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Baldrige Award Winning Leadership and Employee Engagement

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Objectives

- Examine the concept of Workforce Engagement
- Learn from best practices of Baldrige and other Award winners
- Explore the relevancy of this topic to your own organization



"Whether you are seeking incremental improvement to your business or are ready to undertake the quality journey associated with achieving the Baldrige Award, this is in indispensable field guide."

-SCOTT McINTYEE, Managing Partner at PricewaterhouseCoopers Public Sector Practice

LEADING THE MALCOLM BALDRIGE WAY

How World-Class Leaders Align Their Organizations to Deliver Exceptional Results



KAY KENDALL GLENN BODINSON, FACHE

Foreword by Rulon F. Stacey, PhD, FACHE, Chair, Board of Overseers, Malcolm Baldrige National Quality Award



Background on Our Book

- Approached by McGraw-Hill publishing
- Developed a proposal and placed under contract
- Interviewed more than 60 executives from 31 Awardwinning organizations in all sectors
 - Small Business
 - Manufacturing
 - Service

- -- Education
- -- Government
- -- Non-profit

- Health Care
- Very large to very small; union and non-union workforce
- Conducted research in published literature

Approach Tailored to Leaders' Needs

- Background Baldrige, Employee Engagement
- Using Data to Drive Engagement
- When You're Already a Pretty Good Organization
- Maintaining Momentum When Facing a Downturn
- The Challenges of Being a Very Large Organization
- The Challenges of Being a Very Small Organization
- Getting All of the Senior Leaders on Board
- Confronting a Culture of Entitlement
- Common Characteristics of Leaders
- Lessons Learned About the Journey

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....and additional references and resources

Workforce Engagement

- The extent of workforce members' emotional and intellectual commitment to accomplishing your organization's work, mission, and vision...
- ...In general, workforce members feel engaged when they find personal meaning and motivation in their work and receive interpersonal and workplace support. An engaged workforce benefits from trusting relationships, a safe and cooperative environment, good communication and information flow, empowerment, and accountability for performance.



Baldrige Performance Excellence Program. 2015—2016 Baldrige Excellence Framework: A Systems Approach to Improving Your Organization's Performance. Gaithersburg, MD: U.S. Department of Commerce Nationals Institute of Standards and Technology.

The High Cost of Turnover

- Recruiting, interviewing, hiring, and training costs
- Lag time to productivity
- Estimates:
 - Entry-level employees: between 30 50% of their annual salary
 - Mid-level employees: upward of 150% of their annual salary
 - High-level or highly specialized employee: 400% of their annual salary



The Current State of Workforce Engagement

- Depending on the study (and industry and type of workforce – union/non-union) highly engaged employees comprise only 24 to 30% of the workforce
- Organizations with a significant percent of disengaged workers have
 - 37% higher absenteeism
 - 49% more accidents
 - 60% more errors and defects
 - 18% lower productivity
 - 16% lower profitability
 - 37% lower job growth
 - 65% lower share price over time

Best Practices from Award Recipients

- Recruiting, Hiring, and Retaining Employees
- Preventing Workforce Reductions
- Ensuring a Safe Operating Environment
- Fostering an Organizational Culture Characterized by Open Communication, High Performance, and an Engaged Workforce
- Leveraging the Drivers of Workforce Engagement

Recruiting, Hiring, and Retaining New Workforce Members

- Using the Vision, Mission, and Values in the recruiting and hiring process
 - K&N Management
 - Mission: "To Guarantee Every Guest is Delighted Because of Me"
 Vision: "To Become World Famous By Delighting One Guest at a Time"
 Core Values: "Excellence | Quality | Integrity | Relationships"
 - http://knmanagement.com/
 - <u>https://www.youtube.com/watch?v=sW0W_FTMRV4</u>

Recruiting, Hiring, and Retaining New Workforce Members

- Using the Vision, Mission, and Values in the recruiting and hiring process
 - Midway USA
 - http://www.midwayusa.com/jobs-in-missouri
 - Concrete values

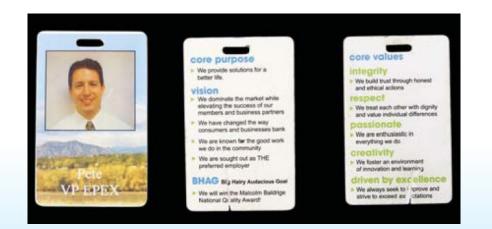




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Recruiting, Hiring, and Retaining New Workforce Members

- Using the Vision, Mission, and Values in the recruiting and hiring process
 - Elevations Credit Union



Downloadable Culture Book

Why Work at Elevations?

From a culture that values career development, work-life balance and the communities we serve – just to name a few – Elevations will be the best place you've ever worked!



Culture of Excellence

We set a goal to win the Malcolm Baldrige Award, and we did it! In 2015 we humbly accepted the award for demonstrating performance excellence in our industry. Our team of high performers accomplished this together and is excited for the next challenge ahead!

Core Values

Elevations employees believe passion is a persistent and emotionally positive state of well-being, producing consistent and constructive work intentions and behaviors. Employees possess genuine enthusiasm, true excitement for the company purpose and discover how their individual passion supports it every day. Our leaders are insightful, connected, committed to excellence, honest and straightforward. The result is a persevering and creative spirit allowing diverse experiences and perspectives to come together through a shared vision and purposeful goal.

Preventing Workforce Reductions

PRO-TEC Coating





Park Place Lexus



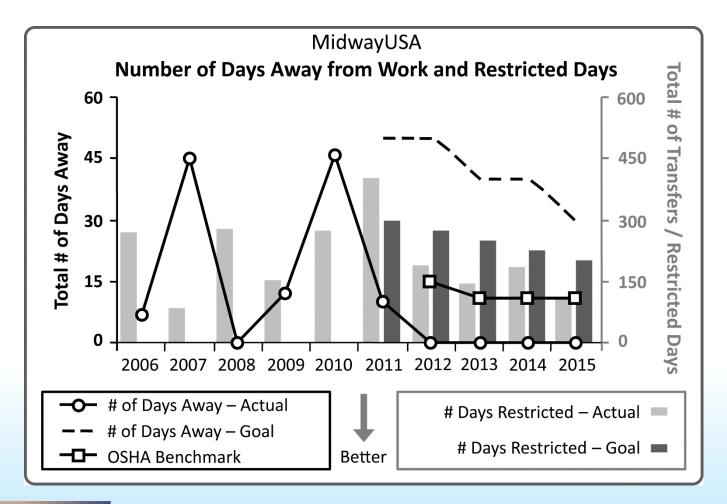
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More on Preventing Workforce Reductions

- City of Irving, Texas
 - Began using Lean Six Sigma (LSS) in 2007
 - During the economic downturn, continued to use LSS to improve productivity, reduce cycle times, and reduce costs
 - Saved more than \$44M
 - Decreased workforce by 10% through attrition
 - Gave incentives and raises, and promoted more than 600 people

https://www.youtube.com/watch?v =J8qh5howZVY

Ensuring a Safe Operating Environment



Ensuring a Safe Operating Environment

PRO-TEC Coating

Driven to lead ... safely.

What is it like to work at PRO-TEC? Watch this video and see how our self-directed work teams empower PRO-TEC associates through a culture of ownership, responsibility and accountability.

http://www.proteccoating.com/associates-video/

Their focus is to provide not only quality products for customers, but to embody an industry-leading commitment to safety in the workplace.



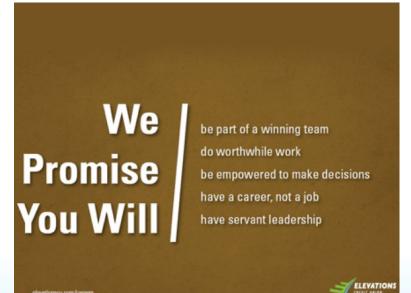
Fostering an Organizational Culture Characterized by Open Communication, High Performance, and an Engaged Workforce

- We never asked a question about culture
- <u>Every</u> leader we interviewed for this book talked about their organization's culture
 - They were intentional about the culture
 - It related explicitly to the vision and mission
 - It was shaped by the values
 - It led to engaged and empowered employees

Fostering an Organizational Culture

Elevations Credit Union





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Fostering an Organizational Culture

Elevations Credit Union (continued)



ELEVATIONS



We take our fun seriously

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Open Communication

City of Irving, Texas

Face-to-Face Communication

- Town hall meetings
- Stand ups/Huddles
- Ride alongs
- Leader rounding
- Department meetings
- One-on-one meetings
- Employee groups



Print, email, online Communication

- Employee Newsletters
- Operations Report
- Weekly news email
- Intranet
- cityofirving.org
- Videos





High Performance

- Connecting every person to the strategic objectives (what is most important) of the organization
- Using data to communicate progress and identify issues
- Recognition for achieving goals
- Investment in training and development
- Focusing on the drivers of workforce engagement (more about that in a minute)



Engaged Workforce

City of Irving, Texas





Leveraging the Drivers of Workforce Engagement

- Fact: Companies that survey employees at least every other year report about 50% of their employees as "Champions" versus only 29% for those who don't regularly survey their employees or survey them at all.
- Informal methods of assessing workforce engagement
 - Attendance at voluntary meetings or events
 - Absenteeism
 - Accidents
 - Grievances

Leveraging the Drivers of Workforce Engagement

- Focus on what matters most all workplace factors are not equal
- Validate the drivers through meetings with small groups of employees
- Develop action plans and make them visible to employees
- Increase trust in senior leaders



What One or Two Actions...

- Will you take tomorrow?
- Next week?
- Next month?

Questions? How can I help you?

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