THE POSITIVE KEYS TO GAZELLES’ SUCCESS - EMPIRICAL EVIDENCE

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ABSTRACT

The paper attempts to investigate what kind of positive traits and characteristics are possessed by high-performing SMEs and how are they used to achieve high performance. The study is built on two main areas of knowledge: positive organisational scholarship (POS) and high performance organisation (HPO). The model of positive characteristics of high performing SMEs based on theory of organisational fit is used. For each of components of organisational design positive characteristics leading to high performance are attributed. Those characteristics are put into research along with multidimensional objective and subjective measures of organisational performance. Research methods used is data envelopment analysis (DEA). Each of investigated companies has a different profile of both performance and positive characteristics. Performance profiles vary from focus on short-term performance to focus on growth, however all subjective measures are high and all firms managed to balance long- and short-term performance. Among input characteristics clear vision, committed leadership and flexible structure are common for entire group, other traits are also used in various patterns.

INTRODUCTION

For some time the scope of empirical research both in management and in entrepreneurship has switched from investigating the average to investigating the best. The notion of high performance organisations (HPO) fits well into that philosophy. It focuses on discovering the characteristics common for successful enterprises. Despite the evidence in this area is growing, there is little attention paid to characteristics of successful SMEs, and not only to characteristics, but also to categorising successful SMEs. The paper attempts to fill that gap empirically trying to investigate the features of gazelles – fast growing, profitable small and medium enterprises.

The set of theoretically and empirically discovered characteristics of HPOs is very broad, therefore we have decided to focus on what might be the very core of successful SMEs – positive phenomena, which link the HPO notion to positive organisational scholarship (POS). POS (Fineman, 2006a, 2006b; Roberts, 2006) offers a new look at organisation as a “mystery” and a “marvel” to be embraced, and focuses on two main areas: everything that is normatively positive and what is extraordinarily positive. The latter means directing attention not to average and typical, but to perfect and excellent, which is underlined also by HPO.

Taking positive point of view and looking for excellence we make in this paper an empirical insight into characteristics of high performing SMEs. We propose conceptual framework for the research based on Galbraith’s (1995) theory of organisational fit. The framework consists of six components: strategy, culture, people, structure, systems, and tasks. For each of components positive phenomena are highlighted. As a result, we get positively aligned organisation, characterised by internal and external fit. The main research questions are therefore: how “positive” are successful SMEs? and how do they use positive characteristics to achieve high performance? The empirical research presented in the study is not aimed at formulating theory but on testing the presented theoretical model and application of data envelopment analysis in the research of SME performance.

POSITIVE ORGANISATIONAL SCHOLARSHIP

POSITIVE ORGANISATIONAL SCHOLARSHIP
Positive organisational scholarship (POS) seems to provide some fresh air for theoretical and empirical considerations. It has its main inspiration in positive psychology (Seligman, 2002), which proposes perspective different from traditional one, not replacing it, but attempting to supplement it. It redirects focus from what is wrong with people toward emphasizing human strengths that allow people to build the best in live, thrive and prosper (Seligman & Peterson, 2003). Happiness in positive psychology view can be reached by identifying and using range of traits and experiences that people possess, such as optimism, wisdom, kindness or trustworthiness. POS uses the term “organisational happiness” as an analogy to people happiness. It can be cultivated by using strengths organisations already possess – kindness, originality, humour, optimism, and generosity. Analogically to people, organisations can also develop buffers against misfortune and move to a new, more positive sustainable level of authentic contentment, gratification, and meaning. Just as for positive psychology, the overall goal here is to create organized institutions that actualize human potential.

Positive approach is also present in community psychology, humanistic organisational behaviour, organisational development, prosocial motivation, citizenship behaviour, and corporate social responsibility. The field closest to positive organisational scholarship and mostly contributing to it is organisational development and especially appreciative inquiry. Appreciative inquiry (AI) is the movement within organisational development that seeks the best in people to strengthen the ability of organisation to change and develop. It is a practical philosophy that assumes the organisation is a “mystery” and a “marvel” to be embraced, not a problem to be solved (Cooperrider & Srivastava, 1987: 131). AI argues that organisations have a positive core which unleashed positive power may bring them to thrive. Similar to positive psychology, it pays attention to positive experiences (former successes), positive traits (positive core of organisation, and people’s positive power), and positive institutions (ways to release positive energy).

Similarly to positive psychology and appreciative inquiry, POS focuses on positive traits, experiences, institutions, and outcomes. It takes a broader look focusing not only on these issues concerning individuals (as positive psychology) and organisational change, transformation, and development (as appreciative inquiry), but extents the interest to various organisational phenomena. POS is a kind of new philosophy of organisation. While it doesn’t reject the organisational and social phenomena, such as greed, selfishness, manipulation, distrust or anxiety, it emphasizes the “positive” ones, e.g. appreciation, collaboration, virtuousness, vitality, meaningfulness, trustworthiness, resilience, wisdom, loyalty, respect and honesty (Cameron, Dutton, & Quinn, 2003).

SME PERFORMANCE IN POSITIVE PERSPECTIVE, ORGANISATIONAL HIGH PERFORMANCE

The focus in the study is on positive traits of high performing SMEs. It is therefore crucial to ask a question of what really means performance in positive perspective. It is useful to adopt here dialectical way of thinking that sets short time performance (including satisfaction of stakeholders) against growth and development in long run. Organisational performance is a complex, multifaceted construct that should be examined with an eye towards complexity, including non-financial, forward-looking and perceptual indicators. The message here is simple: the organisational effectiveness exists when an integrated organisational infrastructure contains a set of resources, capabilities, competences and enablers that work together in the growth, as well as survival processes within the existing organisation. In other words, with regard to the explorative/exploitative distinction, we posit that both are fundamental to positive organisational performance.

The organisational effectiveness construct is difficult to be defined and measured, especially concerning SMEs. In positive perspective, there is no objective measure of SME organisational effectiveness. The so-called objective measures (e.g., financial measures) that appear to be precise need careful interpretation. An additional complication is that achieved scores cannot be judged independently of risk required to generate them. It is also worth remembering that what SMEs take as measures of effectiveness or success will not be the same over time. Taking all above arguments into consideration we propose a set of measures of SME performance rooted in balanced scorecard (Kaplan & Norton, 1996) and POS philosophies. That set comprises growth, profitability, credibility, subjective measures reflecting fulfilling founders’ and owners’ goals, innovativeness and employees’ job satisfaction.
There is a growing body of literature concerning high performance organisations (Holbeche, 2005; Light, 2005; Lawler & Worley, 2006; Waal, 2005) and each of the authors presents a set of traits common to all robust organisations. Perhaps the most complete is the one by Waal (2005). In a recent analysis of ninety-one studies on high performance organisations he found eight characteristics that can guide organisations to superior results: (1) organisational design – collaboration across functional and organisational borders, simple, and flat structure, wide sharing of information and knowledge; (2) strategy – mobilizing vision, clear and challenging goals, common understanding of the strategic direction, balancing long- and short-term focus; (3) organisational process – good and fair reward and incentive structure, continuous improvement, disciplined measuring what matters, information feedback, innovation for creating new sources of competitive advantage, best practices, continuous and open internal communication; (4) technology – flexible ICT systems throughout the organisation; (5) leadership – relationships based on trust, integrity and leading by example, action-focused decision making, coaching, high standards and stretching goals, allowing experiments and mistakes, inspiring to accomplish extraordinary results, encouraging people to become leaders, commitment to the organisation for the long haul; (6) individuals and roles – learning organisation, attracting exceptional people, engaged and involved people, safe and secure workplace; (7) culture – empowering and freedom, core values, performance-drive, transparency and trust; (8) environment – customer value creation, good relationships with all stakeholders, consequent monitoring and adequate responding, comparing with the best, partnership and value creating network.

TOWARDS THE MODEL OF POSITIVE HIGH PERFORMANCE ORGANISATION

Our objective in this study is not to propose another model of characteristics of HPOs. Many models have been presented so far, along with our understanding of the organisational excellence and high performance (Bratnicki & Zbierowski, 2007). Instead, we want to base the empirical research on the conceptual framework of positive high performance characteristics – we merge HPO notion with positive organisational scholarship theories and provide a model of positive phenomena driving successful organisations. We argue that high performance is positive itself, as it is some kind of organisational excellence. If so, positive characteristics should play a major role in making it successful.

Analysing models of high performance characteristics a specific order among them becomes apparent. The order in some of them is the result of an assumption, for other is created by natural organisational forces. Other thing that may be observed is that most of highlighted high performance characteristics are positive, such as empowering people, freedom to imagine, trust and collaboration.

Organisational excellence desires external and internal fit – alignment among components of organisation and with environment. The base for developing our conceptual framework is the theory of organisational fit – alignment (Galbraith, 1995), and the proposed framework consists of six basic components of organisation: strategy, culture, people, structure, tasks, and systems (table 1).

Table 1. Positive high performance characteristics

<table>
<thead>
<tr>
<th>Component</th>
<th>Characteristics</th>
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<tbody>
<tr>
<td>Strategy</td>
<td>salient (clear and challenging) vision – thinking in future tenses, visionary, challenging goals</td>
</tr>
<tr>
<td>Culture</td>
<td>relations based on trust, social integration, improvisation (innovativeness, wide degree of freedom to experiment, ability to change)</td>
</tr>
<tr>
<td>People</td>
<td>attracting exceptional (intrinsically positively motivated), highly involved people, agility in empowerment, committed leadership and citizenship</td>
</tr>
<tr>
<td>Structure</td>
<td>flexibility of structure – functional flexibility, decentralised, decomplexed, flat and simple structure</td>
</tr>
<tr>
<td>Tasks</td>
<td>information and knowledge sharing, constant development of new processes and products creating value for stakeholders</td>
</tr>
<tr>
<td>Systems</td>
<td>fair reward and promotion systems, open communication, flexible systems throughout entire organisation</td>
</tr>
</tbody>
</table>
Salient vision plays an important role in creating high performance (Waal, 2005). According to some scholars (Oswald, Mossifolder & Harris, 1994) the influence of vision salience on performance is indirect, as it creates higher levels of attachment to organisation and job. The same authors highlight that vision salience is important particularly for businesses operating in turbulent environment. The vision is salient when organisational members feel that it is clearly articulated, leadership of the company shares the vision, and the vision is appropriate. It has been argued that vision must be clear and shared to have an impact (Beach, 1993; Tregoe & Tobia, 1991). There is also much evidence that salient vision is a starting point for organisational success in positive meaning, as it creates spirit of the people, is a crucial part of developing leading culture as opposed to ordinary one (Prentice & Hunter, 2006). It is therefore crucial for leading organisational citizens – people involved in job and committed to organisation.

Trust is “the willingness to be vulnerable under conditions of risk and interdependence: it’s a psychological state of mind—not simply a behaviour (e.g. cooperation) or simply a choice (e.g. taking a risk) that entails “perceived probabilities” (Bachmann & Zahir, 2006: 307) A crucial property of trust here is that it “requires an attitude on the part of the trustier which renders irreducible social vulnerability and uncertainty unproblematic. The crucial category here is organisational trust (Shoorman, Mayer, & Davis, 2007). Some organisations develop greater propensities to trust than do others. This level of organisational trust that will govern the strategic actions of the organisation. There is also much recent evidence that trust at team and organisation level has significant positive impact on performance of a company (Douglas & Zivnuska, 2008; Krishnan, Martin, & Noorderhaven, 2006; Mayer & Gavin, 2005). Moreover, high level of trust reduces the need for internal monitoring (De Jong & Elfring, 2007) that fits well with other positive phenomena.

Social integration is a phenomenon that has been discussed on various levels (individual, group, organisational and societal) and therefore may be included in every level of analysis of positive phenomena. It may be also both the antecedent of some positive phenomena (high performance, well-being) and consequence of other (education, knowledge). There is much evidence that social integration has an impact on performance, such as indirect impact on team performance or through creation of social capital (Maurer & Ebers, 2006) and collective identity (Butler, 2006). Not surprisingly, social integration plays huge role in hostile environments, which has been noted not only in organisational environment, but also in combat situations (Shirom, 1976). One problematic finding of social integration research for positive studies is that heterogeneity (diversity) is associated with lower levels of social integration (O’Reilly, Caldwell, & Barnett, 1989), however some scholars suggest that that relationship may be moderated by interpersonal congruence (Polzer, Milton, & Swann, 2002) and organisational learning (Ely & Thomas, 2001).

There is some evidence that social integration is also related to job involvement (Moch, 1980). Job involvement refers to the extent to which individuals feel that they are personally invested in and identified with their jobs (Kanungo, 1982). Concerning the antecedents it seems that teamwork, empowerment, customer focus, reward and recognition, and communication are positively associated with employees’ job involvement (Ooi, Arumugam, Safa, & Bakar, 2007). Research results prove that job involvement has a positive impact on performance (Rotenberry & Moberg, 2007; Chughtai, 2008; Charles & Katherine, 2007). Job involvement results not only in higher performance, but also in higher job satisfaction (Reid, Riemenschneider, Allen, & Armstrong, 2008), and organisational citizenship behaviour (Chughtai, 2008).

Job involvement seems to closely connected and interrelated with organisational and managerial commitment (Reid, Riemenschneider, Allen, & Armstrong, 2008). Some scholars use a distinction between affective commitment and normative commitment (Carne, 2005), others use three-component model that has been recently revised by Solinger, van Olffen and Roe (2008). General organisational commitment can best be understood as an attitude regarding the organisation, while normative and continuance commitment are attitudes regarding specific forms of behaviour (Allen & Meyer, 1990). Research results show that both of them have direct or mediating impact on job involvement. Organisational commitment is positively related to performance (Camilleri, van der Heijden, 2007), and customer satisfaction (Charles & Katherine, 2007), especially concerning organisational commitment of salespeople (Jaramillo, Mulki, & Marshall, 2005).

Another positive phenomenon included in ‘people’ component of organisational design and interrelated with last three characteristics is intrinsic motivation. Positive scholars tend to name it
‘positive motivation’ coming from the positive core of human and organisation, adding a bit of prosocial component. Intrinsic motivation is closely connected to job involvement, as Warr, Cook, and Wall (1979) put it aside of work involvement. The term ‘intrinsic’ is used to emphasize that the motivation is towards personal achievement and task success rather than towards ‘extrinsic’ satisfactions arising from features such as additional pay or good working conditions, or as Lawler (1969) puts it, motivation to perform well because of some subjective rewards or feelings that he expects to receive or experience as a result of performing well. The latter approach is especially close to positive organisational scholarship. There is much evidence that intrinsic motivation is positively related both to individual and organisational performance (Piccolo & Colquitt, 2006; Grant, 2008). Research results show that intrinsically motivated managers are also more job involved (Gorn & Kanungo, 1980).

Apart from relations based on trust and social integration the important positive characteristic of high performance culture is improvising. Organisational improvisation is manifested in three main areas: creativity and bricolage – the extent to which individuals are able to produce novel solutions under constrained conditions by recombining available resources, ability to function and excel under pressure-filled and stressful environments, and spontaneity and persistence – the action orientation and determination of individuals toward achieving goals and solving problems in the moment (Hmieselski & Corbett, 2006: 51). We argue that improvisation is a positive phenomenon and plays important role in creating high performance, and is generally positively related to performance (Jambekar & Pec, 2007; Vera & Crossan, 2005). It is also closely connected with entrepreneurship, especially fosters entrepreneurial intentions (Hmieselski & Corbett, 2006).

High performance demands special kind of people – intrinsically, positively motivated, highly involved and committed to job and organisation. Those people on the other hand demand special ways of managing them, among which empowerment is in our opinion one of most important. Empowerment may be considered from two different but interrelated perspectives – organisational and individual (Herrenkohl, Judson, & Heffner, 1999). The former understands empowerment as a set of managerial actions and practices giving power, control and authority to subordinates – an instrument of leadership. In the latter perspective empowerment is the perception of being empowered. It is also described as a empowered state of mind (Spreitzer, 1995). In this context empowerment may be considered as the result of the leaders’ actions and behaviours. As noted before, empowerment has a positive impact on job involvement (Ooi, Arumugam, Safa, & Bakar, 2007), performance (Logan & Ganster, 2007; Chen, Kirkman, Kanfer, Allen, & Rosen, 2007) and employees’ well-being (Biron & Bamberger, 2007).

Following our path of positive high performance characteristics we can state that empowerment demands and creates flat and flexible organisational structure – it gives the power and decision making down to employees. There are at least two major approaches to organisational flexibility – one highlighting functional and numerical flexibility (Kalleberg, 2001) and other focusing on decentralization and deformalisation of structure (Harum & Pettigrew, 2006). Flexible structure requires decentralization in decision-making, low levels of formalization, and a high degree of permeability of boundaries and collaborative partnerships. Especially functional flexibility seems to be important for high performance organisations where mechanisms like empowering employees to participate in decision making, enabling them to work in teams, enhancing organisational commitment and linking compensation to organisational performance ‘enhance functional flexibility by providing employees with multiple skills so that they can be redeployed relatively quickly from one task to another’ (Kalleberg, 2001: 481). Results also shows that decentralization of decision making increases organisational commitment (Fiorito, Bozeman, Young, & Meurs, 2007).

Following two positive high performance characteristics – information and knowledge sharing and open communication belong to ‘tasks’ and ‘systems’ components of organisational design but are closely related and most often co-exist within organisations. Teams and organisations that develop the ability to share knowledge and information face less need for planning, greater cooperation, fewer misunderstandings, and lower confusion, and therefore perform better (Srivastava, Bartol, & Locke, 2006). Information sharing may also enhance performance of groups and organisations with high level of diversity (Flynn, Chatman, & Spataro, 2001). Open communication is positively related to both perceived team viability and member satisfaction (Foo, Sin, & Yiong, 2006). Open communication especially fosters performance in diversified organisations, as it weakens over time the negative effects
of surface-level (demographic) diversity on performance but may strengthen those of deep-level (psychological) diversity (Harrison, Price, & Bell, 1998; Harrison, Price, Gavin, & Florey, 2002).

The last described positive high performance characteristic is the system of compensation and promotion that fits with other components – is fair and oriented at performance. Research results suggest that in high performance environment there is a pressure for fairness (Colvin, 2006), and that the perception of fairness may create higher levels of performance (Aryee, Chen, & Budhwar, 2004). According to Kalleberg (2001) functional flexibility designed for high performance organisations demands also linking employees’ compensation to organisation’s performance. In high performing organisations performance-based compensation is perceived as fair, and supports the drive toward high performance (van Yperson, van den Bos, & de Graaff, 2005).

The above literature review suggests that positive high performance characteristics have positive impact on individual and organisational performance. There is no surprise here, as most of the characteristics were examined theoretically and empirically as antecedents of high performance. Therefore a hypothesis may be formulated:

**Hypothesis 1.** High performance organisations exhibit high levels of positive high performance characteristics.

Moreover, the above research results show that positive high performance characteristics are also interrelated with each other. This is consistent with the theory of organisational alignment, according to which only organisations with configuration of certain characteristics may be successful. Therefore another hypothesis may be formulated:

**Hypothesis 2.** High performance organisations have high levels of all positive high performance characteristics.

As the research aims not at investigating each of relations between positive high performance characteristics and performance we decided not to formulate detailed hypotheses.

**RESEARCH DESIGN, VARIABLES AND MEASURES, SAMPLE, AND METHODS**

The above described positive high performance characteristics and measures of performance are inputs and outputs in the DEA model.

**Inputs:** Vision salience was measured by 3-item Oswald, Mossholder, and Harris’s (1994) measure, trust by 8-item modified Cook and Wall’s (1980) instrument, social integration by 9-item Smith, Smith, Sims, O’Bannon, Scully, & Olian’s (1994) scale modified to organisational level, job involvement by 5-item Kanungo’s (1982) measure that proved to be reliable tool in various national environments (Misra, Kanungo, von Rosenstiel, & Stuhler, 1985), organisational commitment with the use of modified 4-item version of Organisational Commitment Questionnaire developed by Mowday, Steers, & Porter (1979). Intrinsic motivation was measured by 6-item Warr, Cook, and Wall’s (1979) scale, improvising by modified 9-item (3 items for dimension) Hmieleski and Corbett’s measure, empowerment by 12-item (3 items for dimension) Spreitzer’s (1995) instrument. Organisational flexibility as functional flexibility was measured by Kalleberg’s (2001) 5-item scale, as decentralisation/deformalisation by 4-item measure based on Hatum & Pettigrew’s research, knowledge sharing by Faraj and Sproull’s (2000) 4-item scale, open communication by Foo, Sin, and Yiong’s (2006) 2-item measure, fairness by Jones and Martens’s (2007) 3-item scale. All scales were 7-point Likert scales and where necessary has been adopted for the use at organisational level.

**Outputs:** Growth was measured by increase of sales, profitability by ratio of profit to employment, credibility by 3-item 5-point assessment, fulfilment of organisation’s goal by respondents 5-point self-assessment, innovativeness by Kreiser, Marino, and Weaver’s (2002) 3-item 7-point innovativeness measure as part of entrepreneurial orientation scale, and job satisfaction by 3-item 7-point Michigan Organisational Assessment Questionnaire (MAOQ) (Cammann, Fichman, Jenkins, & Klesh, 1983). Additionally, age of organisation, size (number of employees) were used as control variables.

Research sample consisted of twelve high-performing SMEs. They were chosen through the ranking of “gazelles of business” run by Polish daily “Pulse of Business” (“Puls Biznesu”). To be included in the
ranking companies must fulfill following conditions: has been active during last three years, has had profit during last three years, has had sales not lower than 3 mln zlotys (around 750,000 GBP) and not higher than 200 mln zlotys (around 50 mln GBP), has increased sales in last three years (every year), and has a good reputation. As the sample for data envelopment analysis must be homogenous steel products traders were chosen, as they have very similar profile of activity. A total number of 55 companies were included in the gazelles ranking, questionnaire was delivered by e-mail, followed by telephone request. Twelve questionnaires were received, which gives the response rate of 22%. Gathered empirical material was analysed using data envelopment analysis (xIDEA) and then basic statistical analysis was carried out using SPSS. Additional telephone interviews and analysis of companies that returned the questionnaire were carried out.

**RESEARCH RESULTS**

Data envelopment analysis (DEA) is a non-parametrical, benchmarking method of analysis of models with multiple inputs and outputs that allows to identify high performing ventures (those at efficient frontier in DEA) and then observe their configuration of organisational characteristics, methods and techniques of management, create a set of recommendations to be adopted by underperforming businesses. In this study it means looking for top performers among high performing firms. Input-oriented model of DEA was adopted, as it is focused on developing positive high performance characteristics of underperformers.

All of the companies were high performance organisations taking into consideration their financial and non-financial performance related to average performance in the industry. However, in DEA analysis not all of them were at the performance frontier, which is no surprise, as even among high performing organisations as understood by HPO theory must be underperformers as understood by DEA. As the main advantage of DEA is identifying high-performers we decided to focus on them and carry out additional qualitative analysis. Four companies turned-out to be high performers, their efficiency ratio in DEA analysis is 1, for the rest of firms it varies from 0,45 to 0,85. For the purpose of the research high-performers were coded APS, DPS, SBS, and MGS. They form the base for the analysis of set of positive high performance characteristics. The inputs and outputs in DEA model for top-performers are presented in Table 2.

<table>
<thead>
<tr>
<th>code</th>
<th>APS</th>
<th>DPS</th>
<th>SBS</th>
<th>MGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>sales growth (%)</td>
<td>80,7</td>
<td>26</td>
<td>20,74</td>
<td>23,19</td>
</tr>
<tr>
<td>profit/employment (000 zlotys)</td>
<td>42,2</td>
<td>50,34</td>
<td>56,81</td>
<td>30,04</td>
</tr>
<tr>
<td>performance self-assessment</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>job satisfaction</td>
<td>4,33</td>
<td>3,67</td>
<td>6</td>
<td>6,33</td>
</tr>
<tr>
<td>credibility</td>
<td>3,33</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>innovativeness</td>
<td>5,33</td>
<td>4,33</td>
<td>6</td>
<td>2,67</td>
</tr>
<tr>
<td>vision salience</td>
<td>5,33</td>
<td>5,67</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>job involvement</td>
<td>4,4</td>
<td>4,6</td>
<td>4</td>
<td>6,8</td>
</tr>
<tr>
<td>organisational commitment</td>
<td>5,75</td>
<td>5</td>
<td>4,5</td>
<td>6</td>
</tr>
<tr>
<td>empowerment</td>
<td>5,83</td>
<td>6,25</td>
<td>5,67</td>
<td>5,33</td>
</tr>
<tr>
<td>functional flexibility</td>
<td>5,6</td>
<td>5,8</td>
<td>5</td>
<td>6,6</td>
</tr>
<tr>
<td>decentralisation and deformalisation</td>
<td>4</td>
<td>2,25</td>
<td>3</td>
<td>1,5</td>
</tr>
<tr>
<td>open communication</td>
<td>5,5</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>social integration</td>
<td>4,89</td>
<td>5,33</td>
<td>5,56</td>
<td>6</td>
</tr>
<tr>
<td>knowledge sharing</td>
<td>5,25</td>
<td>5,5</td>
<td>6</td>
<td>5,25</td>
</tr>
<tr>
<td>trust</td>
<td>5,5</td>
<td>5,75</td>
<td>6</td>
<td>6</td>
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<td>fairness</td>
<td>6,33</td>
<td>5,67</td>
<td>6</td>
<td>6,33</td>
</tr>
<tr>
<td>improvisation</td>
<td>5,45</td>
<td>4,44</td>
<td>5,33</td>
<td>5,22</td>
</tr>
</tbody>
</table>

Table 2. Research results.
Top performers employ from 10 to 25 employees. Their sales vary from 15 to 43 mln zlotys (3.5 to 10 mln GBP), and their profit from 420.000 to 1.250.000 zlotys (100.000 to 300.000 GBP). Top performers experienced sales growth from 21% to 81% during last year. Each of investigated companies has a different profile of both performance and positive characteristics. What is interesting, the firms that were high performing in terms of profit (SBS) were also slightly lower performing in terms of growth, and ventures growing very fast (APS – 81% growth of sales) were slightly less profitable. Identifying both types of firms as top performers is possible with the use of DEA that takes multiple outputs into account. All top performers do not recognise themselves as such, they assess their performance high, but not very high – on 4 in 1-5 scale. Top performers strongly vary in terms of employees job satisfaction (from 3.67 to 6.33 in 1-5 scale) and innovativeness (2.67-5.33 in 1-5 scale).

Similar differences for inputs in DEA model may be observed as for outputs. Generally most of positive high performance characteristics for all four firms achieve high levels but there are three exceptions. Three out of four top performers are characterized by only average level of job involvement of their employees (4-4.6) (except MGS – 6.8). An interesting contradiction may be observed concerning flexibility of structure. All top performers achieve high functional flexibility (5-6.6), but low or average flexibility in terms of decentralisation and formalisation (1.5-4). Ability to function and excel under pressure-filled and stressful environments as one of dimensions of improvisation achieves low to average levels (2.33-4.67) for all firms, however the cumulative level of improvisation is rather high (5.22-5.45) (except for DPS – 4.44). For the rest of positive high performance characteristics high levels are achieved by all firms: vision salience (5.33-7), organisational commitment (4.5-6), empowerment (5.33-6.25), open communication (5-5.5), social integration (4.89-6), knowledge sharing (5.25-6), trust (5.5-6), perceived fairness (5.67-6.33), and intrinsic motivation (5.17-5.83).

The above results provide partial support for first hypothesis. Most of positive high performance characteristics are high for all organisations, except some that are under influence of national culture, organisation size and characteristics. Research results provide no support for second hypothesis – not all of positive high performance characteristics achieve high levels for all organisations. Moreover, there are various patterns of characteristics that lead to different patterns of performance, therefore we argue that there is not such thing as universal configuration of positive high performance characteristics leading to high performance.

DISCUSSION

As the research results show most of positive high performance characteristics are common for four top-performers: salient vision, organisational commitment, high level of empowerment, open communication, knowledge sharing, social integration, high level of trust, perceived fairness, overall improvisation, functional flexibility, and intrinsic motivation. However, some of proposed characteristics fail to achieve high levels for research firms: job involvement of employees, decentralisation and formalisation, and ability to function and excel under pressure-filled and stressful environments. The cause of low level of job involvement may be Polish national culture in which the firms are operating. Job involvement has been created in Anglo-Saxon world by protestant work ethic, which is totally unknown in Central Europe, where private life and family values are much more important than devotion to job. Low level of decentralisation and formalisation may be easily explained by the size of top performance firms. Although SMEs of various size were taken in consideration, only small companies were on the efficient frontier in DEA analysis. In small firms most of the power is in the hands of owner-manager, therefore there is little or no tendency to decentralise. If we examine formalisation separately it turns out that its level is average, higher than for decentralisation. We argue that it is the highest possible level of formalisation in Polish firms, which is constrained by highly formal law requirements.

The patterns of performance of four top-performers differ, but all of them managed to balance short-term and long-term performance. Also the way in which they achieve high performance are different, although they operate in the same industry and environment, which is generally profitable and creates opportunity for high performance. APS is the firm with the highest growth of sales (81%). It is less profitable, but has high level of innovations. It is characterised by higher than average fairness and decentralisation and formalisation. DPS has high profit but moderate growth, moderate
innovativeness. It is the highest in empowerment and intrinsic motivation, but at the same time it has only average job satisfaction. SBS is a firm with highest profitability, but lowest growth. It is also high in job satisfaction and innovativeness. Concerning inputs into model SBS has the highest score in knowledge sharing, which may influence innovations, and trust. Finally, MGS is a firm with lowest profitability and innovativeness, but highest employee job satisfaction. What is interesting, it has the highest vision salience, job involvement, functional flexibility, and social integration.

It is worth noticing that all respondents from top-performance firms assessed their performance as high, but not very high (4 in the 1-5 scale). Also self-assessed credibility is average or high (3.33-4). This is contrary to results of financial analysis and market perception of the firm. The possible explanation is that high performing firms have even higher expectations concerning performance and credibility.

LIMITATIONS, FUTURE RESEARCH DIRECTIONS, PRACTICAL IMPLICATIONS, AND FINAL CONCLUSIONS

There is a number of limitations of the study. First, it focuses only on one industry. That is the demand of DEA, but it limits the generalisation of research results. In other industry environment different configuration of characteristics may be necessary to achieve high performance. Generalisation is also limited by DEA method itself, as it is not a method of statistical analysis, and is more directed at providing practical recommendations than theory building. Another limitation is caused by small sample – it results in simplification of the model, and inability to investigate relationships between inputs and outputs without quantitative analysis. In this conditions only overall impact of configuration of inputs on configuration of output might be examined in DEA analysis. Also size of sample was the result of DEA demand for highly homogenous sample. The measurement of positive high performance characteristics is another limitation of the study. Some measures used had been originally developed at individual or team level and adopted to organisational level, so they may not be fully reliable.

Future research in the area is related with limitations of the study. There is a strong need to develop reliable measures of positive phenomena. For future research big sample of homogenous companies should be used to enable quantitative analysis, investigating relationships between individual characteristics of organisation and measures of performance, and theory formulation. To generalise the results a comparison of a few industries should be carried out in future studies in the area. Finally, with the use of quantitative methods a better understanding of contingency and complexity of high performance characteristics should be achieved.

Results of the study have implications for theory and research, business practice and education. More than results itself, the theoretical idea of combining positive organisational scholarship and high performance organisation notion is a valuable insight and a starting point for future considerations on model of high performance. A set of recommendations for entrepreneurs and managers for achieving high performance may be presented. It includes creating and promoting salient vision, empowering employees, fostering functional flexibility and knowledge sharing, enabling open communication, creating high levels of trust and fairness, selecting employees with high intrinsic motivation. There may be also recommendation for educators to include positive phenomena as enablers of high performance in education programs.

This study is the first attempt to investigate SME performance and the impact of positive traits using DEA. Focusing only on high performance and considering positive characteristics gives a valuable insight into use of SMEs various profiles of positive behaviour and achieving various profiles of high performance. However, the research results show that there is a need to revise the model of positive high performance characteristics and prove the reliability of presented model.

REFERENCES


