



ELEVATING MALTESE BUSINESSES WITH THE HPO APPROACH






Driving Maltese businesses towards an even brighter economic horizon

This Quick Insight explores how Maltese businesses can leverage the High Performance Organization (HPO) Framework to unlock untapped potential and address unique challenges like colonial legacies and union influences. It outlines the core HPO elements and emphasizes the importance of open dialogue and team building. The article also provides a structured roadmap for HPO implementation, including manager training and dedicated coaching teams. This is a must-read for organizational leaders, HR professionals, and policymakers interested in driving organizations towards a brighter economic future.

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KEY TAKEAWAYS

-  **Maltese Potential:** While Malta has established itself as a business hub in the European Union, there is still untapped potential in this country. The High Performance Organization (HPO) Framework can be a pivotal tool for Maltese businesses to elevate their performance and competitiveness.
-  **HPO Factors:** The core elements of an HPO are Management Quality, Openness and Action Orientation, Long-Term Orientation, Continuous Improvement and Renewal, and Employee Quality. Mastering these factors decides an organization's success in a competitive landscape.
-  **Unique Maltese Challenges:** Colonial legacies, union influences, and a mix of local and foreign managerial leadership styles have created specific challenges in Malta in areas such as trust in authority, communication, and flexibility. Addressing these unique aspects is crucial for a successful HPO transformation.
-  **Importance of Open Dialogue:** For Maltese organizations to thrive, promoting open dialogue, team building, and knowledge sharing is paramount. Creating feedback channels and fostering a culture of continuous learning can bridge existing communication gaps.
-  **Structured HPO Implementation:** A deliberate and phased approach to introducing the HPO framework is essential. Including comprehensive HPO training for managers, a dedicated team of HPO coaches, and celebrating small successes during the HPO transformation will make this a success.



INTRODUCTION

Since becoming a member of the European Union, Malta has emerged as a hotspot for global businesses. This is largely due to its vibrant free-market economy. Key sectors that have found a stronghold in Malta include advanced manufacturing (like electronics and pharmaceuticals), software development, and services spanning finance, gaming, shipping, and IT. But what makes Malta so appealing?

The reasons are manifold. From beneficial tax policies and enticing governmental incentives to a talented, dedicated, multilingual, and educated workforce: Malta offers the right mix for business success. Today, the pillars of Malta's economic prosperity are tourism and export-focused manufacturing, which have caused impressive economic growth. This growth has not gone unnoticed. Renowned credit rating agencies have lauded Malta with high ratings. Moreover, when looking at GDP growth, Malta stands tall compared to its European neighbors.

Malta's political landscape has also been supportive. The major political entities have aligned on a business-friendly, often liberal, approach, spurring heightened economic activities. A testament to this is the Maltese government's initiatives to bolster public-private collaborations in healthcare, aiming to position Malta as a go-to Mediterranean destination for medical tourism.

However, Malta's EU membership brought its share of challenges, notably increased competition. To thrive in this competitive milieu, both local firms and foreign subsidiaries in Malta had to elevate their operational and especially HR quality standards. Gone were the days where HR was simply about record-keeping and payroll. Now, there is a shift towards a more performance-centric approach, blending with Malta's unique business culture. Yet, HRM is still seen as an area with room for improvement. This hints at a broader trend – Maltese firms, while strong in segments like procurement and public sector activities, have untapped potential.

Recognizing this, many Maltese organizations are on the lookout for comprehensive improvement strategies. This brings us to the heart of this Quick Insight: Can the High Performance Organization (HPO) Framework be the tool Maltese businesses need? This scientifically-backed framework is designed to evaluate an organization's performance,



pinpoint areas that need managerial attention, and highlight improvement opportunities. It is all about transforming a business into an HPO - a stellar performer that consistently outshines its peers over extended periods. Here, we delve into how this framework can potentially reshape Maltese businesses for the better.

THE HPO FRAMEWORK EXPLAINED

The HPO Framework came into existence through two phases: firstly, an exhaustive review of relevant literature, and secondly, a global survey which garnered insights from nearly 1,500 organizations, totaling over 2,000 responses. Delving deep into the data and using statistical analysis, five pivotal factors directly correlated with organizational performance were unearthed. Simply put, organizations that score highly on these factors excel in their competitive landscape, while those scoring lower face many performance challenges.

Breaking Down the HPO Factors:

1. **Management Quality:** True HPO managers are trustworthy, display integrity, are approachable, and act decisively. They are the guiding force that inspires and encourages, yet are not hesitant to make tough calls when performance is not up to mark. They ensure everyone's on the same page, aligned with the company's strategy.

2. **Openness and Action Orientation:** At HPOs, open dialogues are the norm. Managers and employees constantly communicate, fostering an environment of mutual respect. It is an organization where risks are taken, mistakes are seen as learning opportunities, and shared knowledge is the real power. These organizations think critically but avoid getting paralyzed by over-analysis, swiftly turning decisions into actions.



THE 5 STRANDS OF SUCCESS



MANAGEMENT QUALITY



CONTINUOUS IMPROVEMENT & RENEWAL



LONG-TERM ORIENTATION



EMPLOYEE QUALITY



OPENNESS & ACTION ORIENTATION



3. **Long-Term Orientation:** An HPO prioritizes lasting value over fleeting success. It is a place where clients are truly heard, engaged, and valued. Internal growth is also emphasized – many managers have grown from within the organization, understanding its very fabric very well. Job security, both mentally and physically, is another hallmark.
4. **Continuous Improvement and Renewal:** HPOs are unique, whether in their goals or the way they achieve these. They adapt, evolve, and keep refining their strategies. Their processes are streamlined for quick and effective response to changes. There is a feeling of deep-seated obligation to deliver the best, always innovating offerings and bolstering core competencies.
5. **Employee Quality:** Diversity is key for HPOs, bringing a range of skills to the table. New hires possess both the adaptability and creativity crucial for HPOs. Employee growth is continuous, whether through formal training, collaborations, or partnerships. In such an environment, employees are driven to achieve beyond the ordinary, craving feedback and accountability.

Putting the HPO Framework into Practice

How can organizations check where they stand in the HPO spectrum? Through the HPO diagnosis. This begins with management and employees completing the HPO Questionnaire, based on the identified 35 HPO characteristics. Based on their ratings, average HPO scores are deduced for the organization, painting a clear picture of where improvements are needed to reach HPO standards.

RESEARCH APPROACH AND RESULTS

The research was conducted in Malta during a 2-day course on high performance organizations. The participating managers were from various Maltese organizations, both domestic and foreign. The objective of the course was to discuss the importance of HPOs and to review the participants' HPO scores. To that end, prior to the course, the participants completed the internet-based HPO questionnaire.

Figure 1 illustrates how Maltese organizations compare to European counterparts. Interestingly, the HPO profiles are quite similar. Notably, the Maltese organizations had a slightly higher score, especially in the HPO factor Long-Term Orientation. This can be



attributed to the nature of the participants, who likely represented organizations with a keen interest in continuous improvement and excellence.

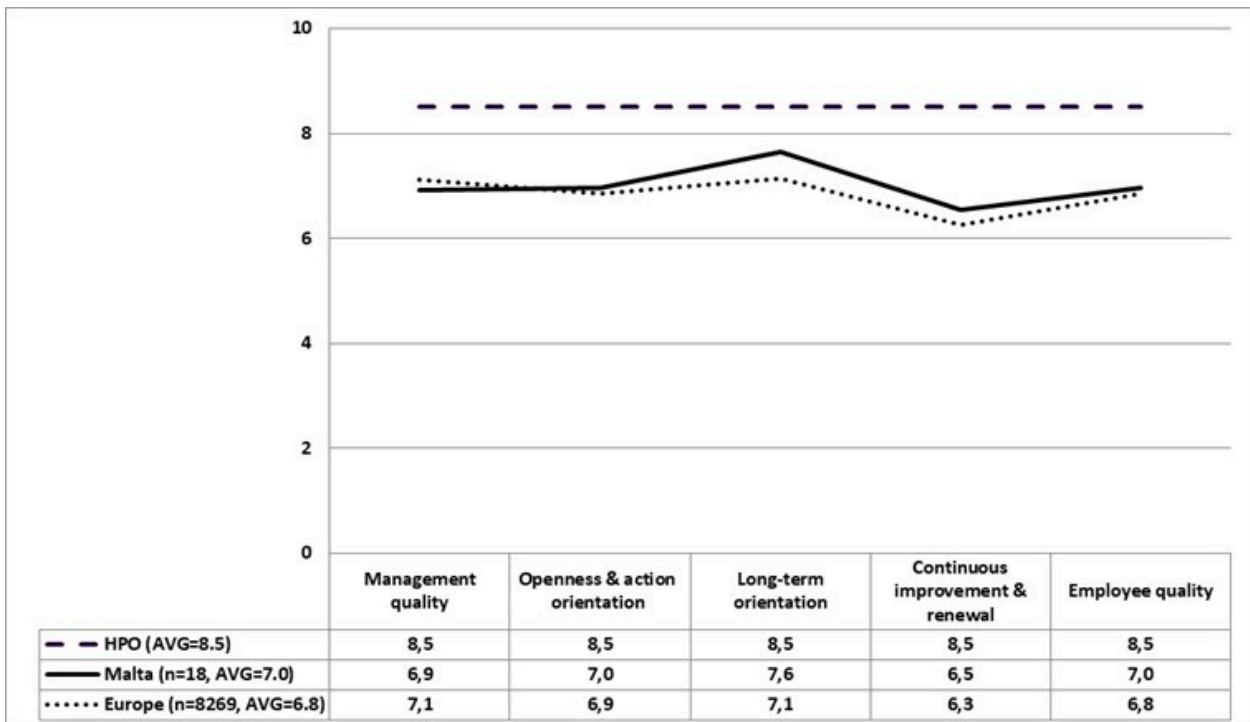


Figure 1: HPO scores of Maltese organizations, compared to European organizations

On the second course day, in-depth group discussions allowed participants to analyze their scores and identify areas of improvement. Each group's findings were presented and feedback was provided. These presentations were later studied to identify the following common HPO issues relevant to Maltese organizations:

- 1. Management Quality:** The legacy of colonialism has led to a mistrust of authority figures in Malta. Furthermore, the influence of unions, a strong Mediterranean culture, and the prevalence of foreign managers in high positions have created unique challenges. To address these, the participants suggested more open dialogue, team-oriented management, union engagement, HR skills development, and employee inclusivity in decision-making.
- 2. Openness and Action-Oriented:** Maltese organizations often suffer from a top-down communication approach and resistance to change. To combat this, participants recommended fostering open dialogue, promoting team building, facilitating knowledge sharing, creating feedback channels, and emphasizing continuous learning.



- 3. Long-Term Orientation:** A short-term profit mentality and union interventions have hindered the development of long-term perspectives. Participants recommended increasing the dialogue with stakeholders and emphasizing internal career development to overcome this.
- 4. Continuous Improvement and Renewal:** Most Maltese organizations lack a clear vision, strategy, and emphasis on R&D. Addressing this requires performance measurement methods, long-term planning, information sharing, core competency development, and clear communication about organizational objectives.
- 5. Employee Quality:** Despite their loyalty and commitment, many Maltese employees lack flexibility and initiative. Enhancing employee quality can be achieved through better training, leadership development, employee empowerment, and clear performance expectations.

ROLL-OUT

The participants identified the need for a structured HPO roll-out plan. They recommended introductory HPO training for managers, internal marketing of the HPO concept, addressing basic needs before the HPO transformation, and active manager involvement in the roll-out process. Furthermore, forming a core team of HPO coaches and initiating cross-functional HPO mini-projects were seen as essential. Recognizing and celebrating successes during the HPO transformation was also deemed critical for its success.


CONCLUSION


Maltese organizations possess significant potential to evolve into HPOs using the HPO Framework. While similarities with European counterparts exist, Malta's unique historical, cultural, and socio-political challenges necessitate a tailored approach to fully harness the HPO framework's benefits. De Waal and de Bono's research provides actionable insights, emphasizing the importance of open dialogue, team-building, and continuous learning in the Maltese context. As Malta solidifies its position in the global business arena, the HPO framework could be the catalyst for sustained excellence, driving Maltese businesses towards an even brighter economic horizon.




ARE YOU READY TO TRANSFORM YOUR ORGANIZATION INTO AN HPO?

Then insight is essential. Our [HPO diagnosis](#) (short validated questionnaire and in-depth interviews) provides you with this insight. You will get a clear picture of the current situation within your organization or department and receive practical improvement themes that managers and employees can tackle together. The HPO diagnosis is not just a mirror; it is a compass that guides you in taking crucial steps to achieve your strategic goals and become an HPO. Do you want to elevate your organization to a higher level? The HPO Center can support you in this. We combine over fifteen years of practical experience with hundreds of organizations worldwide with scientific research to provide you with the knowledge and focus that result in demonstrably better performance. HPO is not a project, but a mentality that makes your organization more resilient, flexible, and future-proof. It helps you identify the 'hard nuts' and provides a basis for measuring the effectiveness of the HPO transition. It also strengthens the solidarity within your organization (or part of it) by identifying and addressing shared, supported improvement themes.

 **Customer Focus:** An HPO is invaluable to its customers. The primary goal is to boost customer value and satisfaction.

 **Employee Engagement:** Aiming for high performance re-energizes your team. It leads to increased job satisfaction as HPOs concentrate on what genuinely drives organizational success. It's not a new project; it's a new mindset and approach to work.

 **Adaptability:** An HPO is designed to evolve. It thrives in our ever-changing, competitive world, making your organization more resilient and future-proof. This is achieved through ongoing adjustments, learning, and improvements.

Our Offer

- ✓ Customized [HPO Diagnoses](#)
- ✓ Interactive [Lectures and Workshops](#) on the HPO Framework
- ✓ Comprehensive Interviews, [Articles](#), [Books](#), and Networking Opportunities
- ✓ Guidance in Implementation Led by our [HPO Experts](#)



Why choose the HPO Center?



Experience & Credibility

With over 15 years of practical experience combined with rigorous scientific research, the HPO Center is at the global forefront of organizational improvement advice.



Global Knowledge Center

Based in the Netherlands, the HPO Center collaborates with partners, including in emerging markets, with the aim of fulfilling its mission to improve organizations worldwide.



Unmatched Expertise

HPO doesn't stop at diagnosing organizations. We also explore, investigate, and delve deeply into related topics such as High Performance Leadership, Silo-busting, Futurizing, Social Value Creation, and High Performance Business Ecosystems—evidence of our commitment to continually expand the HPO universe.



More than Just an Organization

With a passion for inspiring, stimulating, and networking, the HPO Center is not just an organization; it's a movement. Through scientific and professional publications (all freely available at hpocenter.com and www.hpocenter.nl), books, seminars, and roundtables, we continually disseminate the knowledge of the HPO Framework and unite professionals interested in continuous improvement and excellence.

Considering an HPO transformation?

The HPO Center is ready to support and guide you on your journey toward high performance. Contact us today for an inspiring conversation or to experience an HPO workshop. Together, we'll redefine your performance.



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