

**Are you WINNING with
your PEOPLE?**

*Craig Marton
Chief Executives Network
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"The team with the best players wins!"

Jack Welch

"The ability to make good decisions regarding people represents one of the last reliable sources of competitive advantage, since very few organizations are very good at it."

Peter Drucker

"The toughest decisions for most organizations are people decisions – hiring, firing, promotion, etc. These are the decisions that receive the least attention and are the hardest to UNMAKE."

Peter Drucker

Questions:

- *What percent of your time do you spend on your people?*
- *Do you personally know the top talent in your organization?*
- *Do you personally attract / recruit top talent to your organization?*
- *Do you hold leaders accountable for building organization capability?*

**Organizational Upgrade
&
Management Resource Review
(MRR)**

Organizational Upgrade

A process to continuously upgrade the ability of an organization to achieve greater performance through increasing expectations and skills.

NOT a purge system ...

Business Processes



Self Assessment:

Yes

No

- | | |
|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> My team consist of top talent – “I would put my team up against any team!” |
| <input type="checkbox"/> | <input type="checkbox"/> More than 90% of my external hires are successful |
| <input type="checkbox"/> | <input type="checkbox"/> I have the bench strength to assure a team of top talent in all key positions three years from now |
| <input type="checkbox"/> | <input type="checkbox"/> In relationship to competitors I look harder & screen harder for talent |
| <input type="checkbox"/> | <input type="checkbox"/> I act quickly to confront and resolve performance problems |
| <input type="checkbox"/> | <input type="checkbox"/> I provide ongoing coaching and development to support top talent as their jobs become more complex |
| <input type="checkbox"/> | <input type="checkbox"/> I have no chronic poor performers (C-players) |
| <input type="checkbox"/> | <input type="checkbox"/> I don't use “short-term results” as an excuse not to create an organization of top performances (Topgrade) |
| <input type="checkbox"/> | <input type="checkbox"/> I retain my best talent (A-players) by taking their pulse regularly and proactively meeting their needs |
| <input type="checkbox"/> | <input type="checkbox"/> All under performing employees have plans to become top performers (A-players) |
| <input type="checkbox"/> | <input type="checkbox"/> I realize that I can make a top performer into a poor performer by over-paying, under utilizing talent, putting people in the wrong job, and failing to develop people |
| <input type="checkbox"/> | <input type="checkbox"/> People get ahead – are promoted by the merits of their contribution to the organization, not by being part of the “Club” |

**If you answered “no” to more than 2 or 3 of the questions,
you are not Winning through your people**

De-railers ...

- *Sub-par talent will not hire top talent*
- *We think we are hiring top talent, but all we get is a good story teller*
- *I want to bring in better talent, but my current people (culture) reject them*
- *Human resources doesn't seem to be able to keep the pipeline full (internally or externally)*
- *We can't afford the best talent*
- *I do not want to fire a loyal "C-player"*
- *We are doing OK against the competition, so don't need to focus on this*

"Nothing our company does is more important than hiring and developing SUPERIOR TALENT."

Larry Bossidy

Organizational Upgrade

Key areas of focus

- Performance Management
 - Performance Planning / Goal Alignment
 - Individual Development Plans
 - Performance Reviews
- Building Organization Capability (MRR process)
 - Linking People to Business Strategy
 - Targeted Development
 - ... Getting the Right People in the Right Jobs
 - Accountability

Goal Alignment / Key Success Factors (KSF's)

Success Factor - _____

Department - _____

Issues	Metrics	20xx Objectives	Key Actions	Responsibility & Timetable	Status	Notes/Comments
<ul style="list-style-type: none"> • <i>What are the "Key Success Factor's" that must be addressed to achieve goals?</i> • <i>What are the issues to achieving the KSF's?</i> • <i>What is "metric" (needle) to be improved?</i> • <i>What is the specific "target" we want the metric to achieve?</i> • <i>What are the specific key actions that must be taken to achieve our goal?</i> • <i>Who is accountable? When will it be done?</i> 						

Organizational Upgrade

Individual development plan

- Designed to improve employee skills, abilities & performance
 - Not just for “C” employees ... for everyone
- Development is targeted to specific areas
 - First to meet current job requirements
 - Second to meet future business requirements
- Discussed, developed & agreed upon during performance review

Employees are accountable for their own development. But, the best managers assure employees get development opportunities.

Organizational Upgrade

Performance reviews

- Annually, coinciding with plan year (business cycle)
 - Unless employee performance dictates otherwise, i.e., "C" employees
- Key Success Factors (KSF's)
 - Goals, objectives & actions
- Competencies, do they correspond with business needs

*There is a difference between
"Performance Management" & "Performance Review"*

Organizational Upgrade

Training & development

- Conduct departmental / organizational needs assessment
- Develop and conduct training plan
- Re-assess (audit, etc)

Organizational Development Plan

Developmental Need	Action Steps	Responsibility	Timing
<div data-bbox="369 539 1547 819" style="border: 1px solid black; padding: 10px;"><ul style="list-style-type: none">• <i>What are the organization's overall needs?</i>• <i>What will be done to address them?</i>• <i>Who is responsible?</i>• <i>When will it be complete?</i></div>			

Management Resource Review - "MRR"

A formalized process which assesses the leadership of an organization, identifies gaps and opportunities for improvement, and identifies specific action items designed to upgrade the organization.

"At the end of the day, you bet on people, not on strategies."

Larry Bossidy

“MRR” Leadership Strategy

Key areas of focus

- Organizational assessment
- Organizational upgrade
- Rewards & incentives
- Standardize & sustain

Companies full of top talent usually experience little difficulty retaining their best talent.

Organizational Assessment

"ABC" analysis - definition

A = Consistently exceeds goals & objectives. Leads by example. Promotable, or an excellent performer with no known promotional opportunities or interests.

B = Meets goals & objectives and may exceed them in some areas. Solid performer. New employee, or experienced professional.

C = Job performance not adequate. Notable improvement is necessary to maintain position. Performance improvement plan required. May also represent an employee placement issue.

Everyone is an "A" player in the right job ...

Organizational Assessment

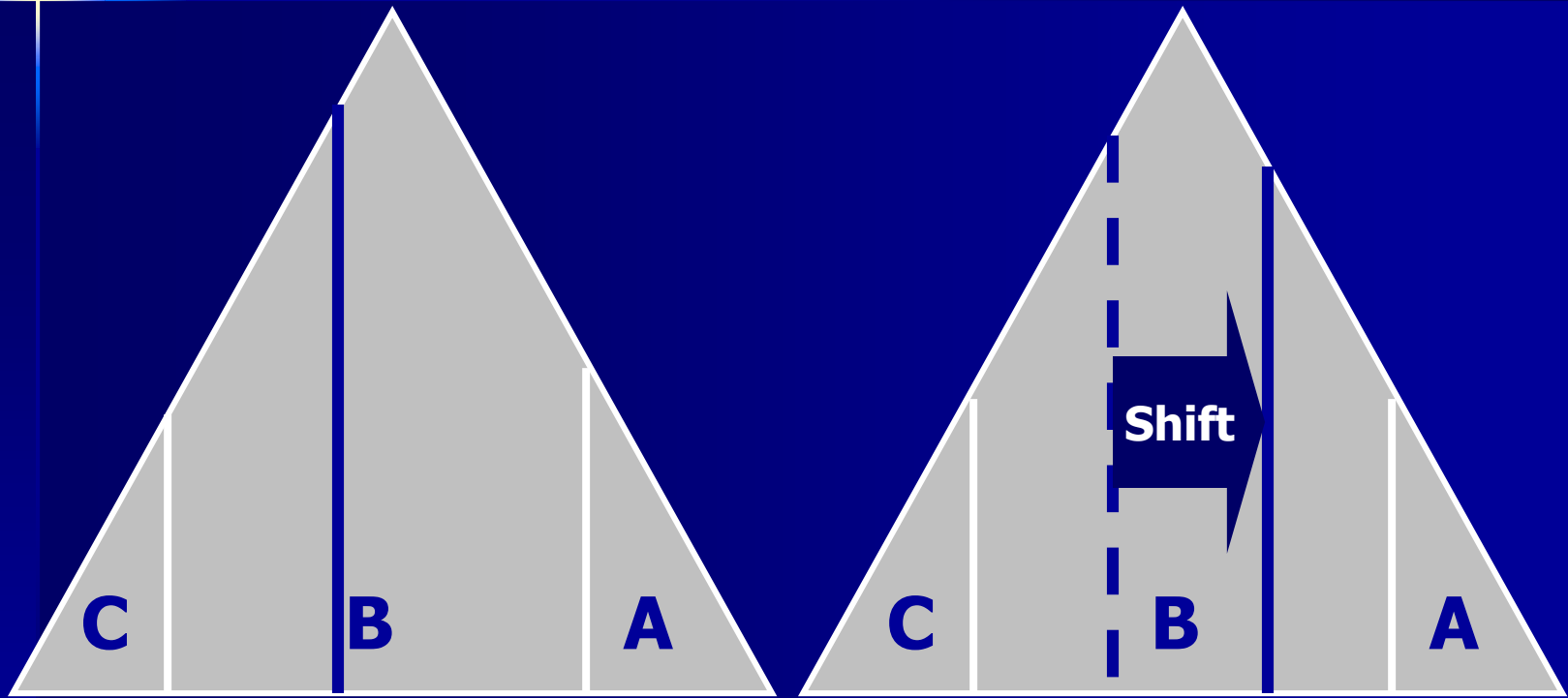
"ABC" analysis

- Evaluate all salaried employees
- Develop & implement action plan for "A's"
- Provide regular feedback to, and develop, "B's"
- Develop & implement 90-day improvement plan for "C's"
 - Conduct weekly & monthly progress reviews
 - Terminate if adequate progress is not achieved
 - If terminated, replace with high performer

Shift in Organizational Strength

Current Organization

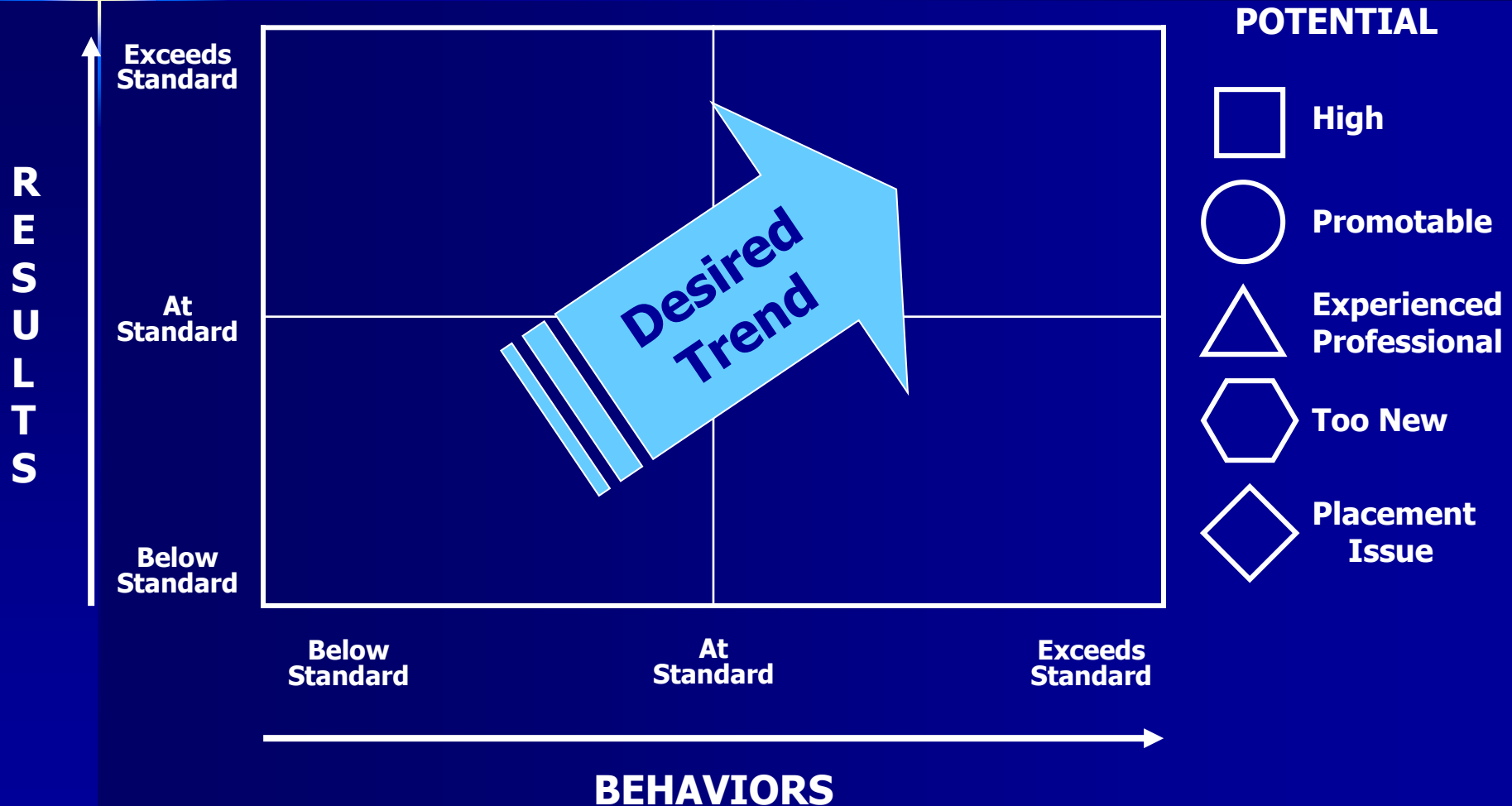
Future Organization



Theoretical "Average"

Talent Profile / Talent Assessment Summary

Leadership Assessment Summary i.e., "Windowpane" matrix



Organizational Assessment

Succession planning

- Identifies gaps and risks associated with attrition.
- Links developmental action plans for “A” employees ... including where & when.
- Managing employee development and/or attrition is the key.

Bench Strength Analysis

Example

January 20xx

		Potential Successors			
Position	Incumbent	Now	0-2 Years	3-5 Years	5 + Years
President	Jean Tom	Bill Sim (E)		T.R. Hanson	Sally Black (F)(S) Ashok Singh (M)
VP - Operations	Pat Garcia	T.R. Hanson *	Nigel Jones (S)		
					Wendy Olsen (F) Malcolm Davis(M)
VP - Sales & Marketing	April Kline	Rob Grant (E)	Tony Williams		Jose Garcia (M)
VP - I/S	T.R. Hanson	External Hire	Sally Black (F)(S)	Bob Smith Paula Jordan (F)	Peter Chow (M)
Dir. - Human Resources	Tony Williams		Janet Harkin (F) Chris Green (M)		

* T.R. Hanson also ready now for VP - Sale & Marketing

Female = (F) Minority = (M) Six Sigma (S) Emergency = (E)

Recruiting & Retention

Key areas of focus

- Salary & benefit plan
 - Formalized grades, salary ranges & descriptions for all positions.
 - Competitively determine by benchmarking.
 - Don't lose good performers due to compensation.
- Work climate / environment
 - Rewards, Recognition & Involvement.
 - ... Awards, luncheons, community involvement.
 - ... Informal leadership, decision-making roles.

Cost of 'Mis'-Hires

Problem: 50% of outside manager hires are 'mis'-hires.

- Based on an average base salary \$80,000 costs of a typical 'mis'-hire was **\$1,800,000** – about 24 times base compensation.
- 54 responses to survey – 1/2 Division Presidents or Above.
- ROI on a 'mis'-hire = (500%).

Companies included in study: Motorola, General Electric (GE), General Cable, General Signal, AlliedSignal, Con Agra, Gateway, Royal Bank of Canada, R.R. Donnelley, Office Depot, William M. Mercer, DSC Logistics, CompUSA, FMC, Viad, First of America, Carr Gottstein...and others

MRR Action Plan

Action Plan

(Organization)
(Date)

What – Key Actions	Who	When
<p>Organization</p> <ul style="list-style-type: none">•• <p>Staffing (open & anticipated)</p> <ul style="list-style-type: none">•• <p>Development / Movement</p> <ul style="list-style-type: none">•• <p>Training / Education</p> <ul style="list-style-type: none">••		

Summary Steps

- 1 – Key success factors, linked to organizational priorities & goals*
- 2 – Link compensation to performance (KSF)*
- 3 – "ABC" analysis ... always a top & bottom 10%*
- 4 – Organizational assessment*
- 5 – Individual feedback & development plans*
- 6 – Continuous Process*
- 7 – Follow-up and Accountability*

Constantly increasing expectations achieved through an increasingly capable organization.

Actions

- *Get educated about Upgrading.*
- *Get commitment and buy-in from others.*
- *Have a Process,*
 - *for Selection of Talent,*
 - *for Performance Management, and*
 - *for Developing Bench Strength (MRR).*
- *Get the skills you need.*
- *Commit to take action & measure results.*
- *CEO must lead process.*

WIN with PEOPLE !