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Peak Performance: Business Lessons from the World's Top Sports Organizations

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Book Review

Shawn Blau

Clive Gilson, Mike Pratt, Kevin Roberts, and Ed Weymes,
*Peak Performance: Business Lessons from the World's
Top Sports Organizations*. London: HarperCollins, 2001.

In the 1990s, there was a flood of management literature by celebrity athletes and celebrity coaches, offering to let business managers in on the secret of how to create a winning team. *Peak Performance* arises out of this genre, but it takes a slightly different tack. Instead of focusing on the winning teams themselves, *Peak Performance* tries to analyze the business organizations that put those teams on the field. The authors are four professors at the Waikato Management School at the University of Waikato in New Zealand. One of the authors, Kevin Roberts, also serves as CEO Worldwide of Saatchi & Saatchi, PLC.

Peak Performance looks at 12 successful sports organizations from around the world. The authors analyze sports successes from the New York Yankees and the San Francisco 49ers in the United States, to the German soccer organization FC Bayern Munich, to the Team New Zealand winners of the America's Cup, to successful sports organizations in England and Australia.

In terms of research methodology, *Peak Performance* uses a comparative case study approach, which derives from the method of Peters and Waterman's (1982) *In Search of Excellence*, and from the method of Collins and Porras' (1994) *Built to Last*. Based on their case study research, the authors attempt to build a general theory of "peak performance organizations," which purports to show any organization how it can achieve and sustain "peak performance."

The first part of the book, which consists of the 12 case studies, does make fascinating reading. The authors do succeed in getting behind the scenes to uncover the back office work that it takes to field a winning team season after season. For American readers, the chapters on foreign sports organizations will be especially interesting. From their vantage point in New Zealand, the authors look at the German soccer dynasty FC Bayern Munich, the British auto racing organization Williams F1, Team New Zealand, the New Zealand Rugby Union, Netball Australia, the Australian Cricket Board, and Women's Hockey Australia.

The authors make the point that in the highly competitive arena of modern professional sport, it's not only heroics on the field that makes winners, but that it also takes

highly competitive business organizations to put these heroic athletes on the field. And they do a good job of researching how each of the 12 sports organizations accomplishes this difficult task.

However, in the second half of the book, the authors attempt to generalize these 12 case studies into an overall theory of organizational "peak performance." Here they fall flat on their faces, and go "from the thrill of victory, to the agony of defeat." While there certainly are some common features among these 12 winning organizations, they fall far short of a generalizable model of "peak performance organization theory."

The authors hypothesize four *Peak Performance* Organization (PPO) principles: purpose, practice, potency, and performance. For each of these principles, the authors hypothesize three subfactors. Thus, purpose consists of the greatest imaginable challenge, the inspirational dream, and the focus. Practice embraces creating the future, sharing the dream, and family. Potency is comprised of harmony, passion, and flow. And (finally) performance includes the last detail, game-breaking ideas, and exceeding organizational best.

I count 16 hypothetical constructs so far. The authors add 7 more, stipulating that to achieve success the PPO project must be embraced by 7Ps—principals, players, purchasers, partners, philanthropy recipients, public, and press.

The authors attempt to summarize this mish-mash in a single, mind-numbing, Faulknerian sentence:

Inspirational players provide a meaningful challenge for an organization and its players that is both important and stretching and that becomes the focus of the organization's actions that are undertaken to live the dream, and in so doing a purpose to the organization is established that must be nurtured for the future through the careful recruitment and development of the individuals that make up the organization, together with a long-term commitment to an effective infrastructure that allows the dream to be shared, which builds an aura of association and sense of belonging and a feeling of family based on trusting relationships, leading the participants to a sense of harmony with self and others, and allowing a passionate commitment to the purpose of the organization that establishes an environment with the potency for peak flow or optimal organizational experiences, leading to catching the last detail and imagining game-breaking ideas that enable the continuous exceeding of organizational best in the endless pursuit of the organization's shared purpose and ultimately to sustaining peak performance (sic). (pp. 398-399)

After taking a "time-out" to deconstruct this two-page sentence, the reader is told that any organization can become a "peak performing organization," because it "chooses its own greatest imaginable challenge and inspirational dream, it chooses the league in which it wishes to play (p. 396)." Inspirational salesmanship, maybe. But if this purports to be an "organization theory," it's way out of bounds.

As Nancy Katz (2001) has pointed out, business managers had better approach lessons from sports teams with caution. Katz especially issues four strong cautions in generalizing lessons from sports to business organization. First, she warns that each business should choose a sports model from the right type of sport. For example, baseball, football, and basketball each demand different types of organization and "team-play." Second, Katz points out that the requirements of coaching are significantly different than the requirements of managing. Third, she cautions that while sports is a good metaphor for some businesspeople, because it resonates with their own experience, sports is only a metaphor, not a true-to-life description of the business world. Finally, Katz points out that the criteria for success in business are far more nuanced and complex than winning on the sports field.

But *Peak Performance* suffers from a deeper flaw than merely overgeneralizing. As a theory, it lacks even "internal validity." The authors' "peak performing organization theo-

ry" suffers from the same seductive but fatal defects that the British philosopher Karl Popper detected in communism, psychoanalysis, and other 20th-century "pseudo-sciences." As the philosopher of science Adolf Grunbaum has explained, these "pseudo-sciences" ignored the hard-won lessons of empirical science. The Scottish philosopher David Hume discovered in the 18th century that mere correlation does not prove causation. The British empiricists built on Hume's seminal insights to prescribe the tedious, meticulous methods that are required to really prove a causal theory. Francis Bacon and John Stuart Mill developed step-by-step blueprints that are still needed to validate a theoretical model. Unfortunately, even now, we ignore these empirical lessons at our own peril.

To prove a theory of "peak performance," the authors would not only be able to discern similar features in successful organizations, but they would also need some unsuccessful controls. For example, they could show that an unsuccessful baseball team differed from the New York Yankees in one or more "peak-performing" desiderata, and that this same difference distinguished FC Bayern Munich from an unsuccessful German soccer organization. Then they'd have to test each of their 16 hypothetical constructs one at a time, the same way. This is a much more difficult task, but it had better be undertaken if one is serious about propounding a theory.

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