

PLANNING FOR INNOVATION: IMPROVING ORGANIZATIONAL PERFORMANCE

PLANEACIÓN PARA LA INNOVACIÓN: MEJORANDO EL DESEMPEÑO ORGANIZACIONAL

FECHA DE RECEPCIÓN: 20 de agosto
FECHA DE APROBACIÓN: 10 de noviembre
Pp. 162-175

Rodrigo A. Zárate Torres*

**Doctor of Strategic Leadership – DSL, enfoque en Gerencia,
Escuela de Liderazgo Global y Emprendimiento
Regent University, Virginia Beach, USA.
Certificate in Advance Graduate Studies
Estudios a nivel de Maestría en Liderazgo
Regent University, Virginia Beach, USA.
Master of Business Administration – MBA, enfoque en
Mercadeo y Negocios Internacionales,
Regent University, Virginia Beach, USA.
Ingeniero Industrial
Universidad de América, Bogotá.
Par evaluador certificado como conocedor de las normas de
acreditación y evaluador de Instituciones
Educativas que desean obtener acreditación
internacional
por la Accreditation Council for
Business Schools and Programs ACBSP.*



RESUMEN

El presente documento está fundamentado en la teoría cognitiva social, que de acuerdo a Bandura (1986) dicha teoría presta especial atención a la interacción basada en una reciprocidad triádica, la cual se refiere al comportamiento, aspectos personales y las influencias del ambiente o clima organizacional. Estos tres factores interactúan entre sí para determinar la forma en que la gente se va a comportar. La teoría se inserta en las organizaciones para que al crear el ambiente adecuado, ayudar a los empleados con su comportamiento y sus aspectos personales, los mismos empleados se comportarán de la manera que espera la organización para alcanzar las metas propuestas y así mejorar el desempeño organizacional.

Este artículo presenta cuatro componentes el ambiente adecuado, incluyendo maneras de ayudar a los empleados con sus aspectos personales y comportamientos. Todos los componentes están basados en diferentes teorías y han sido conjugados para mejorar el desempeño organizacional.

Puede ser una organización nueva o ya en funcionamiento, pero cuando el líder crea el ambiente adecuado, los empleados pueden desempeñarse mas eficientemente. El caso de las organizaciones nacientes, tienen la gran oportunidad de nacer con el ambiente adecuado permitiendo a los empleados ser eficientes desde el principio.

ABSTRACT

This document is based on the social cognitive theory. According to Bandura (1986), "social cognitive theory favors a conception of interaction based on triadic reciprocity". The triadic Bandura refers to is the behavior, personal factors, and environment influences. These three factors interact to each other to determine the way people will behave. This theory is brought to organizations to say that creating the right environment and helping employees with their behaviors and personal factors, they will behave the way the organizations wants to achieve the desired goals and to improve organizational performance.

This document presents four components to create the right environment including ways to help the employees with their personal factors and behaviors. All the components are framed by different theories and putting together to improve organizational performance.

It can be a new organization or an old organization but, when the leader creates the right environment, people can perform efficiently. New organizations have the great opportunity to start right since the beginning, creating the environment to allow people to innovate from the beginning.

RESUMÉE

Ce document se base sur la théorie cognitive sociale qui, selon Bandura (1986), « favorise une conception de l'interaction basée sur la réciprocité triadique. » Pour Bandura le triadique désigne le comportement, les facteurs personnels, et les influences de l'environnement. Ces trois facteurs interagissent les uns aux autres et déterminent les façons dont les personnes se comportent. Cette théorie amène les organisations à créer un environnement propice et aide les employés dans leurs comportements personnels. Ces derniers devront se comporter de la façon dont les organisations le souhaitent pour atteindre les objectifs désirés et améliorer ainsi le rendement de l'entreprise. Ce document présente quatre composantes pour créer un environnement propice, y compris les moyens d'aider les employés dans leurs relations interpersonnelles et leurs comportements. Toutes les composantes sont encadrées par différentes théories et mises en commun pour améliorer la performance organisationnelle. Ce peut être une nouvelle organisation ou un organisme plus ancien mais, lorsque les responsables créent un environnement propice, les personnes peuvent accomplir efficacement leurs tâches. Les nouvelles organisations ont la grande opportunité de bien commencer dès le départ en créant un environnement favorable permettant aux personnes d'être rapidement innovantes.

Palabras claves

Innovación
Estructura
Estrategia
Desempeño de la organización
Prospectiva estratégica

Key words

Innovation
Organizational Performance
Structure
Strategy
Strategic foresight

Mots clefs

Innovation
Performance
Organisationnelle
Structure
Stratégie
Prévision stratégique

1. INTRODUCTION

Creating the right environment to innovate will improve organizational performance. Since their creation, organizations must create the formula to achieve success. These means that the organizations first have to know where it wants to go, the future studies theory will help the organization to determine its future. Once this is done, the organization has to create the right environment where people can be creative and innovative. In Bandura's words, the organization has to create the environmental influences to help employees behave the way the organization wants. The right environment can be divided in two areas, the first area is the design of the organization and the second area is the culture or environment of the

organization. The first area is composed by the design of the organization which is strategy and structure (Daft, 2004).

Once the strategy is created and the structure established, the leader of the organization must create the second area of the environment which is composed by the culture and the employees' values and characteristics putting each employee in the right position according to his or her personality and talents.

The document puts together all these components as key to improve organizational performance creating an environment for innovation. Each component is supported by a theory that proves its effectiveness.



2. EVERYTHING STARTS IN THE FUTURE

The future gives clarity in the present; according to Marsh, McAllum, and Purcell (2002, NA), "[g]etting a picture of the future allows us to reflect on the present". Every activity and decision the organization makes today will affect its future. Then, the strategy, the structure

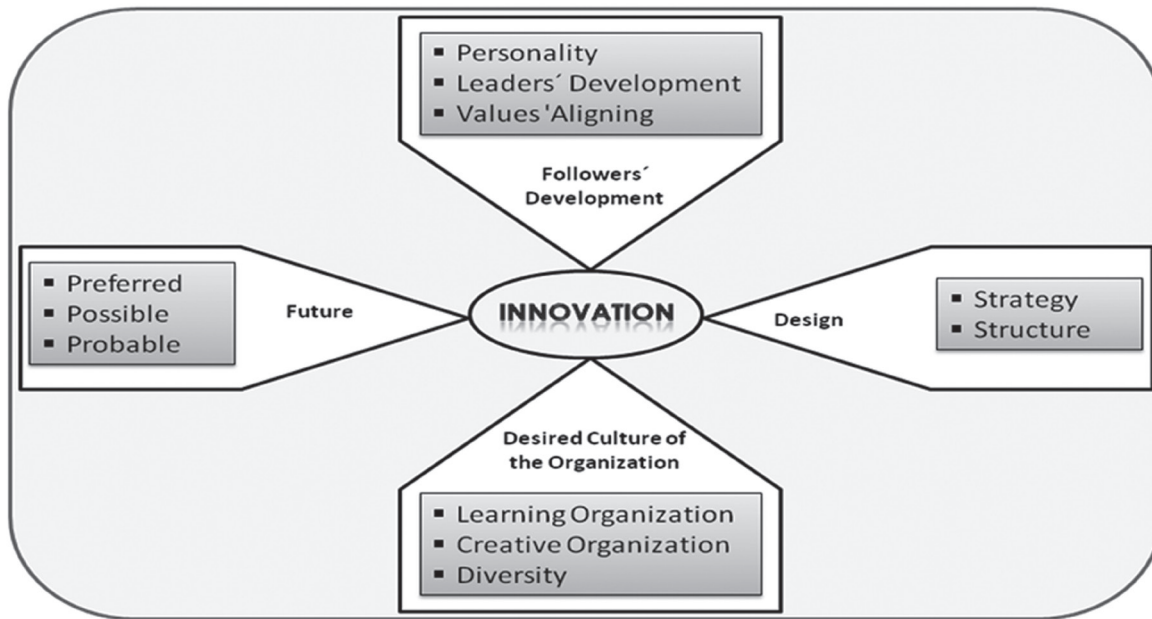
The performance of an organization depends on what the organization wants to accomplish in the future, and also, it depends on the objectives and goals of the organization. In other words, the performance of the organization depends on its preferred future.

Figure 1 summarizes the planning components to improve organizational performance. Each component will be described in the document. This models states that Innovation requires a series of components that will improve organizational performance. This model is valid for new companies as well as companies that are already in the market.



and its implementation, the people the organization hires, the training the organization gives to their employees, the values the organization chooses to have, the policies the organization creates, the decision to go global or not, and the environment the organization creates today depends on the future the organization wants.

Figure 1. Innovation model to improve performance



Source. Author.



3. THE PRESENT DEPENDS ON THE FUTURE

The organization must have a clear picture of the future it wants. Marsh, McAllum, and Purcell (2002, NA) mention that when you know what the future you want is, in the present, “the priorities become obvious, and what is important is distinguished from what is merely urgent”. All activities in the present become clear when the organization knows where it is going in the future.

Every single action or decision the organization makes in the present depends in its preferred future. Every future scenario can be identified as one of the following: 1) the preferred future, which is the future the organization wants to accomplish, 2) the possible future, which is the future that can happen but is not the future the organization

wants, and 3) the probable future, which is the future that is less possible to happen but still may happen.

To identify the preferred future, organizations can use strategic foresight. Once the different alternative futures are determined, creating the preferred future is possible (Shultz, 1997). Foresight is not just seeing the future, it is not a forecast or a prediction; it is also seeing the significance of the future (O'Connor, 2005). Moreover, foresight helps the organization to see and understand the preferred future in order to make decisions in the present.

An organization can use a tool to identify the preferred future. Three of these tools are: 1) environmental scanning, which according to Seth Itzkan and Cole Jackson in their

Creating Preferred Futures web site, “is a systematic process of gathering and analyzing information for the purposes of identifying ‘early warning signals’ of change, planning, forecasting or creating preferred futures;” 2) the futures wheel, which is a tool used to illustrate the potential impact of a trend. It will help the organization explore the consequences of a trend, event, or decision. With the futures wheel tool, the organization will discover

first-, second-, third-order impacts of a particular trend or event the organization identified from an environmental scan; and, 3) scenario planning, which according to Mats Lindgren and Hans Bandhold (2003, 24), is “an effective strategic planning tool for medium to long-term planning under uncertain conditions. It helps us to sharpen up strategies, draw up plans for the unexpected and keep a lookout in the right direction and the right issues.”



4. THE RIGHT ORGANIZATIONAL DESIGN AND ENVIRONMENT

Once the organization knows its preferred future, it is time for the organization to develop its strategy and the structure. And, once the right strategy and the right structure are developed, the organization has to implement them. The process of implementation is perhaps the most important for the success of the strategy and the structure. The strategy and the structure of the organization must include the environment the organization wants. The environment is a key to motivate and help the employees develop their maximum potential and performance.

4.1 Organization's Design



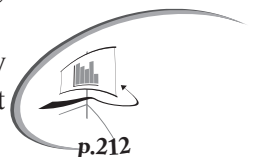
The design of the organization is composed of the strategy, the structure, and its implementation. Furthermore, Galbraith (2002) uses the star model to implement the structure of the organization. Each of the terms is explained forward.

- The Strategy

The strategy of the organization is the formula that will allow the organization achieve its goals and objectives; according to Daft (2004, 59), “[a] strategy is a plan for interacting with the competitive environment to achieve organizational goals”. Galbraith (2002, 10) defines it as

“the company’s formula for winning”. He says that “[t]he company’s strategy specifies the goals and objectives to be achieved as well as the values and missions to be pursued; it sets out the basic direction of the company”.

The direction of the company must be moving towards its preferred future. Once the organization knows what its preferred future is, the strategy must be to direct the organization towards that future. However, in case a possible or a probable future occurs, the strategy should include a way to redirect the organization to its preferred future.



The strategy can be compared to the competitive advantage of the organization. The preferred future of an organization must put the organization in a lead position in the market. Through the strategy, this implies that the organization is going to do something different from its competitors. According to Porter (1996, 64), “[t]he essence of strategy is choosing to perform activities differently than rivals do.”

Porter (1996, 62) also states, “[a] company can outperform rivals only if it can establish a difference that it can preserve”. This strategy of an organization must be ahead of its competitors’ strategies. As such, the strategy of an

organization must position the company in the present and the future. Nevertheless, the market is changing too fast, and most companies are trying to catch up with the present when they must be getting ready for the future. This is the difference Porter (1996, 128) is talking about. Hamel and Prahalad state, “[t]o get ahead of the industry change curve, [and] to have the chance of conducting a bloodless revolution, top managers must recognize that the real focus for their companies is the opportunity to compete for the future.”

The strategy of an organization must integrate foresight into its process. Hamel and Prahalad (1994, 126) state, “[i]f managers don’t have detailed answers to questions about the future, their companies can’t expect to be market leaders”. The success of an organization is in the future, and the better the organization knows that future, the better the organization can create the strategy in the present. According to Marsh, McAllum, and Purcell, Edward de Bone (2002, 1) mentions, “[y]ou can analyze the past but you need to design the future ... [t]hat is the difference between suffering the future and enjoying it”. The future is in the hands of the leaders of the organizations. They have the responsibility to analyze the alternative futures, choose the preferred future, and create the strategy that will make the organization achieve its preferred future.

One of the tools used to determine the alternative futures can be also used to develop the strategy of the organization. In Jorge Costa’s article (1995), *An Empirically-Based Review of the Concept of Environmental Scanning*, he mentions that environmental scanning “is the first step in the development of strategy and it provides the information needed for decision making.”

Once the strategy is created, the organization continues creating the structure that will support and help the strategy to be developed. The organization must choose its structure based on its strategy. This way, the structure can be the framework for the organization.

- The Structure

The structure follows the strategy. Once the strategy is created, the organization is ready to define the structure it requires to develop the strategy. Galbraith (2002, 17) states, “[o]nce the strategy is established, the structure of the organization sets the framework for the other organization design decisions”.

According to Daft (2004, 120), the organization structure must accomplish two things for the organization, “[i]t must provide a framework of responsibilities, reporting relationships, and groupings, and it must provide mechanisms for linking and coordinating organizational elements into a coherent whole”. Structure must be created to develop the strategy. The organization must know its preferred future to create the strategy and then design the structure to support and help to develop the strategy to accomplish the organization’s objectives and goals.

Organization design is a process, as Galbraith (2002, 154) states, “it is a continuous process, not a single event. To keep the process continuous and current, a sequence for changing design policies is required. But the right mindset in managers is also required”. Therefore, managers and leaders must clearly have stated the preferred future for their organizations because this way they can always check if the design of the organization is helping them to achieve the preferred future or not. According to this statement, structure creates the basis for other organizational design decisions. In other words, Galbraith mentions that as the first step of establishing the strategy is realized, this structure sets the pace and framework for other organizational design decisions to follow.

Two of the main characteristics of organization design as described by Daft (2004) are: a) the understanding that it must support the organization competitive approach and b) is the instrument for the administration and execution of the strategic plan. Every organization has a competitive advantage or approach, and the organization design must support, promote, and help to improve this approach. It is what makes the company competitive in the market it has selected.

Two types of structures have been defined, the rigid structure type, which is a centralized structure that does not allow changes; and the flexible structure that is a decentralized structure that allow changes and is composed for more than one structure model.

- The implementation of the strategy and the structure

The implementation of the strategy and the structure is basically the policies the organization has to create to make the strategy and the structure work. These policies are controllable by management, and can influence employee behavior.

Galbraith (2002) uses the star model to choose the effective design of the organization. This model consists in five categories that Galbraith explains as follows:

The first is strategy, which determines direction. The second is structure, which determines the location of decision-making power. The third is processes, which have to do with the flow of the information; they are the means of responding to information technologies. The fourth is rewards and reward systems, which influence the motivation of people to perform and address organizational goals. And the fifth category of the model is made up of policies relating to people (human resource policies), which influence and frequently define the employees' mind-sets and skills. (Galbraith, 9).

The implementation is based on the policies the organization creates in these five categories. The star model is a very concrete model to implement the strategy and the structure the organization has chosen to have. The clearer the policies are the better the organizational performance is.

- The right environment

The right environment in an organization is essential to promote the right attitude in the employees towards their job and the organization. The right environment can be created through three specific activities: 1) New policies, 2) incentives, and 3) office structure and facilities.

The right environment helps the organization motivate and develop their employees for maximum potential and performance. The environment of the organization must be open to learn and to be creative.

Figure 2. Creating a culture for innovation



Source. Author

Figure 2 shows the different aspects of a culture created to innovate. Three main characteristics are shown, learning organization, creative organization, and diversity. An organization that is committed to innovation must integrate these three aspects.

- A learning organization

The organization must have an environment of learning. A learning organization is committed to learn and create the results it wants for the organization at all levels. According to Peter Senge (1990, 3), learning organizations are "...

organizations where people continually expand their capacity to create the results they truly desire [future], where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together."

In this definition, Peter Senge (1990) clearly explains why an environment of a learning organization is needed as a key ingredient to achieving the preferred future of the organization. Also, Richard Karash (2002) connects the learning organization to the organizational performance: "the level of performance and improvement needed today

requires learning, lots of learning. In most industries, in health care, and in most areas of government, there is no clear path to success, no clear path to follow.” The organization can know its preferred future, but it cannot know the path to get there. That is why a learning environment is needed in today’s organizations.

The structure of the organization must also provide the environment to learn. Smith (2001) talking about Senge mentions,

[w]hile all people have the capacity to learn, the structures in which they have to function are often not conducive to reflection and engagement. Furthermore, people may lack the tools and guiding ideas to make sense of the situations they face. Organizations that are continually expanding their capacity to create their future require a fundamental shift of mind among their members.

It is clear how not only the structure, but also the leaders’ mindsets must be set into a learning environment.

- A creative organization

A creativity organization makes the organizational performance to increase. A creative organization is very much tied to a learning organization; both are looking for increasing the organizational performance to achieve the organization’s preferred future.

In the first place, creativity must be implied in the strategy of the organization, and it must be part of the structure and environment of the organization. According to Von Krogh, Ichijo, and Nonaka (2002, 10), “creat[ing] the right context is closely tied to a company’s structure In fact, establishing the right context is what knowledge enabling is all about, specially when it is based on a supportive organizational structure and aligned with strategy”. Creating an environment that allows employees to be creative starts in the strategy of the organization. It is not that the strategy should be to be creative, but creativity should be implicit and be part of the strategy. This will allow the organization to create the structure and allow the environment to promote creativity.

The structure must be flexible and contain rewards and policies to encourage and motivate employees to be creative. Von Krogh, Ichijo, and Nonaka (2000, 69)

state, “[t]o energize people, you need to cultivate their work place, not manage it, because management implies control, and the future is not about command and control”. It is important to make people feel that they can share ideas; leaders should create a conversational environment with rewards for those who present ideas.

- Dealing with diversity

According to Janssen and Steyaert (2003), “Theories on diversity and diversity management within the field of Organization Studies started to develop in the 80s, mainly under the influence of managerial reports pointing towards the increasing diversity of the future workforce.” Today, the United States is the only country in the world where every other country has at least one citizen living in it. The world is shrinking, and technology has made possible to travel; as such, organizations today have a challenge managing cultural, gender, and ethnic diversity in their own offices.

Diversity can be a very positive influence on organizations. Not only does it allow organizations to know other cultures in case they want to go global, but it brings experiences and other perspectives from other cultures. Also, it allows the organization to better understand a diverse customer base. The learning environment of the organization must allow diversity. The environment must call for understanding and acceptance. Also, when the organization knows its preferred future, it brings unity and the differences that the diversity brings will be overcome.

4.2 The right people in the right position

The most important asset an organization can possess is its people. The employees are the ones who determine the organizational performance. That is why it is very important to clearly define the preferred future of the organization because then all the employees will know where are they going and also what is their part in the whole plan.

The strategy determines how the organization is going to accomplish its goals and achieve the future it wants. The structure determines authority and places job functions throughout the organization. Every employee must perfectly fulfill the job position they were hired to perform.

In addition, leaders must know each of their employees, at least those who report directly to them, their personalities, and their needs. In order to motivate each employee, the leader needs to know in which level of the Maslow's pyramid of needs (1943) the employees are. According to Cherry (2011), the hierarchy of needs is often shown as a pyramid where each level of it corresponds to a type of needs:

Needs at the bottom of the pyramid are basic physical requirements including the need for food, water, sleep and warmth. Once these lower-level needs have been met, people can move on to the next level of needs, which are for safety and security.

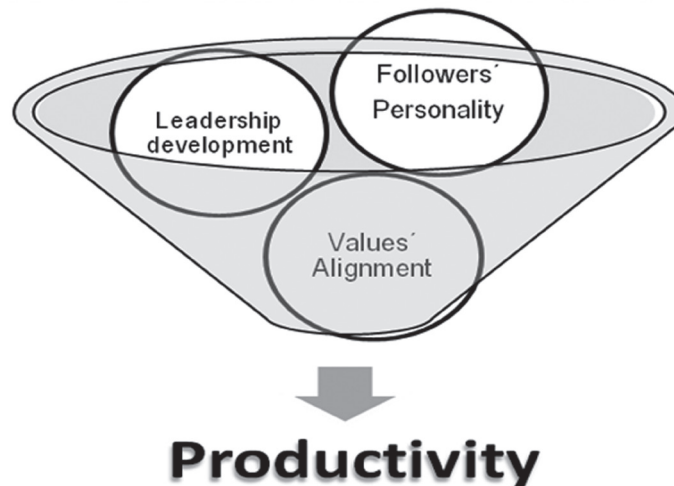
As people progress up the pyramid, needs become increasingly psychological and social. Soon, the need for love, friendship and intimacy become

important. Further up the pyramid, the need for personal esteem and feelings of accomplishment take priority. ... Maslow emphasized the importance of self-actualization, which is a process of growing and developing as a person to achieve individual potential.

This way, will be easier for the leader to help the employees to fulfill the present level they are for the employees to move to the next level in the hierarchy.

The human resource management is a key ingredient in the organizational performance. According to Abas and Yaacob, "numerous studies have identified the relationship between human resource management and O[rganizational] P[erformance] (Flynn, et al., 1995; Powell, 1995; Madu et al., 1995; Arawati, 2005)." (NA). Figure 3 shows the key components to get the best from the people.

Figure 3. The right people in the right position



Source. Author

- Understanding the followers' personalities

The leader of the organization needs to understand the different kinds of personalities among his people. Every person acts differently, sees things differently, and communicates differently. It is just the way they are, and people feel comfortable being the way they are. According to Keirsey and Bates (1984, 2), "[p]eople are different from each other, and no amount of getting after them is going to change them". Even though every single employee has his or her own personality, the leader can influence the employees' behavior. As mention before, through policies the leader can influence the employees' behavior.

To place the right people in the right positions, the organization, according to Bruce Winston (2002), must follow three steps. These three steps must be followed in order. The first step is to hire new people based on their gifts. This means that the organization must seek its own balance. This also will position people in places where they were meant to be. Second, the organization must hire people based on natural abilities. These abilities are implicit in the person; these are things that the person naturally and easily does. These abilities are different from the person's gifts. And, third, the organization must hire based on skills. The organization can always teach and train for skills. Organizational performance depends on the people of the organization; that is why the right strategy, the right structure, and the right people on the right positions will increase the organizational performance level to achieve the preferred future of the organization.

- Developing leaders inside the organization

Training

Aligning the values of the employees with the values of the organization.

Organizations must establish their values after defining their preferred future. The values must be implicit in the strategy of the organization; they must be part of the

"formula for winning" as stated by Galbraith (2002). Galbraith (2002, 10) also states, "[t]he company's strategy specifies the goals and objectives to be achieved as well as the values and missions to be pursued; it sets out the basic direction of the company". Values are part of the direction of the company, and they are also part of the organizational performance.

Each organization has its own values that must be merged into the personal values of the employees. Simmons (2004, 5), describe organizational values as "beliefs held by leadership or associates that speak to the actions and ends that organizations ought to pursue". As such, personal values of the employees must be aligned to the organizational values.

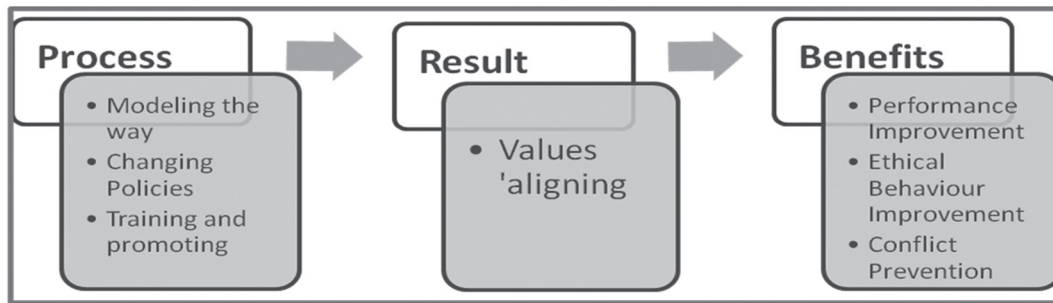
Values' alignment is simply the process where the employees adopt the values of the organization. Some times, this process implies changing some of the employees' values for different values of the organization. But most of the time, the process consists of adding the organizational values to the employees' personal core values.

- The importance of values' alignment

Aligning the values of the employees with the values of the organization is very important for the organization. In this matter Cox (1989, 14) mentions, "Successful merging of corporate values with individual values is the basis for a successful enterprise".

Organizational performance will be affected positively if the employees adopt the values of the organization. Cox (1989) mentions, "They who adapt to these new values (organization's values) will be more at ease and effective". Both the organization and employees must be going in the same direction. The alignment of values is important for the organization's success. Kuczmariski & Kuczmariski (1995, 83) mention that "Robert Haas, the chairman and CEO of Levi Strauss & Co., has stated: The alignment between organizational values and personal values is the key driver of corporate success." Figure 4 shows the process of the values' alignment.

Figure 4. The process of values' aligning



Source. Author

- Aligning values: some alternatives

Communicating the values is a very important part in the process. Cox (1989, 14) mentions:

[a]t the corporate level, ability to spread common values to those inducted into the ranks, ability to make favorable decisions in the face of changing values, and ability to overcome conflicting values between and among members are essential to success and growth.

Common values throughout the organization influence in the organizational performance. As Cox mentions, if the organization can stabilize and share common values the organization will succeed and grow. This growth is towards its preferred future. There are three basic ways to communicate and align the values of the employees with the values of the organization, modeling the way, changing policies, and training the employees and promoting the values.

- Modeling the way

The first and most effective way to help employees align their values to the organization's, is showing them how, and also, the results that follows. Basically, the leader accomplishes this "modeling the way", in other words, leading by example. . Kuczmariski & Kuczmariski (1995, 67) mention, "Leaders who set the example provide a role model for other employees to follow". And, "Employees want to see and experience the norms and values—daily—not just hear management talk about them" (1995, 69).

- Changing policies

The second alternative to use to align the values of the employees with the values of the organization is changing policies or creating new ones. In order to accomplish this change, the values of the organization must be clear and be known to all the employees. The organization should have a code of ethics that shows the values, their definitions, and expectations from the employees.

The policies must include a reward system. According to Galbraith (2002, 12), "the purpose of the reward system is to align the goals of the employee with the goals of the organization. It provides motivation and incentive for the completion of the strategic direction". Kuczmariski and Kuczmariski (1995, 82) suggest that to infuse or align values in the organization, one way is to "[a]ctivate rewards and recognition that reinforce, support, and encourage the values cited."

The organization must start hiring people with similar values of the organization. The policies about hiring people must be redirected this way. When hiring people with similar values to the organization's, the organization does not have to spend too much money and time in training the new employees.

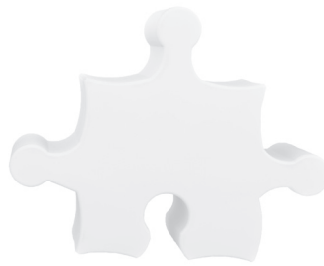
- Training and Promoting

Every single employee of the organization needs to know the values of the organization and the values should be promoted throughout the organization. Moreover, there must be promotional campaigns to infuse the values of the organization into the employees.

Also, people need to be trained on the importance of the values of the organization. This training must answer questions such as why the organization chooses these values?, why these values are important and relevant?, and how can I adopt these values?

The right environment, the strategy, and the right people allow the organization to perform according to its values. Kuczmarski and Kuczmarski (1995, 82) state,

[o]rganization management needs to stimulate an environment and establish a mindset that says, 'We want each and every employee to vocalize their needs, wants, fears, concerns, frustrations, hot-buttons, and dislikes.' In this way, through risk free communication, we can begin to lay the foundation for shaping and conveying to others our individual beliefs and values.... Lay the foundation, and open up the collective set of imprisoned values that can reenergize any organization.



5. GLOBALIZATION

Globalization is part of every single organization today. It is an issue that involves strategic foresight, strategy, structure, values, and human resources. Globalization is in the present and the future of every organization. Even if the organization does not want to go global, it has to compete against international organizations.

When an organization opens a website, at that moment the organization became international. Any person from any country with Internet capabilities can see the organization, its products, and can become a potential client for the organization. Globalization is here and organizations have to prepare to perform at maximum levels to compete to reach its preferred future.

- Preparing the organization for globalization

As mention before, globalization has to be in every preferred future of every organization; not only because the organization wants to go global, but also because it will face international competition and the possibility of having international clients.

Organizations have to be prepared in every single aspect. Starting from the strategy, the organization has the option to choose between two kinds of strategies, a globalization

strategy and a multidomestic strategy. The difference between the two depends on the way the company wants to approach the new countries or regions it intends to enter. In a multidomestic strategy, each country is treated as unique and different from the other countries. In a globalization strategy, all countries can be treated in the same way.

In the same way, the structure of the organization has to be analyzed. The best approach is having a flexible structure that allows the organization to make changes according to the needs and characteristics of the countries or regions it wants to enter. When going global, the best training an organization can have is a diverse environment. Through it the organization can learn about the different countries, cultures and behaviors of people.

Another important point is having clearly defined the values of the organization. Learning what values are important in the different cultures and incorporate them as the core values of the organization. The alignment of the values of the employees with the new values the organization is incorporation will assure the success and high performance level of the organization.

Suutari (2002) mentions, “Though the process of developing global leader competencies needs further clarification (Morrison, 2000) and no consensus exists about what tools to use in such a process (Roberts et al., 1998), several development methods are often suggested.”

Conclusions

Employee performance is organizational performance. Based in the social cognitive theory, the organization must create the right environment and help employees with their personal factors and behavior to get the best performance from them.

The document presents different theories grouped in four components that help new and old organizations to organize themselves to improve organizational

performance creating an innovation environment. New organizations or organizations that just started have the great opportunity to start the business creating the right environment from the beginning. Applying the four components presented in this paper, new organizations could achieve the future they want.

Innovation comes from an environment that motivates to it. That environment starts with the strategy and the structure of the organization followed by the culture of the organization and finished with the right behavior of the people. When employees are trained and they do what they are asked to do, the organization can achieve its objectives. For that, the employee not only have to be trained, but also have to be in the right position and have to align the organizational values with his or her personal values. This way, employees can perform efficiently.



6. REFERENCES

Abas, Z. and Yaacob, Z. (2006) Exploring the Relationships between Total Quality Management (TQM), Strategic Control Systems (SCS) and Organizational Performance (OP) Using a SEM Framework. . Journal of American Academy of Business, Cambridge. Hollywood: V.9, 2; pg. 16. Retrieve from the Internet from Proquest.

Bandura, A. (1986) Social Foundations of Thought and action. London; UK: Prentice Hall.

Black, J., Morrison, A, and Gregersen, H. (1999) Global explorers: The next generation of leaders. New York, NY: Routledge.

Cherry, K. (2011) Hierarchy of Needs: The Five Levels of Maslow's Hierarchy of Needs. Retrieve from the Internet on July 21, 2011 from: <http://psychology.about.com/od/theoriesofpersonality/a/hierarchyneeds.htm>

Costa, J. (1995) An Empirically-Based Review of the Concept of Environmental Scanning International Journal of Contemporary Hospitality Management.

Cox, A. (1989) The Quest For Corporate Values. Executive Excellence. Retrieve from the Internet from Proquest.

Daft, R. (2004) Organization Theory and Design. Eight Edicion. Mason, OH. South – Western.

- Galbraith, J. (2002) *Designing Organizations. An executive guide to strategy, structure, and Process*. New York, NY. John Wiley & Sons, Inc.
- Hamel, G., & Prahalad, C. K. (1994) Competing for the Future. *Harvard Business Review*, 72(4), 122-128. July-August 1994.
- Janssens, M. & Steyaert, C. (2003) Theories of Diversity within Organisation Studies: Debates and Future Trajectories. Retrieve from the Internet from: <http://ideas.repec.org/p/fem/femwpa/2003.14.html>
- Karash, R. (2002) Learning-Org Dialog on Learning Organizations. Retrieve from Internet from <http://www.std.com/~lo/> on July 21, 2011.
- Keirse, D. and Bates, M. (1984) *Please Understand Me: character & temperament types*. Prometheus Nemesis (5th ed.) Michigan, USA.
- Krogh, G., Ichijo & Nonaka. (2000). *Enabling knowledge creation*. New York: Oxford University Press, Inc.
- Kuczmarski, S. S., & Kuczmarski, T. D. (1995). *Values-based leadership*. Englewood Cliffs, N.J.: Prentice Hall.
- Lindgren, M. and Bandhold, H. (2003) *Scenario Planning: The link between future and Strategy*. Palgrave MacMillan. New York, NY: USA.
- Marsh, N., McAllum, M., and Purcell, D. (2002) *Strategic foresight: The power of standing in the future*. Australia: Crown Content.
- O'Connor, E. (N/A) *Strategic Foresight: Future Planning + Present Mindfulness = Renewable Competitive Advantage*. Retrieve from the Internet August 12, 2011 from <http://www.kaiser.net/kc/html/speakers/oconnor/bottommiddle24.htm>
- Porter, M. E. (1996) What is Strategy? *Harvard Business Review*, 74(6), 61-78. November – December 1996
- Ringland, G. (2003) Using Scenarios to Focus R&D. *Strategy & Leadership*. Chicago, IL. Vol. 31, Iss. 1.
- Schultz, W. (1997) *Infinite Futures*. London Retrieve from the Internet from www.infinitefutures.com/essays/publichealth/foresightsfan.shtml
- Senge, P. (1990) *The Fifth Discipline: The art and practice of the learning organization*. Currency Doubleday. New York, NY: USA.
- Simmons, T. (2004) *A Leadership Audit: The Impact of Values on Leadership, Culture, and Performance*.
- Smith, M. K. (2001) 'Peter Senge and the learning organization', the encyclopedia of informal education. Retrieve from the Internet on July 21, 2011 from: <http://www.infed.org/thinkers/senge.htm>
- Suutari, V. (2002) *Global Leader Development: An Emerging Research Agenda*. Career Development International. Bradford. Retrieve from Proquest
- Winston, B. (2002) *Be a Leader for God's Sake: From values to behaviors*. School of Leadership Studies Regent University. Virginia Beach, VA: USA.