Creating and sustaining the high performance organization

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Keywords

Performance, Organizational culture, Effectiveness, Quality

Abstract

The ability of an organization to sustain the delivery of quality products and services is essential to its long-term success. We believe that this ability is a learnable organizational competence. The systematic study of the organization's ability to develop and sustain a culture capable of delivering quality products and services over time enables us to identify and understand the general requirements for doing so and provides insight into how to do it. In this paper we will share what we have learned about developing and sustaining an organizational culture that is capable of high performance. We start with a brief discussion of the concept of culture. We then present a model of how to manage the organization toward sustainable high performance and conclude with a discussion of some practical steps you can take to improve your own organization's performance.

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Managing Service Quality
Volume 11 · Number 1 · 2001 · pp. 10–21
 · ISSN 0960-4529

Introduction

The ability of an organization to sustain the delivery of quality products and services is essential to its long-term success. We believe this ability is a learnable organizational competence. If the capacity to sustain high performance is a learnable competence, why do many organizations fail to do so? We have observed three major deterrents to sustaining high performance:

(1) Often the senior leadership of an organization has an inaccurate understanding of the marketplace in which the organization must compete. When this is the case, it almost inevitably leads to vision, mission and strategy that are inappropriate. Often, even when leadership does have an accurate understanding of the market, they may fail to translate the organization's vision, mission and values into the strategies and processes that will enable them to compete successfully. As a result the organization's culture, systems, and infrastructures may not be adequately aligned with the realities of the marketplace.
(2) Often the behaviors required to successfully implement the business strategy are out of alignment with customer and marketplace requirements. This can be true for leadership or employee behaviors. For example, leaders often succeed by exercising unilateral control of decision making. Such behavior is typically at variance with the behaviors required to create sustainable high performance, which must focus on empowerment, responsiveness, and accountability at the lowest levels possible.
(3) Organization systems and process often fail to support the organization vision and strategy. As a result, organizations focus on, and measure, the wrong things. For example, the performance management system may rely on general measures that communicate little information, and thus it may not recognize or hold people accountable for the specific behaviors required to respond to customer needs.

Responsiveness to the marketplace, leadership and employee behaviors, and systems and infrastructure design and deployment serve to create the organization's culture, the set of shared beliefs and experiences that define the identity of an organization and serve to guide its behavior. Culture evolves over time and serves to guide the perception of what is important (value), what is possible (opportunity), and what is real (reality). This set of beliefs comes to be expressed through the routines that become normative in the organization and reinforced through the rewards and punishments meted out by the organization. One belief that impedes sustainable high performance is that hard measures of performance are adequate; however, this belief is contrary to sustainable high performance because it is the soft stuff of culture which, in reality, drives the hard measures upward.

In this paper we will share the results of our studies of the determinants of an organization's ability to develop and sustain a culture capable of delivering quality products and services over time. Such studies have enabled us to identify and understand the general requirements for sustaining high performance and provide insight into how to do it.

We start with a brief discussion of the concept of culture, which is followed by a model of how to manage the organization toward sustainable high performance. The paper concludes with a discussion of some practical steps you can take to improve your own organization's performance.

The keys to creating sustainable high performance

The five success factors

The sustainable high performance organization is one that is able to:

- remain responsive to marketplace expectations; and
- sustain the behaviors required to meet marketplace expectations.

Organizations go into business to create long-term performance and values. So, a sustainable organization is one that thrives over the long haul, not just the short haul. This does not mean that it is a static organization, rather it implies that it is an organization that is much like a highly adaptive organism, one that beats the evolutionary odds and survives through adaptation.

This concept is not theoretical, rather it grew out of attempts to help clients develop and sustain high performance. We found the same set of variables emerged time and again as the drivers of sustainable performance.

If you, as a manager, wish to increase the odds that your organization's performance is sustainable, what do you do? What are the factors that will ensure your success? There is a set of core elements that drive the organization's ability to maintain high performance. Success is determined by bringing about the alignment of these core elements, as illustrated in the model shown in Figure 1. The model shows that the organization's ability to provide quality products and services and create value is determined by bringing about the alignment of five key factors:

(1) Senior leaders' perception of the marketplace.
(2) A shared vision, mission, values, and strategies which are aligned with the realities of the marketplace.
(3) Leadership practices that are congruent with the vision, mission, values, and strategies.
(4) Infrastructures which support and reinforce the vision, mission, values, and strategies.
(5) Employee behaviors that meet customer needs.

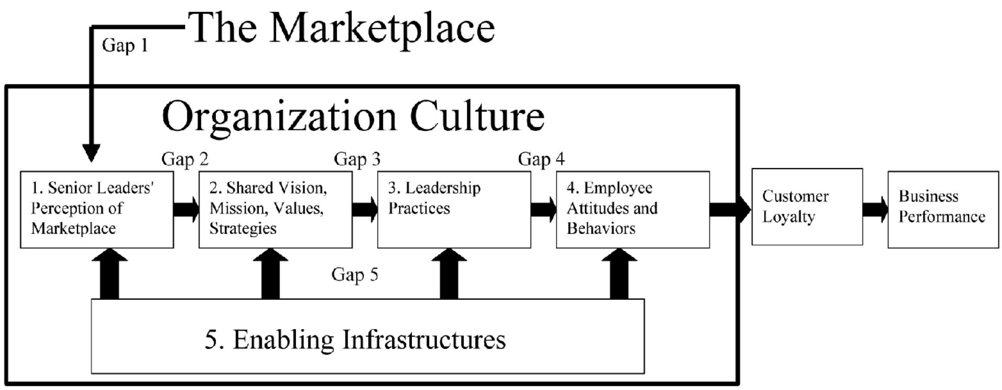
Further, the model indicates that there is a cause and effect relationship among these factors, that is, when the factors are aligned, business performance will improve measurably. These relationships can be managed by creating and sustaining the alignment of five key success factors.

1. Senior leaders' perception of the marketplace

Organizations produce sustainable performance as long as senior leaders understand and effectively respond to their market. Markets change over time due to factors such as competition, technological change, and the economic environment. Successful organizations are able to anticipate and adapt to these changes.

When organizations offer products and services that meet market needs in terms of reliability, quality, and customer service, at a price that is considered reasonable and, with payment terms that are affordable, they are likely to establish customers who are loyal and committed to the organization.

Figure 1 Sustainable high performance culture model



To excel, organizational structures, processes, and behavioral patterns must be continually and totally aligned with the type of market the organization is designed to serve. Who are your prospects and customers? What do they want? At what level of service will they be more than satisfied? What kind of organization do we need to create in order to acquire and retain profitable customers? These are the kinds of questions leaders must be able to correctly answer.

2. A shared vision, mission, values, and strategies which are aligned with the marketplace

To build a high performing organization requires the organization to create structures and develop processes aligned with the requirements of the market the organization is striving to capture. The organization's vision, mission, values, and strategies are the foundations on which these structures and processes are built. Many messages are implicit in the vision, mission, values, and strategy statements. They tell people what is important, what counts in the organization, what gets rewarded, and what gets punished. Most importantly, they tell decision makers from the top to the bottom of the organization what they are expected to produce and what is acceptable in doing so.

It is easy to trivialize the concepts of vision and values, but research by Baum *et al.* (1998) has shown that the way in which the vision and values of the organization are framed and communicated impacts the bottom line. Companies' vision statements that were specific, targeted toward a specific strategic intent (e.g. to be the number one maker of fine custom cabinets), and emphasized growth and learning, outperformed (in terms of market share, return on investment, and perceived market value) those whose visions were less carefully crafted and communicated.

3. Leadership practices that are congruent with the vision, mission, values, and strategies

The term "leadership practice" describes what managers, from the very top to the very bottom of the organization, do. Every moment of every day, managers are making decisions and solving problems to meet goals. Our studies of sustainable performance have consistently shown that in high performing cultures, effective managers, through their behaviors:

- ensure clear expectations;
- promote belonging;
- foster employee involvement in decision making and problem solving;
- place an emphasis on and reinforce the importance of quality;
- promote a consistent focus on meeting customer needs and requirements;
- encourage and reward learning and skill development.

If the vision, mission, values, and strategies of an organization describe what the organization aspires to be, then leadership practices describe what the organization actually is. In a recent study of the "drivers" of profit growth, the behavior of immediate supervisors was the most powerful determinant of employee engagement, productivity, and customer satisfaction and loyalty (Buckingham and Coffman, 1999).

4. Enabling infrastructures which support and reinforce the vision, mission, values, and strategies

Enabling infrastructures are the systems which select, develop, recognize, reward, terminate, and protect people, as well as the technical and operational sub-systems which enable employees to produce the products and services customers desire. The infrastructures serve to keep culture, climate, and tasks fully aligned and working toward the set of organizational goals.

Some examples of infrastructures are:
- goal-setting system;
- the measurement systems;
- the performance management system;
- the leadership evaluation system;
- the rewards and recognition system.

By measurement systems, we refer to all those elements of the organization that are deployed to provide data to employees that tell them what they are aiming at and how close they are to hitting the target. Some examples of measurement systems are:
- Systems to tell you who your best customer prospects are, to monitor the cost-effectiveness of your marketing efforts, to assess customer loyalty, and to help you identify and deal with barriers to sales growth.
- Systems to monitor how direct managers are behaving and to provide them feedback.

5. Employee behaviors that meet customer needs
Sustainable high performance is possible only when you have the right people in the right roles with the right manager. To ensure that you have the right people in the right jobs you must first identify the strengths of the individual employee. Second, you must position the individual in a role that capitalizes on these strengths, and third, you must engage the employee such that they are actively using their talents. When organizations do this successfully, employees exhibit:
- competence;
- cost-effectiveness;
- commitment;
- congruence with the organization's core values;
- desire to serve customers.

These are the behaviors required to maintain sustainable performance because they enable employees to respond to the ever-changing world of customer needs and expectations. Now let us examine the gaps that sometimes prevent organizations from attaining sustainable high performance.

The five performance gaps
Often there is a gap between what is and what needs to be with respect to the five performance factors. For example, the available infrastructures may not be responsive to employees' needs for information; leaders may exhibit behaviors that are inconsistent with high performance and the values of the company.

Whatever the cause, when there is a gap in practice, the result is a reduction in the organization's capacity for sustainable high performance. Next we will discuss the causes of such gaps and suggest methods for identifying and eliminating them.

Gap 1. Marketplace and senior leaders' perception of the marketplace
Causes. One thing that differentiates companies is their ability to sustain performance over time. It is one thing to create strategy, it is another thing to continually modify and execute it effectively. An excellent example of this is now occurring in the utility industry. The leadership in many electric utilities had been convinced that the slight increase in rates that would be required to add renewable resources would eliminate customer demand for these resources. However, many managers in a client organization believed customers might be willing to accept such increases and extensive customer research validated this position. In this example, senior leaders failed or refused to listen to the marketplace as it demanded that more of its energy needs be met from renewable energy sources. The list below shows some causes for gap 1 we have observed in our work:
- Leadership has not successfully assessed marketplace expectations.
- The organization does not know who its real customers are, nor what they require to be satisfied and loyal.
- Customers' preferences have changed, but leadership fails to understand this.
- The processes for aligning the organization's strategies, processes and people are ineffective.
- Leaders lack confidence in the available market research.
- Pressure from short-term financial markets influences leaders to adopt short-term solutions.

Closing gap 1. Challenge: create processes that enable you to stay on the leading edge of emerging trends in customers' needs and buying preferences by providing product and service offerings that will be successful.

In our experience there are three strategies that produce results:

(1) *Evaluating customer loyalty.* Customers are one of the most important assets of any business because they provide two economic advantages. Repeat sales to current customers cost much less than acquiring new customers, so they are more profitable. Loyal customers can provide a dependable revenue stream, providing financial stability that the organization can build on to grow.

Many companies attempt to get input from customers. Some do this simply by having a method of recording complaints. However, from years of research we know that 90 percent of customers who are dissatisfied will not tell you. Other companies have a formal process of measuring customer satisfaction. But customer satisfaction is not the same thing as customer loyalty. In many cases customers who claim to be generally satisfied are all too willing to go to a competitor.

What you need to seek are tools that not only assess the level of satisfaction and loyalty but also provide information about what the organization can do to create more loyal customers. Asking the right questions is important in continually monitoring how well the company is meeting customer needs. Focusing on the wrong questions can lead to disaster.

Several years ago we did a study for a company that manufactured video boards for personal computers. This company was focussing on quality. Our study established that newer technologies, already on the market, were rendering the product obsolete. This company had the right idea about monitoring the market but was asking the wrong questions; as a result it failed and closed its doors.

(2) *Evaluating the marketplace.* Markets are made up of individual buyers. This is stating the obvious, but it leads to all sorts of implications that are not so obvious. Because markets are made up of individual buyers we must assign relative importance to individual preferences such as price, quality, reliability, level of service, technical innovation, marketing channels, and availability.

We can only treat individuals as a single entity if we can group them into homogeneous segments based on common preferences. For example, individuals might be grouped into "risk takers" and "risk avoiders". If you are selling a new technology, "risk avoiders" might focus on potential problems, while "risk takers" might relish the benefits.

Since we cannot profitably be all things to all people, our mission is to identify and quantify market segments whose preference patterns we can most profitably match. We occasionally read of some genius who is wildly successful because he had a clear vision of a market and took advantage of it. Since we cannot all be geniuses, we must look for a methodology to obtain a vision of our potential market with enough confidence that we are willing to bet our company on it.

(3) *Seeking informed opinions.* Survey research can provide this vision and, with the use of statistical sampling, can provide objective confidence levels that the findings truly reflect the market. But useful research is not just about surveys and statistics. It is also about asking the right questions, the ones whose answers will allow us to set strategies and direct action. For example, we used a technique called Deliberative Polling® to enable executives at a company to observe and interact with customers. This technique is designed to elicit informed opinions from stakeholder groups, including customers. By enabling this direct interaction, decision makers are able to understand two facts they had overlooked through more traditional forms of research: customers wanted energy from renewable resources; and they were willing to pay for the difference in cost.

Gap 2. Senior leaders' perception of the marketplace and the organization's vision, mission, values, and strategies

Causes. Once leaders understand the marketplace, they must be able to shape and deploy a vision, mission, strategies and values that effectively encapsulate and communicate what needs to be done in order to attain high performance. This involves not only shaping the vision, but also creating a sense of urgency about what must be done to attain it, creating

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a dedicated leadership who believe in it, mobilizing commitment, and institutionalizing it. Proper alignment of the vision, mission, values, strategies, structures, and processes is crucial to sustainable high performance.

Even so, there is often a gap between the nature of the marketplace and the vision and strategies of the organization. As a consequence, critical decisions about structure, processes and people are based on invalid criteria. Some symptoms of this gap are shown below:

- Processes are ill-matched for the kinds of things the customers want.
- There is a lack of understanding of customers' needs and desires.
- People are rewarded for the wrong kinds of behaviors.
- The vision does not reflect the realities of the marketplace.
- Customers' needs have changed.
- Corporate vision is ill-matched to requirements of the marketplace.
- Leaders' true values are incongruent with the customers' needs.

Closing gap 2. Challenge: the challenge confronting leaders at all levels of the organization is to use valid information from the marketplace, translate it into sound strategy and ensure that the organization is continually aligned with the strategy.

What can you as a manager do to ensure that your organization has functionally aligned a shared vision and business strategy? The first order of business is to develop a sound vision and mission of the kind of organization you want, while the second task is to manage the vision deployment process.

Shaping the vision and mission. There are two aspects to shaping a vision:

(1) design; and
(2) communication.

In terms of design, a recent study by Baum *et al.* (1998) showed that visions communicated by the CEO with the following attributes were associated with venture growth:

- brevity;
- clarity;
- entrepreneurial challenge;
- future orientation;
- stability;
- ability to inspire;
- abstractness.

Managing the deployment process. Once the vision and strategy have been shaped, the problem shifts from design to deployment. In their book, *Change at Work*, Mink *et al.* (1993) discuss the process of planned change as moving through phases:

- creating the need and readiness for change;
- mobilizing widespread commitment for change by explaining the desired future in terms of the present state of the organization;
- shaping and communicating the vision and change strategy;
- developing a leadership cadre to manage the deployment process;
- institutionalizing the change by developing enabling infrastructures;
- measuring and monitoring progress toward full deployment;
- making it last by rewarding and recognizing successes and correcting failures.

Gap 3. The vision, mission, values, and strategies and direct leadership practices

Causes. Sometimes, a gap exists between the messages of the vision, mission, values, and strategies and how leaders lead and managers manage. Thus, quality may be a core value, but managers ship defective products; treating people fairly may be a stated value but a manager promotes his favorite, but less skilled, subordinate, etc. This situation is damaging in two ways. First, leadership is not adhering to its own blueprint of what it wants to achieve. Second, this situation is also demoralizing for employees.

One client of ours invested a lot of money implementing a new training process for developing direct managers. The program focused on developing a core set of leadership skills that were thought to be important to driving change. Every individual who supervised others went through the training program.

We were called in to evaluate the business impact of this extensive and expensive program. We found that the training program seemed to work for some managers but not for others. What we found was that the performance of teams led by managers whose behavior was congruent with the values and strategies of the company was significantly higher than the performance of those teams whose managers did not really believe in the values and strategies of the company. This difference translated to hundreds of thousands of dollars in revenue gained and/or lost, depending on how you look at it. The list below shows some of the typical symptoms and causes of the gap between vision, mission, and strategy and direct leadership practices:

- The vision, mission, values and strategies have been poorly communicated and deployed.
- There is a mismatch between the stated values and the actual values of the organization.
- Low level of leadership support.
- Poor role modeling.
- Lack of accountability.
- Lack of an effective measurement system that provides real time data regarding leadership behavior.

Closing gap 3. Challenge: the challenge is to identify the core leadership behaviors that actually operationalize core attitudes, values, and drivers of organizational performance, provide direct leaders regular feedback about their behavior, provide them opportunities for learning and development, and hold them accountable for their actions.

Defining quality leadership. Ensuring that leaders from the top to the bottom of the organization act consistently with the vision is basically a process of defining the key indicators of leadership effectiveness in your organization. Many organizations think that leadership capacity is defined by a set of attributes or traits, which if possessed produce an effective leader. Our studies have shown that this is an over-simplification. Effective leadership is an outcome of the interaction between attributes and the ability to achieve results.

Simply put, there is not a single model of leadership that applies to all organizations, rather, each organization must identify those behaviors required to drive the employee actions that produce value for, and loyalty from, customers.

Operationalizing your leadership process. One way to define the leadership practices that are the key effectiveness indicators for your organization's leaders is to define empirically the set of leadership practices that drive team performance. For example, in a study for a high technology company, we found that in the context of the organization's vision, mission, values, and strategies, there was a core set of leadership practices that were significantly and consistently correlated with team performance. Included in this set of behaviors were:

- modeling the values;
- making data available to the team;
- giving timely corrective and confirmatory feedback;
- removing obstacles to team performance;
- demonstrating a willingness to empower;
- focusing on learning;
- focusing on customers;
- focusing on quality;
- being willing to hold himself/herself accountable for team results.

These values, attitudes, and behaviors were made operative by developing and implementing a feedback system which enabled subordinates to evaluate their manager two to three times a year on these behaviors. When leaders were then provided ongoing and actionable feedback about their practices, provided opportunities to develop these behaviors, and were held accountable for them, both team and organizational performance improved substantially.

Gap 4. Leadership practices and employee behaviors that meet customer needs

Causes. To meet customer needs, employees must have the skills, capacity, resources (including information), incentive, and opportunity to do so. In other words, employees must be involved both technically and psychologically to be able to respond to customers' needs.

Direct managers can either enable or inhibit this level of involvement through their actions. When those in leadership roles do not act in a manner that is congruent with sustainable high performance, they may (inadvertently on occasion, deliberately on others) compromise quality in order to attain a production quota, ask for but then fail to listen to employee opinions, discount the organization's vision and mission, engage in double talk about the mission, or fail to fully engage employees in the process of meeting customers' needs.

Whatever the exact cause, ineffective leadership practices produce a significant performance gap between those practices and the kinds of employee behaviors required to meet and exceed customer expectations. The list below summarizes the potential causes of this gap:

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- selection process does not screen out those who lack the skill to supervise;
- leaders are rewarded for factors unrelated to actual goals of the organization;
- the feedback and measurement system does not provide leaders valid data;
- leaders are unclear about what is really expected of them;
- leaders are not held accountable for their behavior and/or team performance;
- leaders do not take the time to communicate with employees.

Closing gap 4. Challenge: the challenge is to create friendly, yet highly usable, infrastructures that enable employees to align their day-to-day activities with core business strategies and to focus performance improvement efforts on activities that produce value.

Aligning individual and team performance with the organization's vision, values, and strategies. Many managers wrestle with how to align individual and team performance with the organization's core strategies. One way is to create a performance management framework that links the organization's core business strategies with day-to-day operations. This is often referred to as a "results scorecard". The results scorecard consists of a set of performance metrics that provide a balanced view of the organization based on four perspectives:

(1) The financial perspective (consists of traditional financial measures such as revenue growth, return on investment).
(2) The customer perspective (consists of measures of importance to customers such as cost, timeliness, quality, performance, service).
(3) The internal business process perspective (effectiveness of processes used to meet customer needs).
(4) The learning and innovation perspective (consists of measures of the organization's ability to adapt and innovate).

The scorecard provides a multi-level view of the organization which balances the internal and external perspectives, current versus future needs, and leading versus lagging indicators. It provides managers and leaders a tool for translating core business strategies into action and measurable performance.

Managing performance around your core values and business strategies. A four-step process is very effective for the purpose of managing your organization's performance around core values and business strategies:

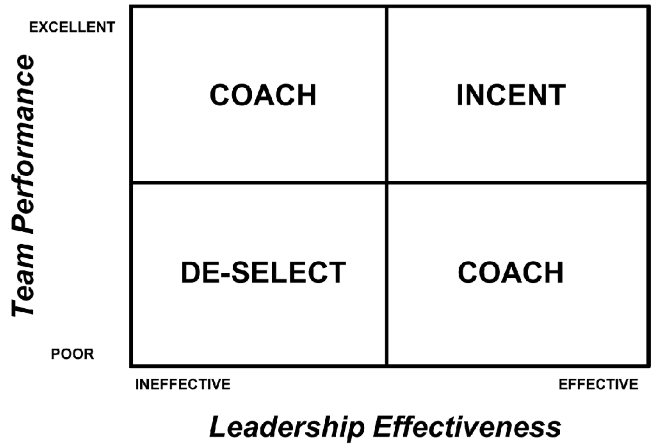
(1) Create a balanced set of performance measures from the top to the bottom of the organization. Each measure is specifically linked to one or more of the organization level strategies and targets, and for each measure there is a target level of attainment and specific initiatives to translate the goals into action. Such results scorecards communicate how well each person and team is performing and then specifically link performance improvement needs to the corporate strategy. As a consequence the scorecards become an integral performance and strategic management system.
(2) Link leadership practice to the balanced scorecard measures. As mentioned above, one way to do this is to define empirically the set of leadership practices that drive team performance.
(3) Provide leaders and their teams actionable feedback.
(4) Make rewards and recognitions contingent on performance.

Figure 2 shows what we refer to as the "2 × 2 performance matrix". The matrix illustrates one way in which leaders' rewards and recognitions are linked to team performance.

Gap 5. Enabling infrastructures and support of behaviors compatible with sustainable high performance

Causes. Infrastructures include organizational policies, procedures and mechanisms put in place to monitor and provide feedback on organization systems. They ensure that the customers are being served by the right people

Figure 2 The 2 × 2 performance matrix



using the right technology at the right level. They also provide data about how well the organization and its parts are doing with respect to its vision, mission, values, and strategies.

Sometimes, however, there is a gap between what needs to be measured and what is being measured, or how the data are being collected, or even how the data are being fed back into the organization and used to make decisions. For example, in a software company we studied, managers were being rewarded for meeting delivery schedules for customers rather than providing leading edge technology, even though the latter value was espoused as one of three core value propositions by which the company operated. In reality there was so much pressure to deliver on time that the level of innovation declined significantly.

In any case, the organization either does not get valid data about its progress relative to its vision, mission, values, and strategies or, getting such data, fails to use them properly. This situation creates a gap between the infrastructures and the behaviors required for sustainable performance. Some symptoms and potential causes of such gaps are summarized as follows:

- The behaviors required of sustainable performance are not known or not being measured.
- Leaders are not held accountable for improving their performance or their team's performance.
- Employees are rewarded even when the quality of their work is below expectation.

Closing gap 5. Challenge: create infrastructures that provide the right mechanisms, tools, and information to motivate, reward, and enable employees to improve quality.

Understanding your organization's capabilities. To successfully implement change, an organization must have the capability to execute the strategy. By capabilities we refer to the individual, process, and organizational tools, skills, and knowledge required to successfully implement change. What capabilities have been shown to impact the success with which change is managed? The discussion in this paper suggests that the performance capabilities needed to be continually assessed and improved:

- vision, mission, values, and strategy;
- system design;
- leadership practices;
- infrastructure capacity;
- expertise;
- motivation and climate including rewards and recognitions.

The performance audit. One way to get a handle on the capabilities of your organization is to conduct a "performance or capability audit." Many studies have documented that organizations having timely, precise data from key stakeholders on which to base important change decisions outperform those that do not. While many companies have such information from financial and operational databases, few have such information from employee and customer databases. And, even when the information is potentially available, decision makers do not use it because they have serious doubts about the information's:

- relevance;
- timeliness;
- credibility; and
- accessibility.

A well-designed performance audit process can provide the data that link employee attitudes and behaviors with the organization's strategic performance indicators. So, when organizations measure the key employee dimensions which affect these performance "gauges" and then link these measurements to the goal setting and goal measurement systems, the organization will increase its ability to use this information as a change management tool.

This can be accomplished in a very straightforward manner:

- First, develop some kind of picture or model of your organization. Many people refer to this model as a "system architecture". The term "architecture" refers to the factors that are key to producing value in your organization.
- Second, measure where your organization is on each of these factors in order to define gaps between the required performance and the actual performance relative to each of the factors in the architecture.
- Third, translate the data into actions that will improve functioning in the targeted performance factor.

- Fourth, manage the change process through providing leadership and mobilizing commitment.

Creating enabling infrastructures. At its most simplistic level, a business operation is a series of coordinated tasks. How well these tasks are coordinated within the organization is crucial to cost-effective and time-efficient operations. How well these tasks are coordinated with customer and prospect needs is crucial to survival.

We organize these tasks into job functions and departments but we should not lose sight of the fact that they are all interrelated and interdependent in creating a successful operation. If the sales department brings in a huge order, a series of interdependent tasks might have to take place as follows.

The sales department needs to give the customer a delivery date. To provide sales a delivery date the production department needs the purchasing department to provide delivery dates for raw materials and the human resources department to provide additional production staff. The finance department needs to arrange a bank loan to fund the project until the customer pays for the order. To do this they need a project budget from production. For the project to be successfully completed two things need to happen:

(1) All departments must work together to develop an action plan, recognizing that some tasks cannot be completed until others are done.
(2) All departments coordinate tasks and instantly communicate when a task is either ahead of or behind schedule.

To allow these things to happen, the corporate infrastructure must provide a means of motivating cooperation, of resolving differences, of prioritizing tasks when conflicts exist, of rapidly disseminating information to maintain a coordinated effort, and of measuring performance and communicating these measurements. In other words, the infrastructure involves a well-defined set of policies and procedures and the tools and systems necessary to measure compliance and performance.

The balanced scorecard method is a tool, used on an ongoing basis, to evaluate and control the effectiveness of managers in achieving established goals. Computers and computer software are tools that have allowed us to collect, analyze, and share information on a real-time basis. Both tools create "information systems". These systems allow us to use information in two important ways:

(1) As feedback/measurement tools – obtain feedback about the results of our efforts so that we can learn how to improve.
(2) As enabling tools – obtain information to facilitate coordination of efforts to maximize efficiency.

Developing information systems. For any information system to be sustainable it must provide a benefit that is greater than its cost. This would seem to be stating the obvious and, yet, many business information systems fail because the authors have ignored this axiom.

What is an information system? For our purposes this is a corporate database and application programs to manage input, maintenance, and information retrieval necessary to facilitate and evaluate the results of tasks or transactions.

Some information systems, such as financial accounting, are so important that a full-time staff is employed to ensure that information is timely and accurate. Other information systems, which might be equally important, might be assigned to individuals as an adjunct to their primary tasks. It is these latter systems that most often fail.

For example, a sales manager might want to implement an information system to facilitate and track sales efforts. While the sales manager might derive great benefit from such a system he is dependent on the sales staff to conscientiously maintain prospect profiles and record their contact/sales attempts and the results. This is not a matter of hiring someone to perform data entry. The sales staff control the detailed information about their efforts and they must make an investment of time to passing that information on.

Therefore, for this information system to succeed each salesman must perceive significant benefits in meeting the primary task to justify their commitment to maintain the system. Below are some examples that illustrate file maintenance tasks and immediate benefits to be derived (see Table I).

On the instruction of senior management of a national hospital corporation, we installed marketing management software in 38 hospital sites from Florida to northern California. The home office management saw

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Table I Benefits of typical file maintenance tables

Time investment	Benefit to user	Benefit to user and manager
Log a call attempt to a prospect	Computer dials the number for you	A history of attempts and results becomes available for review
Pend a task for future follow-up	Computer will display a reminder on specified date and time	A task history for this contact becomes available for review
Log appointment information	Computer will display a monthly appointment calendar for reference and display a reminder on specified date and time	A task history for this contact becomes available for review

three major benefits to be derived by the marketing system:
(1) It would allow staff to greatly enhance physician loyalty by helping them bring in new patients, usually people new to the community.
(2) The direction of newcomers to loyal hospital physicians would lead to increased admissions and hospital revenues.
(3) The ability to tap into the hospital accounting system to assign revenues to products would bring accountability to marketing efforts.

This software provided:
- Enabling tools to facilitate such processes as physician referral, membership program management, health screenings, and work injury programs.
- Measurement tools, including an interface with the hospital accounting system to measure revenues.

During the next three years all but three sites abandoned the use of this software. Of the three remaining sites, one site had extraordinary success. Why could only one hospital in 38 succeed?

Senior hospital managers did not believe that the direct marketing efforts could significantly improve the bottom line. Because of this, only one would commit the level of personnel required to make the program succeed.

In the evaluation of any information system it is critical to obtain a clear idea of the cost of successfully applying it when you weigh the benefits of implementation against the cost. We have experienced a tendency among managers to see an application or methodology as a solution rather than a tool to be used to create a solution. Like other tools, it is an inanimate object, obtaining its value by how it is used.

Where to start

One implication of the model presented in this paper is that the place to begin is to fully understand the current environment in which you are conducting business. How do employees perceive the organization? How closely do the organization's espoused values match its actions? How do current and potential customers view your organization? How do customers view your ability to provide them the products and services they need and want?

Since employee and customer attitudes are grounded in current organizational culture and practices, a prerequisite to improving your organization's capacity to sustain high performance is to perform an environmental audit:
- Ask your employees and your customers to evaluate your performance and your behaviors on the key dimensions of high performance.
- Identify your organization's current vulnerabilities and then define, design and embed in your organization the processes and behaviors that will enable you to achieve the goal of sustainable high performance.
- Monitor progress toward shaping the behaviors and attitudes that contribute to high performance. One way to do this is to use a targeted pulse or dashboard type survey to regularly measure the effectiveness of ongoing change initiatives.
- Focus on performance improvement.
- Create a bias for action within the culture by rewarding and recognizing success.

You can look at or try samples of an environmental audit by visiting www.culture-audit.com on the Web.

Volume 11 · Number 1 · 2001 · 10–21

Summary

In this paper, we have discussed the deterrents to high performance and the role of culture in enabling these deterrents. Next, we presented a model that describes the five factors that enable high performance and the symptoms that indicate these factors are out of alignment. Finally, we discussed a range of strategies for moving your organization up the performance curve toward high performance. We hypothesize that the outcomes of such efforts will be committed, competent employees, loyal customers, and superior business performance over the long haul.

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