

Critical Review on Factors Determining High Performance Organizations within Small-Scale Plastic Components Manufacturing Industry in India

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Abstract--- *In recent years, organisations seem to be focus mainly on achieving a sustainable growth and also a long-term success through delivery high quality products and services. It is important for the organisations to achieve organisational excellence and competence in the industry in order to survive in the highly competitive business environment. This paper focuses on conducting an extensive literature review on identifying and addressing the factors associated with the high performance organisations (HPO) in the small scale plastic components manufacturing industry in India. A HPO model has been provided at the end of the literature review addressing the linkages between the dependent and independent variables.*

Keywords--- *Components Manufacturing, Critical Review, Determining High Performance.*

I. INTRODUCTION

Researchers have highlighted the importance of organisational and human resource capabilities to enhance the overall financial and operational performance in an organisation [1]. In recent years, organisational performance and organisational excellence has gained a lot of popularity and attention from academicians and management professionals because of their impact on achieving competitiveness in the highly dynamic VUCA (Volatile, Uncertain, Complex and Ambiguous) business environment. It is inevitable to identify and understand the various factors behind the high performance organisations to ensure operational excellence and competitiveness in the industry [2] [3].

This research article aims to conduct a thorough literature review on the factors affecting the high performance organisations in small-scale plastics components manufacturing industry in India. This research involves collecting data from academic books, research papers, journal articles, previous case studies on high performance organisations. Several databases such as EBSCO Information Services, Science Direct, Emerald, Research Gate and Google Scholar are used to search from relevant sources to support this study.

II. CRITICAL LITERATURE REVIEW

In the last decade, several academicians and business professionals have shown a great level of interest in determining the factors behind the high performance organisations [4] [5]. This research are mainly focused on identifying the success factors behind the high performance of an organisation through resource based view of the organisation [6] and using their dynamic capabilities [7] [8]. Using this approach, several factors associated with the high performance organisations are identified that are highly influenced by the personal interests of the researchers.

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There are several differences in the perspectives towards high performance organisations and there are different characteristics that lead an organisation towards high performance. Hence it is extremely difficult and challenging to define a clear set of factors behind the high performance organisation. Hence there is a need for clear framework that addresses the factors behind HPO to allow generalisation [9].

A. High Performance Organisations

There is several numbers of definitions for the term “High Performance Organisations” that can be found in the literatures. Most of these definitions of HPO address the attributes such as strong financial performance, high customer satisfaction, employee satisfaction, high individual initiative, greater innovation, and strong leadership. Several terms are commonly used to refer high performance organisations such as agile, adaptive, reliable, accountable, responsive, sustainable, robust and intelligent. [10]

“A High Performance Organization is an organization that achieves financial and non-financial results that are exceedingly better than those of its peer group over a period of time of five years or more, by focusing in a disciplined way on that which really matters to the organization.” [11]

A high performance organisation is designed with the sole intention to deliver sustainable results to the organisation through getting the best out of the people and enhancing the overall organisational capacity [12].

Identifying the common themes helps to get uniformity in the definition on HPO. Following are the common factors received from different literature sources: a) turnover of the organization, b) the non financial factors like satisfaction of the customers, loyalty of the customers, satisfaction level of employees, fame and complaints, c) high performance when compared with peer group, and d) stable growth for a term of five years. The common themes are used for bringing out the best definition of high performance organization. Better result of an organization for a period of not less than five years makes it a high performance organization [13].

However, from critical analysis of several definitions for HPO, this research proposes that HPO is an organisation that has the ability to achieve financial results through huge production, greater customer satisfaction, good leadership practices and qualities in top level management, good HR practices, high employee satisfaction and retention.

B. Factors influencing High Performance Organisations

Following the HPO framework designed by Waal (2006), several researchers shown interest in testing it different business context to evaluate the performance in their organisations and also to identify the areas of improvements.

An exploratory research has been carried out by Whiteoak and Manning to understand the relationship between the employee’s view towards their manager’s emotional intelligence and the impact on the organisational performance in an UAE organisation. This study found that the manager’s emotional intelligence have a significant impact on achieving greater level of job satisfaction among employees that leads to greater productivity and higher organisational performance [14].

Suliman & Al Harethi conducted a detailed investigation on understanding the influence of perceived work environment on the employee performance in UAE organisations. This research found that the organisational

environment and their characteristics have a significant influence on the predicted employee's work performance [15].

Abdalla, Alfaki & Ahmed conducted an empirical research to analyse the influence of information and communication technology and education on enhancing the readiness of UAE companies towards latest technology and on understanding their strength towards global competition. This research study found that the ICT and educational programmes has a significant impact on improving the overall organisational performance and also to achieve competitive advantage to the UAE organisation. It is also found from the research that the UAE has challenges in terms of managing change towards technological readiness and also they struggle to create innovative technologies [16].

Al-Ansaari, Bederr & Chen conducted a research on understanding the role of strategic orientation in terms of market, technology and alliance among 200 SMEs in UAE. This research found that the market orientation has greater positive impact on the organisational performance when compared to other orientations (alliance and technology [17].

In the context of high performance organisation, Suliman & Kathairi conducted an investigation to analyse the linkages between employee's commitment, loyalty, organisational justice and work performance in three UAE government organisations. This research found positive relationship between organisational justice and job performance [18].

Waal, Duong & Ton conducted a study on the Vietnamese banking industry where the organisations face a significant challenge to adhere to WTO requirements. One of the major challenges was the failure of Vietnam's banking sector to adhere to WTO requirements where there are issues with privileges as local banks. There is a great level of competition between the local banks and the foreign banks and the Vietnamese banks. It is very important for the Vietnamese banks to enhance their competitiveness and unique selling points in order to survive in the banking sector. This study was primarily focused on identifying the factors behind the high performance Vietnamese banks. This study uses a HPO questionnaire that was sent to 26 different banks in Vietnam. The target audience for this survey was the management and employees where this questionnaire is intended to calculate the HPO score for every bank and appropriate ranking are provided. This research found the factors that have direct impact on the performance of banks in Vietnam. High management quality, openness, long term commitment, continuous improvement and renewal, and high workforce quality are identified as the major factors that have significant impact on the Vietnamese banking industry [19].

Kikoito conducted an empirical research that investigates the influence and the impact of rewards systems on the high performance commercial banks in Tanzania. The employees in the Tanzanian banks are asked to complete the HPO questionnaire and intended to collect the average HPO score. This research focused on identifying the perspective of employees in the high performance commercial banks in Tanzania towards reward systems. This study found that salary, bonus, promotion, commission and other financial allowances are the commonly used reward systems in commercial banks of Mwanza city in Tanzania. This research concluded that rewards are one of the major factors that have direct influence on improving the overall performance of the employees that further leads to organisational performance [20].

An empirical study has been conducted with the intention to understand the potential of firm specific managerial experience on improving the growth of an organisation. There are two organisational characteristics such as slack and uncertainty are analysed in this research study. This study used the longitudinal data from 921 manufacturing firms in United States. It has been concluded that when the organisational uncertainty is high along with the managerial experience, it has greater potential to generate profit to the organisation [21].

Hale, Ployhart, and Shepherd conducted a study on understanding the influence of employee turnover on the overall performance of an organisation over a period of 12 months at different branches of a United States bank. This research found that the employee turnover has a serious negative impact on the bank's performance in branch level. This study also found that losing a manager has higher impact when compared to losing a low level employee in the banks. This study clearly highlighted the importance of employee turnover and their impact on organisational performance [22].

Another study conducted by Siren, Patel & Wincent highlighted the impact of the top level managers and their leadership on the organisational performance. This study conducted a survey using questionnaires among the CEOs and their sub-ordinates in order to understand the influence on the company's performance [23].

High Performance Organization studies

In recent years, number of studies has been conducted to investigate the factors associated with the high performance organisations. Studies have also focused on testing the HPO framework that helps the companies to enhance their productivity and profit. These studies are mainly aimed at conducting the research on estimating the average HPO scores of companies and their impact on financial and non-financial performance of these organisations.

Waal & Frijns highlighted the importance of conducting a longitudinal research on the factors behind the high performance organisations. This study conducted an investigation to analyse the factors responsible for the sustainable high performance organisations in Asia. This research uses a case study of Nabil bank to which the HPO framework has been applied. After one year, the same bank has been assessed to check whether the performance of the bank increased after the implementation of the suggestions provided from the first research. This research concluded that it is important to provide dedicated attention to the factors behind HPO in order to capitalise their benefits in favour to the organisations [24].

Waal & Chachage conducted a research to identify the impact of HPO framework to improve the performance of African University to become the first high performance institution in Africa. In this research, survey methodology has been used and 35 different characteristics related to HPO are identified. This research found that the performance of the Iringa University College has been significantly improved both in terms of financial and non-financial [25].

HPO Factor 1: High quality of Management

The management quality is considered as the primary factor of HPO. The other factors related to this factor are maintaining a good relationship with employees from different levels, giving value to the loyalty of the employee, appreciation for smart people, respecting each other; know the limits of individual relationship and to treat people equally. Integrity should be followed by the managers of high performance organization. The managers should be

honest for both employees and management. Their attitude in the work place should inspire others. On the whole he or she should be considered as the role model. Managers should concentrate more on following the ethics framed by the organization. They should not over react and the decision made by them should be acceptable by others and should give a positive result. The training provided to employees of HPO should support them to overcome the hindrance in work place, to take effective decision at critical times and to keep them attached to the company. The management should focus more on non performers by tracking their productivity periodically and to take tough decisions. The managers of high performance organization work hard to implement strong management style and take necessary steps to explain it to the employees. He should make sure that the values of the organization are understood and strictly followed by each and every individual in the organization [26].

HPO Factor 2: Openness occupied with action orientation

Transparency along with action orientation is the next important factor adopted by high performance organization. The management should encourage employees to share their opinion without any hesitation. The opinion of the employees should be valued more and changes should be performed accordingly. Experiments are always welcomed by HPO. It should encourage the employees to take risk. Changes are inevitable for every organization and it happens from experiments. Communication plays the major role for knowledge sharing, learning new things and to bring out any difficulties faced by the employees. Proper communication between the management and employees paves way for a better performance [27].

HPO Factor 3: Long term commitments

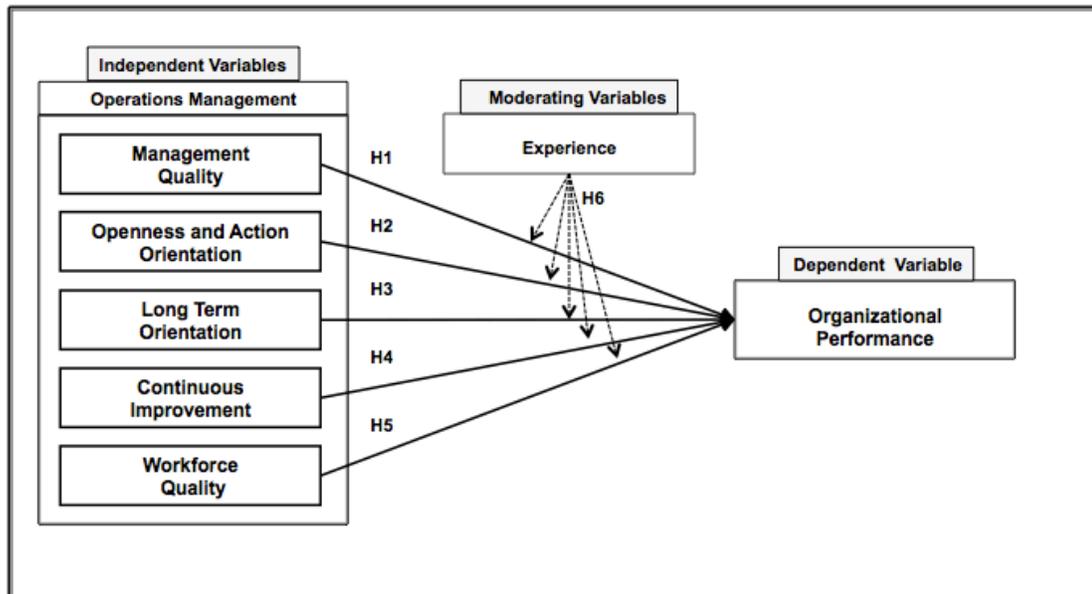
The next factor that is given more importance by high performance organization is long term commitments. Long term commitments are healthy for an organization rather than short term profits. All the shareholders, employees, clients, and suppliers should be included in long term commitments. High performing organization focuses more on understanding the demands of the customer, maintaining a better relationship with their customer, being responsible to them, and to enhance their service periodically. A long term relationship is maintained with stakeholders by having proper networks. A better partnership with both suppliers and customers gives a positive sign for the development of the organization. The HPO should take proper initiative to understand the personal interest of its members. It should groom its employees to become the leader of the organization. Promoting people within the organization to a higher level will always provide a fruitful result. Moreover high performance organization should give the sense of job security for its employees [28].

HPO Factor 4: Focusing more on continuous improvement and renewal

Innovation and enhancements are inevitable for an organization and should be given more importance by high performance organization. An effective strategy should be adopted by the organization which makes it unique from others. Such strategies should be implemented properly for a better result. Nonstop enhancements, simplification and alignment should be done on the strategies implemented. The management should also focus more on the progress of the organization. Both financial and non financial information should be conveyed to every individual in the organization. Morality is maintained by employees of High performance organization. Decision making should be more vigorous and should be followed without any fail.

HPO Factor 5: High quality of workforce

Fifth factor highlights the quality of workforce of an organization. An HPO owns highly skilled management team, and eligible employees. It focuses more on recruiting people who are more flexible, adhere to rules of the organization and brings out more creativity for the benefits of the organization. Their creativity should also help in overcoming the complexity involved in the process. Proper training is provided to the employees of HPO which helps them to be flexible, improve their skills and gather a better knowledge on suppliers. A proper training increases the confidence level of the employee and boosts them to work hard for development of the organization. These training help the organization to perform new experiments, implement new ideas and to achieve the desired goals.



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