Cultural basis of high performance organizations

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Abstract

Purpose – In the knowledge-based environment business firms face today, "high performance" organization is in popular demand. This paper aims to identify dimensions of organizational culture that are relevant in creating and maintaining a high performance organization within and across cultures.

Design/methodology/approach – The hypotheses are tested using the 62-society Global Leadership and Organizational Behavior Effectiveness data on organizational and societal cultures. The impact of uncertainty avoidance, future orientation, power distance, gender egalitarianism, and humane orientation values and practices, at the organizational and societal level, is evaluated using hierarchical linear model methodology.

Findings – Several strategic facets may help develop high performing organizations. First, invest in the societies where such organizations are common. Second, invest in the societies that have uncertainty absorbing technological infrastructure and that are culturally sensitive (humane oriented). Third, invest in one or more of the five techniques that support the practice of high performing organizations. Fourth, invest in the societal contexts that value gender diversity, as they are more likely to value a shift towards high performing organizations. Fifth, invest in forming alliances with the organizations that value gender diversity, future-oriented workforce strategies, and uncertainty absorbing technological infrastructure, as they are more likely to positively reinforce partner efforts to become high performing.

Research limitations/implications – A multi-faceted (five strategic facets), multi-dimensional (five cultural techniques), and multi-level (organizational and societal) approach to the development of high performing systems will help organizations foster and sustain an open culture, where cultural sensitivities are addressable through a climate of exchange and mutual give and take.

Originality/value – The paper uses a cross-cultural database to identify the cultural dimensions of high performance organizational design.

Keywords High performance organization, GLOBE, HLM, Societal culture, Organizational culture, Organizational performance

Paper type Research paper

Introduction

The concept of high performance organizations – also referred to as high-commitment or high-involvement organizations – has been of much interest (Nadler, 1989; Flood *et al.*, 2008). In a high performance work organization, the basic premise is to create "an internal environment that supports customer needs and expectations" (Varma *et al.*, 1999). The straw man is the machine bureaucracy – the ideal for the early twentieth century (Mintzberg, 1979), with a thrust on Henry Ford's "a cogs in the works" approach to scientific management. Based on detailed division of labor, the work was coordinated through the specialization and standardization of jobs. It was administered through the