

# Chapter 2

## The Basis: The High Performance Organization Framework

### ABSTRACT

*In this chapter, the high-performance organization framework (hereafter referred to as the HPO framework), a scientifically validated framework that enables and supports organizations in transforming themselves into a sustainable high-performing enterprise, is introduced. The HPO framework forms the basis for the HPFF. It consists of five factors, with 35 underlying characteristics, which are described. The HPO diagnosis, with which an organization can evaluate how far it is on the way to high performance, is discussed. This chapter concludes with a listing of the benefits of using the HPO framework in practice.*

### 2.1 HIGH PERFORMANCE: FIVE FACTORS AND 35 CHARACTERISTICS<sup>1</sup>

The HPO Framework, which was initially developed during a five-year academic study using data collected worldwide and then validated over another five years<sup>2</sup>, consists of five factors and 35 accompanying characteristics and is depicted as a flywheel (see Figure 1). The HPO research shows that there is a direct and positive relationship between the five HPO factors and competitive performance: the higher the scores on the HPO factors (HPO scores), the better the results of the organization, and the lower the HPO scores, the lower its competitive performance. In fact, if an organization starts to work on (i.e., strengthen) one of the HPO factors, this will also have a positive impact on other HPO factors, which will, in turn, have a positive impact on all the HPO factors. Thus, this process is represented as a flywheel: as it starts to turn, it will go faster and faster: in a similar manner, as an organization strengthens its HPO factors, it will become better and better! The research also shows that the organization must have equal scores for all HPO factors in order to sustain high performance. For instance, if the organization scores an eight (out of ten) on four HPO factors and a five on another HPO factor, the organization will not be able to function as an HPO because it is out of balance. An easy way to visualize this is to imagine a pinwheel on a child's toy (see Figure 1). When exposed to the wind, it spins around at a constant speed.

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## The Basis

However, if one of the blades breaks, the pinwheel will no longer turn around smoothly and will eventually stop. Like the wind on the pinwheel, an organization's attention should be distributed evenly across the five HPO factors to make sure none of them "break" and hold back the organization. Working on just one HPO factor or only a few characteristics without paying attention to the other HPO factors or characteristics in due course will not help the organization in the long run.

Figure 1. The HPO Framework



What vs. How
<p>The HPO Framework is not a set of instructions or a recipe to be blindly followed: rather, it is a framework that has to be translated and applied by managers to the specific situation in their organization in order to design a specific version of the framework that is appropriate to their organization's context. Thus, after the <i>what</i> provided by the HPO Framework (as in, "we now know what has to be improved"), the tailoring of the organization, i.e., the <i>how</i> (as in, "how we should improve depends on the organization"), is done by the organization itself. Hence, the HPO Framework is not a silver bullet and does not provide a blueprint or recipe for high performance; it indicates the areas in the organization that are important for achieving excellent performance. It is then your task and that of your colleagues to undertake improvement actions that strengthen these areas and to maintain them when strengthened. Thus, the HPO Framework provides focus on the areas in your organization that really matter (the <i>what</i>). For the <i>how</i>, we have collected from practitioners various best ideas that could be of value when you realize your own <i>hows</i>.</p>

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