Criteria Factors of High Performance Organization (HPO) in the Air Force

Prasit Sangomek, Shinawatra International University (Thailand)
Somchai Ratanakomut, Chulalongkorn University (Thailand)

Abstract: High performance organization (HPO) bases entities which perform differently from traditional organizations following a conventional hierarchical. They use strategic planning to interconnectedness among organizational to achieve high payoff results. The high performance organization involves many causes which effect on developing organization performance. The new generation of military should focus on how to develop his force through the next 50 years. Our force is made up of people, weapons, equipment and organization, which can be brought them together for working effectively. This study was undertaken to identify factors that affect to military. Data was collected from secondary sources including review of contemporary management literature, journals, and other published. Also, the data was interviewed from high rank commanders who achieve in Royal Thai Air Force and involve high performance system. This paper clearly points to determine what makes a military an HPO. It also identifies organizational elements and discusses in the detail to explore what is important for being high performance organization.

1. Introduction

Paradigms are based on mental models or images. (Senge, 1990) These images can range from simple generalizations to complex theories and have a significant impact on both people and organizations. It is important to bring mental models to a level of consciousness without which these models may be limiting, and incorrect assumptions made. In summary, paradigms are interpretation of how things such as an organization and its relationships work in the context of its environment (Kaufman, Oakley-Browne, Watkins, and Leigh, 2003).
In the concept of organization, commercial firms are investing more resources into high performance systems, but it is not clear what affect to positive outcomes. The successful factor is to be found in building a high performance, culture. (Barrett, 2008) In the commercial firm, the culture of the organization is the thing of competitive advantage and brand differentiation. For example, PTT International Trading (Thailand) achieves in human resource and technology development by using strategies to reach high performance organization.

In the public organizations, the culture of the institution is the thing of its effectiveness in delivering high quality services. They focus on development to increase efficiency of the public sector management through change management techniques. Efficiency Improvement was initiated to new public management to decrease costs and increase production. Therefore, the Bureaucracy was changed a low-performance culture to a high-performance culture to be strong, high-performing cultures. Royal Thai Air Force (RTAF), as the public organization, has mission to defense his country from treats by using effectively air power. RTAF emphasizes on adapting organization effectiveness by following new public management policy that was created by Office of The Public Sector Development Commission (Thailand). Although the HPO system was initiated last two years ago but the quality improvement has been moved very slowly.

In this paper, the quality methodology is used to investigate criteria factors for performance excellence in the air force. The research methodology confirms successful change transformation to high performance organization. Although the investigation focuses on a single organization as the air force, there is potential for these insights for more applicable. The researcher believes that this paper will be useful to the next research for Royal Thai Air Force development.

2. Commercial Firm and Military Organization Characteristics Comparison

In this century society has become a society of organizations. (Drucker, 1947) The growth of civilization is
really a study of the ability of people to organize in meaningful way. To understand something of organizations one must approach the subject in logic. Therefore, it should be reviewed how organizations interact with specific sectors with environment. The definition of organization is a separate group of people that bring together for common objective and consciously coordinate toward the purpose as the air force.

Comparatively, the business firm draws its very sustenance from the environment. The military organization must satisfy the political environment from which it draws the budget. The environment is composed of five primary sectors: economic, cultural, political, competitive and technological. (Hunsicker, 1976) A business firm interacts with environment and focuses on making a profit. Therefore it execute carefully economic sector as analyzing market demands of cultural sector for the product. It installs the firm’s policies to sell the product and returns the revenue. The cultural sector also affects business firms because it determines the attitude of people, work and product. The political sector affects on changing their practices to control them. A commercial organization also interacts with technological sector which is usually positive. In summary, a business firm is by no means an island onto itself. It is constantly interacting with the various sectors of its environment, and as the environment changes, so must the firm if it expects to remain a viable institution. Of all sectors of the environment, however, the economic sector has the most profound effect on business organizations. Take away the revenue an organization receives from its environment and it will cease to exist. For military organization, government agencies and commercial firms are similar because neither are autonomous structures. Nor does this point require elaborate proof. The largest of our government agencies, the Department of Defense, is very much aware of just how important a senator and his or her colleagues are to its continued well being. If you are still doubtful, read the annual appropriations hearings to put those doubts to rest. Indeed, to expand this example, all government agencies (federal, state, or local) must run the environmental gauntlet of political and economic appropriations. The military agency is much more involved with the political sector than a
business firm. Finally, the business firm secures its support essentially from the marketplace while the military agency is more dependent upon making its appeal through the political process.

Therefore, business firm and military agencies have some differences are summarized by the following point:

1. Organizations, both military and commercial, relate to their environments and are dependent on them.
2. Both types of organizations are influenced by five primary sectors of the broader environment (economic, cultural, political, competitive, and technological).
3. There are some differences between the two types of organizations, especially the ways they relate to the economic, political, and competitive sectors of the environment.

Although military and commercial organizations do differ, their similarities outweigh the differences. Furthermore, the differences seem to be more procedural and technical, than fundamental. Therefore, it confirms that the nature of military organization is not different from commercial firm in the environment but differs in how to focus the environment.

3. The Concept of High Performance Organization

A successful system defines and demands results that link individuals, teams, and organizations to external clients and society. (Kaufman, 1992) These elements apply to all organizational subsystems and they form an aggregate to make the system complete. All dynamic systems are purpose and they attempt to produce desired and useful results. An HPO typically produces three related but different kind of results which if planned and accomplished, meet the requirements of the organization's internal and external clients. Results at mega level generate social impact and create value addition to society. At the macro level results are delivered to external clients or the end users. Finally, at the micro level, results are delivered to individuals or teams, and internal customers. All levels of results are part of any organization but often they are not all planned explicitly. However, when planned proactively, these results are
embedded in each other and can be aligned. Kaufman et al (2003) argued that strategic thinking is concerned with planning and aligning these three levels of results to create a better world. Defining and linking results at the Mega, Macro and Micro level is one of the critical factors for HPOs to succeed and it must be emphasized that results are equally important at all three levels.

The first organizational element is inputs. Inputs are the prerequisite starting conditions for an organization to accomplish useful results. Typical examples of inputs include raw materials, human capital, information capital, financial capital, equipment, facilities, requests for proposal, laws, rules and regulations, products or outputs, and the corporate culture. Inputs are resources and requests available or required to produce a product or service for the organization's end-user. They include a range of internal and external conditions known as conditions. These conditions affect the use of Inputs to accomplish results.

The second organizational element is called process. Process is a variable that influences an organization or team performance and it is an end-to-end series or collection of activities that creates a result for customers-both internal then external (Kaufman et al., 2003). A process must meet the following six criteria:

1. It produces or manipulates data or physical materials.
2. It adds value and impacts to distinctive organizational results at all three levels.
3. It can be performed or influenced by one or more individuals or teams.
4. It is triggered by one or more events or cues.
5. It consumes inputs and transforms them into results.
6. It can be classified as primary or support, small or big, internal or external.

Therefore, a process, including a business process, is a series of steps that translate Inputs into a result in the form of a Product. This result can then be linked with other products to create an output for the organization and outcome for external clients and society. Just like every organization, all individuals have processes.

The third organizational element is known as feedback. A system approach is not lock step or linear and the levels in
an HPO are connected directly or indirectly. A change ripples out to affect the other parts within the organization. In turn, these affected parts then respond back with a ripple to affect the original part. The original change then responds to the new influence and a chain reaction sets in. Therefore, the influence comes back to the original in a modified way, creating a dynamic loop, which is referred to as a feedback loop.

Feedback is significant for any system, and it is necessary but not a sufficient condition for accomplishing high payoff results. Feedback must be used in combination with useful consequences if the intention is for practical changes to take place. Typically, HPOs use a combination of feedback and reinforcement to improve their organizational effectiveness.

The next organizational element is known as consequences. Consequences or outcomes can be positive or negative. They depend on whether results add value to the internal or external stakeholders or not. Consequences are natural by-products of any process. Consequences must be planned for; otherwise they are left to chance. Gilbert (1978) showed that increasing the rate of specific feedback has a positive consequence. He pointed out that providing appropriate feedback to the right people never produces less than a 20 percent improvement in performance and often leads to a 50 percent change. Even six fold improvements have been observed.

The final organizational element is customers or clients. Customers are people to whom results are delivered. For any organization, there are clients or customers at every level.

In any HPO, the organizational elements constitute a dynamic system and their relationships in terms of adding value to internal and external stakeholders are critical to the success of the organization. System thinking is the foundation for strategic thinking and planning, and defines a roadmap when organizations plan to achieve high-payoff results.

4. Previous Research on High Performance Organization (HPO)
Criteria Factors of High Performance Organization (HPO) in the Air Force

From the research defines the factors that determine what makes an organization an HPO that compared over at least five to ten years. (Waal, 2000)

1. **Management Quality**: The management of an HPO is high-quality and combines integrity and coaching leadership with fast decision-making.

2. **Openness and Action Orientation**: The culture of an HPO intensively involves everyone through dialog and actions aimed at achieving better performance.

3. **Long-Term Orientation**: The long-term orientation of an HPO applies to customers and cooperation partners but also to employees. Management is supplemented by promotions from the inside out.

4. **Continuous Improvement and Renewal**: An HPO knows its distinguishing characteristics in the market and allows all employees to continuously contribute to improving the organization’s processes, services and products.

5. **Quality of Employees**: The employees on an HPO are diverse, complementary and work together well. They are flexible and resilient in their focus on achieving the intended result.

Balanced Scorecard, especially as used in the public setting, is still a relatively new concept; hence judgment on its success or failure may be a bit premature. Its simplicity or complexity depends on the people and the organization using it. Its simplicity is derived from the idea that there are only four basic areas needing to be addressed. As an organization continues to use it, the organization may add more complex measures and more specific or redefined objectives and goals. Hence, a Balanced Scorecard may become more complex as it matures with the organization, but this complexity is very dependent on the organization’s use of BSC. (Gentry, 2003)

Though other frameworks may cover more areas, those areas can inevitably be a part of a BSC. For instance, if an organization wants to track multiple areas (such as found in the Malcolm Baldrige measurement categories – see Table 1 for an example), the organization could do so with BSC.
APPAs Strategic Assessment model is an example of doing just that. In APPAs publication, The Strategic Assessment Model, second edition (2001), SAM combines the elements of the Balanced Scorecard and Malcolm Baldrige program. To do so, SAM has three components: the four perspectives of the Balanced Scorecard, quantitative performance indicators, and qualitative criteria for determining the levels of performance of an organization in each of the Scorecard perspectives. SAM incorporates the


<table>
<thead>
<tr>
<th>Scoring Guidelines</th>
<th>Points</th>
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<tbody>
<tr>
<td>1 Leadership</td>
<td></td>
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<tr>
<td>1.1 Organizational Leadership</td>
<td>80</td>
</tr>
<tr>
<td>1.2 Public Responsibility and Citizenship</td>
<td>40</td>
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<tr>
<td>2 Strategic Planning</td>
<td></td>
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<tr>
<td>2.1 Strategy Development</td>
<td>40</td>
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<tr>
<td>2.2 Strategy Deployment</td>
<td>45</td>
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<tr>
<td>3 Customer and Market Focus</td>
<td></td>
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<tr>
<td>3.1 Customer and Market Knowledge</td>
<td>40</td>
</tr>
<tr>
<td>3.2 Customer Relations and Satisfaction</td>
<td>45</td>
</tr>
<tr>
<td>4 Information and Analysis</td>
<td></td>
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<tr>
<td>4.1 Measurement of Organizational Performance</td>
<td>50</td>
</tr>
<tr>
<td>4.2 Analysis of Organizational Performance</td>
<td>40</td>
</tr>
<tr>
<td>5 Human Resource Focus</td>
<td></td>
</tr>
<tr>
<td>5.1 Work Systems</td>
<td>35</td>
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<tr>
<td>5.2 Employee Education, Training, and Development</td>
<td>25</td>
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<tr>
<td>5.3 Employee Well-Being and Satisfaction</td>
<td>25</td>
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<tr>
<td>6 Process Management</td>
<td></td>
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<tr>
<td>6.1 Product and Service Processes</td>
<td>45</td>
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<tr>
<td>6.2 Business Processes</td>
<td>25</td>
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<tr>
<td>6.3 Supplier Processes</td>
<td>15</td>
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<tr>
<td>7 Business Results</td>
<td></td>
</tr>
<tr>
<td>7.1 Customer-Focused Results</td>
<td>125</td>
</tr>
<tr>
<td>7.2 Financial and Market Results</td>
<td>125</td>
</tr>
<tr>
<td>7.3 Human Resources Results</td>
<td>80</td>
</tr>
<tr>
<td>7.4 Organisational Effectiveness Results</td>
<td>120</td>
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Total Points 1000
Malcolm Baldrige scoring guideline categories of 1) Leadership and 2) Strategic Planning more subtly in that it is expected that leadership will act as the foundation of the SAM and strategic planning more like a top guiding force, between which the Balanced Scorecard perspectives act as a support structure between the two. (See Figure 3, the author’s visual aid for this “building” type of model.) Additionally, the SAM BSC perspectives incorporate definitions from the Baldrige model:

1. **Financial Perspective**
   - Measurement of Organizational Performance - Baldrige category 4.1
   - Analysis of Organizational Performance - Baldrige category 4.2
   - Financial and Market Results - Baldrige category 7.2

2. **Customer Perspective**
   - Customer and Market Knowledge - Baldrige category 3.1
   - Customer Relationships and Satisfaction - Baldrige category 3.2
   - Customer-Focused Results - Baldrige category 7.1

3. **Internal Process Perspective**
   - Product and Service Processes - Baldrige category 6.1
   - Business Processes - Baldrige category 6.2
   - Supplier Processes - Baldrige category 6.3
   - Human Resource Results - Baldrige category 7.4

4. **Innovation and Learning Perspective**
   - Work Systems - Baldrige category 5.1
   - Employee Education, Training, and Development - Baldrige category 5.2
   - Employee Well-Being and Satisfaction - Baldrige category 5.3
   - Human Resource Results - Baldrige category 7.3

(APPA, 2001)

<table>
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<tr>
<th>Categories</th>
<th>Details</th>
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<tbody>
<tr>
<td>Leadership</td>
<td>- Organizational leadership</td>
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<td></td>
<td>- Public Responsibility and Citizenship</td>
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</tbody>
</table>
| Strategic Planning            | - Strategy Development
|                              | - Strategy Deployment
| Customer and Market Focus    | - Customer and Market Knowledge
|                              | - Customer Satisfaction and Relationships
| Information and Analysis     | - Measurement and Analysis of Organizational Performance
|                              | - Information Management
| Human Resource Focus         | - Work Systems
|                              | - Employee Education, Training, and Development
|                              | - Employee Well-being and Satisfaction
| Process Management           | - Product and Service Processes
|                              | - Business Processes
|                              | - Support Processes
| Business Results             | - Customer Focused Results
|                              | - Financial and Market Results
|                              | - Human Resource Results
|                              | - Organizational Effectiveness Results

Table 2. Criteria For Performance Excellence (BNQP, 2002)

From Table 2, the study of Chrusciel and Field (2003) describes the Malcolm Baldrige National Quality (MBNQ) “Criteria for Performance Excellence” in seven major categories that effect on organization. For the critical success factors, the element that supports the quality management is the leadership. The leadership provides values, expectations, communication, and review for his members. The member training emphasizes in human resource and also deals with process management.

5. Method

This paper is ongoing process and every research creates opportunities for further inquiry. Therefore this
study was only an attempt to add to the existing body of knowledge in the field of organizational development. It is expected findings from this study will give rise to critical factors and therefore lead to future research. Both primary data and secondary data were used. The primary data were collected by face-to-face interviews and direct observations by the authors. While the secondary data were firstly accessed from recent reports, journals, online resources and others, which were useful in informing the primary data collection process, and were also used to interrogate the findings.

**Limitations**

The study acknowledges that there are significant factors of being high-performance organizations, other than what has been identified in this study. Also, this study is qualitative in nature and based on secondary sources of data. Therefore, the accuracy of conclusions presented in this study is reliant on the veracity of the secondary data itself.

**Participants**

Non-probability sampling procedure is adapted by the judgment sample which the researcher actively selects the most productive sample to answer the research questions. The participants were selected from the high rank (Group Captain, O6) commanders who experience more than 15 years in the air force and also involve with high performance organization committee in military.

**Procedure**

The sampling design for the qualitative study started with an identification of samplings which are the senior commander in the air force who work or practice in HPO of organization. They would be collected the data in relevant to the HPO areas in the air force. The official letters and guidelines of required information were enclosed together in order to make understanding about the interview objectives...
and information which will be collected and recorded by the researcher. Each in-depth took around 45 - 60 minutes in each subject according to the availability of the informants.

**Instrumentation**

When a researcher conducts interviews, the responses usually are recorded and later transcribed. Then the researcher uses qualitative research methods to analyze the words of the participants. The researcher often is trying to identify repeating themes or ideas among the responses. Interesting quotes from the transcripts were gathered and analyze in order to see the important factor related to the secondary data.
6. Results

From interview, commanders in the air force, we have studied point of view what factors will support the military to achieve being high performance organization. Moreover, how HPO has been success in the air force since last 2 years. These questions will evolve as key organizations share their success stories and improve their understanding of what drives and sustains performance excellence of their organization.

Grp.Capt. #1: HPO will succeed to the air force next 5 years. Some of the air force organizations have the knowledge and implement Key Performance Indicator (KPI) to HPO but it was not achieve to public well known. Moreover, knowledge management and learning organization is the tool for the air force to acquire HPO position. The organization in the air force should play the most important role to create the knowledge management for drawing the explicit knowledge to benefit the air force. Also it spends more time and budget on learning organization’s establishment. Additionally, Chief Knowledge Officer (CKO) also plays the leader role of organization to lead his people trust in organization’s vision and strategy.

Grp.Capt. #2: Discussion the objective of performance organization will develop knowledge of skills, technique, and strategy to accomplish the mission. Also concept of high performance organization in the air force focuses on getting the job done or complete mission. However, the organization not only needs to complete mission but also needs to develop the interaction of its member is consciously coordinated toward accomplishing a common objective. For the air force, HPO did not fulfill to all organization in the force, it did not say that the air force failed existing HPO. It is a primary requisite for good leader understanding high performance organization and influencing his people to understand the same direction. Therefore leadership must be an important factor that affect to organization performance. Also military organizations have significantly contributed to the development of leadership and management in order to develop culture to be high performance organization in next generation.
Grp. Capt.#3: Directing the affairs of complex organization as the air force requires a balanced and integrated point of view. One needs a comprehensive view or framework which includes the external environment and the internal environment. Moreover, one must have a good understanding of tendency for large organizations to filter out some of the top individual's intentions. Therefore great leader should take a massive amount of information to alter misperceptions of high performance organization. Leadership influences to change organization's culture and culture can also change organization performance. Nowadays, the air force emphasizes on developing leader who can change the organization culture to learning organization.

Grp. Capt.#4: After Office of the Public Sector Development Commission (Thailand) initiates concept of high performance organization, the air force establishes Office of Strategy Management (Royal Thai Air Force) to develop work process system by separated into subordinates and created their own KPI. It slowly move forward to understand and define the right KPI that exams the organization performance. Factor affects to slowly transform is old culture that does not want to change. Culture is complex because every person is featured with various characteristics and behavioral styles. Organization culture defines situations of people, relationship within organization and ways of working together. In the air force, organization culture must change to shared-culture. A shared sense of purpose, direction, and strategy can coordinate and galvanize organizational members toward collective goals.

7. Conclusion

As a result of our study effort, we have analyzed influential factors which related to the success of HPO in the military organization. The influential factors consist of leader and organization culture. The finding is still conforming to the secondary data that the researcher has been reviewed in both commercial firm and military organization. The future study, researcher plans to have in-depth interview with the air force in order to compare the different of the influential factor toward the HPO and concrete the conceptual framework before continue to have the further qualitative
study. Therefore, this study may work as a confirmation for the air force to look back at their organization.

Moreover, this research found that while organizational growth is important, the air force considers that, for high performance, organizational mission and the management of an organization are more important than is growth. Also it is founded that it is very important that high performing organizations have a leader who encourages transformation to learning organization. The researchers recommend the quality organization should focus on the leadership, especially transformational leadership, because it occurs when one or more persons engage with their forces in such a way that leaders and followers raise one another to high levels of motivation and morality. Therefore, the important factor for high-performing is the leadership that is the art of finding out which way people are going and getting out in front. (Wynn, 1994) Moreover, the people who put together the criteria for Malcolm Baldrige National Quality Award understand that leadership is integral to the total quality improvement process.

As the result from participants interviewing, it displays that RTAF needs the quality leaders who are modern military leaders. They have to learn in active duty is importance of taking care of people, soldiers, sailors, airmen, or civilians. Military Leadership is about understanding human behavior. It’s about inspiring and influencing individuals. A framework for leadership within the context of quality organization, it builds on the premise that leadership is an essential element in achieving organizational effectiveness. Quality leaders syndicate leadership throughout an organization. They communicate, set clear goal, define objective and ensure all organizational levels understand these goals and objectives. In accomplishing these results, leaders should influence others not by ordering them to do something, but by causing them to want to attempt it or explaining why something is important. Modern military organization could be changed organizational culture move to learning organization by the quality leaders who recognize the need for skilled managers. Both leadership and management need to achieve organization quality. When practicing together, they would provide the foundation of inspiration, capability, and effectiveness. The processes of leaders begin with the leader’s
articulating a clear mission, vision, and values of organization’s ultimate achievement. These leaders have ability to encourage others to change their culture willingly follow into the direction of doing the right things for being high performance organization as the Royal Thai Air Force’s vision in 2010 “One of the Best Air Force in ASEAN”.

References


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