

Characteristics of the Most Admired Organisations

	Innovative (includes a willingness to allow the organisation to experiment and to learn from mistakes)
	Set challenging goals, ie challenge conventional wisdom
	Closely linked compensation for all the executives to achieving these goals
	Are orientated to long-term performance
	In performance measurement, prefer emphasis on:
	- return-based measurement such as assets, equity, capital and shareholder value, rather than profit
	- customers, ie customer satisfaction, loyalty/retention and market share
	- employees, ie staff retention and career development
	- performance measurement to encourage co-operation and collaboration (these measures help the organisation to focus on growth, operational excellence, customer loyalty, human capital development, etc). Performance measurement is not to keep score. Rather, it is about learning how to motivate people and linking performance to real rewards. Furthermore, considering both the financial and human aspects of performance; these measures are linked to short-term and long-term incentives
	- rewarding the right behaviours
	(source: Nicholas Stein, 2000)