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THE ALLIANCE FOR PERFORMANCE EXCELLENCE NEWSLETTER
THE PREMIER RESOURCE FOR A THRIVING BALDRIGE COMMUNITY

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"Enhancing Our Members' Ability to Grow Baldrige-based Performance Excellence"

www.baldrigepe.org/alliance



A Message from the Chairman

Brian Lassiter, Chair
Alliance for Performance Excellence &
President of the Performance Excellence Network (MN, ND & SD)

The Alliance is Gaining Speed!

www.baldrigealliance.org

Hello and Happy New Year (can you say that in February still?!). I am honored to be elected as your chair for the next two years – I sincerely appreciate your trust and confidence, and I am committed to helping to guide the Alliance forward into the future.

I want to thank Liz Menzer (WCPE) for her leadership the last two years as chair. I believe the Alliance has evolved and grown in many important ways, thanks to her efforts – and thanks also to the many others who volunteer tirelessly to sustain the Alliance (while also managing their individual Alliance member programs!).

There is a great deal going on within the Alliance (just read the rest of the newsletter!), but let me share just a few key items that relate to us all:

- Your Alliance leadership – the Board and Leadership Committee (for those new to the Alliance, a subset of the Board) – has been working the last couple of months to help (re)shape the Baldrige Enterprise’s future, as well as the Alliance’s vision and strategy moving forward. (For those new in their roles, the Baldrige Enterprise is the collaborative of the Alliance and all of our member programs, the Baldrige Program, the Baldrige Foundation, and ASQ.) We’ll share some emerging details at our Alliance meeting at Quest for Excellence...which is...
- April 8-11 in Baltimore! Most of us know, but for the few new Executive Directors: Quest is the national program’s annual conference, which will feature the five most recent Baldrige recipients along with dozens of other past recipients. It’s an opportunity to celebrate excellence across the US, learn from role model organizations, and network with about 1000 leaders/professionals interested in performance excellence! It’s also one of two times the Alliance comes together in person. **Plan on joining us Sunday, April 8 from roughly 1:00-4:00PM ET** for Alliance meetings (some of that time will be a board meeting and some all-members – details will be sorted out and shared soon). Please also remember to market this powerful event in your networks: it’s one of our responsibilities as partners with BPEP (and it earns us each a comp seat for doing so!).
- While we’re speaking of conferences, the Alliance is pleased to partner with the Baldrige Program again this year to host this year’s Baldrige Fall Conference! Last year was the first time BPEP trusted the Alliance to manage this important event – it went extremely well, and we’re honored to continue to support this product. Through an RFP process, the Alliance selected RMPEX and WCPE to manage the conference on behalf of the Alliance. The conference will be mid- to late-October (date nearly finalized!) in Denver. Plan on coming; plan on marketing it to your networks; and please DON’T plan hosting your own events mid/late October if possible (so we don’t compete “within the family!”). Details forthcoming.
- Many of you have asked me about the federal budget that was just passed by Congress a couple of weeks ago – and what impact that has on funding for BPEP and the Enterprise. I talked with Al Faber (President/CEO of the Baldrige Foundation), and he indicated that congressional sub-committees are now determining how to allocate the budget that was approved. So we don’t yet know if there will be funding for Baldrige in FY 2018, but likely will know something by the end of March. The Foundation continues its work of advocacy in both sides of Congress and with both political parties. Thanks to all of your programs who have helped in cultivating relationships with Congressional leaders in your states/districts; the Foundation may call upon us again to see this through!
- Finally – and this may be a nit, but really important: a reminder that the Alliance purchased the rights to two online assessment survey products (Baldrige Express and Baldrige Explorer) two years ago. These are powerful products, in that they help organizations identify and prioritize OFIs quickly with less resource and effort – a great “entry-level” diagnostic to get organizations using Baldrige. They are also valuable revenue generating products for each of our programs. So if you’re not actively selling Baldrige Express in your markets, consider doing so! Much more information – including a sales/delivery process, template sales flyers, samples of output deliverables, and a recorded webinar – are all in Box.com. Take advantage of this product – it’s valuable for your customers and your programs!

That’s all for now. I very much look forward to working with you all in the coming year, and we’ll see you in Baltimore!

Brian Lassiter, Chair (PEN/MN)

The Alliance for Performance Excellence has a new website!!



The Journey to Performance Excellence Start Here

Home About Us Membership Alliance Programs Library Contact Us



It includes the interactive state map and listing of Alliance Programs and Services. Please visit the new website at: <https://www.baldrigealliance.org>

Thanks to Geri Markley, Alliance Treasurer for taking the lead on this!

Make sure to change the web address in your personal favorites / settings AND program/organization website links.

Update the link from <http://www.baldrigepe.org/alliance/> to <https://www.baldrigealliance.org>

Alliance Membership and Board of Director Meetings at Quest for Excellence Conference

In order to accommodate travel and allow for participation in the variety of activities happening at Quest **Sunday, April 8, Alliance members are invited to attend any or all of the following:**

- 2:00-4:00 PM Alliance member discussion (including updates from BPEP, Foundation, COE)
- 4:00-5:00 PM Alliance Board meeting (all members welcome to attend)
- 6:00-8:30 PM Award ceremony and dinner



Baldrige News Updates

[Register today](#) for the [30th Anniversary Quest for Excellence® conference](#) April 8-11, 2018 in Baltimore, MD and learn best practices from the [2017 Baldrige Award recipients](#), as well as 12 former Award recipients!

Come celebrate the Baldrige Program's 30th Anniversary and take home solutions to help your organization achieve breakthrough performance and results. Take advantage of conference sessions and activities including:



- The Baldrige Award Ceremony, which will honor the 2017 Award recipients on Sunday, April 8.
- An opening plenary session featuring the senior leaders of the 2017 recipients as they share role-model leadership practices.
- A keynote presentation on Wednesday April 11 by [Seth Mattison](#), Founder and Chief Movement Officer of FutureSight Labs. Seth is an internationally renowned expert on workforce trends and generational dynamics.
- 50 sessions featuring current and former Baldrige Award recipients from all sectors sharing their proven performance management practices and real-world insights in strategy, customers, workforce, and many more areas important to business success. [Visit the Quest home page to see the list](#) of former recipients participating, as well as the organizations being recognized for Category Best Practices.
- [Baldrige Criteria Pre-Conference Workshops](#) on the afternoon of April 8 for beginner and intermediate users of the Baldrige Criteria.
- The [Baldrige Cybersecurity Pre-Conference Workshop](#) on Sunday, April 8. This will be a practical, interactive workshop on how to conduct a self-assessment of an organization's cybersecurity program, utilizing the [Baldrige Cybersecurity Excellence Builder](#).
- Opportunities to network with and learn from Baldrige recipients, applicants, examiners, [Alliance for Performance Excellence program representatives](#), as well as Baldrige experts and users in all industries.
- Opportunities to meet the [Quest sponsors](#).

[Register](#) by March 12 for the \$125 early bird discount and [book your stay today](#) at the Marriott Baltimore Waterfront at the special attendee rate.

For more information about the Quest for Excellence Conference, visit the [conference webpage](#). For questions, contact the Baldrige Performance Excellence Program at (301) 975-2036 or baldrige@nist.gov.

BLOGRIGE

the official Baldrige blog



[Start Using the Baldrige Cybersecurity Tool: Here's Help](#)

Posted By Christine Schaefer

The Information Security Team of the University of Kansas Medical Center (KUMC) began using the [Baldrige Cybersecurity Excellence Builder](#) (BCEB) last spring to assess their information security work.

A previous blog [detailed six phases](#) of their beginning use of the Baldrige cybersecurity resource, which can complement an organization's use of the [NIST Cybersecurity Framework](#).

To help other organizations understand the benefits and learn one way to get started using the BCEB, here are key points from a group interview of KUMC's information security staff (plus cross-functional leaders supporting the BCEB work).



- [How the BCEB Supports Cybersecurity Efforts](#)
- [Approach to Using the BCEB](#)
- [How the BCEB Adds Value](#)
- [Benefits from Using the BCEB](#)
- [Sample Communication to Prepare Staff Members](#)

[Continue reading...](#)

[Top Tips for Preparing Tomorrow's Leaders](#)

Posted By Dawn Bailey

With more and more Baby Boomers quickly reaching retirement age, the Forbes Coaches Council recently released its [top tips for preparing the next generation of leaders](#) (link is external). Its number one tip: plan ahead.

The council's guidance aligns with succession planning in the [Baldrige Excellence Framework](#), which probes how an organization manages career progression for its workforce and future leaders. The framework also highlights the role of senior leaders in participating in organizational learning, the development of future leaders, succession planning, and recognition opportunities and events that celebrate the workforce. Succession planning in the Baldrige framework is important enough to be part of the core value "Focus on Success," which includes developing leaders, workforce, and suppliers; and accomplishing effective succession planning. Effective governance processes also include succession planning.

The Forbes Coaches Council offers 13 tips regarding succession planning:

1. Don't Wait to Start
2. Develop a Buy-and-Build Strategy
3. Train Senior Leaders How to Effectively Coach and Mentor
4. Encourage Collaboration

[Continue reading...](#)



BLOGRIGE

the official Baldrige blog



[A Project to Save and Enhance Lives Through Excellence](#)

By Dawn Bailey

Almost 120,000 individuals are listed on a registry awaiting life-saving organ and tissue transplants, and every 10 minutes, someone is added to that waiting list. With the need for organ donation so great, many organ procurement organizations (OPOs) are looking for innovative practices to increase the number of transplants. Baldrige resources are one place they are looking. [Continue reading ...](#)



[A Hospital, a Hurricane, and "This Crazy Thing Called Baldrige"](#)

By Christine Schaefer

When Memorial Hermann Sugar Land Hospital earned the Baldrige Award in 2016, it boasted results such as

- Top 10 percent ranking nationally for emergency center arrival-to-discharge time, compliance with regulations to reduce medication errors, bed turnaround times, radiology and laboratory result turnaround times, and use of computerized physician order entry
- Workforce retention rates of 90 percent for employee partners, 100 percent for physician partners, and 90 percent for volunteer partners, all of which were comparable to or exceeded national benchmarks that year
- Highly favorable patient ratings—in the 90th percentile of Press Ganey comparison data—indicating customers were especially “likely to recommend” the hospital’s day surgery, emergency care, gynecology, orthopedics, and women’s health services and departments
- Three-year operating earnings (before interest, depreciation, and amortization) that exceeded Standard and Poor’s (S&P) national median for “AA”-rated nonprofit hospitals, plus an operating margin that met or exceeded the S&P benchmarks for the same group for four year



[Continue reading...](#)

[On Innovation, Intelligent Risks, and Leaking Sinks](#)

By Harry Hertz “The Baldrige Cheermudgeon”

The [Baldrige Excellence Framework](#) encourages organizations to create an environment for innovation through pursuing intelligent risks. How do you know whether a new idea is an intelligent risk, and therefore worth pursuing? How do you know if the resulting change is an innovation? An experience from my early days as a bench chemist—which involved a creative solution to a leaking sink—shows that not all out-of-the-box ideas are intelligent risks leading to innovation.



[Continue reading...](#)



Foundation Awards for Leadership Excellence to be Presented at Quest

The Foundation for the Malcolm Baldrige National Quality Award announced its inaugural class of recipients of the Baldrige Foundation Leadership Excellence Awards.

- Deborah Bowen, President and CEO of the American College of Healthcare Executives, in the Health Care sector
- Russel Branzell, President and CEO of the College of Healthcare Information Management Executives, in the Cybersecurity sector
- Lee Butler, Director of Performance Excellence at Don Chalmers Ford in the Business sector
- Dr. John Dreyzehner, Commissioner of Health for the State of Tennessee, in the Government sector
- Bennie Fowler, former Group Vice President, Global Quality and New Model Launch at Ford Motor Company, in the business sector
- Julia Gabaldon, Founding President and CEO (retired) of Quality New Mexico, in the Non-Profit sector
- Katie Rawls, President and CEO of the Tennessee Center for Performance Excellence, in the Non-Profit sector
- Brent Ruben, Distinguished Professor of Communication, School of Communication and Information, Rutgers-New Brunswick, and University Executive Director of the Center for Organizational Development & Leadership, in the Education sector



The Foundation Board of Directors authorized the awards to recognize outstanding leaders in all the Baldrige Award sectors who provide exceptional support to Baldrige and the mission of the Foundation.

Advocacy Update

Following an intense year of work on Capitol Hill, the Foundation was able to work with the Senate Commerce, Justice and Science appropriations subcommittee to get support for \$2.2 million for BPEP in the Senate version of the bill for Fiscal Year 2018.

“While that is very good news,” said Foundation President and CEO Al Faber, who has been working the Hill, “it is only a first step. We need the House to agree to keep the funding in Conference Committee and send the measure to the President for signature.”

Please continue to call and write your Senators and Representatives and ask them to support funding for Baldrige. For help in how to do that, click here: <http://baldrigefoundation.org/get-involved/write-to-congress.html>

Foundation President and CEO to Keynote Business Transformation & Operational Excellence World Summit

Foundation President and CEO Al Faber will be a keynote speaker at the 2018 Business Transformation & Operational Excellence World Summit in March in Orlando.

Al Faber
President and CEO
Foundation for the Malcolm
Baldrige National Quality Award



On July 14th, 2014, Al Faber was named President and CEO of the Baldrige Foundation. The Mission of the Baldrige Foundation is to ensure the growth and viability of the Baldrige Performance Excellence Program, and to support organizational performance excellence in the United States and throughout the world. Mr Faber will be giving a rare keynote address at BTOES18 on the **changing face of Operational Excellence**, and the new role that Excellence plays in our ecosystem.



Appearing with nearly 1,000 international professionals and experts in operational excellence, Mr. Faber will be outlining the role of the Baldrige Excellence Framework in organizational and operational excellence, including how Baldrige can help a leader determine which of the many excellence approaches are right for a given organization at a given time.

Foundation Board Authorizes Dr. Curt Reimann Baldrige Scholarship

The Dr. Curt Reimann Baldrige Scholarship was authorized by the Baldrige Foundation Board of Directors in 2017. Recipients must be students or have graduated within the past 12 months from an advanced degree program. The Scholarship will enable the recipient to attend the Baldrige Examiner Training Experience (BETE) held at the campus of the National Institute of Standards and Technology (NIST).

The intention of this scholarship is to help instill an understanding of the Baldrige Excellence Framework in people going into various professions to help expand the awareness and application of the Baldrige Framework.

Scholarship recipients will be paired with a mentor to guide them through the process in addition to the funds they will receive to cover the costs associated with the attendance at BETE.

Details are still being worked out but look for a formal unveiling at Quest in April.

Partners in Performance Excellence (PiPEX)

Submitted by Bill Self, Executive Director, PiPEX Board



New Board Members Added at Partners in Performance Excellence –

PiPEX added highly qualified directors to its Board from:

- VA Boston Healthcare Association
- Cambridge Health Alliance

Both organizations are examples of how Baldrige leadership principles have driven the success of their organizations.

An outstanding PiPEX applicant organization was recognized as one of the 2018 World's Most Ethical Companies and also received the designation as the Most Beautiful Hospital in America.

Examiner Training is scheduled in the Boston area for April 26-27, 2018. Individuals interested in attending may register at our website, www.partnerspex.org



In her unending passion for excellence, Pattie Skriba embarks on her journey as Chief Judge for the ILPEX Recognition Program

Early this year, Pattie Skriba was named as the newly appointed Chief Judge for the ILPEX Recognition Program's Panel of Judges. The [Panel of Judges](#) is responsible for validating the integrity of the ILPEX Awards for Excellence recognition cycle and determining recognition levels for each applicant. Pattie will be championing the panel composed of experts selected from all industry sectors and geographic regions across the state of Illinois.

In her current role as the VP of Business Excellence at [Advocate Good Samaritan Hospital](#), a 300-bed acute care hospital in Downers Grove, Illinois, Pattie is responsible for overseeing the operations improvement (lean) function and facilitates the integration of the Baldrige criteria into business operations. She was involved with Good Sam's multiple awards through the ILPEX Recognition Program, as well as played a key role in their 2010 Malcolm Baldrige National Quality Award recognition. Pattie is known for her energy, innovation, and results-orientation in her professional life; as well as her passion for the outdoors, biking, and travel.



Continually inspired by the pursuit of excellence and other likeminded individuals, Pattie shared her perspective on what becoming Chief Judge means to her. "Someone once told me that 'Pursuing excellence means being your best...being better tomorrow than you were yesterday...it means matching your practice with your potential.' This is what I believe our role in the ILPEX Recognition Program is about - attracting organizations to pursue the journey to excellence, providing them with a doable blueprint, and inspiring them towards reaching their potential."

Pattie has served for several years as a volunteer Examiner for the ILPEX Recognition Program and three years on the Panel of Judges. She has also been actively involved at the national level with the Baldrige Fellows Program.

"Pattie was a fantastic candidate to become the new Chief Judge for the ILPEX Recognition Program," said Ben Krupowicz, the program's Executive Director. "With her extensive experience with performance excellence, as well as her ability to be a champion of the volunteer Examiner network, Pattie will be instrumental in guiding this year's focus on making critical improvements to the recognition cycle overall. Through feedback from former Examiners and Judges, we have identified refinements needed for the cycle to continue to be a success well into the future. Pattie will ensure that success is realized."

Please join IMEC in congratulating Pattie as the new Chief Judge for the [ILPEX Recognition Program](#)!



EXAMINER TRAINING IS NO LONGER ENOUGH – WE WANT MORE!

That is what the Board of Directors said at the last regular Board Meeting. Some organizations who have regularly sent Examiners have said the same thing.

The Board and the senior leaders at our organizations told the CEO that they wanted to have an Examiner, but really desired an organizational improvement coach. They wanted MORE!

A new Examiner on the Board in a Junior Board role said he would send more people to Examiner training last year if he had understood what an Examiner was in the first place. He wanted MORE for his organization!

So, this next year in Examiner Training the Quality Texas Foundation is going to include components of the curriculum about how to lead the boss, lead the organization, and more about how to lead even if you are not in charge.

There are a host of articles in the Harvard Business Review discussing what an internal coach includes. An internal coach must be well read, a futurist or one who looks down the road about 3-5 years at a minimum, a person who never stops learning, and finally a person who can have courageous conversations with the senior leaders.

This will require some retooling of the curriculum but can easily be done. The decision on what and how much can be included will be critical. Surveys will have to be done to see if the new curriculum was adequate or if there should be some specific training for Internal Coaches. We all still need the Examiner to help with our core mission.

Again, listening to the customers (which is what we all do right?) indicated some topics for inclusion. Some of the topics included:

- (1) How do we effectively do strategic planning?
- (2) How do we involve staff in doing great preliminary work and presenting scenarios to solve difficult problems?
- (3) How do I allow and encourage my subordinate leaders to make decisions on problems at their levels?
- (4) How can I encourage my employees and subordinate leaders to have courageous conversations and disagree with me sometimes?
- (5) How can I get my subordinate leaders to bring date when they bring problems?

These and other topics will be discussed in our training. The biggest two discoveries surround accomplishing staff work (let them work on their problems) and having courageous conversations (tell me the truth from your position and disagree with the boss if warranted).

So, our training will change and will be expanded to work on the above questions. My major concern I expressed to the senior leaders/Board members is whether they will trust these Internal Coaches/Examiners to assist them and encourage their development. They need to know a two-way street must exist if this Internal Coach is going to maximize their efforts.

But if this does work, it may give Alliance members another source of income if we can teach internal coaching duties along with becoming an Examiner. This also may make us more relevant to all types of organizations in the future.

Rocky Mountain Performance Excellence (RMPEX) is pleased to announce the appointment of Heidi A. Heltzel as Executive Director.

Heltzel, a member of the Malcolm Baldrige National Quality Award Board of Examiners, is an experienced business and organizational management strategist who builds and repositions both healthy and troubled organizations for stronger growth opportunities. Among her accomplishments, Heltzel led the turnaround of Can Do Multiple Sclerosis, a national non-profit, to achieve explosive growth in program delivery, funding and brand recognition. Before joining Can Do MS, she co-founded and was Executive Director of the American Transplant Foundation. Previously, Heltzel was the Vice President of Governmental Affairs at the Colorado Association of Commerce and Industry (CACI), the State Chamber of Commerce, serving as the spokesperson for industry at the state legislature.



Scorebook Navigator

RMPEX has started development of a roadmap for a Scorebook Navigator 2.0, a success product to the existing examination product. The current product is based on a design that is about 10 years old and reflects the way in which systems were built at that time. The key focus of the update is to upgrade the functionality of the product to provide more flexibility to Baldrige and other quality programs.

Some of the key planned updates in a 2.0 product include:

- Acceptance of secure electronic award applications;
- Supporting flexibility in the process and results rubrics beyond the ADLI LeTCI models;
- Enabling flexible team review processes such as fast pass reviews and the use of click-on rubrics;
- Providing structures for a rich level of feedback on the organizational profile; and
- Security changes to leverage state of the art cloud computing security models.

2018 Baldrige Fall Conference

RMPEX and the Wisconsin Center for Performance Excellence are excited to co-host the 2018 Fall Conference in Denver in October. Stay tuned for details that will be announced soon.

Please contact Heidi Heltzel, RMPEX Executive Director at executivedirector@rmpex.org with any questions regarding these or other items of interest.

Southwest Alliance for Excellence (Arizona, Nevada & Utah)

Submitted by Karen Shepard, Executive Director, SWAE



PERFORMANCE EXCELLENCE PROGRAM

The Southwest Alliance for Excellence (SWAE) Performance Excellence Program recognized three organizations on February 6, at the Program’s annual Awards Ceremony. The banquet was held at the Dragon Ridge Country Club in Henderson, NV.



Types of Awards

Organization Level Awards—Level 4 is modeled after the Malcolm Baldrige National Quality Award and based on the Baldrige criteria. *The Pinnacle Award for Excellence* recognized organizations that have mature and fully deployed quality systems within their operations, that demonstrate a commitment to continuous improvement and have a sustained significant record of performance. *The Pioneer Award for Excellence* recognizes organizations that demonstrate effective, systematic ap-

proaches that are aligned with the organizational needs. *The Category Award* recognized organizations in one or more of the six Baldrige process categories. The organization will achieve recognition based on its performance in that category and the results related to that performance.

Tiered Organizational Levels 1, 2 & 3

Level 1—Beginning Level—Interest with Coaching (*Recognition*)

Level 2—Intermediate Level—*Commitment Award*

Level 3—Advanced Level—*Achievement Award*



Process Level Award—The *Showcase in Excellence Award* recognizes a team for one specific process that could be innovative or a cutting-edge approach.

Recipients for the 2017 Performance Excellence Program are:

Organization Category Award: City of Henderson, NV (Category 1 “Leadership” & Category 5 “Workforce”)

Organization Category Award: Nathan Adelson Hospice, Las Vegas, NV (Category 5 “Workforce”)

Achievement Award: Yuma Regional Medical Center, Yuma, AZ



Leadership Recipient & Examiners are Honored with Recognition Awards

The recipient of the SWAE 2018 Leadership Award: **Amanda Goodson**, Senior Manager, Program Management Excellence, Accelerating Talent Office of Raytheon Missile Systems, Tucson, AZ was announced at the Award Banquet. The “Examiner of the Year” was **Courtney Ophaug**, the “Lead Examiner of the Year” was **Regan City**, and the “Rookie Examiner of the Year” was **Hillary Conroy**.

Amanda Goodson, 2018 SWAE Leadership Award Recipient

The Partnership for Excellence (Ohio, Indiana & West Virginia)

Submitted by Margot Hoffman, TPE President & CEO

2018 Third Thursday Webinars!

The Partnership for Excellence continues to offer complimentary webinars on the third Thursday of each month at 11:00 AM Eastern time. The webinars have been very well received and provide information to assist organizations on their performance excellence journey. In January, Master Black Belt Tracy Owens led a webinar on “Innovation – Quality for Tomorrow” in which he shared how quality professionals can stimulate innovation in their organizations. In February, Doug Collins, Chief Solutions Architect with Spigit, Inc., presented a method for creating a culture of innovation and how to establish an innovation management system using an eight step approach. Videos of TPE’s monthly webinars can be viewed at <https://vimeo.com/partnershipforexcellence/videos>

On March 15th, Edwin Boon with the Rendement Group, will present an introduction to the Metric of Urgency™ Way, which is a methodology designed to work within any process improvement framework and deliver meaningful impact. MoU Way links business strategy to operational execution using seven key components to solve strategic challenges. Register for this webinar at <https://attendee.gotowebinar.com/register/5383692001821659138>

To learn about future Third Thursday webinars, visit our website at http://thepartnershipforexcellence.org/events_calendar.html

Article on Human Resource Processes

Submitted by Wayne F. Foraker, SHRM-CP, LSSGB (Baldrige Fellow)



Optimizing HR Processes Is Critical To Performance Excellence

The HR profession is hearing the call to optimize HR processes; but what does optimization really mean? In my current role, I was hired to help optimize HR processes so I should know, right? Let me defer to Merriam-Webster which defines optimization as “an act, process, or methodology of making something (such as a design, system, or decision) as fully perfect, functional or effective as possible”.

Like many HR organizations, there is a relentless drive to be a strategic partner to the business of the organization. For many organizations, especially those larger in scale that change is not only broad and deep, but is global in reach. To provide HR services, organizations must use resources like money, materials, labor, time, and information. The goal is to provide the greatest amount of value to customers while utilizing the least amount of organizational resources. The idea of adding value to the services provided is a key concept of Lean and is typically defined as ‘anything for which the customer would be willing to pay for or, in the case of a service, wait for’. In the HR world I could modify this definition to ‘anything the customer is willing to tolerate that produces an outcome that is useful, fair and unbiased, and contributes to the strategic goals of the organization.’ If what HR provides is not something the customer believes holds these aforementioned attributes and is not willing to wait for, then we are not providing value to the customer.

Any time we begin analyzing a process, we first look at the current state of the process, document each step, and then determine if the activities are contributing to the value of the desired output. This type of baseline analysis is referred to as business process mapping (or modeling) and must be done before we can begin to design the future state of the process. Process redesign can also be driven by a re-organization necessitating the realignment of duties associated with the steps within a process.

Article on Human Resource Processes

(continued)

Each step in the process can be classified into one of three categories:

- Value-added
- Non-value added, but necessary
- Non-value added (waste)

Value-Added Steps

Value added steps in a process are those in which something is added to the HR service for which the customer would be willing to wait for. These activities are where we gain the most from expending resources when providing a product or service. Take an organization's onboarding process for example. There are several steps in the process where the applicant is completing a lot of paperwork, but the hiring manager (customer) is only willing to wait a certain period of time for the applicant to walk through the doors of their department to begin work. In this case, only those steps in the process that contribute to the applicant walking in the manager's department would be considered value added steps.

Non-Value Added But Necessary Steps

Just because a process step is not value-added does not mean it is a bad thing. Processes all include steps that do not add value, but are necessary to make the product or service happen. It has been my experience that the majority of activities in service processes fall into this category. They do use resources, so you want to reduce the amount of non-value added work whenever possible. Often, this type of activity fulfills some sort of administrative purpose such as enabling value added steps, maintaining organizational records, or meeting legal or regulatory requirements.

Looking at the onboarding example, when a manager wants a new FTE they must go through multiple steps that will launch the process to fill the empty seat. As far as the manager (as a customer) is concerned, these preliminary steps are non-value added because they do not directly result in a new employee walking into their department and would not be willing to tolerate these preliminary steps to the onboarding process. These steps are necessary because they enable the HR staff to start the process, verify that the candidate is qualified, and eligible to work for the organization. Without this step, the realization of a new employee would not be able to happen.

Non-Value Added Steps (Waste)

The third category that process steps can fall into is pure waste. In these steps, resources are expended, delays occur, and no value is added to the product or service. Customers are absolutely not willing to tolerate these activities in a service based environment. These steps should be eliminated from the process. The onboarding process is likely not perfect but after careful analysis, contains little waste in all of the steps that comprise the process.

Lean identifies seven or eight types of waste, depending on whom you talk to. I am one of those who identify eight types of waste. These are: Defects, Overproduction, Transportation, Waiting, Inventory, Motion and Processing.

As an HR professional, I hear much about a possible eighth waste, and that is underutilization of staff in terms of skills or knowledge.

As we look across the HR spectrum look at the services we provide and the effort that goes into them, we must take a closer look at what each task in a process is contributing to the result that our customer is expecting. Focus on the work that provides value to our customers, minimize non-value added, and do everything possible to eliminate wasteful activities. We must add metrics (KPIs) to help us determine how our processes are performing against the performance standards we have established for the process. After all, significant research reveals HR customers everywhere are coming to expect the same level of "retail" experience they experience in the world of consumerism. I welcome your questions or comments at wfforake@yahoo.com.

About the Author: *Wayne holds an MBA with an Organizational Behavior specialty, is currently serving in the role of Second Vice President and Sr. Consultant Business Process Management, for Human Resources at Northern Trust Bank in Chicago, IL. Wayne is a SHRM-CP, Lean Six Sigma Green Belt, and is a Fellow and past Examiner with the Baldrige Performance Excellence Program within NIST, and agency of the U.S. Department of Commerce. Wayne previously served on the Board of Directors for the Southwest Alliance for Excellence as well on the Board of Directors for the Alliance for Performance Excellence.*