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CASE STUDY

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A unique approach to achieving organizational excellence: The Cube One Framework

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Abstract
In this article, I present the rationale and evidence pertinent to the utility of the Cube One Framework for achieving organizational excellence. Three factors contribute to the uniqueness of the Cube One framework: (1) the reliance on measuring the frequency of enacted practices (as contrasted to the traditional emphasis on stated policies, leadership philosophies, and mission statements); (2) the empirical examination of practices directed toward satisfying the needs of three separate stakeholders—funders, customers, and employees–customers consistently being neglected from lists of High-Performance Work Practices which focus solely on productivity and employee satisfaction; and (3) the capability of performing an empirically-based diagnosis of organizational strengths and opportunities for improvement. I offer three types of evidence: survey data collected in four studies conducted in three countries–where results are (surprisingly) slightly stronger for organizations in the nonprofit/government sectors as compared to for-profit companies; longitudinal stock market valuations using a sample of America's Most Admired Companies per Fortune Magazine; and seven case studies of prominent organizations such as Google, Four Seasons Hotels, and Mayo Clinic.

KEYWORDS
cube one framework, customer-directed practices, employee-directed practices, enterprise-directed practices, organizational performance

1 | THE BIG PICTURE

Successful organizations tend to be need-satisfying places. That is, they are able simultaneously to satisfy the goals of their primary stakeholders: internal customers—that is, employees—who participate by creating goods/services; external customers who provide revenues to the enterprise; and the providers of funding (shareholders and investors in the private sector; donors, grantors, and taxpayers in the public and nonprofit sectors). Internal customers seek fair wages and respectful treatment, external customers seek advantageous product/service price and quality attributes, and the funding sources benefit from operating efficiency and productivity. This multiple stakeholder perspective is, of course, not new. However, multiple stakeholder research and writing has typically been either theoretical or based on a case study; rarely has systematic evidence been examined linking specific practices pertinent to all three key stakeholders to overall organizational performance—which is accomplished by the Cube One Framework.

Another distinction inherent in the Cube One Framework is that analyses entail examining data that cut across multiple disciplines such as organizational psychology, operations and supply-chain management, quality management, consumer behavior, and marketing (Kopelman, 2020). Typically, most research has been grounded in a single discipline, and often with a focus on a particular technique pertinent to a discipline, such as goal setting or feedback.

2 | HISTORY OF THE DEVELOPMENT OF THE CUBE ONE FRAMEWORK

For decades industrial and organizational psychologists and management researchers have focused on the effects of specific techniques such as goal setting (e.g., Locke & Latham, 1990) and incentives (Nash & Carroll, 1975) as they relate to measures of individual and organizational performance). Similarly, there has been much research on the effects of adaptive selling behaviors and customer orientation on sales success (e.g., the meta-analysis of 150 studies by Franke & Park, 2006). More recently, researchers in organizational psychology and management have discovered that "bundles" of techniques (often called High-Performance Work Practices) have consistently demonstrated stronger effects than techniques administered one at a time (Combs et al., 2006).

The Cube One Framework builds on the more-recent approach of examining the effects of multiple practices simultaneously. Interestingly, the present author initially studied the effects of separate practices (such as merit pay, objective feedback, job redesign, and alternative work schedules) on productivity—Kopelman, 1982; 1985; 1986a; 1986b; Kopelman & Reinharth, 1982). Then, about a decade later, I concluded that managing improved productivity is but "one-third of the job" (Kopelman, 1998).

2.1 | Rationale and description of the Cube One Framework

The theory that undergirds the Cube One Framework prescribes there are three prerequisites for successful organizational performance. Internal customers must be satisfied to remain loyal to the enterprise. Hence, organizations should enact practices that are promotive of employee satisfaction and loyalty—that is, employee-directed practices. During the past 2 years, this matter has been of increasing concern to all employers as the U.S. economy has witnessed what has been referred to as "The Great Resignation" (Bloomberg, 2021). Customers are crucial insofar as they provide the revenues necessary to sustain the organization; hence, it is crucial for organizations to enact practices that are customer-directed. Third, it is essential that practices be enacted that raise productivity, thereby reducing costs and enabling funding for research and development that lead to improvements in quality and the capacity to survive in the face of competition—– that is, enterprise-directed practices. A schematic showing the relationship of practices to the intermediate variables (employee loyalty, customer loyalty, and productivity) and to the end-result variable of organizational performance is provided in Exhibit 1.

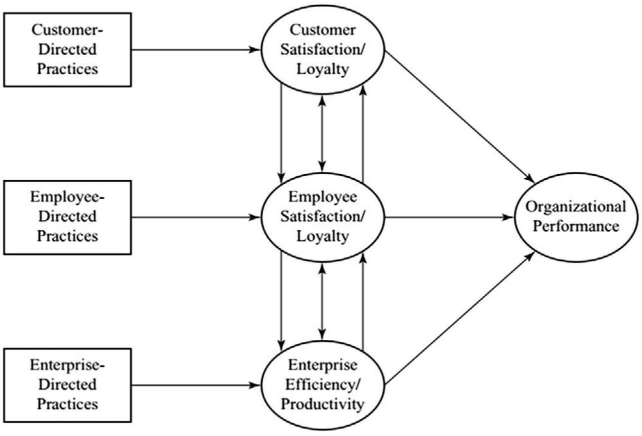

EXHIBIT 1 The causal model underlying the Cube One Framework

The Cube One Framework focuses on the frequency of enacted practices in three realms: enterprise-, customer- and employee-directed. It is enacted practices that are assessed, not stated policies or mission statements. Each set of practices consists of independently associated with one of the three intermediate determinants of organizational performance: efficiency/productivity, customer satisfaction and loyalty, and employee satisfaction and loyalty. It is not assumed that a specific set of practices will be eternally the best practices; rather, practices within each domain are seen as substitutable (i.e., consistent with the notion of equifinality). A given (focal) organization can be High, Middle, or Low in the enactment of each set of practices. Organizations that employees rate to be High, High, and High are in Cube One. Organizations rated Low, Low, and Low, are classified in Cube 27. A schematic of the Cube One Framework is provided in Exhibit 2.

In four survey research studies, organizational performance has been assessed by a 3-item measure of the extent to which the focal organization accomplishes its mission and goals, the success of the focal organization in comparison to similar or competitive organizations, and the extent to which the organization is presently achieving its potential. The three items are scored on a 10-point scale so that the range in organizational performance is from 3 to 30. The three sets of practices (Enterprise-, Customer-, and Employee-Directed) are scored based on the sum of 10

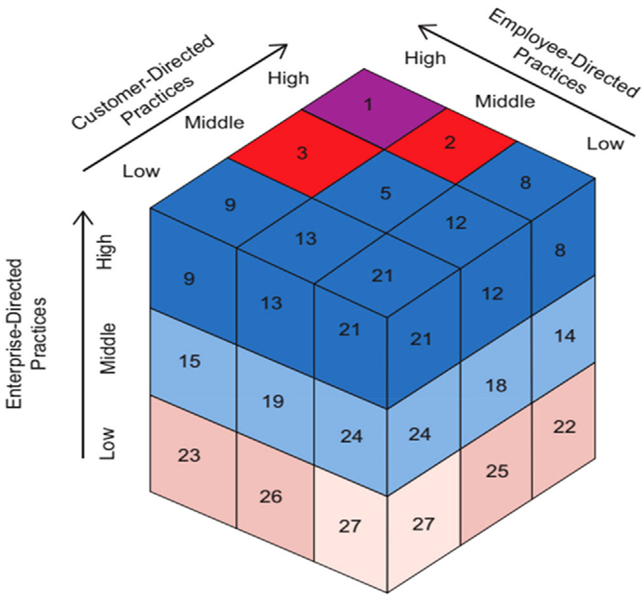

EXHIBIT 2 Schematic representation of the Cube One Framework

practices each tied to the frequency of the enactment of a practice (from 1 = rarely or never to 5 = almost always or always). The specific practices examined in the four survey studies of the Cube One Framework appear in Exhibits 3, 4, and 5.

2.2 | Validity evidence: survey research data

The initial large sample research study ($N = 679$) was conducted in the U.S. and reported by Kopelman and Prottas in 2012. This analysis compared the frequency of enactment of the three sets of practices (Enterprise-, Customer-, and Employee-Directed) with rated levels of Organizational Performance. Respondents were knowledgeable insofar as they were either current or recent employees of the focal organization. Based on ratings of the frequency of enactment of practices, 82 organizations were classified in Cube One (those that were High, High, and High), and 73 organizations were in Cube 27. Mean performance scores were 23.28 versus 13.86., respectively (the range of possible scores being 3 to 30). The significance of the difference in statistical terms was 14.2 standard errors, that is, 14.2 Sigma. This magnitude of the difference is best interpreted in the context of the quality measure of 6 Sigma developed by Motorola. A Six Sigma difference corresponds to an event (such as a defect) with a likelihood of arising, which is 3.4 occurrences in a million observations, $p = .000034$. The interpretation of a difference in means of 14.2 sigma adds another seven decimals yielding a probability of .0000000000256—meaning that the likelihood that the difference is simply due to chance alone is less than one in 100 billion observations.

EXHIBIT 3 Enterprise-directed practices

1)	Individuals are held accountable for accomplishing specific (quantifiable) goals.	_____
2)	Individuals receive specific performance feedback that is useful for improving their performance.	_____
3)	Where possible, the performance of individuals and groups is quantifiably measured and monitored over time.	_____
4)	Salary increases (e.g., raises, bonuses) are proportionate to an individual's job performance.	_____
5)	Promotions are based almost entirely on job performance.	_____
6)	Individuals are selected for employment based on objective criteria (e.g., written tests, performance tests, work samples, etc.).	_____
7)	Training is provided for employees who need to upgrade their knowledge and skills.	_____
8)	Organizational performance improvement is financially rewarded by a group incentive plan (e.g., gainsharing, profit-sharing, etc.).	_____
9)	Management encourages the delegation of decision-making authority to lower-level employees (i.e., real empowerment).	_____
10)	Individuals are encouraged to perform a wide variety of tasks whenever possible.	_____

Note: Actual company practices
The purpose of this section is to ascertain the actual practices (as distinct from stated or printed policies) in the organization for which you currently work (or most recently worked). If you work in a subsidiary of a larger organization, focus on the local organization where you work (or worked). Please use the following scale to record your responses to the twenty statements that follow:
1 = Never or almost never (or not applicable)
2 = Infrequently
3 = Occasionally or sometimes
4 = Frequently
5 = Always or almost always

EXHIBIT 4 Customer-directed practices

1)	Customers are surveyed. Customers are regularly surveyed using an effective format such as "Would you recommend?" to ascertain delight, not mere satisfaction.	______
2)	In-depth analyses are conducted. Practices such as focus groups, and/or opt-in data bases are used to gain a fuller understanding of customer preferences.	______
3)	Consistent high quality. The quality of products/services is consistently of high quality, yielding a trusted brand, and lapses are responded to effectively.	_______
4)	Adopting best practices. The best practices of competitors are studied and adopted, or improved upon, where possible (i.e., benchmarking).	______
5)	Customer satisfaction drives operations. The goal of customer satisfaction importantly influences operational decisions at all organization levels.	______
6)	Price consciousness. Prices of goods/services are continually reviewed to improve the organization's competitive position.	_____
7)	Customer satisfaction drives rewards. Customer satisfaction is an important factor in determining pay increases and other rewards of individuals or departments.	______
8)	Employee latitude. Employees are granted wide latitude to use their own judgment in order to satisfy customers.	______
9)	Innovation is encouraged. New products/services are introduced.	______
10)	Multiple ways used to reach customers. Big Data is used, and/or the use of targeted, individualized offerings, and/or use of multichannel marketing.	______

Note: Actual practices

The purpose of this section is to ascertain the actual practices (as distinct from stated or printed policies) in the organization where you work (or most recently worked). If you work in a subsidiary of a larger organization, focus on the local organization where you work (or worked). Please use the following scale to record your responses to the ten statements that follow:

1 = Never or almost never (or not applicable)
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4 = Frequently
5 = Always or almost always

EXHIBIT 5 Employee-directed practices

1)	The organization responds to employee concerns by taking appropriate actions, not just by words.	_____
2)	Employees know they can make (a few) mistakes. Management attempts to minimize the role of punishment and fear.	_____
3)	Open, two-way communication is employed. All employees are informed about new developments and encouraged to express their ideas and complaints.	_____
4)	Employee layoffs are avoided where possible, by first attempting to place employees in other jobs within the organization.	_____
5)	Employee growth is encouraged by providing in-house training and/or reimbursements for outside training/educational programs.	_____
6)	Distinctions between hierarchical ranks are minimized. Management downplays status symbols performance tests, work samples, etc.).	_____
7)	Employees are treated with respect and as mature adults. Communications are straight-forward, not condescending or patronizing.	_____
8)	Work-family conflicts are minimized by adopting such policies as flexible work hours, day care assistance, and encouraging managerial tolerance.	_____
9)	Managerial integrity is demonstrated in dealing with employees. All employees are given the same information; promises are kept.	_____
10)	Management encourages employees to feel that they are part of a team.	_____

Note: Actual company practices

The purpose of this section is to ascertain the actual practices (as distinct from stated or printed policies) in the organization for which you currently work (or most recently worked). If you work in a subsidiary of a larger organization, focus on the local organization where you work (or worked). Please use the following scale to record your responses to the twenty statements that follow:

1 = Never or almost never (or not applicable)
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5 = Always or almost always

EXHIBIT 6 Descriptive statistics and correlations with organizational performance: initial U.S. sample

Variables	Mean	SD	Correlation
Enterprise-directed practices (EntSum)	33.04	6.90	0.50
Customer-directed practices (CSum)	28.25	7.92	0.42
Employee-directed practices (ESum)	31.41	7.80	0.52
Organizational performance (OP)	29.11	5.06	1.00
Self-efficacy	3.78	1.04	0.07
Benign worldview	3.35	1.09	0.01

All four survey studies have used identical measures of practices and organizational performance. Results in all four studies are examined in terms of the magnitude of correlations. The 10 practices that comprise Enterprise-directed practices assess the frequency of enactment of such techniques as goal setting, incentives, objective feedback, and systematic selection. Exhibit 3 provides a list of the practices. The 10 Customer-Directed practices include attention to improving service/product quality, surveying customer levels of satisfaction, and providing employees with authority to satisfy customer requests—see Exhibit 4. The 10 Employee-Directed practices include treating employees with respect, sharing information, providing some measure of employment security, and minimizing status differences (see Exhibit 5)

Correlations between the two measures can range from +1.0 to -1.0. If two measures are perfectly correlated, this would yield a correlation of 1.0. A (trivial) example of a correlation that would equal 1.0 is the correlation between a measure of height in inches and a measure of height in centimeters. In social science research, an authoritative source (Cohen, 1962) indicated that a correlation of 0.1 is Small; a correlation of 0.3 is Medium, and a correlation of 0.5 is Large. While this interpretation is symmetrical, it does not reflect actual correlational findings that empirically emerge, generally Medium or Small, with Large being a rare phenomenon.

With respect to research on the Cube One Framework, correlations were calculated between each of the predictor variables (Enterprise-, Customer, and Employee-Directed Practices) and rated Organizational Performance. The four studies were as follows: U.S. (Kopelman & Prottas, 2012), Brazil, and Singapore (Kopelman & Prottas, 2017,) and the U.S. conducted during COVID between Fall 2021 and Fall 2022 (Kopelman and Augugliaro, 2022).

As shown in Exhibits 6, correlations between Enterprise-, Customer, and Employee- Directed practices in the initial U.S. study were 0.50, 0.42, and 0.52. Two of the three correlations were Large—one Medium. Corresponding correlations in Brazil were 0.37, 0.36, and 0.52, two being Medium and one Large. The correlations in Singapore were 0.50, 0.42, and 0.52—two large results. Amidst the COVID epidemic (fall 2020 to fall 2021), it was anticipated that correlations would decline as organizations cut back on practices. Nevertheless, correlations remained quite strong at 44, 45, and 0.50—one result being Large.

It should be noted that the existence of high correlations alone is insufficient for having confidence that the associations are genuine, not spurious. One possible threat is a response-set bias among respondents. If some respondents consistently score on the high end of the scale and others at the low end, the resulting high correlations could be interpreted as artifactual. In psychological research, there is a need to demonstrate not just convergent validity—high correlations among conceptually related variables—but also discriminant validity—low correlations among conceptually unrelated variables. As can be seen in the four samples, rated Organizational Performance was unrelated to either the: Self-Efficacy of respondents (i.e., extent to which a respondent was confident of achieving success); or Benign World View of respondents (i.e., the extent to which the respondents believe that in general hard work will lead to favorable outcomes). Mean associations in the four studies were 0.06 and 0.07, showing excellent discriminant validity. Interesting findings emerged when comparing correlations among nonprofit/governmental organizations to correlations among for-profit companies. In the original U.S. sample, correlations between the three sets of practices (Enterprise-, Customer-, and Employee-Directed) were slightly higher in the nonprofit/government sectors than the for-profit sector. The three correlations in the former were 0.56, 0.44, and 0.59 versus 0.46, 0.43, and 0.48 in the latter.

The use of survey data helps diagnose organizational strengths and areas for improvement. If an organization scored on the three sets of practices of 43, 38, and 24, this would clearly indicate the need for increased frequency of employee-directed practices. At a more granular level, cut-points have been developed for each specific practice, and also for organizational performance. (Kopelman & Park, 2021). Using quantitative measures of the frequency of practices enables performing an organizational diagnosis by comparing a focal organization's scores to normative data. It also helps assess changes in the key variables and the success of an improvement intervention.

2.3 | Longitudinal stock market valuation analyses

For years Fortune Magazine has published the list of America's Most Admired Companies. According to Fortune, data were collected from as many as 10,000 knowledgeable people, such as executives, managers, and security analysts. The experts rated companies on eight criteria pertinent to the Cube One Framework, including quality of products and services and the ability to attract and retain talented people. Data were provided for the years 2002 and 2006, allowing us to compare expert ratings in both years and the market valuations of specific companies. Results were examined for 211 companies in 44 industries throughout the 4-year time period. If rated practices were predictive of stock market valuations, then the correlation between rated practices (R.P.) in 2002 and stock market valuations (SMV) in 2006 (RP2002, SMV2006) should exceed the correlation between stock market valuations in 2002 and rated performance in 2006 (SMV2002, R.P. 2006). These two correlations were examined by Massimino and Kopelman (2012) and were .62 and .38—a sizable difference. This type of analysis is close to a causal test of the relevance of the Cube One Framework as it can be performed without conducting a field experiment.

3 | CASE STUDIES

Case analyses have been conducted among seven prominent organizations. The success of Google in comparison to the first mover in the Internet search industry, AltaVista, can easily be explained in terms of the practices employed. AltaVista was a division of a (rapidly growing) minicomputer company, Digital Equipment Company, commonly known as DEC. Ironically, the success of DEC limited its willingness to make the investments needed to compete with Google. AltaVista was the first website to provide a true search engine instead of the "crawl" associated with browsing in the early Internet years. Consequently, AltaVista developed a loyal cadre of devoted users. AltaVista was a small software division (product actually) in a large hardware company, and DEC was focused on selling mini computers. At the outset, AltaVista had a unique product and loyal users. However, according to Louis Monier, one of the founding engineers, in merely 2 years, the technical capabilities at AltaVista went from "superb" to virtually gone and an embarrassment. AltaVista was neither spun off by DEC nor provided the human resources necessary to improve its technology.

In contrast, Google constantly improved its products and offered an expanding range of new ones (Apps, Chrome, Video, Maps)—all Customer-directed practices. Google gave employees high levels of autonomy and an amenity-laden workplace—for example, on-premises laundry, haircuts, physicians, and food of exceptional quality, reportedly the most appreciated perk. The company also shared a prodigious amount of information with employees. In addition to various employee-directed practices, Google conducted its business in a cost-effective manner. A new project would be canceled if it did not show signs of imminent profitability or high user interest. Employees were hired systematically, and it was not easy to get a job at Google compared to getting admitted to Harvard. Google could be classified as in Cube One (Kopelman & Chiou, 2010).

Viewed through the lens of the Cube One Framework, it is clear why three exceptionally customer-focused companies (Zappos, Four Seasons, and Nordstrom) have been successful. As Kopelman et al., and Zhu (2012) put it, customer service is but one-third of the job—even for organizations with an extraordinary dedication to customer satisfaction. Zappos pioneered in digital sales of shoes by trying to create a "wow!" shopping experience. The time a customer service representative spent with a caller was not monitored. Zappos offered a return mailer to customers and a generous (1-year) return policy. Zappos was also attentive to efficiency. Zappos used its technological capability to be resourceful in warehousing products. For example, shoes were not stocked by make or style (as traditionally would be the case in a warehouse); rather, every pair of shoes had a digital location code that facilitated order fulfillment. In connection with employee-directed practice, employees were hired, in part, based on their desire to be part of a team and "hang out" with colleagues after hours and enjoy a playful environment. A mentoring program was established so new customer service representatives could anticipate promotion to a higher-level job within 7 years.

Four Seasons has long been a pioneer in providing unparalleled service to visitors. The company keeps detailed records of each customer's preferences (e.g., whether Coke or Pepsi, or yellow or violet flowers). The hotel chain was the first to provide concierge service and was arguably the first to have four-star restaurants, premier spas, and fitness centers on their premises, among an ever-growing list of amenities. With regard to efficiency, Four Seasons is concerned with prices (never cutting them) and seeks to grow profits by 15 percent annually. That is why the company switched from fully owned properties to managed properties with very long-term contracts. Four Seasons provides employees an above-average pay and benefits package, free meals, and six nights of free stay at any Four Seasons property (after 1 year of employment). Employee satisfaction ratings as reported on Glassdoor indicate that Four Seasons is at the same level as the venerable Ritz Carlton. As would be expected, employee ratings at Four Seasons are substantially higher than those at Hilton Hotels.

Nordstrom has long had a reputation for unrivaled service, selection, and quality in the clothing industry. It has also been adapting to the COVID environment. In 2020, 55% of their sales were online. The brief analysis that follows focuses on the brick-and-mortar operation.

In large measure, Nordstrom's reputation has been built on unparalleled service. Some examples of extraordinary service are legendary: sales clerks paying a customer's parking tickets, warming up their cars, ironing clothes so they can be worn the same day and sending a tailor to customers' homes. Most remarkably, there was a Nordstrom store where a tire store was previously sited; and the customer who complained about the tire he purchased was granted a refund on the tire purchased at that location. Nordstrom salespeople are proud to call themselves "Nordies": they have a good deal of autonomy and earn an hourly salary more than 50% above the U.S. average for salespeople. On Glassdoor, the satisfaction of Nordstrom employees is far above that of a strong competitor, Dillard's.

One way Nordstrom generates high sales productivity is by publicly posting in a backroom the semi-monthly sales-per-hour of salespeople. This provides motivation from several sources, including potential social and psychological rewards/penalties. In addition, to increase sales per square feet, Nordstrom differentiates itself by breaking stores into "lifestyle sections," which enable the customer to acquire an ensemble of products that go well together.

The Mayo Clinic is so eminently regarded that it is often described as symbolizing the "best of American medicine." (Massimino et al., 2015; Massimino et al., 2015). The Mayo Clinic is famous for its dedication to patient well-being. It coordinates the services of several specialists who have been assigned to care for a patient. For employee-directed practices, the Mayo Clinic was on Fortune's list of '100 Best Companies to Work For' for 14 consecutive years (up until when the two above-mentioned articles were published). And there are only a handful of hospitals on that list. Mayo uses technology to improve patient care and, at the same time, increase efficiency. The profit margins at Mayo are more than twice the level of the hospitals in the U.S. News & World Report Best Hospitals reports.

The case study of Continental Airlines provides the most vivid demonstration of the Cube One Framework in action. I use the phrase "in action" advisedly because there is a before and after set of facts with managerial actions undertaken in between. In 1994, Continental was essentially the worst big Airline in the U.S. (metrics and practices are provided below concerning service quality and customer satisfaction, employee satisfaction, and financial performance). New management arrived and changed practices dramatically. The new management had no knowledge of the Cube One Framework—it did not exist then—and the names they gave to the sets of practices they implemented are hardly relevant to all kinds of organizations. How does a bakery "fly to win?" However, the new management hit all the right notes. In essence, they performed a surreptitious demonstration of the relevance of the Cube One Framework for achieving organizational excellence.

I began the story late in 1994 when Gordon Bethune was initially appointed the temporary CEO of Continental Airlines. The company had undergone two bankruptcies (in 1983 and 1990) and had ten chief executives in as many years. For the full 1994, Continental lost USD 613 million (versus a loss of USD 199 million in 1993), and in late 1994 it looked like it was headed toward a third bankruptcy. In late 1994 Continental was losing USD 55 million a month, had USD 40 million in cash, and would probably be unable to pay its 40,000 employees on January 17, 1995.

3.1 | Quality and customer satisfaction

The above-mentioned financial results were not accidental: they reflected the poor quality of service as measured by the U.S. Department of Transportation (DOT). For 1994 Continental ranked 10th out of 10 major airlines in terms of percentage of on-time arrivals, reports of missing luggage, and the number of complaints to the DOT—with Continental having three times the number of complaints compared to the industry average. Continental was among the lowest big airlines on a 4th metric: passengers with tickets who were denied boarding. (They were not last on this metric, probably due to the lower frequency of selling all seats.) Summing up the situation, Gordon Bethune (1998) wrote in his book From Worst to First: "We weren't just the worst big Airline. We lapped the field." (Emphasis in original.)

3.2 | Employee satisfaction

Employee morale was abysmal. There had been multiple layoffs, pay cuts, pay freezes, and promised "snapbacks" in pay that never materialized. Turnover and sick time were high, and employees were so ashamed about where they worked that some tore the company's logo off their shirts after work. Employees, as well as customers, disliked the late arrivals and overnight stayovers, which made it difficult to plan events. (The overnight stayovers also cost Continental USD 5 million a month, illustrating the interrelatedness of the three determinants of organizational performance.)

3.3 | Enterprise effectiveness

The financial numbers presented above provide an overall evaluation of the Continental's performance. The stock traded at USD 3 before Bethune arrived (and over USD 50 2 years after his arrival.) Some of the enterprise-directed practices that were extant in 1994 reflected the fact that Continental was created by numerous mergers (the original Continental, Pioneer Airlines, Texas Air, People Express, New York Air, Eastern Airlines), which led to Continental flying 13 different types of airplanes. This made maintenance and training quite expensive. Continental also enacted practices that created self-defeating "doom loops." To reduce costs, pilots were incentivized to use less fuel. So, they slowed down the planes and turned off the air conditioning at times. Pilots were being rewarded, and they thought they were doing great, but customers were hot and arrived late (sometimes missing connecting flights) —all told not a good combination for customers, employees, or the subsequent performance of the enterprise.

3.4 | Changes in employee-directed practices

When Bethune took over Continental Airlines, the prevailing corporate approach to employee communication was to share only the information that was legally required. Employees typically learned what was going on in the company through newspaper reports—and after the fact. Rumors were rampant. The company also had a mammoth book of rules and regulations, showing little trust in employees. The manual even had instructions on folding different forms and listed penalties for failure to comply. In a public ceremony, Bethune literally set the manual and rulebooks on fire and instructed managers to share information about impending changes, giving employees the chance to offer their opinions. Bethune also created an 800 number that only he answered to provide confidentiality in communications with employees.

3.5 | Changes in customer-directed practices

Before Bethune's arrival, Continental had discontinued its award-winning frequent-flyer program, One Pass, in a cost-saving effort; and business class seating and meals had been mostly eliminated as well. As Bethune noted, cutting costs and prices cannot succeed if people do not want the product or service. He compared it to making an inexpensive pizza by leaving off the cheese. In his words, "I don't know of any successful company that doesn't have a good product."

So, One Pass was brought back, along with business class seating and meals on many flights. DOT metrics were also improved, starting with on-time arrivals. In January 1995, all employees (except managers) were promised a monthly bonus check of USD 65 if Continental was in the top half or large arrivals in on-time arrivals. Continental made it to fourth place within a month, and USD 2.5million of separate bonus checks were issued. Later the bonus was raised to USD 100 if Continental was in the top three in both on-time arrivals and baggage handling. For all of 1995, Continental was in fourth place in terms of on-time arrivals and second place in mishandled baggage. The bonus payments were less than what Continental had been spending on overnight stayovers.

3.6 | Changes in enterprise-directed practices

Bethune had no choice but to furlough many employees during the first year of the turnaround. Inaction in reducing expenses would have cost the jobs of the remaining 30,000 employees. Several steps were taken to mitigate the pain of furloughed employees.

Continental began to match aircraft to market size, no longer using a 120-passenger plane for a flight with only 30 passengers. Flights that were consistently unprofitable were discontinued. Six flights daily flew from Greensboro, N.C. to Greenville, S.C. Bethune's colleague dryly asked, "Why are we flying that flight six times a day when both passengers who want to fly that route are on the first flight?"

Fifty of the 61 vice presidents were replaced by 20 people. The 13 different types of aircraft were reduced to five, and in February 1995, Continental adopted a profit-sharing plan with 15% of all pre-tax profits shared with employees. During a flight at that time, Bethune saw a flight attendant take a break and sigh while dealing with a full plane. Bethune said to the attendant: "It's hard work, but don't forget—these full planes mean more in your profit-sharing plan next month." She gave him a smile and said "I know. Believe me. I know."

The changes led to the market capitalization of Continental Airline increasing by more than 10-fold in the years from 1994 to 1999. Continental was rated by Fortune the most admired Airline from 2004 to 2008, and in 2010 it merged with United Airlines. Continental announced the merger with a full-page ad with the droll caption, "With this wing I thee wed."

4 | SUMMING UP

The three types of evidence (survey research, stock market valuations, and case studies) support the utility of the Cube One Framework in explaining, diagnosing, and improving organizational performance. The model alone explains the results described in seven case studies. The survey methodology enables an organization—whether in the for-profit, nonprofit, or government sectors—to identify areas of strength and opportunities for improvement. Normative data permit comparisons, and analogous comparisons can be made between independent units of organizations and a given organization over time.

One educator stated that the most fruitful inventions in human affairs typically have been preceded by an advance in measurement. Perhaps the Cube One Framework may have promise in this regard. As Tsoukas and Chia (2002) observed, organizations do not simply work, *they are made to work*. (Emphasis in original.)

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CONFLICT OF INTEREST

The authors declare no conflict of interest.

DATA AVAILABILITY STATEMENT

All available data will be provided upon request.

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