



**Achieving High Organisational Performance: An
Examination of the Importance of Formulation-
Implementation Balance, Receptive Culture and
Proactive Capabilities**

by

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Table of Contents

Table of Contents	ii
List of Figures.....	iv
List of Tables	v
Abstract	vi
Declaration	viii
Acknowledgement	ix
Chapter 1 – Introduction	1
1.1 Research Background	2
1.2 Research Objectives.....	5
1.3 Significance of the Study	6
1.4 Organisation of Chapters	6
Chapter 2 – Review of Literature	8
2.1 Organisational Performance.....	8
2.1.1 Measures of Organisational Performance	9
2.2 Formulation-Implementation Balance	11
2.2.1 The Strategy Implementation Perspective.....	11
2.2.2 Organisational Dimensions in Strategy Implementation	17
2.3 Receptive Culture	22
2.3.1 The Organisational Culture Perspective.....	22
2.3.2 Factors of Receptive Culture	25
2.3.3 Importance of Receptive Culture Factors: Autonomous Orientation and Improvement Orientation	29
2.4 Proactive Capabilities	35
2.4.1 The Dynamic Capabilities Perspective	35
2.4.2 Factors of Proactive Capabilities	41
2.4.3 Importance of Proactive Capabilities: Adaptive Capability, Innovative Capability and External Intelligence Capability	51
2.5 Chapter Conclusion	64
Chapter 3 – Methodology.....	67
3.1 Method	68
3.2 Sampling Frame.....	69
3.2.1 Singapore1000 Listing	69
3.2.2 Target Respondents.....	71
3.3 Ethics	72
3.4 Survey Sample.....	72
3.5 Development of Measures	73
3.5.1 Organisational Performance	74
3.5.2 Formulation-Implementation Balance	75
3.5.3 Receptive Culture.....	75
3.5.4 Proactive Capabilities.....	76
3.6 Development of Survey Instrument.....	77
3.7 Data Collection Procedure	80
3.7.1 Profile of Survey Respondents and Their Respective Organisations	81
3.8 Data Preparation and Assumption Testing.....	84

3.8.1	Test for Significant Difference between Responses from Online Survey and those from Postal Mail Survey	84
3.8.2	Test for Significant Difference between Early Responses and Late Responses	85
3.8.3	Test for Outliers and Normality	86
3.8.4	Addressing Multicollinearity Problem and Sample Size Requirement	86
3.9	Measurement Properties of the Constructs for the HOP Model.....	87
3.9.1	Measurement Model for the HOP Model.....	87
3.9.2	Reliability and Validity Assessment	94
3.9.3	Goodness of Fit Assessment	96
3.9.4	Inter-correlation Assessment	100
3.10	Chapter Conclusion and Implications.....	104
	Chapter 4 – Results and Findings.....	106
4.1	Using Structural Equation Modelling for Hypotheses Testing	106
4.2	Model Specification.....	107
4.3	Model Assessment.....	110
4.3.1	Assessment for Model 1	110
4.3.2	Assessment for Model 2	111
4.4	Testing for the Effects of the Control Factors on Organizational Performance...	124
4.5	Chapter Conclusion	124
	Chapter 5 – Discussion and Conclusion	126
5.1	Implications of the Study’s Findings	126
5.2	Limitations of the Study.....	132
5.3	Directions for Future Research.....	133
	References.....	135
	Appendix A1: A Summary of Measures Used to Operationalise the Factor Organisational Performance	146
	Appendix A2: A Summary of Measures Used to Operationalise the Factor Formulation-Implementation Balance	147
	Appendix A3: A Summary of Measures Used to Operationalise the Factor Autonomous Orientation.....	148
	Appendix A4: A Summary of Measures Used to Operationalise the Factor Improvement Orientation.....	149
	Appendix A5: A Summary of Measures Used to Operationalise the Factor Adaptive Capability	150
	Appendix A6: A Summary of Measures Used to Operationalise the Factor Innovative Capability	151
	Appendix A7: A Summary of Measures Used to Operationalise the Factor External Intelligence Capability	152
	Appendix B1: Semi-structured Questions for Research Interview	153
	Appendix B2: Survey Questionnaire (8 Pages)	154
	Appendix C1: T-tests Outcome for Assessing Significance Difference between Responses from Online Survey and Those from Postal Mail Survey	162
	Appendix C2: T-tests Outcome for Assessing Significance Difference between Early Responses and Late Responses	164
	Appendix D1: Composite Reliability Value Test	166
	Appendix D2: Average Variance Extracted Test.....	167
	Appendix E1: LISREL Output for Comprehensive-2 Model Estimation (14 Pages)	168
	Appendix E2: LISREL Output for Parsimonious-2 Model Estimation (13 Pages)	182

List of Figures

Figure 2.1	Measures of Organizational Performance	11
Figure 2.2	Formulation-Implementation Balance for Achieving High Organizational Performance.....	15
Figure 2.3	Measures of Formulation-Implementation Balance that Lead to High Organisational Performance	16
Figure 2.4	‘Autonomous Orientation’ (A Factor of Receptive Culture) for Achieving High Organisational Performance.....	31
Figure 2.5	Measures of Autonomous Orientation	32
Figure 2.6	‘Improvement Orientation’ (A Factor of Receptive Culture) for Achieving High Organisational Performance.....	34
Figure 2.7	Measures of Improvement Orientation	35
Figure 2.8	External Intelligence Capability Process.....	48
Figure 2.9	‘Adaptive Capability’ (A Factor of Proactive Capability) for Achieving High Organisational Performance.....	53
Figure 2.10	Measures of Adaptive Capability.....	54
Figure 2.11	‘Innovative Capability’ (As a Factor of Proactive Capabilities) for Achieving High Organisational Performance.....	56
Figure 2.12	Measures of Innovative Capability	57
Figure 2.13	External Intelligence Capability (as a Factor of Proactive Capabilities) for Achieving High Organisational Performance.....	62
Figure 2.14	Measures of External Intelligence Capability	64
Figure 2.15	Proposed Research Model for Achieving High Organisational Performance.....	66
Figure 3.1	HOP Measurement Model.....	97
Figure 3.2	Factor Structure for Organisational Performance	101
Figure 3.3	Factor Structure for Formulation-Implementation Balance	102
Figure 3.4	Factor Structure for Autonomous Orientation.....	102
Figure 3.5	Factor Structure for Improvement Orientation	103
Figure 3.6	Factor Structure for Adaptive Capability	103
Figure 3.7	Factor Structure for Innovative Capability.....	103
Figure 3.8	Factor Structure for External Intelligence Capability	104
Figure 4.1	Conceptual Framework of Model 1 (<i>Minor</i>)	108
Figure 4.2	Conceptual Framework of Model 2 (<i>Major</i>)	109
Figure 4.3	Equation Model Showing Standardised Coefficient Estimates for Model 1 (<i>Minor</i>)	111
Figure 4.4	Conceptual Framework of Parsimonious-2 Model (<i>Major</i>).....	113
Figure 4.5	Structural Equation Model Showing Standardised Coefficient Estimates for the Parsimonious-2 Model (<i>Major</i>).....	117
Figure 4.6	Confirmed Framework of HOP Model	123

List of Tables

Table 2.1	A Comparison of Organisational Dimensions in Strategy Implementation Models	19
Table 2.2	A Comparison of Some Studies on the Organisational Culture Model	27
Table 2.3	A Comparison of Dynamic Capabilities Understanding Among Some Studies	42
Table 2.4	Some Business Issues Addressed by External Intelligence Capability	49
Table 2.5	A Comparison of Some Studies that Relate to External Intelligence Capability	59
Table 3.1	Hypotheses Developed for this Study	68
Table 3.2	Outcomes of the Survey Administration	81
Table 3.3	Profile of Survey Respondents and their Respective Organisations	83
Table 3.4	Factor Loadings for HOP Measurement Model (contd.)	89
Table 3.4	Factor Loadings for HOP Measurement Model (contd.)	90
Table 3.5	Confirmed Measures of Organisational Performance (OP)	90
Table 3.6	Confirmed Measures of Formulation-Implementation Balance (FIB)	90
Table 3.7	Confirmed Measures of Autonomous Orientation (AO)	91
Table 3.8	Confirmed Measures of Improvement Orientation (IO)	91
Table 3.9	Confirmed Measures of Adaptive Capability (AC)	92
Table 3.10	Confirmed Measures of Innovation Capability (IC)	93
Table 3.11	Confirmed Measures of External Intelligence Capability (EIC)	94
Table 3.12	Reliability and Validity Assessment for HOP Model	95
Table 3.13	CFA Results for the HOP Measurement Model and its Rival Models	99
Table 3.14	Descriptive Statistics and Factor Inter-correlations	101
Table 4.1	Hypotheses Developed for this Study	107
Table 4.2	Goodness of Fit Statistics for the Comprehensive-2 and Parsimonious-2 Models (<i>Major</i>)	116
Table 4.3	Results of the Hypotheses Testing Based on the Parsimonious-2 Model	118

Abstract

The study is concerned with why some organisations, when dealing with their dynamic external environmental conditions, can achieve high organisational performance, while many others failed to cope. The literature review emphasised the formulation-implementation balance rather than strategy formulation as an important organisational dimension. This dimension has been relatively neglected compared to the emphasis research and organisations have placed on strategy formulation. The literature review also emphasised a receptive culture and proactive capabilities as important organisational dimensions in the pursuit of high organisational performance. The study defined receptive culture to include the organisational factors autonomous orientation and improvement orientation. The study also defined proactive capabilities to include the organisational factors adaptive capability, innovative capability and external intelligence capability.

A research model of factors associated with high organisational performance was developed and research hypotheses were advanced with particular emphasis on the importance of the formulation-implementation balance, receptive culture and proactive capabilities. Structural Equation Modelling was used. The research targeted organisations based in Singapore.

The study found that a receptive culture, as a particular type of organisational culture, has an important strategic implementation role for high organisational performance. The results showed that autonomous orientation in isolation might not be useful to an organisation, but would help an organisation to perform when working in combination with improvement orientation, adaptive capability or innovative capability. The results also showed that organisations would stand a better chance of achieving organisational high performance when improvement orientation is nurtured.

The study also found that proactive capabilities, as a particular set of dynamic capabilities, have an important strategic implementation role for high organisational performance. The results showed that the chance of achieving high organisational performance improves with the employment of adaptive capability. The research found that employing innovative capability in isolation did not affect organisational performance, but innovative capability would help an organisation to perform when

used in combination with adaptive capability. The results further showed that the employment of external intelligence capability would need to be coupled with improvement orientation, adaptive capability or innovative capability in order for it to be useful to organisations. However, the study did not support the importance of formulation-implementation balance for high organisational performance.

Overall, the study demonstrated that organisational performance can be explained by the type of organisational culture and capabilities on which managers place emphasis. For achieving high organisational performance, organizations need to place an emphasis on nurturing a receptive culture in order to manage a state of readiness that helps them in coping with their changing external environment. Organisations need to emphasise the development of proactive capabilities in order to be adaptive, innovative and to continuously monitor and interpret prospective change-patterns in the external environment.

Declaration

This work contains no material which has been accepted for the award of any other degree or diploma in any university or other tertiary institution to Hock-Tee Koh and, to the best of my knowledge and belief, contains no material previously published or written by another person, except where due reference has been made in the text.

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Hock-Tee Koh

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'I can do everything through him who gives me strength' Philipians 4:13

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