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High-Performance Organization Framework and Public Sector Performance: A Dynamic Capability Perspective

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Abstract

Guided by dynamic capability theory, this study investigates the applicability of the High-Performance Organization (HPO) framework in relation to organizational performance within Pakistan's public sector. An explanatory sequential mixed-methods approach was employed, where partial least squares structural equation modeling (PLS-SEM) assessed the direct influence of the HPO framework on organizational performance, and qualitative analysis explored the underlying reasons for weak or underperforming factors identified in the quantitative phase. Findings indicate that while the HPO framework is applicable to public sector organizations, its predictive relevance and effect size are relatively limited in this context. Key factors contributing to these limitations include rigid mechanistic structures, insufficient commitment and resources, and a lack of ethical and visionary leadership. This study makes several contributions: it assesses the validity of applying the HPO framework in public organizations, examines how the five HPO dimensions impact performance, and demonstrates how ethical and visionary leadership can facilitate the transition from low to high organizational performance. The insights offer guidance for public managers in developing countries seeking to implement high-performance models, fostering sustainable organizational outcomes that benefit employees, institutions, and society.

Keywords: High-performance organizations, Public sector, Mixed-methods, Organizational performance, Pakistan

Introduction

Pakistan has articulated its long-term development strategy, 'Vision Pakistan 2025', aiming to achieve middle-income country status by 2025. A key objective of this vision is to transform public organizations into High-Performing Public Organizations (HPPOs). This goal raises a critical question: how can Pakistan's public sector organizations (PSOs) be restructured to achieve high performance? In support of HPPOs, the National Economic Council (NEC) approved the 2014–2015 National Development Plan (PSDP), allocating PKR 117.5 billion, including foreign aid of PKR 192 billion, followed by an additional PKR 151.37 billion, including foreign aid of PKR 231.7 billion, specifically for initiatives aimed at developing high-performance public organizations (Planning Commission, 2014–2015).

Despite these substantial investments, Pakistan's public sector continues to face chronic inefficiencies, including mismanagement, weak governance, inadequate performance management systems, slow adoption of technology, process delays, corruption, and political interference. Consequently, PSOs struggle to deliver satisfactory services, resulting in widespread public dissatisfaction [1]. This underperformance has led to privatization of certain entities, such as Pakistan Telecommunication Limited, state-run transport services, and banks, reflecting stakeholders' frustration with persistent low service quality.

The sustainability of Pakistan's PSOs remains at risk, exemplified by heavy financial losses across organizations like Pakistan International Airlines, Pakistan Post Office, Pakistan Steel Mills, Pakistan Electric Power Company, Pakistan Railways, National Highway Authority, Pakistan Agriculture Storage and Services Corporation, and the Utility Stores Corporation, amounting to PKR 1,500 billion (Federal Footprint State-Owned Entities Performance Review, Fiscal Year 2014–2015). The Office of the Ombudsman reports further highlight the performance gap, showing that 53% of citizen complaints relate to negligence, delays, and inefficiency; 30% involve administrative abuse, bias, or unfair practices; and 17% concern unethical conduct. While privatization has been debated as a solution, it is not viewed as the most feasible option [2, 3].

The Ministry of Planning and Development emphasizes long-term strategies focused on integrity, commitment, innovation, work culture reform, and employee behavioral change to achieve HPPOs. However, measuring and attaining these objectives remains challenging. To date, no comprehensive, scientifically validated framework exists to define what constitutes a high-performing organization in the Pakistani context, whether governmental, non-profit, or for-profit. Consequently, this study explores established high-performance frameworks, with particular attention to De Waal's High-Performance Organization (HPO) Framework, which has been applied successfully in developing countries such as Tanzania, Rwanda, South Africa, and Zambia.

A key question remains: is the HPO Framework applicable and effective within Pakistan's public sector? This is especially relevant given prior findings that poor quality of governmental institutions has contributed to economic underperformance. To address this, the study applies Dynamic Capability Theory, which emphasizes an organization's ability to align resources with environmental demands through sensing, seizing, and reconfiguring capabilities. The HPO framework complements this approach by identifying key organizational factors necessary for achieving high performance [4].

By applying the HPO framework, public organizations can better sense external changes, respond proactively to emerging challenges, and leverage competitive advantages by emphasizing high-performance factors. Strengthening PSOs in this manner has the potential to yield substantial economic benefits. Answering these research questions not only addresses a critical gap in the literature but also offers practical guidance for improving public sector performance in Pakistan.

This study is guided by the following research questions:

RQ1: Are the five-factor criteria of the HPO framework valid for application in public sector organizations?

RQ2: What are the underlying causes of the observed outcomes when applying the HPO framework in these organizations?

Theory and Hypotheses

This study draws on Dynamic Capability Theory to examine the application of the High-Performance Organization (HPO) framework in relation to the performance of public sector organizations in Pakistan. Dynamic Capability Theory emphasizes that organizations must leverage and adapt their resources and capabilities to align with the changing demands of their environment. Specifically, it focuses on the organization's ability to sense opportunities and threats, seize emerging opportunities, and reconfigure resources and processes to maintain competitiveness.

In the context of public organizations, decision-makers need to recognize the dynamic nature of public demands and develop strategies that identify and nurture high-performance factors. Public sector managers must adapt to changing environments, move beyond routine operations, and implement frameworks such as the HPO framework to achieve sustainable performance improvements. Over time, the focus on high performance has informed the development of diverse performance management systems and organizational practices.

De Waal and colleagues developed the HPO framework based on a meta-analysis conducted over five years, integrating extensive research on high-performing organizations globally. The framework consists of five dimensions and thirty-five characteristics, which provide a theoretically and empirically validated structure for enhancing sustainable organizational performance. Management Quality and Workforce Quality address the competencies and effectiveness of managers and employees, while Long-Term Orientation, Continuous Improvement and Renewal, and Openness and Action Orientation reflect attitudes toward tasks, goals, and organizational objectives. The following sections detail each dimension and the corresponding hypotheses.

Management Quality (MQL) refers to the extent to which leaders create a supportive organizational environment characterized by trust, fairness, integrity, commitment, enthusiasm, participative decision-making, clear communication of values and strategies, and accountability. Effective management ensures that organizational goals are understood and embraced by all employees, fostering a resilient and high-performing work culture. This perspective aligns with leadership concepts that emphasize behavior over formal positions and human resource philosophies that highlight the role of managerial strategies in achieving organizational objectives. Managers must define organizational goals clearly and understand employee capabilities to guide performance effectively toward high performance. This dimension is measured in the study using eleven items defined by De Waal, including the promotion of trust, ethical conduct, accountability, and transparent communication of strategy and values. Based on this, the first hypothesis is formulated as follows:

H1: Management quality positively influences public organizations' performance.

Workforce Quality (QWF) emphasizes the recruitment, development, and continuous nurturing of a skilled and innovative workforce capable of achieving exceptional results. High-performing organizations ensure that employees are accountable for their actions and that their skills and creativity contribute directly to organizational objectives. Recent studies have consistently highlighted a positive relationship between workforce quality and organizational performance. Organizations with knowledgeable and skilled employees achieve higher productivity, efficiency, and innovation, and they are more likely to generate creative solutions and adapt to changing demands. Investments in workforce development and training have also been linked to improved customer satisfaction and loyalty, further underscoring the strategic importance of workforce quality. In this study, workforce quality is measured using four items identified by De Waal. Based on theoretical and empirical evidence, the second hypothesis is proposed:

H2: Workforce quality positively influences public organizations' performance.

Long-Term Orientation (LNT)

Research indicates that a long-term orientation in public sector organizations enhances policy outcomes, organizational effectiveness, and public service delivery [5]. Organizations that emphasize strategic, forward-looking planning are better equipped to tackle complex societal challenges and provide lasting benefits to citizens. Establishing and sustaining a long-term perspective, however, requires strong governance structures, committed leadership, and the ability to resist short-term pressures [5]. Within the HPO framework, long-term orientation reflects the organization's commitment to maintaining enduring relationships with stakeholders, including employees, contractors, clients, and the broader society. These relationships aim to create mutually beneficial outcomes and emphasize win-win interactions. High-performing organizations continuously invest in long-term engagement with employees, selecting competent managers and providing a safe and supportive work environment [6]. Additionally, HPOs actively collaborate with clients to ensure satisfaction and strengthen their network relationships [6]. Based on this evidence, the third hypothesis of this study is formulated as:

H3: Long-term orientation positively influences organizations' performance.

Openness and action orientation (OO)

Openness and action orientation involves cultivating a results-driven culture in which leaders and supervisors encourage knowledge sharing, effective communication, calculated risk-taking, and experimentation. Employees' ideas are respected, and mistakes are treated as learning opportunities. Management continuously develops dynamic capabilities, increases organizational flexibility, and actively participates in change initiatives [7, 8]. These practices are expected to positively impact organizational performance, leading to the fourth hypothesis:

H4: Openness and action orientation positively influences organizations' performance.

Continuous improvement and renewal (CR)

The continuous improvement and renewal dimension emphasizes the development of unique policies and procedures while fostering innovation in products, processes, and services. Organizations that consistently innovate and refine core competencies can respond effectively to market changes and sustain high performance. De Waal [9] highlights that organizations should focus on their strengths rather than weaknesses, aligning with Gary's [10] view on leveraging core competencies to achieve high performance. The eight items measuring this dimension include: adopting differentiating strategies, continuous process improvement and simplification, alignment of processes, transparent reporting of performance-related information, and ongoing innovation in core competencies and offerings. Based on this framework, the fifth hypothesis is proposed:

H5: Continuous improvement and renewal positively influences organizations' performance.

Organizational performance

To assess public sector performance in Pakistan, this study adopts a six-item measurement instrument from previous research [11, 12]. The items evaluate overall satisfaction with organizational performance, service delivery relative to public expectations, service quality, management's performance expectations, accountability through individual performance appraisals, and the use of performance measurement in program management. Linking the HPO framework dimensions to organizational performance, the research model is presented in **Figure 1**.
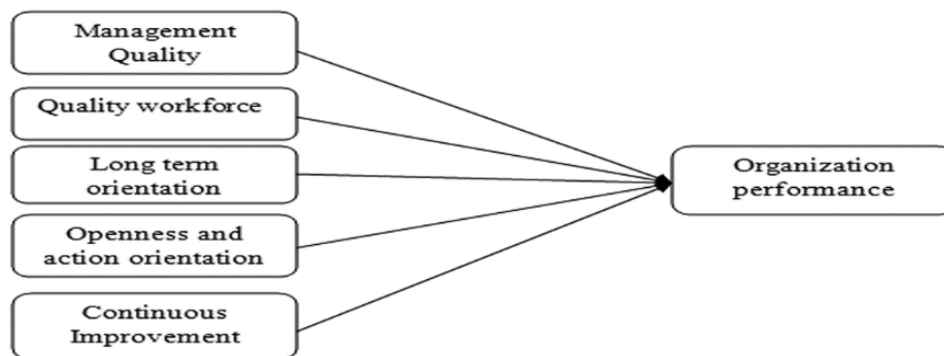
Figure 1. Five factors of HPO framework with relation to organization performance

Research Methodology

Following the guidelines of Creswell *et al.* [13], this study adopted an explanatory sequential mixed-methods design. The quantitative strand was conducted first, followed by qualitative exploration to explain the quantitative results.

Quantitative data collection

Data were collected using a validated questionnaire based on the HPO framework. The instrument consisted of 35 items rated on a 10-point Likert scale, where 1 indicated "strongly disagree" and 10 indicated "strongly agree." The survey was administered online via Google Forms to employees in three service-oriented public organizations: Pakistan Post Office, Water & Power Development Authority, and the Central Directorate of National Savings. A total of 1,093 employees were invited to participate. Sample size considerations were guided by the rule-of-thumb approach recommended by Hair *et al.* [14], which suggests a minimum 5:1 ratio of respondents to items; in this study, a 15:1 ratio was applied, yielding a minimum required sample of 630 responses. Ultimately, 513 completed surveys were received, satisfying the sample size requirements according to both the rule-of-thumb and G*Power calculations. The survey was conducted over 40 days, from December 5, 2018, to January 20, 2019, in English. The response rate was 46.93%, which, while slightly below the ideal 60%, exceeds the minimum threshold of 30% generally considered acceptable in survey research. The organizations were selected partly due to the frequency of complaints they had received, indicating relevance to the study objectives.

Quantitative Data Analysis

Respondents' profile

Table 1 presents the demographic characteristics of the respondents. The sample was predominantly male (382; 74.5%), with most respondents holding a bachelor's degree (55.9%). A significant portion (44.5%) had 11 or more years of work experience. In terms of age, 42.7% of respondents were between 41 and 50 years. To assess potential non-response bias, Levene's test for homogeneity of variance between early and late respondents was conducted, yielding non-significant results **(Table 2)**. This indicates that the dataset is free from non-response bias, supporting the generalizability of the findings to the broader population.

Table 1. Respondents profile

Section	Number of employees	Percentage
Gender		
Male	382	74.5
Female	141	25.5
Education		
Master	172	33.5
Bachelor	287	45.9
12th grade	54	10.5
Experience		
1–5 years	97	18.9
6–10 years	190	37
11 years & Above	226	44.1
Age		
21–30	67	31.2
31–40	85	16.6
41–50	219	42.7

Above 51	142	27.7
Grade level		
11th–14th grade	179	34.9
15th–18th grade	334	65.1
Total		

Table 2. Mean and Leven statistic

Construct	Mean	Std. deviation	Levene's	Sig
OO	3.321	0.828	3.059	0.081
CR	4.801	0.911	0.758	0.384
LNT	5.451	1.788	0.18	0.672
OP	4.317	1.391	0.337	0.562
QWF	5.621	1.574	0.972	0.325
MQL	5.011	0.659	3.629	0.057

Descriptive statistics, data normality, and non-response bias

Prior to hypothesis testing, descriptive statistics were computed using IBM SPSS 23. The mean values of the HPO dimensions were as follows: management quality (MQL) 5.011, quality workforce (QWF) 5.621, long-term orientation (LNT) 5.451, continuous improvement and renewal (CR) 4.801, openness and action orientation (OO) 3.321, and organizational performance (OP) 4.317 **(Table 2)**. For measurement and structural model evaluation, SmartPLS 3.3.9 was employed to perform partial least squares structural equation modeling (PLS-SEM). PLS-SEM was chosen because it does not require normally distributed data, consistent with Chin *et al.* [15], who note that survey data are typically non-normal in practice. Following the recommendations of Hair *et al.* [14], data normality was assessed using Mardia's multivariate skewness and kurtosis via WebPower. Results indicated that the dataset was multivariate non-normal, with Mardia's multivariate skewness $\beta = 2.770$ (p < 0.01) and kurtosis $\beta = 28.136$ (p < 0.01).

Common method variance

Given that data were collected from a single source, potential common method bias was addressed. The study applied a full collinearity assessment, regressing all variables against a common random variable to detect bias. The results showed that full collinearity values were well below the threshold of 3 **(Table 3)**, indicating that common method variance was not a concern.

Table 3. Full colinearity testing.

OO	CR	LNT	OP	QWF	MQL
1.015	1.032	1.435	1.118	1.409	1.097

Further, we proceed to test hypotheses by applying Smart PLS 3.2.6 software. Firstly, we assess measurement model and then structure model by using bootstrapping method as suggested by Hair *et al.* [14].

Measurement model

Based on suggestions of Hair *et al.* [14, 16], current study confirm the required values of composite reliability (CR> 0.7), average variance extracted (AVE ≥ 0.5) and factor loadings (loadings > 0.5) as presented in below **Table 4**. An AVE value of at least 0.5 and higher indicates that a latent variable is able to explain more than half of the variance of its indicators on average, therefore it is considered as sufficient [16].

Table 4. Measurement model result (convergent validity).

Constructs	Items	Loadings	CR	AVE
Long term orientation	LNT1	0.937	0.914	0.805
	LNT2	0.886		
	LNT3	0.916		
	LNT4	0.846		
	LNT5	0.898		
Management quality	MQL1	0.545	0.87	0.577
	MQL10	0.786		
	MQL7	0.822		
	MQL8	0.804		
	MQL9	0.806		
Openness and action orientation	OO1	0.841	0.934	0.703

	OO2	0.798		
	OO3	0.828		
	OO4	0.868		
	OO5	0.907		
	OO6	0.782		
Quality work force	QWF1	0.676	0.847	0.586
	QWF2	0.871		
	QWF3	0.852		
	QWF4	0.635		
Continuous improvement and renewal	CR7	0.791	0.713	0.555
	CR8	0.696		
Organization performance	OP1	0.438	0.936	0.718
	OP2	0.922		
	OP3	0.908		
	OP4	0.894		
	OP5	0.905		
	OP6	0.908		

Discriminant validity was assessed using the Heterotrait-Monotrait ratio (HTMT) criterion. According to Henseler *et al.* [17], HTMT values exceeding 0.85 or 0.90 indicate potential issues with discriminant validity. As shown in **Table 5**, all HTMT values fall well below these thresholds, confirming that discriminant validity was successfully established for the constructs.

Table 5. Discriminant validity

	1	2	3	4	5	6
1. Continous improvement and renewal						
2. Long term orientation	0.577					
3. Management Quality	0.385	0.312				
4. Openness and action orientation	0.201	0.126	0.144			
5. Organization performance	0.453	0.303	0.261	0.075		
6. Quality Workforce	0.613	0.602	0.329	0.092	0.334	

It is important to note that, in the Pakistani context, the measurement model retained 21 items, differing from the original 35 items of the HPO framework (see Appendix). Thirteen items were removed due to low factor loadings. Specifically, seven items were dropped from the Management Quality (MQL) dimension (MQL2, MQL3, MQL4, MQL5, MQL6, MQL11, and MQL12) and six items from the Continuous Improvement and Renewal (CR) dimension (CR1, CR2, CR3, CR4, CR5, and CR6). This reduction reflects that the original 35 HPO characteristics were derived from global data, so this study utilized only the measures relevant and valid in the Pakistani public sector context, as presented in **Table 4**.

For the structural model, collinearity was evaluated using the Variance Inflation Factor (VIF) in accordance with Hair *et al.* (2017). All VIF values were below the threshold of 3, indicating no collinearity concerns. The structural model results are illustrated in **Figure 2**.
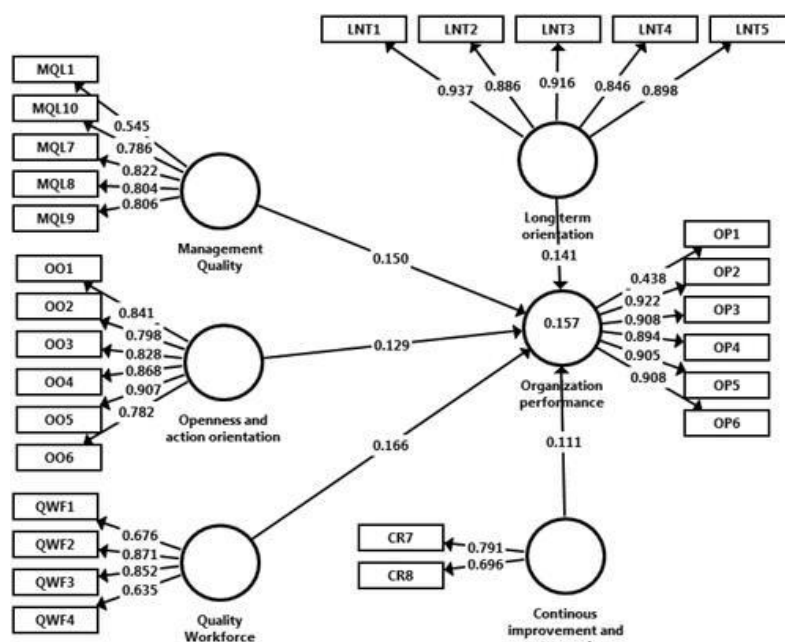
Figure 2. Structure model results

The R² value of 0.157 indicates that the five factors of the HPO framework account for 15.7% of the variance in organizational performance. A closer examination of **Table 6** reveals that hypothesis 1 (Management Quality, MQL: b = 0.157, t = 3.882), hypothesis 2 (Quality Workforce, QWF: b = 0.116, t = 2.732), hypothesis 3 (Long-Term Orientation, LNT: b = 0.141, t = 2.522), and hypothesis 5 (Continuous Improvement and Renewal, CR: b = 0.111, t = 2.371) exhibit positive relationships with organizational performance and are thus supported. In contrast, hypothesis 4 (Openness and Action Orientation, OO: b = 0.129, t = 2.065) is not supported, as the BCI confidence interval (LL = −0.115, UL = 0.174) indicates an insignificant relationship.

Following the recommendations of Hair *et al.* [14], the effect sizes of the predictors on the endogenous variable were also assessed using Cohen's guidelines, where f² values of 0.02, 0.15, and 0.35 represent small, medium, and large effects, respectively. The results indicate weak effects for all predictors: MQL (f² = 0.024), QWF (f² = 0.023), LNT (f² = 0.016), OO (f² = 0.019), and CR (f² = 0.013). Overall, the effect sizes of the exogenous variables in this study are small or very small.

The model's predictive relevance was assessed using the blindfolding procedure with an omission distance of 7. A Q² value greater than 0 indicates predictive relevance for an endogenous construct [14]. In this study, the Q² statistic for organizational performance was 0.107, suggesting acceptable predictive relevance. These quantitative findings are followed by the qualitative analysis in the next section.

Table 6. Path coefficients and hypothesis testing.

		Std. beta	Std. error	*t*-value	*p* values	BCI LL	BCI UL	*f²*	VIF	Hypothesis supported
H1	MQ -> OP	0.157	0.039	3.882	0.000	0.081	0.21	0.024	1.115	Yes
H2	QWF -> OP	0.166	0.061	2.732	0.003	0.072	0.276	0.023	1.414	Yes
H3	LNT-> OP	0.141	0.056	2.522	0.006	0.043	0.227	0.016	1.465	Yes
H4	OO -> OP	0.129	0.062	2.065	0.02	−0.115	0.174	0.019	1.014	No
H5	CR -> OP	0.111	0.047	2.371	0.009	0.025	0.178	0.013	1.084	Yes

Qualitative phase: Rationale and data collection method

Following Hair *et al.* [14], the explanatory sequential method is appropriate when a researcher aims to test an existing model, framework, or theory using a quantitative approach, followed by a qualitative phase to explore and explain the quantitative findings. Accordingly, this study employed the explanatory sequential approach by first testing the HPO framework quantitatively and then reaffirming and discussing the results through qualitative inquiry. Several factors motivated the design of the qualitative phase. The quantitative analysis revealed low mean scores in certain HPO framework factors, prompting a need to explore the underlying reasons with top management officials (Grade 19–22) of Pakistan Post Office (PPO), Water & Power Development Authority (WAPDA), and Central Directorate of National Savings (CDNS). Out of 12 items under Management Quality (MQL), only five were retained, while seven were removed due to low loadings. Similarly, for Continuous Improvement and Renewal (CR), only two of eight items were retained, leaving six items discarded. In total, 13 items of the HPO framework were dropped, highlighting the need to explore additional factors influencing the quantitative results. Furthermore, the effect sizes of three HPO constructs were found to be very weak based on Cohen's criteria, and hypothesis 4 (Openness and Action Orientation, OO) was not supported, all of which necessitated a qualitative follow-up.

For the qualitative phase, an interview protocol was developed with two sections: biographical questions and questions related to the reasons behind the quantitative results. Twelve in-depth interviews were conducted with top management to examine the low mean score factors of the HPO framework, specifically OO, CR, and MQL. The interviews focused on understanding the reasons for the low scores in these three dimensions. To ensure data accuracy, all responses were recorded, transcribed, and manually organized according to the topics discussed, facilitating the extraction of themes.

Data Analysis: Qualitative Strand

In analyzing the qualitative data, the first step involved identifying codes as basic themes. This process resulted in the extraction of 14 initial themes, which were then named, defined, and classified, as presented in **Table 7**.

Table 7. Basic and organizing theme.

Basic themes	Organizing themes	Overall theme
1- Centralised decision making	Mechanistic structure	
2- Weak accountability system		
3- High level of bureaucracy		
4- No culture of open discussion		
5- Big size of organization		
6- Continuous improvement needs resources.	Lack of commitment and resources	

7- Lack of ministry support		
8- Everyone just complete tenure		
9- Lack of measuring continuous improvement		
10- Continuous improvement need commitment		Organization structure and culture
11- Management must be proactive people		
12- Personal interests over institutional interests		
13- Lack of fairness and transparency	Lack of ethical and visionary leadership	
14- Honest actions should come from top leaders		

Table 7 shows that three organizing themes emerged from the qualitative analysis. The first theme, "Mechanistic Structure," was derived from the first five basic themes. The second theme, "Lack of Commitment and Resources," was constructed from six basic themes, while the third theme, "Lack of Ethical and Visionary Leadership," emerged from basic themes eleven to fourteen. Collectively, these organizing themes contributed to the overarching theme of "Organizational Structure and Culture."

In examining respondents' explanations for the low mean scores of certain HPO factors, seven participants highlighted similar issues. One respondent noted:

"Low average scores of these factors seem plausible within the context of our organizations. Our organizations cannot be as open and flexible as private organizations. There are rigid parameters, rules, and formalities at all levels, and everyone simply follows them. Open communication, dialogue, and experimentation are largely ineffective in this structure. Actions require approval through the entire chain of command, which is time-consuming. Therefore, I believe these practices may not function effectively within our current organizational structure."

Similarly, five respondents emphasized the need for a supportive organizational culture, with one explaining:

"Openness and action orientation requires a specific culture that our organization lacks. Being a government entity, the culture is not dynamic, and weak accountability prevents differentiation between good and poor performance. Dialogue, knowledge sharing, and open communication are often neglected. Policy makers and implementers must be aligned to cultivate this type of culture; overall, organizational culture requires significant change."

Regarding the low scores for Continuous Improvement and Renewal (CR), all respondents expressed consistent views. One participant stated:

"Continuous improvement requires strong commitment at all levels and adequate resources. In our case, decision makers are focused on completing their tenure, and accountability is limited. Resources are scarce, and procedures are lengthy for even minor decisions. Commitment, resources, and ministry support are essential, and the lack thereof explains the low score for CR."

For Management Quality (MQL), six respondents shared similar observations. One explained:

"Realistically, managers focus primarily on completing their tenure and personal gains, often at the expense of the organization. Ethical, committed, and energetic leadership is missing. Management, auditors, policy makers, and implementers must adhere to standards and act fairly, which is lacking in our case, explaining the low MQL scores."

Another six respondents echoed this sentiment, with one adding:

"Management quality involves making decisions for the long-term success of the organization. Our decision-making process is slow and reactive, and fairness and transparency are often absent. Leadership has not anticipated technological changes, leaving us unprepared. Management needs to be proactive and future-oriented rather than expecting too much from lower levels."

The qualitative findings indicate that the mechanistic structure is the primary reason for the low scores in Openness and Action Orientation, lack of commitment and insufficient resources are the main contributors to low scores in Continuous Improvement and Renewal, and lack of ethical and visionary leadership is the key factor behind low Management Quality scores. These results provide compelling evidence for the underlying causes of the low mean scores in OO, CR, and MQL. **Figure 3** visually represents these findings.
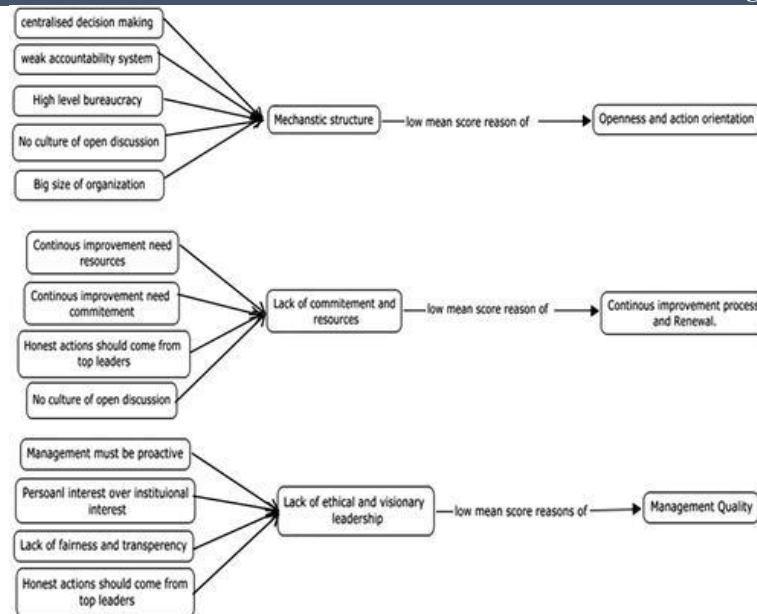
Figure 3. Causes of low mean score factors of HPO framework

This study aimed to examine the validity of the HPO framework and its direct effect on public organizations' performance in Pakistan. The measurement model results indicate that the HPO framework is valid for PSOs in the country; however, only 22 characteristics were retained out of the original 35, with 13 items deemed irrelevant in this context. The predictive relevance of the model was confirmed by a Q^2 value of 0.107 [14], yet the effect size remained small, suggesting that the HPO framework is not a "quick fix" for improving public sector performance. The direct effect of the HPO framework on organizational performance was moderate, explaining 15% of the variance. Empirical support was found for four of the five hypotheses, consistent with prior studies [18], while openness and action orientation (OO) was not significant, reflecting issues related to power distance and the rigid, hierarchical management structure commonly observed in Pakistan's public organizations [5, 19].

The qualitative phase explored the reasons behind low mean scores in OO, continuous improvement and renewal (CR), and management quality (MQL). Key findings identified mechanistic structure, lack of commitment and resources, and absence of ethical and visionary leadership as critical barriers. These results indicate that public organizations must address structural rigidity, resource allocation, and leadership quality to achieve high performance. The findings align with existing literature on developing countries, which highlights misaligned organizational culture and structure as impediments to becoming high-performing public organizations (HPPOs) [5].

Despite these challenges, integrating the HPO framework with Dynamic Capability Theory can guide public organizations in Pakistan toward improved performance. By fostering ethical and visionary leadership, leveraging resources effectively, and promoting a culture of learning and innovation, public organizations can enhance adaptability, respond proactively to environmental changes, and improve service delivery. Encouraging critical thinking, experimentation, and knowledge-sharing, alongside collaboration across departments, strengthens the organization's capacity to address complex issues [20]. Moreover, embracing digitalization and data-driven decision-making can further support dynamic capabilities and timely response to emerging trends [5]. Implementing these frameworks, however, may face obstacles such as bureaucratic structures, resistance to change, limited resources, and political influence, which can be mitigated through strong leadership, stakeholder engagement, and phased implementation strategies.

Theoretical contribution

This study contributes to theory in several ways. First, it demonstrates how employees respond to high-performance factors and how the five-factor HPO framework influences public sector performance. Second, it identifies key factors—structural flexibility, commitment, resources, and ethical and visionary leadership—that can enhance public organizations' performance. The integration of Dynamic Capability Theory explains how public organizations can transition from low to high performance by developing ethical and visionary leadership, fostering flexible organizational structures, and empowering employees to respond to environmental changes. The study emphasizes that addressing mechanistic structures, resource limitations, and leadership gaps is essential for achieving sustainable high performance in public organizations.

Implications of the Study

This study offers practical guidance for public managers in developing countries on creating high-performance organizational models and generating innovative approaches to enhance service delivery. The findings highlight that mechanistic structures, lack of commitment and resources, and absence of ethical and visionary leadership are key determinants of performance in public organizations. Public managers should focus on transforming rigid organizational structures into flexible systems that support high-performance practices, foster employee commitment at all levels, and ensure adequate resource allocation. Additionally, cultivating ethical and visionary leadership is essential for achieving sustainable organizational performance. Prior research [21] has shown that ethical leadership in top management roles positively impacts internal social capital, organizational performance, innovation, and service distinctiveness.

Applying the HPO framework in public organizations, coupled with ethical leadership, can enhance overall organizational performance by establishing clear objectives, monitoring progress, and improving processes, thereby increasing the efficiency and effectiveness of public service delivery. Ethical leadership fosters transparency, principled decision-making, and alignment of staff behavior with organizational goals. Furthermore, promoting innovation and data-driven decision-making enables public organizations to adapt to contemporary challenges. Beyond financial efficiency and cost savings, the framework encourages accountability at all levels, helps rebuild public trust, and emphasizes long-term sustainability. Collectively, these implications point to a promising path toward improved governance and enhanced service delivery in Pakistan's public sector.

Limitations and future research directions

This study has several limitations. First, it employed an explanatory sequential mixed-methods design rather than an exploratory sequential design. Future research could explore high-performance factors first and then test them quantitatively for validation. Second, the qualitative phase of this study had a relatively small sample size, and findings may not generalize to the private sector. Future studies should adopt a larger sample size and consider applying an exploratory sequential mixed-methods approach to develop a comprehensive HPO framework, integrating both internal and external perspectives for sustainable performance.

Additionally, prior studies [22, 23] suggest that mechanisms linking ethical leadership and ethical culture require further investigation. Future research could examine the moderating role of the HPO framework on the relationship between ethical leadership and organizational performance, as well as explore ethical culture, transparency, and accountability as potential moderators. Other avenues include investigating the moderating effects of servant leadership and individual-level factors, such as employee passion, personality, and commitment, on the relationship between HPO framework implementation and organizational performance [24].

Conclusion

Drawing upon dynamic capability theory, this study examined the direct impact of the five HPO framework factors on public organizations' performance. Results indicate that the HPO framework is applicable to public service organizations in Pakistan, although its predictive relevance and effect size were limited. Empirical evidence supported four hypotheses, whereas openness and action orientation did not show a significant effect on organizational performance. The study further explored the reasons behind weak factor scores, identifying mechanistic structures, insufficient commitment and resources, and lack of ethical and visionary leadership as key barriers.

The study contributes to the literature by addressing whether the HPO framework is suitable for implementation in public organizations, examining its direct effect on organizational performance, and identifying factors that hinder high performance in developing country contexts. Unlike prior research, which focused primarily on average scores of the HPO factors, this study adopted a mixed-methods explanatory approach to investigate underlying reasons for low scores, thereby enriching empirical understanding of the framework's application. Finally, consistent with previous studies [21, 25], this study recommends future research on ethical leadership and ethical climate as predictors of HPO framework effectiveness and organizational performance.

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