

A STUDY TO DETERMINE PERFORMANCE MEASURES IN  
HIGH PERFORMANCE SERVICE ORGANIZATIONS

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ABSTRACT

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The competitive situation facing independents in the textile rental services industry is both challenging and exciting with competitive cost advantages, limited financial resources and in some respects a business mindset that the industry giants control the independent's future. There also exists a current shift in business today, that doing business with large national service based companies reduces a sense of trust, honesty and above all integrity.

The intent of this research is to provide the association of network independents in the textile services industry a glimpse into the competitive advantages of becoming a High Performance Organization. Traits and attributes of high performance companies were researched and noted. A survey instrument to measure the association member's level of

understanding and practices that define a high performance organization was developed and administered, based on the research and review of literature focusing on high performance measures and systems.

The review of literature consistently talked of the values of team-based work, creating learning environments and respect for the opinions and judgements of the employee. The research also focused on soft performance measures that indirectly drive financial indicators such as growth, return on investment and profitability.

Independent textile services companies have a great advantage in their ability to provide extreme value in service offerings through highly skilled, motivated and dedicated employees. Developing their business model using the traits and attributes of a High Performance Service Organization will help these companies thrive in a mature and highly competitive industry.

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## CHAPTER 1

### Research Problems and Objectives

#### Introduction

First generation German immigrants established Huebsch Services in 1891 in West Central Wisconsin. Their business offerings were personal laundry for workers in the logging camps of Northern Wisconsin during the height of the logging days. Today this 113-year service organization has great customer loyalty and a strong reputation in their industry. The company has made numerous changes in the services they provide, markets they serve, and methods of processing over the past century. The company has grown from a dress-shirt cuff and collar, personal laundry operation to being a local leader in uniform and image apparel, entrance matting and washroom services for business and industry.

The immediate challenges facing this organization and other independents like Huebsch are: threats from large national companies looking to grow through acquisitions of independents and market opportunities that have risen from product and service niches that must be seized quickly. Recent developments in the industry have led Huebsch to reevaluate what business strategy they will pursue for continued future growth and success. They feel strongly that their success in the future will come from helping their customers, primarily the small local independent businesses in their markets, thrive and compete against their own industry giants. This will come from helping their customers differentiate themselves by providing service offerings that help support their customers brand strategy.

## Problem Statement

The textile services industry is comprised of many local and regional independent operators and a handful of national publicly held companies. The industry is a mature one, with the major players growing through acquisitions, mergers and some organic increases. Services range from focused health care, industrial, uniforms and related products and facility services. It is estimated that the industry currently services approximately 20% of the potential market for entrance matting services. The same holds true for uniform rental services.

Huebsch, like many independents in this highly competitive industry has long been recognized as a leader in service and product quality in their respective market. The majority of the current employees realizes the vision of and has a vested interest in the future success of the company. These stakeholders have embraced the known benefits of having this very good organization move to the next level and have a significant voice in their future. The plan for this company is to become a 'High Performance Service Organization'.

Based on research and personal conversations with business leaders, and as a consistent reference point, the definition of a High Performance Organization for this research paper is; a creative, learning organization that thrives on continuous performance improvement and employee excellence, derived from exceeding both customer and personal expectations. In other words, a High Performance Organization is an organizational machine that envelops all performance improvement opportunities, is learning as a cohesive group, and is achieving clearly defined business goals.

## Research Objective

The question is whether high performance organizations can be built, or if they just born of the ingenuity and passion of tireless entrepreneurs. The reason for this question is based on a limited exposure with high performance organizations and a general understanding of organizational and group dynamics. High performance organizations could be viewed as microorganisms of individuals with strong personalities, strengths and skills that have evolved into cohesive business machines. As individuals, they lack the ability to achieve similar results.

The research will obtain the following objectives:

- To determine the correlation between growth measures and organizations use of high performance team-based work formats.
- To develop a model of high performance organizations specifically for the independent operators in the industrial laundry industry.
- To provide future survey/research opportunities that will benefit the independents of this very competitive industry.

## Significance of the Study

- The independent owner/operators in the industrial services industry will find the information useful in defining a business strategy to achieve long-term success.
- The association of independent laundries will find the results valuable for marketing the network and the value of remaining an independent.
- The results will demonstrate the value of businesses that differentiate themselves through becoming high performance organizations.

## Methodology

The researcher will base the findings on the results of the survey data. The survey (Appendix B) will be sent electronically to all principles (owners) of the Central States Corporation (CSC), a network organization of approximately 175 independent owner/operators of industrial laundries across the United States. The researcher will share the results with the network and the independents that respond to the survey. A follow-up e-mail will be sent to encourage response and increase respondent participation.

## Limitations of the Study

- The response rate is unknown, as there is no guarantee the survey will be returned by the recipients.
- Results will be limited to the group of independent laundry owners who are associated with the CSC network.
- The researcher developed the instrument based on his understanding of the important components and attributes of High Performance Organizations.
- Results are based on a limited survey sample size.

## Assumptions

- Recipients will be knowledgeable and comfortable with taking on-line surveys.
- Recipients of the survey will be truthful and honest in their responses.
- Recipients of the survey will find participating in the study important and of value.
- The network association will find the information useful to their marketing messages and for the members.

- The researcher interpreted the data correctly and will produce beneficial conclusions based on the data.

## Definition of Terms

### Brand Strategy

The strategy of identifying a symbol, words, or mark that distinguishes a product or company from its competitors (Investor Words.com)

### Differentiate

To become distinct or specialized; acquire a different character (The American Heritage® Dictionary of the English Language, Fourth Edition)

### High Performance Organization

A creative, learning organization that thrives on continuous performance improvement and employee excellence, derived from exceeding both customer and personal expectations. (Unknown)

### Integrated Production Technology

Involves production technologies, use of data and related services. (Dalton, 2000)

### Intellectual Capital

The sum total of knowledge, expertise and dedication of an organization's workforce. (Dalton, 2000)

### Paradigm

A set of assumptions, concepts, values, and practices that constitutes a way of viewing reality for the community that shares them, especially in an intellectual discipline (The American Heritage® Dictionary of the English Language, Fourth Edition)

### People Metrics

The measure of employee commitment, satisfaction and performance. (Morgan and Schiemann, 1999)

### Stakeholders

One who has a share or an interest, as in an enterprise (The American Heritage® Dictionary of the English Language, Fourth Edition)

## CHAPTER 2

### Review of Literature

#### Introduction

Huebsch Services and their network of independents in the textile services industry are challenged by national competitors with a perceived low-price equal's low-cost message. The company and their counterparts, in order to thrive in this competitive environment must differentiate. This differentiation must come in the form of innovative products, customer-driven services and the unique combination that results in providing greater value in the mind of the customer.

Operating a business as a High Performing Organization can help create the value-oriented point of differentiation necessary for a competitive edge. This can be achieved as the direct result of a company's ability to achieve success through understanding and offering unique solutions to their customers. This is achievable if the organization takes advantage of their employee's unique skills, abilities and collective knowledge.

The primary focus of the literature review was to ascertain the work accomplished specifically regarding performance measures and related systems and how they were developed and institutionalized. The focus of the review was writings involving organizations and research demonstrating measurement practices and on the types of performance measures used and how they were incorporated into the daily lives of their associates. Current performance improvement and measurement related writings were reviewed and scrutinized for their relative value to the research.

## SERVQUAL

In reviewing patient satisfaction, research investigators demonstrated that non-technical medical interventions influence assessment of service quality for health providers as much as or more than the technical aspects of the service. The dimensions of service satisfaction were reliability, tangibles, responsiveness, assurance and empathy. The result of these measures was the development of a marketing model called SERVQUAL (A Multiple Items Scale for Measuring Customer Perceptions of Service Quality), which measures the level of customer satisfaction by taking combined measures of expectations and perceptions. The importance of this is that performance measure of the providers and staff must then be connected to both perceived and expected outcomes of service provided. The reason is due to the connected measure of service satisfaction as defined by the most important person, the customer, or as in this case, the patient.

Part of this process is the understanding that all service industries rely heavily on the importance of the service encounter. Issues of responsiveness, knowledgability and empathy were found to be most important. In competitive environments organizations need to find “tie-breakers” for success. Understanding components of satisfaction helps in creating tiebreakers. The value of models like SERVQUAL in measuring how an organization is doing is very high; however, it falls short of the most critical point of how an organization needs to change to improve their service satisfaction.

Additional references were made to evaluating low and high involvement organizations. Low involvement organizations were characterized as being paralyzed by fear about consequences of decisions, anxiety over possible job loss, and the normal urge to keep a low profile. The primary characteristic of a high involvement organization was

participation, and when present, requires elimination of hierarchical layers. Most service organizations do not allow their encounter-level staff members to have any effect on enhancing or improving service operations.

To stimulate high involvement among employees, Blumberg (1995) feels that health care organizations must:

- Encourage participation on policy decisions.
- Let staff self-evaluate performance.
- Base compensation on performance.
- Rotate assignments to prevent burnout.
- Develop variety within task assignments.
- Use technology to improve timeliness of communication.
- Reduce unnecessary hierarchy.
- Get staff buy-in for organizational goals.
- Identify customers and potential customers appropriately.
- Seek customer evaluation of organizational performance.
- Use customer data to improve performance.

The value of Blumberg's review of the medical services area is in showing that direct service encountered customer contact is the basis for which employee participation and valued input can be best achieved. An argument could be made that this is also the area where performance measures should be focused.

### Quality of Work Life

Ron Jacobs, Editor of the Human Resource Quarterly, wrote in his article A Win-Win Paradigm for Quality of Work Life and Business Performance (1996) that "companies with

high quality of work life can also enjoy growth and profitability”. The study he references developed and tested the hypothesis that perceived image of the company and its quality of work life effected their market share and financial performance. The win-win paradigm referred to the emerging pattern in business strategy and operations that benefits employees by focusing on improving quality of work life and mutually benefiting the business by improved business performance.

The term “quality of work life” (QWL) was first introduced in 1972 during an international labor relations conference (Hian and Einstein, 1990). The basic objectives of an effective QWL program were improved working conditions and greater organizational effectiveness. The win-win situation may occur if the QWL is positively linked to business performance. This can also be justified by the change in business’ socially responsible behavior, in that the internal and external stakeholders direct connection with the business and the long-term success of the business in their eyes.

The characteristics of a QWL company include more employee participation, more sensitivity to work/family issues, more two-way communication, more sharing of the wealth, and more fun. Employee satisfaction is therefore essential to creating a high performing or high commitment work environment. Direct connections can be made between employee satisfaction and the company’s financial success (Osterman, 1995; Taylor, 1991). Financial performance cannot be achieved without employee satisfaction, innovation, productivity, product quality, customer service, and customer satisfaction being measured and on a path of continuous improvement.

## High Performance Work Systems

Heskett et al. (1994) examined the relationship between financial performance measures and non-financial measures and came up with the “service-profit chain”. This chain linked the relationships between profitability, employee satisfaction, and customer loyalty as follows:

“Profit and growth are primarily stimulated by customer loyalty. Loyalty is a direct result of customer satisfaction. Satisfaction is largely influenced by the value of services provided to customers. Satisfied, loyal, and productive employees create valued service. Employee satisfaction, in turn results from high quality support services and policies that enable employees to deliver results to customers” (p.164).

They found that employee satisfaction was mostly driven by the internal quality of working environment as measured by the feelings employees have toward their jobs, colleagues, and companies. Although financial performance measures such as growth, profitability, return on assets, equity and sales have been the dominant models in empirical strategy research in the past, they are also the narrowest measures of business performance. A broader conception of business performance would include non-financial indicators of operational performance such as market share, new product introduction, marketing effectiveness, and product/service quality.

Xerox, one of the largest companies in the United States implemented their high performance work systems starting in the early 1980's. The quality policy for example had two requirements: customers must be satisfied; and improving quality is the job of every employee. In 1989 they began implementing their teams, also known as “family groups”. The

empowered work teams began in the service organizations at Xerox, and quickly were expanded to the other functional areas of the company.

Xerox defines high performance work systems as “a systems approach to organizational design that optimizes the fit between people, work, information, and technology resulting in maximum organizational performance as measured by customer satisfaction, employee satisfaction and productivity.” High performance work systems also emphasize: customer-focused work, clear organizational vision and goals, empowered work environments, continuous total process management, accessible information, enriched and motivating work, empowered human resource practices, and flexible and adaptable systems. (Training & Development, Oct96, Vol.50 Issue 10, P23, 2p.)

In Barbara Crist’s article “Restoring The Passion of Service Employees” (1995) she sites that “the spirit of the organization starts with its leaders”. Her argument is that communicating the message of service importance is critical and of the highest priority. She also states that service is about relationships, being committed to serving others, enthusiasm, and passion. She also argues that employees need to know how to manage each point of contact, each moment of truth. In the service industries, these points of contact are the products. The difference with these ‘contacts’ and typical product consumers’ purchase is that defective product can be replaced, defective service cannot. Repeat sales is the lifeblood of a service organization and one defective contact, even after many good ones, can be lethal to the business.

According to Crist, service is about relationships, commitment to serving others, enthusiasm, and passion. She argues that it’s hard for people to work with commitment and

passion when leaders micro-manage them and don't trust them. Measuring effective service is critical and vital to the survival of a service organization.

Another tool in defining and measuring performance is 360° feedback. 360° feedback provides performance data from multiple points of reference, not just one, similar to the points of a compass. It can fill the gaps between how we see ourselves and how we see others, and, like a compass can give us indications if we are off course. By soliciting input from everyone from managers to customers, 360° feedback can provide fair measurement of specific performance criteria. This measurement is solicited by everyone, making it fair, balanced and harder to dismiss because of its broad range.

360° feedback can help answer three basic questions according to Lassiter (May/June 1996): Why should I improve my performance? What do I need to Improve? and, How can I improve? Answering these questions of one's self, with the unbiased assistance of team members whose goal is performance improvement of the individual and the organization, is one critical success factor. 360° feedback is a good measurement vehicle for this performance improvement model.

As a testing device, the 360° feedback instrument must be reliable and consistent, easy, straightforward and easy to use. The instrument should generate clear and detailed feedback for the user. The instrument should be capable of reassessment and not limited to one-time use. The following applications are also indicated with 360° feedback: personal development, team development, and organizational change processes, self-directed team assessment, learning organizations, and individual and group needs assessments.

Some of “Must Do” aspects of 360° feedback applications are:

- Be very specific with participants
- Emphasize confidentiality
- Make it developmental, not financially related
- Spend time with negative feedback participants
- Be well trained in 360° feedback facilitating
- Apply process to all levels of the organizations

Some of the “Must Avoid” aspects of 360° feedback:

- Don’t force it on people
- Make sure the instrument is used for its intended purpose; i.e. don’t use a developmental instrument for punitive feedback areas
- Don’t use knowledge of other feedback to threaten behavior
- Don’t punish those who did (or did not) give feedback to the user.

Lassiter also gives a final word of caution. Make sure the emotional aspects of feedback are dealt with professionally and positively. Take serious steps to use the information wisely, and with great care. As a performance enhancing tool, and a performance measuring device, 360° feedback can be very powerful and achieve great success. It is also a dangerous tool for an unskilled facilitator and can do damage to group and individual relationships if not handled with sensitivity.

Many organizations that are intuitively on the road to performance improvement, cultural and organizational change have employees that are resistant. These employees can be aligned with the company’s strategy according to James Huggett of AchieveGlobal. The

challenge is, in his words, like rebuilding an airplane engine at 30,00 feet. The point is how do you keep the organization running smoothly as you realign the organization.

You must create your management team and align them to the direction the company is going. Care should be taken to not over state a crisis that does not exist. The fear tactic will work a few times, however can eventually cause a greater resistance to change than if honest and clear company position is stated. The focus must be on where you are trying to take the organization. Clear understanding of where the organization is going will keep people from drifting or worse, reverting to old methods.

Another danger in the transformation is that, although fixing what's broken is important, you must continually compare what you are doing to where you are going and not where you have been. Otherwise, your improvement basically will involve getting better and better at doing the wrong things. Along with this, the organization must have its management team on board or the change will not occur. The vision must be clear, and should be set as the template for decision making. The company vision must be the wall to which all decisions are bounced off. In Huggett's words "If your people aren't clear about what is important, they have no context for making the minute decisions they make every day. No context means no consistency, no consistency means diffused energy" (1999).

Huggett also discusses the need to align your performance measures. The obvious measures are sales commissions for example, with specific intentions. The not so obvious are the measures that, for example encourages new client prospecting in spite of marketing efforts that value expanding current customer relationships. This is evidenced that you will achieve that which you measure. The problems with conflicting measures and ultimately conflicting results are the issue of barriers to change. Change and performance improvement

and the creation of high performing groups will misdirect groups and shows a lack of commitment and resolve on the part of management.

Huggetts final point, which has a specific bearing on service performance measures, deals with the fact that most measures are financial and therefore historically related. In other words, they tell us where we have been, not necessarily where you are going. His challenge is that performance measurement system will become a critical tool in communicating what is important, and what should be considered at each decision point. This allows for personal sense of control, a process that will allow for personal competence. "With competence comes confidence, and with confidence comes commitment" (Huggett, 1999). Therefore, as employees gain commitment, the company gains an employee who leaves his brain on at the door, uses it at work, and leaves a part of it on (for work 'stuff') at the end of the day. This encourages high performance behavior.

There is a significant relationship between the use of people metrics and return on investments, according to Brian S. Morgan and William A. Schiemann in their article 'Measuring People and Performance: Closing the Gaps'. Their findings were based on survey data provided by Quality Progress and Metrus Group survey of 7500 ASQ member quality professionals. Some of the findings were:

- Although most of the companies had good business measures, less than one third had good people measures as a part of the set.
- Less than one third of the respondents said there were clear performance targets for their people measures.

- Although there is evidence of the relationship between employee satisfaction and commitment to customer satisfaction, less than two in 10 companies used people measures to predict these key business outcomes.
- Most companies were not measuring performance measures that directly related to predicting customer satisfaction.
- Many professions felt that in their organizations, people measures were also nonexistent or needed drastic improvement.

In ranking the current performance measures for companies in order of most to least used, the following list was made:

Measures	% Measuring with past year
Financial	95%
Product/Service Quality	89%
Operations	88%
Customer satisfaction/loyalty	83%
Supplier Performance	79%
People	75%
Environment/community	68%
Adaptability/innovation	63%

In a similar analysis of the survey data, and with the breakdown of industry leaders in the survey versus all others in the specific industry, the following customer satisfaction predictors were used as much as twice as often by the leaders as the others:

Measurement	Industry Leader vs. Others
Customer focus	59 vs. 47%
Performance management	57 vs. 42%
Teamwork	55 vs. 37%
Effectiveness of supervision	47 vs. 33%
Employee satisfaction	48 vs. 24%
Effectiveness of senior mgt.	40 vs. 24%
Respect	32 vs. 24%
Empowerment	37 vs. 25%
Employee commitment	34 vs. 16%
Organizational learning	26 vs. 15%
Clarity of direction	26 vs. 16%

The differences indicated in the research data were that there was a direct relationship between the use of people metrics and results that were financially related namely return on investment and return on assets. The study showed that the industry leaders were also using the measures strategically, which may have a direct effect on the financial indicators as well. The measurement system was also discussed in the research findings, with the majority of the leaders and high ROI/ROA companies using what was described as: Computer Network (measurement as a tool for integration and management of strategy).

These systems are characterized by:

- widespread use of people measures,
- a link between people measures and performance,
- much more frequent use of people measures as predictors of customer satisfaction,
- more frequent use of measurement tools such as employee surveys, team performance assessments, skill/capability audits, and internal customer surveys.

Five characteristics were identified as distinguishing traits of high performance companies approaches to human performance; lead from the front, use integrated measures, keep it simple and personal, build measurement into the culture, and be honest. These were found consistently throughout the leaders in the industries surveyed. All companies were using people measurement/people metrics as indicators of customer satisfaction, and many were using the measures for compensation considerations. Most found the measures driving, or at least leading, performance improvement efforts.

In Patricia M. Buhler's (June 2002) article entitled *Managing In The New Millennium*, she outlines ten tips for managers to consider in building high-performing organizations:

- Use teams whenever possible, tapping into individual strengths and creating a learning group,
- Become skilled at developing teams, through the effective hiring of new members to improving the teams processes,
- Hire employees with exceptional and diverse skill sets,

- Monitor trends in the external environment, from competitive threats to industry and societal changes,
- Anticipate customer changing needs and wants,
- Understanding and incorporating technological advances that enhance the effectiveness of the teams,
- Fostering an environment that enhances creativity and innovation,
- Become a change agent, control and encourage change with a sense of order and commitment from the organization,
- Recognize the interconnectedness of the organization, by understanding and viewing the change process through the eyes of all functional departments, and
- Commitment to becoming a learning organization, one that collects valuable information, processes and distributes that information for making better decisions.

These points are not mutually exclusive, nor complete in detail in defining a high-performance organization. They do in fact cover the basic areas that organizations should consider when outlining their strategies for growing a High Performing Organization.

Similar attributes were outlined in Dennis Dalton's article Understanding High Performance Organizations (Dalton, July 2000). Intellectual capital, employee involvement, integrated production technology and organizational learning were just a few of the characteristics mentioned in his review. His conclusions were that organizations must encourage employees to provide their own quality checks and planning, specific to enabling self-directed teams, and that High Performance Organizations are here to stay, evidenced by

nearly 1/3 of the fortune 100 companies having adopted HPO practices.

### Knowledge Management

Knowledge Management has emerged in recent time as a phenomenon with a wide range of implications for organizational innovation and competitiveness, leading to high performance. Becoming experts in knowledge management, that being the control and distribution of shared knowledge and experience within the organization, can achieve competitive advantage, customer focus, improved employee relations and development, innovation and lower costs (Skyrme and Amindon 1997). Here, the term “knowledge” is based on the point of view that knowledge is tied to people and is individually constructed by perceiving the environment by sensory actions and reacting accordingly. Knowledge management can also lead to internal awareness that collectively monitor’s, responds and creates innovative solutions for customers (Carneiro 2000). This requires a highly skilled workforce within a culture of creativity.

Knowledge management as a resource of value creation, independent of the traditionally viewed values of capital and labor, allows for exceptional rates of productivity and returns. This is due to the major attribute (Arthur, 1996) of knowledge: appreciating value with continuing use and sharing knowledge instead of depreciating value of tangible assets, products or natural resources. There are four levels of knowledge management according to Bornemann and Sammer; individual, team, organization and business environment. The key to successful knowledge management is the ability to capture, manipulate and distribute for use the information from all of these inputs.

## Network Relationships

Soderquist (1996) has identified the “development of networks and partnerships” as part of the five critical success factors for improving performance in small to medium enterprises. The other four critical success factors are: promoting a corporate culture; creating an effective structure; analyzing competitors; developing flexibility and speed to respond to customers. Small to medium companies do not typically benchmark, unless they are a part of a network. Many firms have strategic partnering relationships to the network for needed skills and expertise. Suppliers can also be a great source for network advantages. Innovation can be described as the transformation of knowledge into new products, processes and services (Porter and Stern 1999). It involves more than science and technology. It involves discerning and meeting the needs of the customer.

## Service Performance Barriers

A critical role for managers in service organizations is quality control. Fostering an environment of learning and developing clear and open communications between the service provider and the manager is key. Ronald Burke (2001) describes in a research project that hypothesized that the quality of supervision had a direct effect on barriers to service, support for service, job satisfaction and quality of service provided. The findings supported the change in management thinking that, in the past “putting the customer first” was key and is now being replaced with an “employee first” orientation. The research focused on barrier and support systems and how they enhanced or hindered the employee’s ability to provide superior service with a high degree of job satisfaction.

The level of service experienced by a customer results not only from the human interactions between customer and provider, but from the combination of three sources as

well, each of which provides legitimate areas to measure and improve. (Milakovich, 1995)

Total Quality Service (TQS) reflects customer satisfaction with: physical surroundings, system processes and human resources. The cleanliness of a rental car or hotel room can have a significant impact on a customer's satisfaction rating with these service experiences. The policies and procedures, in other words the systems, of service management, can have significant positive or indeed negative affect in customer perception of the quality of service. Check in procedures and computer-billing systems are just a few examples of these. The human resource side of this discussion includes the actual performance of the service and is greatly controlled by the attitude, training and barriers restricting the employee's ability to provide exceptional service.

Milakovich concluded that the following areas were key to developing High Performing Service Organizations:

- 1) Integrating cross functional management through team development and flattening the hierarchy,
- 2) Strengthening customer-supplier relationships,
- 3) Increasing employee empowerment and participation,
- 4) Monitoring results and customer feedback,
- 5) Understanding systematic interrelationships,
- 6) Implement and controlling quality improvement processes,
- 7) Reducing poor quality cost practices.

## Performance Measurement Systems

In evaluating performance measurement systems (Kennerley, Neely and Adams – 2003), four critical factors were identified as potential barriers to and enablers of successful performance measurement systems:

- Culture: the existence of a measurement culture within the organization ensuring that the value of measurement, and so the importance of maintaining relevant and appropriate measures, is appreciated.
- Processes: the existence of a process for reviewing, modifying and deploying measures.
- People: the availability of the required skills to use, reflect on, modify and deploy measures.
- Systems: the availability of flexible information technology that enable the collection, analysis and reporting of appropriate data.

Critical to the success of any organizations measurement system is the ability to change or evolve as the circumstances and strategies change. The alternative is to have measurement systems in place that become as inappropriate as the financially focussed traditional systems are currently considered. The measurement systems must be a dynamic and living entity, capable of reflecting the needs and wants of the stakeholders and the processes required to fulfill these wants and needs. Measurement systems, according to Kennerley, Neely and Adams (2003), must be relevant to the organizations current circumstances, help influence behavior and achieve strategic objectives.

Two specific performance measurement tools were evaluated in a recent study, Balanced Scorecard and EFQM (European Foundation for Quality Management) Excellence

Model with the conclusion that it is difficult to find a perfect match between a company and a performance measurement framework (Wongrassamee et al, 2003). Today, for companies to maintain and improve their competitive advantages, they must use performance measures to evaluate, control and improve business processes (Ghalayini and Noble, 1996). The EFQM model focuses on self-assessment whereas the Balanced Scorecard method is designed to measure and improve business processes.

EFQM encompasses two areas of measure, Enabler criteria and Result criteria. Enabler criteria cover leadership, people management, policy and strategy, resources and processes. The Result enabler covers people satisfaction, customer satisfaction, and impact on society and business results. The model weights the two areas equally, 50% Result driven and 50% Enabler driven.

The Balanced Scorecard is a framework containing a set of financial and non-financial measures chosen to aid a company in implementing its key (critical) success factors, defined in the companies strategic vision. The Balanced Scorecard framework includes four major perspectives: (1) financial, (2) customer, (3) internal business processes, and (4) learning and growth. Kaplan and Norton (1993) concluded that each company requires developing their own performance scorecard (containing a set of measures) suited to improving its business performance as judged by its own stakeholders. "...from 15 to 20 scorecard measures, an observer should be able to see through to the business unit's competitive strategy." Kaplan and Norton (1993).

## CHAPTER 3

### Research Design / Methodology

#### Introduction

The value of the employee as the focal point of any successful organization is evident. Team based learning organizations that incorporate performance measures appear to be the model for High Performance Organizations. There are many opinions regarding what to measure, how to measure, and in some cases whether measurements are valuable at all. One thing is clear thus far; High Performance Organizations by earlier definition incorporate measurements based on performance to gauge their progress in improvement efforts.

This chapter will focus on the research design process, the population of the study, and the instrument design.

#### Research Design

High performance organizations share common values: the value of the team and the performance potential of the team, the importance of the individual within the team, and the shared common goal of the company with the individuals within the organization. The research design takes this into consideration. Honest responses to the survey questions will create greater data integrity. Likert scale questions were utilized in the design.

#### Study Population

The Central States Corporation members were chosen as the research population. The survey will be sent via e-mail to all owners of the 175 businesses that are association members. These members have many common attributes to the company profiled in Chapter 1, specifically their size and independent owner/operator nature. The research will be focused

on the textile/uniform service industry. The results will be shared with the members of the association for use in benchmarking themselves against their peers. The focus will be on their companies' attributes as a High Performing Organization.

#### Instrument

The instrument will consist of an introduction letter (Appendix A) which will explain the purpose and intent of the survey, the consent statement and the link to the survey (Appendix B). The letter will be sent via the internet with the link to the survey imbedded in the letter. The respondent may chose at that point whether to participate or not without the knowledge or prejudice of the researcher. The letter will also include, if the respondent would like a completed copy of the research paper including the survey results, the instructions to copy the researchers address and send an e-mail with the word Paper in the subject line.

The survey questions were developed based on the knowledge gained from the research. The questions were specifically developed around the benchmark characteristics of High Performance Organizations discovered during the literature review.

#### Instrument Validation

The survey was validated by presenting the instrument to 8 independent industry professionals and to the research advisor. The result led to making minor changes in the instrument, which were made prior to administering the survey.

## Chapter 4

### Findings and Analysis of Results

#### Introduction

The purpose of this study is to determine the level of understanding and activity of the industrial laundry network of independents specific to being and becoming High Performing Organizations. Competitive advantages exist as organizations take advantage of the collective knowledge and skills of their employees. High Performing Organizations possess the ability to achieve and exceed customer's expectations through the dynamic process of the focus on the employee and their desire to provide value to the customer.

This chapter provides detailed analysis of the survey instrument. The data was collected electronically from April 22 to April 30, 2004. Over 80% of the response came from the initial e-mail request dated April 22, 2004. There were a total of 175 e-mail addresses the request letter and survey link was sent to. Eight addresses were returned as undeliverable for various reasons. The second request dated April 28, 2004 resulted in the same eight undeliverable messages. The undeliverable requests were eliminated from the survey population. 27 of 167 surveys were completed for a 16.2% response rate.

#### Results

The results of each question response will be listed separately with a brief analysis and interpretation. Additional findings and a brief summary will follow later in this chapter. The first four questions were demographic in nature, gaining some sense of company size, growth and longevity.

Table 1: Question 1 Number of Routes.

How many routes do you run in your organization?	# of respondents	% of Total
1-5	3	11.1
6-10	6	22.2
11-20	11	40.7
21-30	3	11.1
30+	4	14.8
Total	27	100

This question was asked as one of the demographic questions to use in further analysis whether there exists an association between the size, routes being one indicator, and the companies values as a high performing company. Although the 11-20 route group seemed the most prevalent, there appears to be a good mix of size from the respondents.

Table 2: Question 2 Number of Employees.

Number of employees in your organization?	# of respondents	% of Total
1-20	1	3.7
21-50	4	14.8
51-100	10	37.0
101-150	5	18.5
150+	7	25.9
Total	27	100

This question was also used as a demographics indicator relative to the size of the organization. The overall range as compared seems fairly evenly distributed as would be expected.

Table 3: Question 3 Years in Business.

Number of years in Business?	# of respondents	% of Total
>5	0	0
6-10	0	0
11-25	1	3.7
26-50	5	18.5
50+	21	77.8
Total	27	100

The longevity demographic questions was asked to ascertain whether there was a connection between how long a company had been in business and their indicators as a high performing company. The information revealed that, even though the respondents were well dispersed relative to their size, over  $\frac{3}{4}$  of the respondents indicated that they have been in business over 50 years. This shows that the independents in this industry are well establishes. The minimum age of the businesses was 11-25 years or less than 4%.

Table 4: Question 4 Percent of Growth.

What has been your percent of growth in the past 5 years?	# of respondents	% of Total
0-5%	6	22.2
5-10%	11	40.7
10-15%	5	18.5
15-20%	1	3.7
Greater than 20%	4	14.8
Total	27	100

The growth question was asked to determine if there exists a connection specifically to a company's high performance status and growth. Although this is a mature industry and the respondents are fairly well established, their overall growth results are very good. This industry has taken a serious negative to flat growth status since the economy started a decline

in 2001. This industry is greatly effected by the manufacturing industry, which at least for this group indicates their being somewhat recession resistant.

The remaining research questions were used to determine the organizations understanding of and level of best practices that the research showed as high performance organizational characteristics. Much of the information and company structure revolves around the basic elements of the team-based work systems, learning and shared knowledge throughout the organization. The responses are the company's own interpretations of the specific characteristics. As mentioned earlier, it is the assumption that the respondents were honest and accurate in their evaluations of their companies.

Table 5: Question 5 Rating Organization as a HPO.

Based on the above definition, where would you rate your organization?	# of respondents	% of Total
Currently a HPO	2	7.4
Close to becoming a HPO	8	29.6
Working towards, about ½ way there	11	40.7
Understand the value, just getting started	5	18.5
Not really sure what a HPO is or the value	1	3.7
Total	27	100

The respondents indicated clearly that based on the definition for a high performance organization they overwhelming agree to the value. 37% feel they are there or very close with over 40% are ½ way to becoming a high performance organization.

Table 6: Question 6 Use of Work teams.

Relative to work teams, our company:	# of respondents	% of Total
Embraces the concept of work teams	10	37.0
Understands the concept and is developing teams now	13	48.1
Understand the concept, will not be developing work teams	4	14.9
Total	27	100

Work teams are the essence of the organizational structure in high performing organizations. The high proportion (85.1%) of the respondents either embracing or least understanding the value and are currently developing the team concepts validates the high percentage that also feel they are currently or close to becoming high performing organizations.

Table 7: Question 7 New Ideas.

New ideas are constantly sought and tried	# of respondents	% of Total
Always	3	11.5
Very Often	16	61.5
Occasionally	7	27.0
Not Often	0	0
Never	0	0
Total	26	100

The responses to organizations willingness to seek new ideas and try them at least occasionally (27%) and more importantly very often or always indicates a condition of continuous improvement within these organizations. Continuous improvement is critical to the success of any company and certainly a high performing organization.

Table 8: Question 8 Time for Learning.

Time is regularly set aside for learning	# of respondents	% of Total
Always	3	11.1
Very Often	11	40.7
Occasionally	9	33.3
Not Often	4	14.8
Never	0	0
Total	27	100

Learning is important for organizations today. Shared knowledge is an important part of the learning process. The overwhelming response of 51.8% demonstrates that the majority of the respondents understand the value of a dynamic, learning organization.

Table 9: Question 9 Learning New skills.

Learning new skills is encouraged.	# of respondents	% of Total
Always	10	37.0
Very Often	10	37.0
Occasionally	7	26.0
Not Often	0	0
Never	0	0
Total	27	100

Learning new skills creates value in the employee and increases efficiencies in the workplace. It can also create greater understanding of other positions and their importance to the entire process. A high percentage of the respondents (74%) understand and encourage this value.

Table 10: Question 10 Job switching.

New ideas are constantly sought and tried	# of respondents	% of Total
Always	0	0
Very Often	9	33.3
Occasionally	13	48.1
Not Often	4	14.8
Never	1	3.7
Total	27	100

Question 10 indicates whether the new skills learned above are carried to the actual job level. Job switching reduces flow problems in the workplace, as employees move around the operation and work where they are needed when they are needed. Only 1/3 of the respondents indicate their productions processes take advantage at least very often to the efficiencies of cellular production and the value of shared productions responsibilities.

Table 11: Question 11 Problem solving.

Problem solving is an important part of everyone's job.	# of respondents	% of Total
Always	5	18.5
Very Often	9	33.3
Occasionally	10	37.0
Not Often	3	11.2
Never	0	0
Total	27	100

Problem solving at all levels of an organization brings greater ownership and responsibility to entire process. Over 50% felt that the responsibility rests on all employees at least very often if not always. There were no respondents that indicated it is never everyone's job to seek solutions to problems.

Table 12: Question 12 Managers as facilitators.

Managers view their roles as facilitators who help their subordinates succeed. They do not give orders.	# of respondents	% of Total
Always	1	3.7
Very Often	12	44.4
Occasionally	12	44.4
Not Often	2	7.4
Never	0	0
Total	27	100

Question 12 addresses the issue of old school authoritative management style versus a more conventional participatory style. It is clear by the respondent's answers that these organizations value the participatory approach to managing employees.

Table 13: Question 13 Evaluations.

Managers are evaluated by their subordinates.	# of respondents	% of Total
Always	1	3.8
Very Often	3	11.5
Occasionally	4	15.4
Not Often	10	38.5
Never	8	30.8
Total	26	100

Question 13 specifically asks the question whether the organization appreciates and in fact relies on the judgement of the employee regarding their managers. This question relates to the issue of 360<sup>o</sup> feedback, a method of evaluating employees openly by their peers and their subordinates. Almost 70% of the respondents either never or not often have their managers rated by their subordinates.

Table 14: Question 14 Basic Unit.

In our company, the basic work unit is the work team.	# of respondents	% of Total
Strongly Agree	1	3.8
Agree	7	26.9
Somewhat Agree	15	57.7
Somewhat Disagree	2	7.7
Strongly Disagree	1	3.9
Total	26	100

In high performance organizations, the basic work unit is a team in some sense or another. The respondent's organizations appear to have some sense of the value of the team structure as 88.4% at least somewhat agree that the basic work unit in their organization is team based. What this question does not answer is how the team is connected financially and for rewards for improvement and growth. This would indicate a true team structure.

Table 15: Question 15 Determining customer needs.

Everyone in the organization strives to determine what the customer wants and needs and how to meet their needs.	# of respondents	% of Total
Strongly Agree	8	30.8
Agree	9	34.6
Somewhat Agree	8	30.8
Somewhat Disagree	0	0
Strongly Disagree	1	3.8
Total	26	100

An overwhelming percentage of the respondents at least somewhat agree, with almost two thirds agree or strongly agree that it is everyone's responsibility to work for the customer. Customer centered organizations possess high performance qualities, however the research also shows that putting employees ahead of the customer will drive customer loyalty even higher.

Table 16: Question 16 Organization values.

The organization values teamwork, participation, innovation, quality, etc. as much as profit.	# of respondents	% of Total
Strongly Agree	7	25.9
Agree	13	48.2
Somewhat Agree	7	25.9
Somewhat Disagree	0	0
Strongly Disagree	0	0
Total	27	100

Placing profits at a higher status of importance in an organization can undermine the foundation, eroding long-term sound judgement for short-term financial gains. Not a single respondent felt that, at least in their eyes that they were placing profit above teamwork, innovation and quality. Nearly 75% agreed or strongly agreed that these company values are at least as important as one of the Wall Street standard financial indicators of corporate success, namely profits.

Table 17: Question 17 Sharing Financial Gains.

Financial gains due to improvements in performance are shared equitably with all employees.	# of respondents	% of Total
Always	4	14.8
Very Often	11	40.7
Occasionally	4	14.8
Not Often	8	29.7
Never	0	0
Total	27	100

Question 17 follows the proceeding question regarding values over profit for a specific reason. Although most of the respondent felt the values were important, there is less that indicated they share substantially in the financial gains of the organization. This may be an indication of the level of value the owners place on the employee's real contribution to the

financial gains. Privately held companies may be less likely to share in the financial wealth.

This question alone can not substantiate that claim one way or another.

Table 18: Question 18 Business Information.

A great deal of information about the state of the business is shared with everyone.	# of respondents	% of Total
Strongly Agree	7	25.9
Agree	9	33.4
Somewhat Agree	6	22.2
Somewhat Disagree	5	18.5
Strongly Disagree	0	0
Total	27	100

Sharing information is the cornerstone of the trusting, learning organization. Sharing business information, specifically financial health to employees is less palatable to many small closely held organizations. Over 80% of the respondents indicated they at least somewhat agree that they share business information. This is a significant percentage demonstrating they have a sense of informational trust in their employees.

Table 19: Question 19 Personal Responsibility.

Everyone has a sense of personal responsibility for the overall performance of the company.	# of respondents	% of Total
Strongly Agree	4	14.8
Agree	10	37.1
Somewhat Agree	11	40.7
Somewhat Disagree	1	3.7
Strongly Disagree	1	3.7
Total	27	100

Having a sense of personal responsibility in the performance of the organization is the highest stake an employee can have with a company. Over 50% of the respondents feel that their employees have personal responsibility in the performance of the organization. A few,

less than 8% either somewhat or strongly disagreed that their employees have this sense of personal responsibility.

### Summary

The responses of the survey were designed using the Likert scale method. The responses were converted to numbers with the responses of “Always” or “Strongly Agree” = 1 and “Never” or “Strongly Disagree” = 5. If the respondent answered either always or strongly agree to all of the characteristics of a high performance organization, their average would have been 1.00. Similarly, if all the responses were never or strongly disagree, the average would have been 5.00. Using this conversion, the data was analyzed using the demographic indicators for comparison and determining if patterns appeared between the size, growth and tenure of the organizations. For the analysis below, question 6 was removed from the numbers. This questions had 3 response options and there was eliminated from the analysis.

For the all questions answered, the average of the averages was 2.52. Again, if all responses were a 1, the averages of the averages would have been 1.00. By question, the lowest average was 1.89 for question #9, learning new skills is encouraged. This indicates that these respondents feel that learning new skills was the most important attribute of those asked relative to being high performing organizations.

The highest average was 3.81 for question #13, their subordinates evaluate managers. This activity of employees rating others performance, especially their managers, is one of the most difficult levels of becoming a high performing organization to achieve. A great degree of trust, appreciation and understanding of the 360<sup>0</sup> feedback evaluation process must be

attained. It is not surprising that this characteristic achieved the lowest score of all respondents.

The lowest average of all respondents was 1.71. This company's demographics were between 11-20 routes, 101-150 employees, 50+ years in business and a growth of 5-10% over the past 5 years. The highest average of an individual company was 3.86, a company of 11-20 routes, 150+ employees, 50+ years in business and 10-15% growth over the past 5 years. Both companies were in the medium to high ranges for size and growth and both had the highest tenure of the respondents. By their demographics, they appear to be fairly equal, yet they indicated by their responses that their respective companies are very different in respect to the characteristics of a high performance organization.

Comparing growth demographics and sharing of financial gains showed an interesting result. Table 20 below compares the % growth to the average score when asked if financial gains were shared equitably with all employees. This shows that the highest growth rate companies shared their financial gains the least with their employees. It should also be noted that the largest group, the 5-10% growth group, had the lowest average showing they either always or very often share financial gains with their employees.

Table 20: Growth and Shared Gains.

What has been your percent of growth in the past 5 years?	# of respondents	Response to Shared Gains
0-5%	6	2.50
5-10%	11	2.18
10-15%	5	3.20
15-20%	1	1.00
Greater than 20%	4	3.50
Total	27	2.59 Average

Comparing the shared financial gain characteristic to the size of the organization also showed some interesting results. Table 21 below compares the same score of shared gains grouped by the size of the organizations using the number of employees. It appears that the larger the company, the less likely they are to share the financial gains with all employees. It is difficult to conclude whether this is the case in general within the total population, or if this is unique only to this group of respondents. Further research may be indicated to determine a true correlation.

Table 21: # of Employees and Shared Gains.

Number of employees in your organization?	# of respondents	Response to Shared Gains
1-20	1	1.00
21-50	4	2.00
51-100	10	2.60
101-150	5	2.80
150+	7	3.00
Total	27	2.59 Average

The two questions specific to the use of team based work structure were grouped and compared again to the growth of the organization. Table 22 below shows that the group with the highest growth scored 2.62, above the total average 2.69 for all respondents. The lowest scores, indicating the use of team based work structures in their organizations, achieved the lowest growth rates.

Table 22: Growth and Use of Teams.

What has been your percent of growth in the past 5 years?	# of respondents	Average Score for Use of Teams
0-5%	6	2.50
5-10%	11	2.57
10-15%	5	3.20
15-20%	1	3.00
Greater than 20%	4	2.62
Total	27	2.69

The same comparisons were made, using the size of the organization by employees to the use of a team based structure. Table 23 below shows the average scores of questions 10 and 14 again compared to the size of the organizations. It clearly shows a pattern that the smaller the organization, the more likely they use the team approach to their work structure.

There is also a trend showing that the larger the organization based on number of employees the greater percent growth in the past 5 years. The responses for growth and opposite of the other responses to characteristic questions. In other words, the higher the average in column 4 of table 23 below, the higher the growth rates. This appears to be inversely related to the use of the team based work structure.

Table 23: # of Employees and Use of Teams and Growth.

Number of employees in your organization?	# of respondents	Average Score for Use of Teams	Average Score for Growth
1-20	1	2.00	2.00
21-50	4	2.50	2.00
51-100	10	2.58	2.10
101-150	5	2.80	2.80
150+	7	3.00	3.14
Total	27	2.69	2.48

## CHAPTER 5

### Summary, Conclusions and Recommendations

#### Introduction

The value of the employee as the focal point of any successful organization is evident. Team based learning organizations that incorporate performance measures and rewards appear to be the model for High Performance Organizations. There are many opinions regarding what to measure, how to measure, and in some cases whether measurements are valuable at all. One thing is clear, High Performance Organizations by earlier definition incorporate measurements based on performance to gauge their progress in continuous improvement efforts.

#### Research Objective

The question is whether high performance organizations can be built, or if they just born of the ingenuity and passion of tireless entrepreneurs. High performance organizations could be viewed as microorganisms of individuals with strong personalities, strengths and skills that have evolved into cohesive business machines. As individuals, they lack the ability to achieve similar results.

The research obtained the following objectives:

- Determine the correlation between growth measures and organizations use of high performance team-based work formats.
- Develop a model of high performance organizations specifically for the independent operators in the industrial laundry industry.

- Provide future survey/research opportunities that will benefit the independents of this very competitive industry.

### Instrument

The instrument consisted of an introduction letter (Appendix A) which explained the purpose and intent of the survey, the consent statement and the link to the survey (Appendix B). The letter was sent via the Internet with the link to the survey imbedded in the letter. The respondent chose freely at that point whether to participate or not without the knowledge or prejudice of the researcher. The letter also included, if the respondent would like a completed copy of the research paper including the survey results, the instructions to copy the researchers address and send an e-mail with the word Paper in the subject line.

The survey questions were developed based on the knowledge gained from the research. The questions were specifically developed around the benchmark characteristics of High Performance Organizations discovered during the literature review. 27 of 167 surveys were returned for a 16.2% response rate.

### Conclusions

High performance organizations can be built. The evidence shows, through the research and the responses of the network association members that team based organizations create a collective strength in value to the customer. This value point of differentiation can drive future success within any organization, and certainly in businesses that compete against national chains.

Table 23 compares the growth of the organizations surveyed and their use of the team based structure. It is evident that the highest growth companies shared at least a higher than average rating of their understanding of the value of collective learning, strength and unity

when goals are established for the team and not the individual. There is power in an effective team environment, when the teams are focused and working toward the same goal. This should also be coupled with shared gains, demonstrated by the respondent's use of shared wealth within their organizations.

High performance organizations are built through creative, learning opportunities that drive continuous improvement and create exceptionally motivated employees. In the service business, where differentiation is a necessity of survival, it's the people providing the service that can make or break customer loyalty and their sense of value toward the company.

Exceeding customer expectations in any service industry can not come from the top. True service is personal. It must be provided by and with the passion of people. Consistent exceptional service can be at the heart of an organizations brand strategy. It can be their brand promise to their customers. To achieve this, the organization must value and nurture the input and the desire to succeed of their employees. Specifically the employees that have control of and provide the direct service contact.

Barbara Crist sites in her article "Restoring The Passion of Service Employees" (1995) that "the spirit of the organization starts with its leaders". The spirit of a successful high performance organization only starts at the top. The leadership must embrace the creativity of the employee and trust in their ability to do the right things, right. Measure their progress, but be willing to get out of their way. Allow the strength of the team, the collective knowledge of the group, to achieve service and additionally financial successes.

Service measures should then be equally as important as financial measures. This was evident in the response to the question of values of participation, innovation, teamwork and quality being equally as important as profits. There is no presumption that profits are not

critical to the success of any organization, in fact without consistent profits we may as well be working for the government. It is my argument that measuring the inputs of exceptional service, will lead to and drive long-term profitability. Measuring true customer loyalty, created through a successful mutually beneficial growth plan, can achieve long-term profitability.

There is evidence the member's of the CSC network of independent launderer's are currently or working towards becoming high performing service organizations. There is a clear understanding of the importance and value of team-based goals and work practices. Creating more time for learning and improving the shared knowledge process will benefit the independents. Group decision-making can create greater buy-in and energy when change is taking place. Change should be embraced as a way of life for the independent in this industry. Independents must create systems to evaluate and encourage change, for the benefit of the employee and the financial success of the company.

The network members understand the need for differentiating themselves in the marketplace. Competing against the low-cost producers in this industry may ultimately lead to consolidation as pricing pressures overcome profitability and growth. Without the marketable advantages of product innovations, network independents must then rely on exceeding service expectations and growing with their current customers. This can be achieved as they become high performing service organizations.

#### Recommendations

The research study provides an insight into the perceptions and understanding of high performance organizations. Specifically, high performance organization's traits and measures associated with this team-based business model. The results of this study should be shared

with the members of the network association, in part or in its entirety. The results could be incorporated into a benchmark measure, used in conjunction with future research or survey.

Future research should determine what specific measures are used within this industry to evaluate goal attainment and measure process improvement. Benchmark standards should be set, based on the characteristics outlined in the survey instrument. An annual survey could be developed, administered and reported based on a scoring system determining high performing status of an organization. Annual recognition could be developed for the network members who significantly improve their processes toward obtaining high performance status. Performance improvement practices could be shared between non-competing companies. Developing a shared knowledge of best practices will benefit this network of independents, helping them thrive in this mature and highly competitive industry.

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Appendix A

Survey Request Letter and Consent Form

Dear Central States Member:

Your affiliation with the Central States Corporation (CSC Network) has led to you receiving this e-mail survey. The study this is associated with is both of interest to myself, as well as to generate valuable feedback to the CSC members by providing a benchmark for our industry regarding companies and their status as “High Performance Organizations”.

I am a graduate student at the University of Wisconsin – Stout working toward my M.S. in Training and Development. I am also employed by an independent, textile-services company, one of the founding members of the CSC Network. It is my goal to learn more about organizations in our industry and their understanding of becoming “High Performance Organizations”. I would also like to give back to the industry by helping independent members understand the value of becoming High Performing companies.

The attached survey will take less than 5 minutes to complete. I will be providing electronic copies of the completed research paper to anyone that participates in the survey and would like a copy. My research paper is titled: **HIGH PERFORMANCE SERVICE ORGANIZATIONS: Performance Measures That Facilitate Performance Improvement**

#### CONSENT

I understand that by returning this questionnaire, I am giving my informed consent as a participating volunteer in this study. I understand the basic nature of the study and agree that any potential risks are exceedingly small. I also understand the potential benefits that might be realized from the successful completion of this study. I am aware that the information is being sought in a specific manner so that only minimal identifiers are necessary and so that confidentiality is guaranteed. I realize that I have the right to refuse to participate and that my right to withdraw from participation at any time during the study will be respected with no coercion or prejudice.

#### NOTE:

Questions or concerns about the research study should be addressed to:  
Tim Benjamin, the researcher at (715) 855-6209, or Joseph Benkowski, the research advisor at (715) 232-5266.

Questions about the rights of the research subjects can be addressed to:  
Sue Foxwell, Human Protections Administrator  
UW-Stout Institutional Review Board for the Protection of Human Subjects in Research  
11Harvey Hall, Menomonie, WI 54751  
Phone (715) 232-1126.

**Please complete the attached survey by April 30<sup>th</sup>, 2004. You can reach the survey by clicking the following link: <http://www.uwstout.edu/survey/benjamint.html>**

Thank you in advance for participating in this survey. If you have any questions or would like a copy of the completed paper please click on the address below, and insert "Paper" in the subject line. [Benjamint@uwstout.edu](mailto:Benjamint@uwstout.edu)

Sincerely,

Tim Benjamin  
Graduate Student  
Master of Science Training and Development Program  
University of Wisconsin – Stout

Appendix B  
Survey Instrument

For the purposes of this study, the term High Performance Organization (HPO) refers to: a creative, learning organization that thrives on continuous performance improvement and employee excellence, derived from exceeding both customer and personal expectations.

Q1: How many Routes do you run in your business?

- 1-5
- 6-10
- 11-20
- 21-30
- 30+

Q2: Number of Employees in your organization?

- 1-20
- 21-50
- 51-100
- 101-150
- 150+

Q3: Number of years in Business?

- >5
- 6-10
- 11-25
- 25-50
- 50+

Q4: What has been your percent growth in the past 5 Years?

- 0% to 5%
- 5% to 10%
- 10% to 15%
- 15% to 20%
- Greater than 20%

Q5: Based on the above definition, where would you rate your organization?

- Currently a HPO
- Close to becoming a HPO
- Working towards, about ½ way there
- Understand the value, just getting started
- Not really sure what a HPO is or the value

Q6: Relative to work teams, our company:

- Embraces the concept of work teams
- Understands the concept and is developing work teams now
- Understand the concept, will not be developing work teams

Please rate your organization on the following HPO activities or traits.

Q7: New ideas are constantly sought and tried.

- Always
- Very Often
- Occasionally
- Not Often
- Never

Q8: Time is regularly set aside for learning.

- Always
- Very Often
- Occasionally
- Not Often
- Never

Q9: Learning new skills is encouraged.

- Always
- Very Often
- Occasionally
- Not Often
- Never

Q10: People work in a team environment where they regularly switch jobs with one another.

- Always
- Very Often
- Occasionally
- Not Often
- Never

Q11: Problem solving is an important part of everyone's job.

- Always
- Very Often
- Occasionally
- Not Often
- Never

Q12: Managers view their roles as facilitators who help their subordinates succeed. They do not give orders.

- Always
- Very Often
- Occasionally
- Not Often
- Never

Q13: Managers are evaluated by their subordinates.

- Always
- Very Often
- Occasionally
- Not Often
- Never

Q14: In our company, the basic organizational unit is the work team.

- Strongly Agree
- Agree
- Somewhat Agree
- Disagree
- Strongly disagree

Q15: Everyone in the organization strives to determine what the customer wants and how to meet their needs.

- Strongly Agree
- Agree
- Somewhat Agree
- Disagree
- Strongly disagree

Q16: The organization values teamwork, participation, innovation, quality, etc. as much as profit.

- Strongly Agree
- Agree
- Somewhat Agree
- Disagree
- Strongly disagree

Q17: Financial gains due to improvements in performance are shared equitably with all employees.

- Always
- Very Often
- Occasionally
- Not Often
- Never

Q18: A great deal of information about the state of the business is shared with everyone.

- Strongly Agree
- Agree
- Somewhat Agree
- Disagree
- Strongly disagree

Q19: Everyone has a sense of personal responsibility for the overall performance of the company.

- Strongly Agree
- Agree
- Somewhat Agree
- Disagree
- Strongly disagree