

Creating a High- Performance Organizational Culture Based on Empirically Validated Frameworks

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By

Constantine Kontoghiorghes
and Susan M. Awbrey

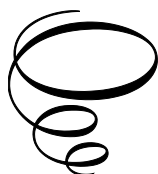
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INTRODUCTION

“Culture eats strategy for breakfast” is an aphorism attributed to Peter Drucker. It emphasizes the foundational role culture plays in organizational effectiveness. Although strategy is important, if organizational culture doesn’t inspire and support employees to carry it out, strategy will fail. Today’s organizations operate in a chaotic and ever-changing environment. To succeed in such circumstances requires going beyond effective human resource practice and policies and creating a cultural context that enables both employees and management to thrive.

The purpose of this data-driven book is to introduce and explore the transformative power of the newly developed and empirically validated High-Performance Organization (HPO) cultural framework. Unlike many theoretical culture models, this framework is grounded in empirical evidence, demonstrating how the synergistic effects of its eight cultural characteristics significantly influence key organizational performance outcomes. These outcomes include innovation, competitiveness, profitability, quality and productivity, talent management, and employee engagement—factors that collectively contribute to organizational effectiveness and total system optimization.

The development of organizational cultures that enhance performance has been a subject of extensive research and discussion. Although culture has long been studied in sociology and anthropology, the study of culture within organizations, particularly in relation to HR system effectiveness and organizational performance, is a more recent and underexplored

area. The unexplained connection between HR practices and organizational performance has been termed a “black box.” The HPO cultural framework sheds light on this “black box” by clarifying how organizational culture influences the relationship between HR practices and performance, demonstrating the interconnectedness of organizational culture, strategy, and performance.

Chapter 1 explores the interconnectedness of high-performance organizational culture and effective talent management. It further focuses on how a high-performance culture influences employee motivation, satisfaction, and commitment. The chapter introduces the HPO cultural framework, outlining eight key cultural characteristics of a high-performing organization: effective knowledge management, a technology-driven culture, a change-driven culture, a quality-driven culture, support for creativity, open communication, and the values of respect and integrity. The research findings presented in the chapter underscore the critical role of these eight cultural characteristics in developing successful talent management systems and fostering a highly engaged workforce.

Chapter 2 confirms the profound influence of the HPO cultural framework on talent attraction, retention, satisfaction, motivation, and commitment among registered nurses in a U.S. hospital setting. Chapter 3 describes the significant impact of high-performance organizational culture on productivity, quality performance, training transfer, and the effectiveness of training programs. In Chapter 4, the synergetic effects of the eight characteristics of the HPO cultural framework are shown to substantially enhance organizational innovation, flexibility, competitiveness, and profitability.

Chapter 5 introduces and empirically validates a comprehensive organizational effectiveness model. The findings reveal that the

HPO cultural framework drives total system optimization by simultaneously enhancing all organizational subsystems: the people system, operational system, and external relationships. The research specifically demonstrates the strong and concurrent effects of the HPO culture on operational performance, employee engagement, talent management, technological adaptability, organizational innovation, and effective responses to external challenges. Additionally, the chapter describes how cultivating an HPO culture, grounded in the ethical values of respect and integrity, contributes to a holistic and optimized organization.

Finally, the book concludes with case studies, experiential exercises, and workshops that offer real-world examples of HPO cultural characteristics in action. These activities enable participants to actively engage with HPO principles and develop practical skills for cultivating a high-performance culture within their own organizations.

This book not only addresses a gap in theory and research related to organizational culture but also serves as a practical guide for using analytics and empirically validated cultural frameworks for strategy formulation and culture management. It is designed for teachers, students, researchers, and practitioners seeking to understand and cultivate high-performance organizational cultures. Additionally, it is a valuable resource for organizational leaders and executives, talent and culture management professionals, OD professionals, management professionals, business analysts, and consultants in HR, OD, and management, as well as students and scholars in human resources and business. Finally, this book serves as a foundation and springboard for future research in the evolving field of talent and culture management, as well as organizational effectiveness.

CHAPTER 1

HIGH-PERFORMANCE ORGANIZATIONAL CULTURE AND TALENT MANAGEMENT

CONSTANTINE KONTOGHIORGHES
AND SUSAN M. AWBREY

TALENT MANAGEMENT

In this chapter, we explore the linkage between high-performance organizational culture and talent management, as well as the employee attitudes of motivation, satisfaction and commitment. We argue that high-performance and ethical work cultures are the cornerstones for the development of effective talent management systems and high levels of employee engagement. Our arguments are based on empirical findings stemming from the validation process of a newly developed high-performance cultural framework.

Importance of Talent Management

A new organizational reality has arisen. The shift from an industrial to an information society began the shift away from the old security/loyalty-based employee contract toward a new era (Lawler, 2005). We are witnessing a “strategic inflection point” (Michaels et al., 2001, p. 2) with a shift in power from the organization to the individual employee (D’Amato & Herzfeldt, 2008; Robinson et al., 1994; Stewart et al., 2019). This new psychological contract (Festing & Schafer, 2014) allows employees to take charge of their own careers leading

to more employee mobility and to higher turnover. The recent COVID 19 pandemic has accelerated this shift. McKinsey and Company coined the term *the war for talent* to describe the phenomenon of employers' fevered competition for the talent needed to fuel organizational performance (Michaels et al., 2001).

This new era views people as a major source of competitive advantage (Pfeffer, 2005). Thunnissen, Boselie, and Fruytier (2013) note that the search for highly qualified talent has become the “preoccupation of the decade” for managers (p. 1744). Other authors see the battle for highly skilled workers continuing for several decades to come (De Smet et al., 2022; Michaels et al., 2001). There are indications that an organization's success will depend on the extent to which they can effectively deal with this new talent reality (Schuler et al., 2011). The war for talent has intensified due to labor market shortages caused by demographic changes, workforce aging, employee mobility (Cappelli, 2000; Dessler, 2019), and an unprecedented new wave of voluntary employee attrition (De Smet et al., 2022). Recent technological advances have also allowed companies to drastically expand their talent pools in other geographical regions and hire talent on a remote work basis. The option of remote work, coupled with the abundance of online recruiting agencies and job search engines, have given talented employees the opportunity to act more and more like free agents, as better career opportunities can easily be found elsewhere, often without the need for relocation. During the pandemic, remote work expanded to new sectors of the workforce and became more prevalent after COVID 19 subsided. These changes are taking place on a global scale (Beechler & Woodward, 2009; Hughes & Davis, 2024; Schuler et al., 2011; Collings, 2014; Cascio & Boudreau, 2016) and the war for talent along with the “remote work revolution” have escalated into new organizational practices to manage talent.

According to De Smet et al. (2022), now more than ever companies need to “redefine their attraction and retention strategies” and develop a “a new value proposition that takes the employees’ whole lives into account” (p. 2).

Talent management (TM) is designed to attract, develop, motivate, and retain highly qualified employees in a complex and competitive corporate environment to enhance competitiveness and performance (Kontoghiorghes, 2016; Thunnissen et al., 2013). McKinsey and Company (Michaels et al., 2001) described the components of new talent management as instilling a talent mindset at all levels (having the right talent throughout the organization to increase competitiveness), creating an effective employee value proposition (seeing employees as volunteers and creating an EVP that attracts and retains the best), continuously recruiting great talent (recognizing that recruiting is marketing), growing great leaders (providing challenging jobs and mentoring) and categorizing talent (providing different rewards for different levels/types of employees).

Status of Talent Management

Talent management bridges several fields (Sparrow et al., 2014; Sparrow & Makram, 2015). It is anchored in Strategic HRM (SHRM), international HRM, and organizational behavior (Thunnissen, et al. 2013). Because it is seen through a variety of lenses, there has been a lack of clarity regarding its definition and its scope. In their seminal paper Lewis and Heckman (2006) identified three perspectives on talent management. The first is TM as a collection of HR practices. The second relates TM to tasks around development of talent pools and supply and demand. The third focuses on talent generically. More recent literature reviews note that clarity around the definition of talent management has yet to fully

evolve (Cappelli & Keller, 2014; Collings & Minbaeva, 2021). This is partially due to the field of talent management emerging from practice in trade journals and the popular press prior to 2006 (Lewis and Heckman, 2006).

Although there is the belief that the field has gone from infancy into adolescence, scholars still lament the lack of a theoretical base for talent management studies (Collings & Mellahi, 2009; Collings & Minbaeva, 2021; Gallardo-Gallardo et al., 2020; Kaliannan et al., 2023; Thunnissen, et al. 2013). Gallardo-Gallardo, et al. (2015) indicate that no current theory has the scope to account for the phenomenon. Talent management is viewed as a phenomenon driven field (Gallardo-Gallardo, et al., 2015). Talent management is important to both practitioners and academics alike. It should be noted that there has been a dramatic increase in the number of academic papers addressing talent management since 2010. However, recent literature reviews note that there continues to be a lack of empirical research-based vs conceptual literature on talent management (Farndale et al., 2019; Skuza et al., 2013; Thunnissen, et al. 2013). It has also been noted that TM research is still giving only limited guidance to practitioners (Cappelli and Keller, 2014; Collings, et al., 2011; Gallardo-Gallardo & Thunnissen, 2016).

Talent and talent management have been the subject of many tensions and debates (Dries, 2013; Kaliannan et al., 2023; Morley et al., 2015; Thunnissen, et al. 2013). These include: object vs. subject, innate vs acquired, input vs. output, transferable vs context dependent, and inclusive vs exclusive. This final debate is perhaps the most heated. In an *inclusive* typology talent encompasses the entire workforce. This is sometimes referred to as the strength-based approach (Meyers & Van Woerkom, 2013). The second typology is the *exclusive* approach which differentiates the workforce into high potential

employees and non-high potential employees. In this typology TM's focus is on the high potential employees and the most "pivotal" positions in the organization (Collings & Mellahi, 2009; Kaliannan et al., 2023; Wiblen & McDonnell, 2020). Exclusive typology is often called the resource-based approach. These two typologies are further differentiated into subject (people) and object (person characteristics) versions.

Stahl et al. (2012) note that organizations use both inclusive and exclusive approaches depending on the context. Among researchers there is a debate about whether the inclusive or exclusive approach is best (Kaliannan et al., 2023; Meyers, 2016). Cappelli and Keller (2014) note that more recent arguments identify the job as the locus of differentiation in the exclusive model. This perspective allows the inclusion of jobs beyond top management as being strategic to the corporation. Cappelli (2008) argues that a combination of internal and external approaches to talent management can minimize the costs of uncertainty regarding the supply of talent.

Critique of Talent Management

Authors have criticized the dominant conception of talent management because it often focuses on the operational rather than the strategic level of the organization (King & Vaiman, 2019; Thunnissen, et al. 2013). Beyond theoretical concerns, perhaps, the greatest criticism of talent management literature is the significant emphasis on organizational objectives while leaving out societal, ethical, and employee well-being considerations (Thunnissen, et al. 2013; Swailes, 2013). Thunnissen et al. (2013) note that both social and individual goals are absent from mainstream literature on talent management. They argue for a pluralist view of TM. Other authors agree, stressing the importance of a view that accounts for both the external and internal environments (Boudreaw &

Ramstad, 2006; Collings & Mellahi, 2009; Kontoghiorghes, 2016). Stahl et al. (2012) also indicate the importance of alignment of talent with the internal and external environments of the organization and with organizational fit. Kontoghiorghes (2016) raises the criticism that talent management research has yet to fully include the important effects of organizational culture, even though culture is known to significantly influence employee behavior, organizational performance, and thus the overall effectiveness of the talent management system of the organization.

The next section provides an overview of how organizational cultures are formed, describes the different types of culture, and explains how culture-employee fit and culture-external environment fit can affect organizational effectiveness. The concept of high-performance organizational culture is introduced, and research findings are discussed in relation to its strong effects on talent management, as well as on the employee attitudes of motivation, satisfaction, and commitment.

ORGANIZATIONAL CULTURE

Roots and Implications of Organizational Culture

Developing organizational cultures that lead to the enhancement of performance has been the subject of much study and speculation (Alvesson & Sveningsson, 2005; Chatman & O'Reilly, 2016; Shahzad et al., 2012; Valencia et al., 2010). Berson, Oreg, and Dvir (2007) describe culture as an “active living, phenomenon” (p. 617). Culture can be viewed as the “glue” that holds an organization together (Wiener, 1988, p. 535). Schein (1999) described the purpose of culture as providing “group members with a way of giving meaning to their daily lives, setting guidelines and rules for how to behave, and most important, reducing and containing the anxiety of

dealing with an unpredictable and uncertain environment” (p. 15). Although there is little agreement about the definition of organizational culture, Schein’s culture-theoretic framework appears to be widely accepted (Hogan & Coote, 2014; Chatman & O’Reilly, 2016). Schein’s cultural levels include: artifacts, espoused beliefs and values, and basic assumptions (Schein & Schein, 2017). Chatman and O’Reilly (2016) argue that researchers should start with Schein’s framework and think of organizational culture as “the norms that characterize a group or organization that if widely shared and strongly held, act as a social control system to shape members’ attitudes and behaviors” (p.199).

Chatman and O’Reilly (2016) also note that the functionalist view of culture focuses on Schein’s second level: norms and values. This perspective asserts that culture is “something an organization has, not something an organization is” (p. 205). They view norms as having three components: content (what is important), consensus (how widely norms are shared), and intensity (feelings about importance of the norms). They argue that because of the lack of a unified definition of organizational culture there is a lack of content validity and researchers have substituted predictive validity in many cases.

Although culture and values have long been studied in sociology and anthropology (Detert, Schroeder, & Mauriel, 2000; Hebel 1998), the study of culture within organizations, and especially in relation to HR and TM system effectiveness, is a more recent phenomenon and largely underexplored. The difference between the in-depth immersion style of qualitative cultural research in the social sciences and the quantitative, functional approach in organizational research was part of the debates fueling what became known as the *culture wars* (Martin & Frost, 2011). In addition to the debate over basic conceptions of culture and qualitative vs quantitative research,

debates also swirled around the difference between culture and climate and different quantitative approaches to the study of culture (Chatman & O'Reilly, 2016). According to Chatman and O'Reilly (2016), the flood of practitioner interest leading to popular books on organizational culture slowed academic study and contributed to the lack of an agreed upon definition.

Several researchers have identified common elements of organizational culture including a system of shared values that is used to guide organizational behavior and attitudes (O'Reilly & Chatman, 1996). Rokeach (1973, p. 5) defines a value as “an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state” (p.5). Values act as guiding principles and influence the ways in which people perceive their environment impacting their behavior (Berson, et al., 2007). When organizational members share a set of values this forms a value system (Wiener, 1988). However, it is important to differentiate between personal, deeply held individual values which are sometimes known as latent or unconscious values and the espoused values of the organization which are publicly announced (Berson, et al., 2007). Hultman (2005) indicates the hierarchical nature of values with the greatest impact on behavior in the workplace coming from those espoused values that meet psychological and social needs. Sorensen (2002) argues that organizations with strong cultures in which values are broadly shared and intensely held perform better than those with weaker cultures.

Organizational Culture and Fit

Another aspect of organizational culture examined by researchers is employee and organizational fit and attraction (Judge, 1997; Turban & Greening, 1997). Kristof-Brown, Zimmerman and Johnson (2005) identified four types of fit

between employees and organizations. These include: person-job fit (PJ), person-group fit (PG), person-supervisor fit (PS), and person-organization fit (P-O). They found that person-organization fit has a weaker link to performance than the other three. However, person-organization fit is a better predictor of turnover. The authors indicate job satisfaction is influenced by PJ, while organizational commitment is influenced by PO, satisfaction with coworkers by PG, and satisfaction with the supervisor by PS. Other researchers argue that person-organization fit is positively related to organizational commitment and overall job satisfaction (Astakhova, 2016; Catanzaro et al., 2010; O'Reilly et al., 1991).

Looking at the attractiveness of an organization from the viewpoint of the employee, Ehrhart and Zeiger (2005) suggest that potential employees engage in three types of processing about organizations when they are considering joining. These include processing of information about the organization (environmental processing); processing of the fit between person characteristics and environment characteristics (interactionist processing); and processing of information regarding their own characteristics (self-processing).

Impact of Organizational Culture

Different organizational cultures have been associated with a variety of performance outcomes (Hartnell et al., 2011). These include outcomes such as increased employee participation, creativity, and innovation (Büschgens et al., 2013; Krasnicka et al., 2018; Pettigrew, 1979; Valencia et al., 2010); employee commitment and retention (Abbott et al., 2005; Nikpour 2017; Sheridan, 1992); increased employee satisfaction (Lund, 2003; Silverthorne, 2004;) change adaptation (Jones et al., 2005; Rashid et al., 2004); increased financial performance (Chan et al., 2004; Denison & Mishra, 1995; Tseng, 2010); and

increased efficiency (Adler et al., 1999; Braunscheidel et al., 2010; Nahm et al., 2004). For example, Abbott, et al. (2005) address the way in which organizational values act as drivers of organizational commitment. They argue that commitment is comprised of three components: an affective or emotional component, a normative component of felt obligation, and a continuance component, i.e., the perceived cost of leaving. Abbot, et al. (2005) assert that firms that adopt organizational values of vision, self-direction, and humanity increase the affective and normative components of organizational commitment.

Types of Organizational Culture

Daft (2020) classified corporate culture into four types. His classification includes: adaptability, clan, mission or achievement, and bureaucratic cultures. He describes adaptability culture as focusing on the external environment to meet customer needs through flexibility and change. Mission or achievement culture focuses on organizational vision and achievement of goals. Bureaucratic culture focuses internally on stability and efficiency while clan culture focuses on employee involvement. Berson, et al. (2007) identify three types of culture and the values associated with them. These include innovation-oriented cultures associated with self-directive values; bureaucratic cultures associated with security values; and supportive cultures associated with benevolence values. Innovative cultures are characterized by risk-taking and creativity. Bureaucratic cultures are identified with well-defined structures, and rules. Supportive cultures are associated with trust and safety.

Organizational Culture - External Environment Fit

Based on Ashby's requisite variety law (Ashby, 2015), Yolles (2006) asserts, "requisite variety is the variety a system must

have in order to deal with environmental variety” (p. 294). In addition to reflecting the complexity of the external environment, the requisite variety law further emphasizes flexibility, and the need for free flow of information and open communications among the various functions of the organization, in order for the organization to gain agility and thus become responsive to environmental changes (Yolles, 2006). Thus, for the organization to be effective within its environment, the characteristics of the organization’s culture need to be responsive to the organizational environment (Daft, 2020).

Morgan (2006) argues that the requisite variety law constitutes a vital management principle which facilitates the design of flexible and effective organizational systems capable of surviving fast shifting and turbulent external environments. According to Morgan (2006), if a system is unable to recognize, absorb, and deal with the variations in the external environment it will not be able to evolve, survive, and succeed. Hence, the type of culture which is best suited for any organization is the one which will also allow the organization to continuously and effectively adapt to the prevailing trends in the external environment. Given that the majority of contemporary organizations function in highly dynamic and fiercely competitive technology-driven environments, “high-performance cultures”, which have a keen emphasis on new technology assimilation, innovation, system optimization, and change adaptation can be deemed to be the among the most appropriate for the majority of today’s organizations (Kontoghiorghe, 2016; Lawler, 2005; Wei & Lau, 2010).

HIGH-PERFORMANCE CULTURES

As widely noted, early practitioner-oriented books like *In Search of Excellence* (Peters & Waterman, 1982) underscored

the desire to learn the secrets of the most successful organizations. Although there was great interest, early literature on successful organizations was mostly based on anecdotal evidence and descriptive reports. Such reports attempted to identify and describe the predominant features of effective organizations (e.g de Waal, 2007; Lawler et al., 2001). The identified characteristics primarily pertained to such organizational attributes as employee involvement, quality management, reengineering, and knowledge management, and were presumed to be central to organizational effectiveness and financial performance of the firm (e.g Lawler et al., 2001). The main limitation of the early work on high achieving organizations, nonetheless, was the lack of empirically validated frameworks, and especially studies providing predictive validity evidence, as well as explanatory power.

The literature on what came to be called High-Performance Organizations (HPOs) was developed from two perspectives. Wilcoxson (2000) calls these the humanistic and the rational process frameworks. He argues that the major focus of researchers was either on the culture and humanistic characteristics of the organization or on outcomes-based technical aspects. Wilcoxson (2000) called for the use of a systems theoretic perspective that integrates the two within an ecosystem that recognizes the importance of both cultural and technical aspects of the organization.

Such a systemic approach to High-Performance Organization design is consistent with the principal orientation of the three system-level Organization Development (OD) theories, namely the Socio-technical Systems (STS), Quality Management (QM), and Learning Organization (LO) theories. In addition to their primary focus on the humanistic, cultural, and technical aspects of the organization, however, these three theories further associate high-performance system design with total system

optimization, and the ability of the organization to effectively cope with the changes taking place in the external environment (Brown, 2011; Burke, & Noumair, 2015; Cummings & Worley, 2014; Lindsay, & Petrick, 1997; Pasmore, 1988). Given that optimized performance and continuous adaptation are critical for any organization to succeed in today's highly competitive and fast changing business landscape, the open systems approach to high-performance system design as advocated by OD theory can be considered particularly important when advancing theory in relation to high-performance cultures.

High-performance organizations, of course, call for high-performance cultures. Literature and research on high-performance cultures, however, is sparse (Bish, 2022). Although not everyone agrees on the characteristics of high-performance organizations and cultures, the findings of a recent cross-cultural study (Kontoghiorghes, 2016) attested to the construct and predictive validity of a framework of eight high-performance cultural characteristics (Figure 1). As it will be demonstrated in this and subsequent chapters, this HPO cultural framework was found to have strong effects on all key facets of the talent management system (e.g. talent attraction, talent retention, employee motivation, satisfaction, commitment), as well as key organizational performance and adaptation outcomes (e.g. organizational innovation, competitiveness, profitability, quality and productivity performance, flexibility, rapid technology assimilation, quick response to threats and opportunities in the external environment). The pertaining research findings have thus provided empirical evidence in relation to how the newly developed HPO cultural framework can serve as the foundation for total system optimization, as well as the creation of highly competitive and innovative organizations.

Validated Characteristics of High-Performance Organizational Culture

The development of the HPO cultural framework was based on the central principles and premises of the three system-level OD theories and Strategic HRM (SHRM) literature (Kontoghiorghes, 2016). It represents a synthesis of “core and complementary sociotechnical, learning organization, and quality management characteristics”, which at the same time underscore the value of human creativity, strategic cultural alignment, and the development of ethical work cultures (Kontoghiorghes, 2016, p. 1834). In addition to taking into consideration previous research, which linked the individual HPO dimensions to important performance measures as well as employee behaviors and attitudes (e.g. Kontoghiorghes & Frangou, 2009; Kontoghiorghes, 2005; Kontoghiorghes et al., 2005; Kontoghiorghes & Bryant, 2004; Kontoghiorghes & Gudgel, 2004; Kontoghiorghes & Hansen, 2004; Kontoghiorghes, 2004; Kontoghiorghes, 2003a; Kontoghiorghes, 2003b; Kontoghiorghes, 2002; Kontoghiorghes, 2001a; Kontoghiorghes, 2001b; Kontoghiorghes & Dembeck, 2001), the HPO cultural dimensions were further selected based on the extent to which their complementarities satisfied STS’s theory joint optimization principle and Ashby’s requisite variety law (Kontoghiorghes, 2016).

Per the STS joint optimization principle, an organization can function optimally only when its people and technical sub-systems are designed to fit the demands of each other and those of the external environment (Pasmore, 1988). As noted earlier, per Asby’s requisite variety law, organizational effectiveness greatly depends on the extent to which the internal systems and culture of the organization internalize and reflect the complexity of the external environment (Schwaninger, 2009; Yolles, 2006). According to the strategic HRM literature, the

main strategic trends affecting today's organizations are those of globalization, technological change, changing workforce demographics, and the knowledge-based economy (Dessler, 2019; Felin et al. 2009; Kontoghiorghe, 2016; Mello, 2014). Hence, per Ashby's law and STS theory, an organizational culture can be deemed a high-performance one only if its characteristics directly reflect to the above-described strategic trends, while at the same time assist in the optimization of both the technical and people sub-systems.

The eight cultural characteristics which met the above-described criteria and assisted in the conceptualization of the HPO cultural framework are the following (Kontoghiorghe, 2016):

1. The extent to which the organization is characterized by a change-driven culture.
2. The extent to which the organization is characterized by a technology-driven culture.
3. The extent to which the organization is characterized by a quality-driven culture.
4. The extent to which the organization is characterized by support of creativity.
5. The extent to which the organization is characterized by an effective knowledge management system.
6. The extent to which the organization is characterized by open communications and information sharing.
7. The extent to which the organization is founded on the core value of respect.
8. The extent to which the organization is founded on the core value of integrity.

In terms of how these eight HPO cultural dimensions allow the organization to develop a high-performance culture, which is also consistent with the above mentioned design criteria, the

change-, quality-, and technology-driven cultural dimensions, along with knowledge management and support for creativity, not only assist the organization to develop an optimized technical sub-system, they also allow it to develop an adaptive and innovative culture which is aligned with the latest technological trends, as well as the changing demands of the knowledge-based economy. At the same time, the open communications, respect for people, and integrity dimensions propel the organization to optimize its people sub-system by creating an ethical, high involvement, and empowering work context within which employees are treated as valued contributors and with respect. Such a humanistic and ethical work culture in turn assists the organization to manage workforce diversity more effectively and concurrently create a highly motivated, engaged, and committed workforce (Kontoghiorghes, 2016). Further, this people-centric work environment, when complemented with support for creativity, propels the organization to become a welcoming work home for the best available talent and innovative minds, and thus to more effectively compete in the global landscape (Kontoghiorghes, 2016; Lindsay & Petrick, 1997). Finally, the complementarities stemming from the eight dimensions help create an environment where people and technology thrive together. Today this constitutes one of the most critical capabilities successful organizations must have to effectively compete in the technology-driven era.

Impact of High-Performance Culture on Talent Management

The synergetic effects of the HPO cultural framework described above were found to have strong standardized effects on both, positive employee attitudes and effective talent management (Kontoghiorghes, 2016). As shown in Figure 1, the HPO cultural framework was hypothesized to have a

positive effect on effective recruitment and retention of talent, as well as the employee attitudes of job satisfaction, organization satisfaction, and job motivation. The three employee attitudes were in turn hypothesized to influence organizational commitment which was in turn theorized to have a positive impact on talent attraction and retention.

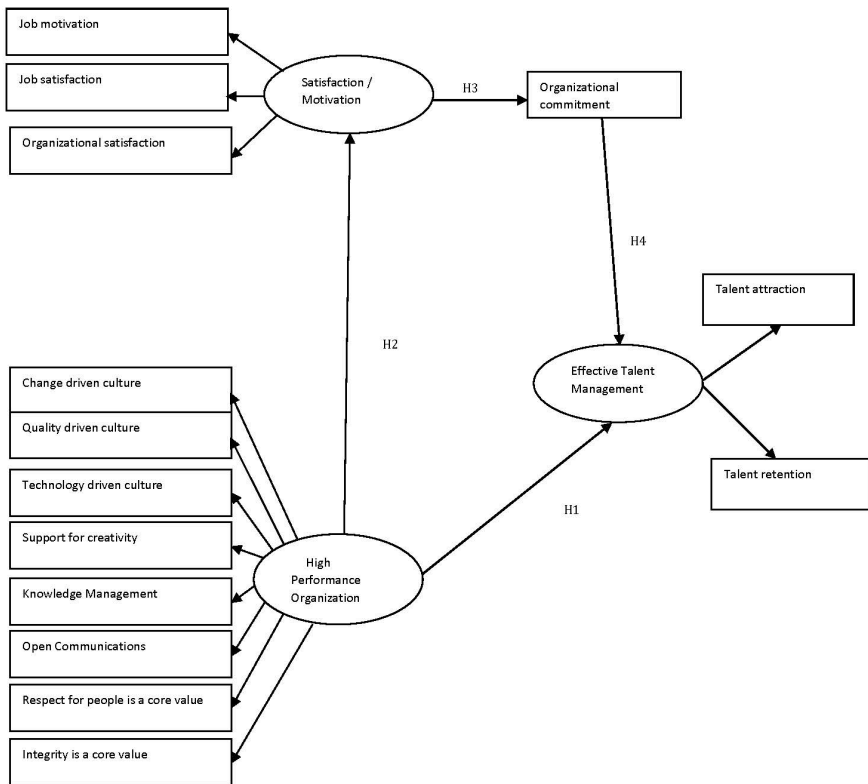


Figure 1. High-performance culture and talent management model, (Kontogiorgis, 2016)

The underlying assumption of this talent management model is that high-performance and ethical work cultures will be particularly attractive to talented individuals (Kontogiorgis,

2016). In such high-performance and evolving systems, not only will they be treated fairly and with respect, but they will also experience plenty of opportunities for personal growth and development. Moreover, in high-performance organizations talented employees will be more likely to perceive a stronger connection between personal effort and performance, therefore making work more satisfying and motivating, which in turn can lead to higher commitment and retention levels. Hence, according to the presented framework, high-performance and ethical work cultures are theorized to be a good fit for high quality performers and thus serve as catalysts to talent attraction and retention as well as positive employee attitudes (Kontoghiorghe, 2016).

The results of the SEM analyses supported these hypotheses (Kontoghiorghe, 2016). More specifically, in the manufacturing setting of a Fortune 50 corporation the HPO cultural construct was found to have strong effects on both, the talent attraction and retention ($\beta=0.64$), as well as the employee satisfaction and motivation constructs ($\beta=0.81$). The beta coefficients (β) represent the strength of association between variables. In the telecommunications related study, the β values were found to be 0.64 and 0.76 respectively, thus reaffirming the strong effects high-performance cultures have on talent attraction and retention as well as on job satisfaction, organizational satisfaction, and motivation. Given that the satisfaction/motivation construct was found to have strong effects on organizational commitment ($\beta=0.87$, manufacturing organization; $\beta=0.80$, telecommunications organization), the study concluded that in addition to the strong impact on talent attraction and retention, the complementarities stemming from the HPO cultural dimensions were empirically proven to also strongly facilitate the development of a highly committed, satisfied, and motivated workforce (Kontoghiorghe, 2016), and hence the optimization of the talent management system.