Creating a Brilliant Future Requires High Aspirations and Stellar Execution

Implications for Organizational High Performance and the Role of Human Resources

John Loya
University of Illinois
Human Resources
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Creating a Brilliant Future Requires High Aspirations and Stellar Execution

What We Will Cover

• Examples of High Performance Organizations
• Criteria Used To Judge High Performance
• Characteristics of High Performance Organizations
• Stellar Execution
• Implications for HR
Corporate High Performers
High Performers in Health Care
High Performers in Higher Education

CALTECH

HARVARD COLLEGE

Dartmouth

Yale University

STANFORD UNIVERSITY

COLUMBIA UNIVERSITY

Penn

Princeton University

Duke University

MIT

MASSACHUSETTS INSTITUTE OF TECHNOLOGY
Regardless of Industry, Common Public Perceptions?

- Leaders
- Innovators
- Winners
- Quality
- Value
- Best In Class
Criteria Used to Judge High Performance

- Vary by industry
- Focus on both what (outcomes) and how (processes)
- Can assess whole organization or be program or specialty specific
- Value is judged by the receiver more than the giver
Criteria Source Examples

Baldrige Corporate Criteria

- Product and Service Outcomes
- Customer-Focused Results
- Financial and Market Results
- Human Resources Results
- Organizational Effectiveness Results, including key internal operational performance measures
- Leadership and Social Responsibility Results

Baldrige Education Criteria (All Levels of Education)

- Leadership
- Strategic Planning
- Student, Stakeholder, and Market Focus
- Measurement, Analysis, and Knowledge Management
- Faculty and Staff Focus
- Process Management
- Organizational Performance Results

U.S. News and World Report Health Care Criteria

- Council of Teaching Hospitals Member
- Medical School Affiliation
- Key Technology Related Services
- Significant/Threshold Number of Defined Procedures
- Reputation
- Mortality Rate
- Other

U.S. News and World Report Higher Education Criteria

- Retention
- Faculty Resources
- Student Selectivity
- Financial Resources
- Graduate Rate Performance
- Alumni Giving Rate
Regardless of Industry, Common Traits Among Criteria?

- Multi-faceted criteria
- A “balanced scorecard”
- Strong emphasis on measurement
- Strong emphasis on stakeholders and customers
- Execution underpins focus on both outcomes and processes
Characteristics of High Performance Organizations
(Ulrich and Brockbank)

- Talent
- Speed
- Collaboration
- Customer Connection
- Innovation
- Shared Mindset
- Accountability
- Learning
- Efficiency
- Leadership
- Strategic Unity

Dave Ulrich and Wayne Brockbank, *The HR Value Proposition, 2005*
### Characteristics of High Performance Organizations

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Talent</strong></td>
<td>We are good at attracting, motivating, and retaining competent and committed people.</td>
</tr>
<tr>
<td><strong>Speed</strong></td>
<td>We are good at making important changes happen fast.</td>
</tr>
<tr>
<td><strong>Shared Mindset</strong></td>
<td>We are good at ensuring that customers and employees have positive images of and experiences with our organization.</td>
</tr>
<tr>
<td><strong>Accountability</strong></td>
<td>We are good at the disciplines that result in high performance.</td>
</tr>
<tr>
<td><strong>Collaboration</strong></td>
<td>We are good at working across boundaries to ensure both efficiency and leverage.</td>
</tr>
<tr>
<td><strong>Learning</strong></td>
<td>We are good at generating and generalizing ideas with impact.</td>
</tr>
<tr>
<td><strong>Leadership</strong></td>
<td>We are good at embedding leaders throughout the organization who deliver the right results in the right way—who carry our leadership brand.</td>
</tr>
<tr>
<td><strong>Customer Connection</strong></td>
<td>We are good at building enduring relationships of trust with targeted customers.</td>
</tr>
<tr>
<td><strong>Innovation</strong></td>
<td>We are good at doing something next in both content and process.</td>
</tr>
<tr>
<td><strong>Strategic Unity</strong></td>
<td>We are good at articulating and sharing a strategic point of view.</td>
</tr>
<tr>
<td><strong>Efficiency</strong></td>
<td>We are good at managing costs of operation.</td>
</tr>
</tbody>
</table>

Dave Ulrich and Wayne Brockbank, *The HR Value Proposition*, 2005
Characteristics of High Performance Organizations (Accenture)

- Develops effective leadership capabilities
- Creates an organization that adapts to change
- Engages and aligns multiple stakeholders
- Senses shifts in the business environment before competitors
- Generates insights into how environmental shifts affect the business
- Manages large-scale change
- Aligns workforce directly to core competence of organization
- Gives employees authority and ability to execute and act on business insights
- Encourages and facilitates experimentation and innovation
Accenture Survey

- Encouraging and facilitating experimentation and innovation
- Giving Employees authority and ability to execute and act on business insights
- Emphasizing workforces directly related to core competence
- Managing large-scale change
- Generating Insights into how environmental shifts affect the business
- Sensing Shifts in the business environment before competitors
- Engaging and aligning multiple stakeholders
- Creating an organization that adapts to change
- Developing effective Leadership Capabilities

Accenture, The High-Performance Workforce Study 2004
Regardless of Industry, There is Growing Urgency to Identify Common Characteristics that Separate Leaders From Laggards

- Leadership
- Innovation
- Shared Mindset
- Accountability
- Managing Large Scale Change
- Talent
- Execution
Understanding Execution

- Execution is a discipline
- Execution is a major job of leaders
- Execution must be a core element of a high performing organization’s culture

## Execution Doesn’t Just Happen

### High Performance Execution

<table>
<thead>
<tr>
<th>Leadership Behaviors</th>
<th>Create Framework for Cultural Change</th>
<th>Have Right People in the Right Place</th>
</tr>
</thead>
<tbody>
<tr>
<td>Know your people and your organization</td>
<td>Focus on changing beliefs</td>
<td>Define jobs in terms of 3-4 nonnegotiable criteria – what people must be able to do to succeed.</td>
</tr>
<tr>
<td>Insist on Realism</td>
<td>Behaviors are beliefs turned into action</td>
<td>Evaluate performance</td>
</tr>
<tr>
<td>Set clear goals and priorities</td>
<td>Change behavior by changing rewards</td>
<td>Take action, if needed</td>
</tr>
<tr>
<td>Follow through</td>
<td>Robust Dialogue</td>
<td>Beware of the psychological comfort factor</td>
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<tr>
<td>Link performance to rewards</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expand people's capabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Know yourself</td>
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# Three Processes at the Heart of Execution

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<tr>
<td><strong>Strategy Process</strong></td>
</tr>
<tr>
<td>• Focus attention on the hows of executing strategy</td>
</tr>
<tr>
<td>• Identify and define the critical issues behind strategy</td>
</tr>
<tr>
<td>• Question assumptions on which strategy is based</td>
</tr>
<tr>
<td>• Determine organizational capability to execute strategy</td>
</tr>
<tr>
<td>• Link strategy to Operating Plan and People Process</td>
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<tr>
<td><strong>Operations Process</strong></td>
</tr>
<tr>
<td>• Operating plan breaks long term goals into short-term targets</td>
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<tr>
<td>• Includes programs and budgets</td>
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<tr>
<td>• Challenge the assumptions</td>
</tr>
<tr>
<td>• Synchronize goals of interdependent parts</td>
</tr>
<tr>
<td>• Monitor outcomes</td>
</tr>
<tr>
<td>• Link Operating Plan to Strategy Process and People Process</td>
</tr>
<tr>
<td><strong>People Process</strong></td>
</tr>
<tr>
<td>• Performance Management: Evaluate individuals accurately and in-depth</td>
</tr>
<tr>
<td>• Leadership Pipeline: Provide framework for identifying and developing leadership talent needed in the future</td>
</tr>
<tr>
<td>• Succession plan: Fill leadership pipeline</td>
</tr>
<tr>
<td>• Link HR to Operating Plan and Strategy Process</td>
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Implications for HR

Our Plan for a Brilliant Future Will Place New Demands on HR

• Addressing barriers to organizational high performance
• Leadership development
• Workforce development
• Great place to work
• Organizational adaptability
• Human capital strategies

Changing Workforce Demographics

• Declining workforce growth
• Aging of workforce
• Women, dual career families, single parents
• Increasing ethnic diversity
• Influence of globalization
• Work, restructuring and stress
• Education advantage
HR Will Soon Face New Demands and Expectations

New Strategic and Operating Plans

Human Resources

Changing Workforce Demographics

HR Transformation

Declining Resources

$$$
HR Transformation Suggests a Significant if Not Radical Change in How HR Does Business

**Current HR**
- Consultative
- Technical Services
- Transactions Processing

**Transformed HR**
- Strategic
- Consultative and Technical Services
- Transactions Processing
  - Specialized or Low-Value Activities
  - Ineffective Processes

- Sub-Contract
- Eliminate