

H.I.G.H. O.C.T.A.N.E. – TEN ADDITIVES THAT POWER HIGH PERFORMANCE IN ORGANIZATIONS

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ABSTRACT

Organizations are similar to cars: both require fuel to power them and a driver to direct them. In an organization, the fuel is its culture and the driver is initially its founder and in later years its current chief executive. Just as cars require fuel to function, organizations share key cultural factors in order to exist. Uniquely, some organizations are able to elevate themselves beyond basic existence into a coveted realm of high performance. Doing so is difficult, and requires ten additives that convert a group's culture into a H.I.G.H. O.C.T.A.N.E. source of power that can transform it into a high performing entity.

I. UNDERSTANDING OCTANE

Cars and organizations are surprisingly similar. But, to understand this analogy, you must first learn how to understand an organization's culture at three levels: artifacts, espoused beliefs and values, and basic underlying assumptions shared by group members (Schein, 2004). Like cars, organizations require fuel for power and a driver for direction. In an organization, the culture is the source of power. As for direction, a group's founder first creates the culture, which subsequent chief executives shepherd through generations that follow. If the leader's principles lead to success, the members embrace the leader's vision and perpetuate it (Schein, 2004).

However, if the culture becomes dysfunctional and fails to produce the expected results, the leader must act to ensure the group's survival. If a leader fails to do so, "the group will fail and disappear or will seek other leadership until someone is found whose beliefs and values will lead to success," (Schein, 2004, p.16). It is in this situation when a leader's ability to independently control the direction of their group's culture becomes compromised by rank-and-file members who take the role of what is referred to in automotive terms as a "backseat driver."

It is the position of this paper that one effective way leaders can maintain their influence over the culture of their organization is by understanding the aforementioned automotive analogy, which presents a powerful and plausible framework through which core concepts about culture and its influence on the effectiveness of an organization can be understood and analyzed.

II. FILLING THE TANK – KEY ORGANIZATIONAL CULTURE FACTORS

Just as cars require fuel to function, organizations share key cultural factors to exist. Assessing the key components of an organization's cultural identity requires analyzing the assumptions shared by its members. Many are visible as artifacts at the surface level, but developing a true understanding requires a more thorough assessment. Schein (2004) warns, "unless one understands what is going on at this deeper level, one cannot really decipher the meaning of the more surface phenomena, and, worse, one might misinterpret them," (p. 39).

Digging deep enough to fully grasp the significance of a group's core characteristics is challenging. Succeeding in this quest requires an investigator to acknowledge "culture is a multidimensional, multifaceted phenomenon, not easily reduced to a few major dimensions," (Schein, 2004, p. 109). The culture of an organization is the result of external influences, internal issues, and responses to crises, in addition to unpredictable and random events. An astute observer of an organization should pay attention to these key organizational cultural factors: artifacts, espoused beliefs and values, basic underlying assumptions, common language, defining group boundaries, distributing power and status, the nature of time, the nature of humanity, individualism vs. collectivism, and mental modes.

Once these basic cultural components are identified, an organization can identify the real challenges it faces and devise effective solutions with. To further enhance its evaluation, an organization must also learn and understand what factors fuel continued high performance and growth so they can pursue a path of productivity and success.

III. H.I.G.H. O.C.T.A.N.E. – TEN ADDITIVES FOR HIGH PERFORMANCE

Becoming high performing is not easy. Surveys by Meehan, Gadiesh, and Hori (2006) show, "fewer than 15 percent of companies succeed in building high-performance cultures," (p. 55). Despite this, organizations strive towards this goal, perhaps because Kaliprasad (2006) presents data showing, "non-high performers increasing net income by just one percent over an 11-year period, compared to the 756 percent improvement for the organizations identified as having high-performing cultures," (p. 27). Organizations aspiring to become high performing should integrate the following H.I.G.H. O.C.T.A.N.E. additives into their culture:

Humble. Without humility none of the other additives would be possible. Being humble opens you to input from different people and ideas to which you might have previously been resistant. Two positive side-effects of humility, flexibility and empowerment, enhance its impact. As explained by Spreier, Fontaine and Malloy (2006), "flexibility reflects employees' perceptions about whether rules and procedures are really needed or are merely red tape. It also reflects the extent to which people believe they can get new ideas accepted. In high-performance climates, flexibility is high," (p. 81). About empowerment, Maxwell (1998) observes, "only empowered people can reach their potential," (p. 126-127).

Introspective. Despite society's support of multitasking, doing several things at once is often more likely to result in high anxiety than high performance. That does not mean stagnant organizations will become high performers, it just means that sometimes it is more effective to stop, sit and strategize. Finding a quiet place to think through a problem is often a better, and certainly healthier, path to progress. Introspection requires an honest confrontation of reality. Collins (2001) adds, "when...you start with an honest and diligent effort to determine the truth of the situation, the right decisions often become self-evident," (p. 70).

Generative. As offered by Senge (1994), “organizations that will truly excel in the future will be the organizations that discover how to tap people’s commitment and capacity to learn at all levels in an organization,” (p. 4). A learning organization embraces open dialogue and continuous improvement, the opposite of the traditional organizations Senge (1994) refers to as “controlling organizations,” (p. 5). Only with generative learning – “learning that enhances our capacity to create,” (Senge, 1994, p. 14) – can an organization become high performing.

Hopeful. Hope is future focused, while regret is anchored to the past. High performing organizations understand this and promote an atmosphere of hope and optimism. According to Phillip (1998), “hope is a sustaining element, not only in leadership, but in life. Hope motivates and inspires. It causes people to take action,” (p. 279). This is illustrated by the Stockdale Paradox (Collins, 2001), which states a person must “retain faith that you will prevail in the end, regardless of the difficulties – and at the same time – confront the most brutal facts of your current reality, whatever they may be,” (p. 86).

Objective-Driven. If an organization doesn’t know where it is going, how will its members know when they arrive? Having a stated purpose and defined goals provides a strong framework in which an organization’s members can work and evaluate their progress (Spreier, et al., 2006). As offered by Meehan, et al. (2006), “people in high-performance organizations know what winning looks like, and they know how to get there. They won’t accept doing the same thing this year as they did last year,” (p. 57). Further, it is essential for an organization to fully enroll its members in its vision so that everyone shares the same goals and objectives.

Communicative. When everyone in an organization is properly and completely informed of what is going on in their group, they will have a greater ability to engage and contribute to the continued improvement of the organization. When an organization fails to fully communicate important pieces of information, trouble is not far away. The key is clarity. As demonstrated by Spreier, et. al. (2006), “in study after study, this dimension of climate has been shown to have the strongest link to productivity. Without clarity, the other elements of climate often suffer,” (p. 81).

Truthful. Organizations that equivocate or outright lie inevitably encounter adversity. Senge (1994) emphasizes, “commitment to the truth...means a relentless willingness to root out the ways we limit or deceive ourselves from seeing what is, and to continually challenge our theories of why things are the way they are,” (p. 159). Truth is also about following through with your stated actions and being true to your word. As Phillip (1998) elaborates, “people will respect and follow leaders who do what they advise others to do, who display courage in the face of adversity, who act and behave as they are expected to,” (p. 119).

Action-Oriented. Members within a high performing organization share an ambition for action – individually or collectively – to achieve the organization’s goals. Spreier, et. al. (2006), elaborate, “team commitment is the extent to which people...believe that everyone is working toward the same objectives. The more widely shared the team’s values are, and the greater its commitment to performance, the higher the team’s pride,” (p. 81). Although introspection is important, an organization must also make a decision and take action accordingly. A Latin phrase that speaks to the intent of this additive is *facta non verba*: deeds not words.

Networked. If no man is an island, then no organization is independent. High performance organizations fully engage within their industry and community. A networked organization is interconnected internally, but also active with groups that represent the industry in which it operates and the community in which it is located. Meehan, et al. (2006) observe, “companies with high-performance cultures...focus...on what’s outside the company:

customers, competitors, and communities,” (p. 57). The leaders of an organization aspiring to become high performing must bring people together, towards their common characteristics, and not drive them apart based on their differences.

Emotionally Intelligent. To become successful, an organization must ensure its members appreciate each other personally. Importantly, “a group...must be mindful of the emotions of its members, its own group emotions or moods, and the emotions of other groups and individuals outside its boundaries,” (Druskat, and Wolff, 2001, p. 82). Emotional intelligence is the key to unlocking commitment and involvement from members. Lockwood (2006) reports, “employees who are most committed perform 20% better and are 87% less likely to resign,” (p. 4).

IV. FUEL BY THE LITRE – THE ROYAL CANADIAN MOUNTED POLICE

Over time various organizational change trends have won the favor of organizations, but very few make a lasting difference. However, the Balanced Scorecard system by Kaplan and Norton (2006) is designed to realign the strategies of each level of the organization to meet the corporation’s strategic goals and objectives. Previous models took the opposite approach. Focused on identifying and assessing the financial, customer, process, learning and growth aspect of an organization, the Balanced Scorecard was the key to activating the high performance features of the Royal Canadian Mounted Police (RCMP).

As the new century began, RCMP was faced with challenges from new financial restrictions and a changing law enforcement landscape. A new commissioner, Guiliano Zaccardelli, transformed RCMP into a strategically focused and mobile organization focused on providing exemplary service and protection. Its centralized command structure was retained but a senior-level project team was convened to formulate the strategies for each level in the agency.

The team structured the strategies on the Balanced Scorecard to fulfill the Mounties’ mission: reduce the threat and impact of organized crime; reduce the threat of terrorist activity in Canada and abroad; reduce and prevent youth involvement in crime, both as offenders and as victims; effectively support international operations; contribute to safer, healthier aboriginal communities. Each theme was assigned to a team led by a national-level director with oversight of its budget, planning, and implementation.

The individual teams, at the local and national levels, selected their own strategic goals to support their theme and the organizational goal of providing safety for the Canadian public. Periodic assessments and repositioning of resources were made as each team continuously monitored their results at the local and national levels. Although still centrally controlled, RCMP gave local the authority to make relevant decisions as they saw fit.

The Balanced Scorecard framework revolutionized the RCMP, turning it into a relevant, forward-looking agency able to meet the challenges of the 21st century. The effectiveness of the Mounties’ new strategy is evident in increased public confidence and satisfaction. The success of the RCMP is an example of the efficacy of the Balanced Scorecard framework and demonstrates the organization’s H.I.G.H. O.C.T.A.N.E. status as follows:

Humble. From the national commissioner to local staff, the Mounties were united in submitting to what was best for the entire organization.

Introspective. The Balanced Scorecard’s focus on human capital development underscores the importance of nurturing one’s staff. Giving local offices the opportunity to design their own strategic goals, gave RCMP staff a chance to utilize their personal skills and strengths to benefit individuals and the organization.

Generative. The Balanced Scorecard is generative in its influence on organizations. The generation of personal value results from emphasis on developing human capital which, in turn, fuels value creation throughout the entire organization. This was achieved at RCMP, with the allocation of resources, authority, and control to the local level resulting in creation of an atmosphere of collaboration.

Hopeful. The growing rapport and interaction between units and individual staff creates a climate in the organization that inspires optimism and hope. This hope will sustain the business through difficult and challenging moments in its history. RCMP discovered an optimism within the group previously unimagined as disparate departments united under a common purpose.

Objective-Driven. The Balanced Scorecard provides incremental goals and objectives that drive strategy. After the Mounties laid down a consistent agency-wide strategy, the units were able to perform more collaboratively, effectuating great success.

Communicative. Once the Balanced Scorecard was in place, the Mounties were able to better fulfill their five key themes of service and protection. Both their espoused and manifested beliefs were congruous and resulted in higher satisfaction ratings.

Truthful. Companies build trust by nurturing integrity, competence, consistency, loyalty, and openness (Robbins, 2003). The Mounties exhibited these by their commitment to service and protection of the public. The public's increased confidence and loyalty are a direct result of the increased transparency in the agency.

Action-Oriented. RCMP made widespread reforms in strategy that produced profound rewards for the organization and those whom it serves.

Networked. The Balanced Scorecard is based on promoting strategic interconnection within any structure. As is evident with the Mounties, diverse and geographically located policing units began to cooperate in unprecedented relationships creating synergies that profoundly impacted the agency's effectiveness.

Emotional Intelligence. The Balanced Scorecard's focus on continuous assessment and relevant responses to fluctuations in performance is a catalyst for increased emotional intelligence. The Mounties' growth in emotional intelligence was the result of wise decisions made at a national level that were accepted throughout the whole agency.

V. ENGAGING THE ENGINE – INTEGRATING THEORY WITH REALITY

H.I.G.H. O.C.T.A.N.E. is a paradigm often worked towards, but never completely attained. The H.I.G.H. O.C.T.A.N.E. additives can be found in an organization's artifacts, espoused values and beliefs, basic underlying assumptions, common language, group boundaries and other cultural factors at every level of operation. Yet, achieving high performance is not an end, it is a beginning. Just as one fills the tank of a car to capacity, only to watch the fuel gauge drop with ongoing use, almost immediately after an organization achieves high performance status, various influences (time, depreciation, competition, industry changes, etc.) conspire to drain the available octane. However, through ongoing evaluation (both qualitative and quantitative), continuous improvement and lifelong learning an organization can maintain its high performance status and ensure its continued success.

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