding. So while conflict itself can have a negative influence on performance, the way partners interact to solve or prevent conflicts from happening can have a positive influence on partnership performance.

Diversity

Everywhere humans interact there is the possibility of miscommunication, caused by noise, or more personal differences like norms, values, and customs. Especially in a multicultural context differences can complicate the relationship. Such situations are for instance global organisations where managers from different nationalities need to work together. Here multicultural groups of managers need to work together effectively, either as enduring management teams or to resource specific projects to effectively manage key business issues. To develop effective (international) collaborations it is necessary to create an organisational environment where diversity is both acknowledged and valued. In such an organisation individuals develop cultural awareness and sensitivity to valuing differences. Diversity related problems can leave a permanent mark on overall performance. Therefore diversity management should not be about affirmative action, but about proactive behavior (preventing is better than dealing with the negative effects afterwards). Cross-cultural teams should be trained to recognize and respect cultural differences and use differences to create mutual advantages. Instead of blaming every problem or miscommunication to the concept of culture, it is about valuing and considering the additions to the main process of knowledge development and sharing, and to look to one's own capabilities and contribution to the whole. In this process one should be aware of the simultaneously positive and negative effects of a culturally diverse team.

Summary of the HPP characteristics

Most of the descriptions of the HPP characteristics are derived from the research by Kauser and Shaw (2004) as their measures were internally consistent and had significant explaining power. The draft HPP characteristics and their items are presented in Table 1.

HPP characteristics	Items
Control	<ul style="list-style-type: none"> - Positive rather than negative control systems are used to control performance - Contracts are based on the mutuality, trust, and commitment to the purpose of the partnership
Trust	<ul style="list-style-type: none"> - The partners do not take advantage of each other - Each partner can rely on the other partners - The relationship between partners is open and informal - There are strong interpersonal relationships between partners - Partners make real effort to keep promises - Work related problems are shared with the other partners - Partners are trusted to be supportive - Partners are trusted to be sincere - Partners are trusted to show loyalty - The relationships between partners is marked by a high degree of harmony
Commitment	<ul style="list-style-type: none"> - The partnership is needed to achieve strategic objectives - There is agreement over the goals / objectives of the partnership - Partners are obligated to sacrifice short-term interests in order to achieve long-term objectives - Partners are patient with other partner over mistakes - Partners are obligated to satisfy other partners' needs - Partners are obligated to overcome problems - Partners are obligated to help build the relationships in the partnership - The partnership is valued - Staying in the partnership is a desire of all partners - Staying in the partnership is a necessity - The partnership has a long term orientation
Coordination	<ul style="list-style-type: none"> - The partnership is characterized by teamwork - There is a high level of interaction between the partners - Partners keep each other informed about important decisions - Decision making is inclusive (i.e. all partners are involved) - Partners regularly exchange ideas with each other - Partners have created a clear coordination structure to manage organisational change
Interdependence	<ul style="list-style-type: none"> - Partners are equally dependent on each other - Power is shared equally among the partners - Partners share accountability - Partners share risk - Partners share responsibility - Partners are somewhat similar in organisational characteristics and abilities
Communication	<ul style="list-style-type: none"> - Communication between the partners is adequate, complete, credible, accurate, and timely - Partners keep each other informed about changes - Partners seek other partner's advice in decision making - Partners communicate about changing needs - Partners jointly participate in goal setting - Partners participate in planning activities - Partners share proprietary information - Partners participate in regular meetings
Conflict	<ul style="list-style-type: none"> - There is no distrust among partners - There are no personality conflicts among partners - There are no cultural misunderstandings among partners - There are no conflicting goals between partners - Integration with other partners is necessary for a solution - Problem management has an inclusive approach (i.e. all partners are involved)
Valuing Diversity	<ul style="list-style-type: none"> - Diversity among partners is managed proactively - Diversity among partners is perceived as an opportunity rather than something partners have to cope with - Employees of the partners are trained to recognize and respect cultural differences

Table 1: The draft HPP characteristics



The link between HPO and HPP

The HPO factors and HPP characteristics have a lot in common. The difference between the two sets is the contexts they relate to. The HPO factors focus mostly on the internal organisation and alignment of internal processes. In contrast, the HPP characteristics focus on successful partnerships, a more external focus. A close relation is obvious as the goals of the organisation should correspond with those of the partnership, and in order to have a high performance value chain the internal organisation should be internally consistent as well. Thus, the HPO factors and HPP characteristics are both cross- and inter-dependent. Table 2 presents an overview of the relations that exist between them.

HPO factors → HPP characteristics ↓	High Management Quality	Openness & Action Orientation	Long Term Orientation	Continuous Improvement	High Workforce Quality
Control				•	
Trust	•	•			
Commitment			•		
Coordination	•			•	
Interdependence			•	•	
Communication		•		•	
Conflict		•			
Valuing Diversity	•				•

Table 2: Relations between HPO factors and HPP characteristics

The HPO factor high management quality (HMQ) relates to the HPP characteristics trust, coordination, and valuing diversity. Trust, because in a HPO managers are credible, live with integrity, and treat people fairly, while holding them accountable for their results. In addition, management has trust in the work and capabilities of its employees. Coordination, as coordination is the management of important organisational activities and the extent to which partners and their processes are mutually integrated to reduce uncertainties and improve the collaboration and performance. Coordination requires demonstrating effective leadership. Valuing diversity is related to both the HPO factors high management quality and high quality workforce (HQW), which in this context are closely related. An HPO recruits a diverse and complementary team and inspires its organisational members to accomplish extraordinary results where possible.

The HPP characteristics trust, communication, and conflict are all related to the HPO factor openness and action orientation (OAO). As mistakes are allowed and seen as an opportunity to learn, the latter factor stresses the value of learning by doing. An HPO fosters the level of knowledge and participation by stimulating an open culture where proactive behavior is encouraged. A high level of participation within the organisation and partnership stimulates the effective sharing of information. The level of participation is directly related to the level of trust the organisation has in its employees and partners. Trusting that their partners have what it takes to execute their tasks successfully, and that these partners are committed to the interests of the partnership, rather than solely their own gain. Having an open culture, fostering knowledge, and stimulating the effective sharing of information all are directly related to the way communication is installed, as communication is the enabler and regulator of such processes. Conflict can lead to misunderstandings and distrust, with the consequence of reduced cooperation and poor performance. Therefore the way conflicts are handled and prevented is directly related to the HPO factor OAO.

The HPO factor long term orientation (LTO) constitutes having a long term commitment. This commitment involves all stakeholders across the value chain, thereby it corresponds with the HPP characteristic commitment. An HPO is committed on managing the supply chain and the value chain as well as the internal organisation. To create a successful partnership the interests and goals of the organisation should be in line with those of the partnership. Another HPP characteristic that relates to LTO is interdependence. In addition to the alignment of goals, equality extends further than organisation goals, it is in the favor of the partnership to have a similar amount of power and resource dependency. This helps to ensure both organisations will act in the favor of the partnership.

The HPO factor continues improvement (CI) is related to the HPP characteristics control, coordination, interdependence, and communication. The HPO factor CI mentions that a high performing organisation knows its markets and is able to quickly respond to market changes. Therefore the organisation needs to be flexible and most conscious about their core competences. To have reliable information on market demand and performance levels both secure communication and control systems need to be in place. Control is not just a monitoring tool, but also as a tool to influence the processes and outcomes of partner organisations with as goal improvement of performance. In the case of inter-organisational collaboration, control is mentioned to motivate the involved parties to achieve the desired outcomes. In the same context frequent communications would foster growth. Additionally, when striving for continuous improvement, the organisation should have an overview of the whole organisation and processes, including their relations to discover how performance can be improved. And as equally dependent partnerships are found to increase overall satisfaction within the organisation and enhance performance, both the internal and external organisation should be considered when deciding on change. Here, in addition to interdependence, coordination has an essential role. Coordination is described as the management of important organisational activities and as the extent to which partners and their processes are mutually integrated to reduce uncertainties and improve collaboration and performance.

In order to test the HPP characteristics and their relation with the HPO factors, practical research was performed at ATLAS, a consortium of five IT companies. In the next chapter the case study of ATLAS is presented.

HPP research at ATLAS

Interviews were conducted at the ATLAS Consortium, Reading, during two days in September 2009. In total four interviews were held. Each of the interviewees worked within a different part of ATLAS, so partnership performance of the consortium was viewed from different aspects. The teams to be interviewed were chosen in advance by ATLAS, who was informed to pick a high and a lower performing team consisting of employees from the different partners. ATLAS decided to choose a newly established team that was lead differently from the rest of ATLAS and was found to outperform other ATLAS teams (of which three were chosen for the interviews). The goal of the interviews was to identify the items of the HPP framework that caused the newly established team to achieve a higher performance and the other teams to have lower performance. In the next sections the information of the interviews is presented per HPP characteristic.

Control

Overall the control within ATLAS is formal. The teams are all focused on delivering on the contract, and those delivery targets are all formally set. This implies that when a team cannot deliver in time, the team is held responsible. Because the teams are controlled mainly based on their deliverables, they do not easily free up time to help out other teams, which may have a negative influence on overall performance. The participants recognize that because the contracts are set up in a very factual way, this could potentially hinder flexibility and trust. This type of control is not in line with the HPP characteristics that states that positive rather than negative control systems are used to control performance.

Where the consortium is mainly formally controlled, the newly formed team focuses more on informal and social control. An example is trust. The leaders of this team started off clearly saying “we need trust in the team in order to succeed”. In practice, if someone does not communicate openly, they are spoken to about this and as a result several people have been removed from the team. Although this kind of social control could be perceived as negative, it is in fact the opposite. The level of trust is not contractually bound. It is informally embedded in the culture instilled by the leadership team. The preferred types of behavior are pro-actively communicated and managed by the leaders. And it is also the way that they have removed the individuals from the team. This has been done in a respectful way. They have helped these employees find other positions, and were happy to have an open and honest dialog about the reasons them being excluded from that team.

Trust

When asked which factors would be important to have a successful partnership all interviewees mentioned trust. However, there is the issue of competitive and commercial interests which always play a role in a partnership.



People are not open and honest to the point where they can share all their data. The fact that costs and impact analyses may not be seen by other partners results in ineffective workarounds. Take for example the process of a change request. Another issue is that the organisation often does not act on issues raised. The partners do perceive each other as loyal and supportive, but this seems to be related to the contract and the necessity to deliver on the DII project.

The newly established team differs a lot in terms of trust. From the start it wanted to move away from the culture instilled within ATLAS. It created a space for people to have open and honest dialog. Another aspect of this team, that seems to relate to trust, is teamwork. Working together as a team increased the trust people have in each other. The dependability and sharing of responsibilities increased the perceived accountability of the team members involved. And that also extends to the way team members work with the customer. All meetings are held in an open and honest way. Everyone is put in a room to discuss matters, without any preparations and meetings prior to what was going to be discussed. In addition people trust that when something is highlighted as an issue, action is taken, it is communicated, and it gets delivered. There is care and commitment to get things done.

Commitment

Within ATLAS, staying in the partnership is considered a necessity, which originated from commercial necessity as none of the partners would be able to deliver on the contract by itself. But since the partnership was established, commercial necessity developed into a mutual desire to be part of the partnership. An example of the necessity and desire is that, when EDS was bought by HP, the other partners had a chance to break the contract, but they did not because they had faith in HP's capabilities and they needed this partner.

Overall the interviewees consider the people within ATLAS to be committed to a common goal. However, on the work floor the level of commitment seems to vary. It was mentioned that some of the teams are there clearly for themselves: they want to always deliver, even sometimes at the cost of the needs of other teams. Also the scarcity of time and high work pressures were often mentioned as an obstacle in helping other teams solving their issues. In the case of the well-performing team no issues concerning commitment were mentioned. Commitment is highly valued and requested of the employees in the team. Social control helps ensure that the right people are doing the right job. Sharing responsibilities makes employees more involved and committed to the common goal.

Coordination

Within ATLAS processes are continuously being streamlined but there is no sense of commonality. Therefore, having a common infrastructure, in which people can actually check information without having to rely on corporate systems and their restrictions, is one of the strongest desires of the interviewees. One common infrastructure would solve the need to work around all the different systems of the partners. This would also help people who join the consortium actually becoming an Atlas person soon, as opposed to keeping their corporate identity. The interviewees would like to have one Atlas id badge, one Atlas email address, and one Atlas HR system that they can make use of: one corporate identity they can familiarize with. In addition, the bureaucracy has to be dealt with according to the interviewees. Decision making is done in a cooperative manner but is also inefficient because a change has to be verified by a lot of parties before it is ready to be implemented. The leaders of the newly established team managed to implement some workarounds, although these are still not ideal. However, the issue is more about the teams' drive to innovate to make the overall process more efficient.

Interdependence

In terms of responsibility, for each of the partners it is clearly defined what they are responsible for to deliver. HP is the prime contractor and the other partners are sub-contractors. ATLAS considers itself a partnership, but in fact it has more in common with a contractual relationship. Power is not shared equally. There are certain functions and roles that are divided between the partners, regulated by the contract, but HP is more represented in the top levels than the other partners. The interviewees do not see this as a problem, as they see leadership to move forward as a necessity. However, in terms of dependability the partners are not equally represented, which could negatively affect the involvement and goodwill of the organisations involved.

Communication

Overall the interviewees share the opinion that ATLAS needs better ways for people to interact. Some feel that the geographical distance between the ATLAS locations is the problem. In any case, people use email instead

of face-to-face communication, so they feel they cannot be as open and honest as they want to be. In addition, the number of mails that people receive daily is too much, ineffective and annoying. According to one of the interviewees the solution to improve communications is having more meet-and-greets. However, interpersonal contact is already valued and encouraged by management. The problem seems more associated with the fact that employees report they cannot free up time to act on it and to interact

Another issue is that people do not communicate enough what goes well. People are thinking more about their process and work problems than what they have accomplished. It was even mentioned that some successes were completely forgotten. There is a 'lessons learned' exercise, and one of the major lessons learned is act upon the lessons learned, but this in actual fact does not happen enough. Therefore recently some teams started working in a more collaborative approach which they call 'viral communication'. This entails successes and efficient workarounds to be communicated to the next team in the chain, to share the lessons learned and increase overall efficiency.

The well-performing team has strong communications. For example, there's a weekly broadcast communication, from the leaders to the team, which always starts off with one of the leaders telling a joke. The latter was perceived to add a feel of openness to the session. In addition the leaders have personal meetings with the lower levels. During these meetings the leaders communicate what they think is important to that team, and then get feedback. There is a constant flow of information. The fact that the team is located on one location seems to work to its advantage.

Conflict

Many problem areas are being worked on but there is no overall problem director, every program manages its own problems. It would be better to do this centrally, with more teams involved simultaneously to solve issue, but no one seems to have time to spare. The respondents also mentioned that it can be quite difficult to raise an issue and see that it is actually acted upon. In addition, problem management often results in a need for change, which commercially can be very hard and difficult to achieve. It therefore keeps getting delayed. On the operational level, people try to work problems out themselves instead of revering to a set process.

The well-performing team has done a lot to prevent conflict. For example, regarding the change processes, they have taken finance out of equation because when money comes in there is naturally going to be lots of debate and delay. So the team purposely looks away from the finances, and says: "Let us first talk about efforts, because that is what we want to agree, and then about money".

Valuing diversity

According to one of the respondents, ATLAS was confronted with a lot of diversity from the start and as a result people could not even agree on the most simple things. But since then ATLAS has come a long way and people start to consider themselves to be as from Atlas instead of from one of the partners. None of the interviewees notices any differences between the employees in terms of work relations and habits anyway. Whether someone is from HP, Fujitsu, Logica, EADS, or General Dynamics, does not matter on the work floor.

Discussion of the HPP research results

The HPP analysis clearly shows that the well-performing team differs on many aspects from the way the rest of the consortium's teams are lead. When matching this team with the HPP characteristic, it is conspicuous that the new team exceeds other ATLAS' teams in factors like control, trust, coordination, communication, and conflict. Based on the HPP framework the well-performing team is expected to have higher performance and indeed this particular team outperforms the other ATLAS teams. Based on this finding it cannot be concluded that the HPP factors are the sole factors related to high performance partnerships. However, it can be stated with some certainty that the well-performing team has the most in common with the HPP characteristics. This implies that the HPP framework has the potential to provide organisations with a guideline how to achieve high performance in a partnership.

A few of the factors brought forward as being important for the success of the partnership during the interviews could not be directed to one of the HPP characteristics. One of these factors is how the issues raised by employees are handled. The characteristic 'trust' does mention that in a high performance partnership, work related problems are shared with the partners, and that the partner is trusted to be supportive. In addition the characteristic 'conflict' implies that problem management follows an inclusive approach. And the characteristic 'communication' mentions that the partners should communicate about changing needs. However, none of these factors seems to capture the fact that issues raised should be taken seriously and have a follow-up. In accordance with the interviews the latter is believed to increase trust and commitment, as people feel they are valued. Something that is not clearly stated by the HPP characteristics is the role of leadership. The success of the partnership is dependent on how the leaders manage the relation. Therefore, the HPO factor Quality of Management seems to be also important for the management of the HPP. Another influence is the location. Several interviewees mentioned the importance of being able to have face-to-face communication. The HPP characteristic 'trust' does mention that there should be strong interpersonal relationships between the partners, and the characteristic 'coordination' indicates that there should be a high level of interaction between the partners. However, the importance of actual face-to-face communication of teams and individuals, and perceived distance, which could potentially harm the openness and honesty, and thereby the adequacy, completeness, credibility, and accuracy of information, remains untouched by the current HPP characteristics and should be added to the set of HPP characteristics. This gives the final set of HPP characteristics (Table 3).

HPP characteristics	Items
Control	<ul style="list-style-type: none"> - Positive rather than negative control systems are used to control performance - Contracts are based on the mutuality, trust, and commitment to the purpose of the partnership
Trust	<ul style="list-style-type: none"> - Partners do not take advantage of each other - Each partner can rely on the other partners - The relationship between partners is open and informal - There are strong interpersonal relationships between partners - Partners make real effort to keep promises - Work related problems are shared with the other partners - Partners are trusted to be supportive - Partners are trusted to be sincere - Partners are trusted to show loyalty - The relationships between partners is marked by a high degree of harmony - Issues between partners are taken seriously and have a clear follow-up.
Commitment	<ul style="list-style-type: none"> - The partnership is needed to achieve strategic objectives - There is agreement over the goals / objectives of the partnership - Partners are obligated to sacrifice short-term interests in order to achieve long-term objectives - Partners are patient with other partner over mistakes - Partners are obligated to satisfy other partners' needs - Partners are obligated to overcome problems - Partners are obligated to help build the relationships in the partnership - The partnership is valued - Staying in the partnership is a desire of all partners - Staying in the partnership is a necessity - The partnership has a long term orientation
Coordination	<ul style="list-style-type: none"> - The partnership is characterized by teamwork - There is a high level of interaction between the partners - Partners keep each other informed about important decisions - Decision making is inclusive (i.e. all partners are involved) - Partners regularly exchange ideas with each other - Partners have created a clear coordination structure to manage organisational change

Interdependence	<ul style="list-style-type: none"> - Partners are equally dependent on each other - Power is shared equally among the partners - Partners share accountability - Partners share risk - Partners share responsibility - Partners are somewhat similar in organisational characteristics and abilities
Communication	<ul style="list-style-type: none"> - Communication between the partners is adequate, complete, credible, accurate, and timely - Partners keep each other informed about changes - Partners seek other partner's advice in decision making - Partners communicate about changing needs - Partners jointly participate in goal setting - Partners participate in planning activities - Partners share proprietary information - Partners participate in regular meetings
Conflict	<ul style="list-style-type: none"> - There is no distrust among partners - There are no personality conflicts among partners - There are no cultural misunderstandings among partners - There are no conflicting goals between partners - Integration with other partners is necessary for a solution - Problem management has an inclusive approach (i.e. all partners are involved)
Valuing Diversity	<ul style="list-style-type: none"> - Diversity among partners is managed proactively - Diversity among partners is perceived as an opportunity rather than something partners have to cope with - Employees of the partners are trained to recognize and respect cultural differences
Location	<ul style="list-style-type: none"> - Employees of the partners have regular face-to-face communication - Partners are located on the same premises (or close by) - Employees of the partners regularly visit the premises of other partners
Management quality	<ul style="list-style-type: none"> - Management of the partners proactively manage the partnership - Management of the partners effectively manage the partnership - Management of the partners is focused on achieving the goals of the partnership

Table 3: The final HPP characteristics



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