management focus

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Welcome to Management Focus

… and welcome to the July/August issue.

In 2001 Providence Health Care revisited and reconfirmed its mission, vision and values. This exercise prompted executive discussion regarding the extent to which the organization actually lived those statements. One outcome of this work was a decision to develop intentional strategy that would enable the organization to more successfully live its value of excellence.

Providence places great importance on its projects to help build the culture at PHC. Projects build teams, create knowledge and experience with the methods and tools of quality, identify current and future leaders, and build confidence and capacity to make further improvements. Read our featured article to discover what it is that enables Providence to be the only organization in Canada to have received four consecutive 3M Health Care Quality Team Awards.

Marc Effron is President of the Talent Strategy Group and he has worked for, and consulted to, some of the world's largest and most successful companies including American Express, Bank of America, Fidelity and Philips Electronics. Miriam Ort has held leadership positions in talent management and human resources in the HR organizations of *Fortune* 500 companies. She is currently a senior human resources manager at PepsiCo.

In this interview Marc and Miriam discuss their book, *One Page Talent Management*, which attempts to solve the puzzle of, and offer a solution for, why organizations aren't more effectively growing their talent despite the availability of well-proven techniques and practices.

Finally, our latest issue of *Management Matters* discusses the subject of performance appraisals.

Remember, log on to our website at: **http://first.emeraldinsight.com** to expand on the topics highlighted in this issue of *Management Focus*.

Best wishes,

Debbie Hepton

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Quality improvement at Providence Health Care

Providence Health Care is a health care organization located in Vancouver, British Columbia. Providence includes two acute care sites, one rehabilitation facility, five residential care homes, one hospice site, one assisted living facility and six community dialysis clinics.

In 2001 Providence Health Care revisited and reconfirmed its mission, vision and values. This exercise prompted executive discussion regarding the extent to which the organization actually lived those statements. One outcome of this work was a decision to develop intentional strategy that would enable the organization to more successfully live its value of excellence.

Commitment to excellence

The Commitment to Excellence Plan was developed in 2002 to create the infrastructure required to build a culture of quality improvement. Based on the quality improvement principle of "steal shamelessly" the plan articulated the following goals:

(1) From the perspective of the people served, the culture will be characterized by:

• no needless death;

• no needless pain;

• no helplessness;

• no unwanted waiting; and

• no waste.

(2) From the perspective of those who serve and assist, the culture will be characterized by:

- the will to improve the experience of those served;

- the involvement of everyone;

- a focus on processes and systems;

- continuous learning; and

- evidence-based decision making.

Considerable progress has been made in all dimensions of quality across the organization. However, as recognized at the time the goals were established, this is a long journey and further work remains to fully achieve them.

Accountability and performance improvement

An initial component of the strategy was to establish the Providence Health Care (PHC) Accountability and Performance Improvement Framework. The framework links improvement activity to the organization's Mission, Vision and Values, strategic directions, and the performance metrics and targets of PHC, the Ministry of Health, and the Vancouver Coastal Health Authority.

The framework also aligns the organization's metrics and improvement activity with that of the organization's subsets, such as the clinical programmes. Finally, the framework demonstrates that regular evaluation influences the updating of strategic directions and goals. The framework is reviewed and updated annually and continues to serve the purpose it was created for.

Support infrastructure

Also in 2001, Providence Health Care revised its organizational structure to better support change and improvement. Two parallel structures were created: one that manages operations and another that provides and integrates support to improve operations. Eight clinical programmes were established, each one led by a Program Director and Physician Program Director. Individually and collectively this dyad is responsible and accountable to its Clinical Vice President for improving the quality of care and service. In order to support these accountabilities, the organization also established a series of expert support teams, such as:

- quality and utilization improvement;

- change initiatives; and

- administrative decision support.

The Administrative Decision Support Team was created to provide data and information to support quality improvement, planning and decision-making.

"We have learned about the importance of balancing risk. Teams need the opportunity to fail. To do otherwise stifles creativity and enthusiasm for the work."

The Quality and Utilization Improvement (Q&UI) team has developed expert knowledge in a broad range of methods and tools that support quality improvement, including those commonly associated with the model for improvement and LEAN thinking. The work of this team is focused on improving clinical processes and outcomes.

The Change Initiatives (CI) team is another centralized resource that provides support to a broad set of strategic and operational change projects. The work of this team is focused on administrative and larger clinical system change.

These teams work closely together. They understand each other's roles and expertise. They work to avoid duplication of effort and to ensure that the most appropriate methods and tools are brought to each project.

Quality awards

The following examples demonstrate that PHC's results have been significant. Providence is the only organization in Canada to have received four consecutive 3M Health Care Quality Team Awards. In 2004 the surgical team received the award for improving both pain management and patient satisfaction while reducing length of stay for patients undergoing foot and ankle surgery. In the following year, the Laboratory team was recognized for its work in reducing turnaround time from specific high-volume tests by as much as 45 per cent while simultaneously reducing costs by $500,000 annually.

In 2006, a team from the Emergency Department (ED) and the Intensive Care Unit (ICU) received the award for improving the outcomes for patients who present in the ED with sepsis or septic shock. The outcomes included a 49 per cent reduction in mortality rates and a 38 per cent reduction in length of stay in the ICU and were achieved by reducing variation as well as the time required to deliver best practice therapy.

The 2007 award went to the Residential Care Team at Providence for implementation of medication reconciliation at the time of admission to one of the five residential care homes. This team was successful in improving both the medication reconciliation success rate and the number of unintentional discrepancies

per resident by 75 per cent.

Other teams from Providence have also been successful in making improvements.

Projects are an important part of building the culture at PHC. Projects build teams, create knowledge and experience with the methods and tools of quality, identify current and future leaders, and build confidence and capacity to make further improvements.

However, as one would expect, there have also been some failures. An innovative nurse scheduling system cost more to operate and did not produce the expected reduction in overtime. The ICU Outreach Team has been well adopted and very successful in some areas and not well utilized in others. Attempts to effectively spread the success of one team to others doing similar work have not been very successful.

Some of the greatest lessons have come from these failures. These projects educate about the critical success factors for improvement and how to understand when they are not present. They contribute to organizational resilience and provide an important vehicle to demonstrate a commitment to being a learning organization.

We have learned about the importance of balancing risk. Teams need the opportunity to fail. To do otherwise stifles creativity and enthusiasm for the work. However, situations do arise when the risk of failure is certain and the opportunity cost associated with that failure is high. In these situations we have learned that it is prudent to withhold approval and support.

This is a shortened version of "Establishing an organizational culture to enable quality improvement", which originally appeared in *Leadership in Health Services*, Volume 23 Number 2, 2010.

The author is Barbara Trerise.

Marc Effron is President of the Talent Strategy Group – a full service talent management consulting firm.

Marc has worked for, and consulted to, some of the world's largest and most successful companies including American Express, Bank of America, Fidelity, Philips Electronics, Reliance Industries (India) and Alcoa. He applies a simplicity-based approach to building leaders which emphasizes transparency and managerial accountability.

Miriam Ort has held leadership positions in talent management and human resources in the HR organizations of *Fortune* 500 companies.

She is currently a senior human resources manager at PepsiCo. She co-developed the One Page Talent Management approach while at Avon Products, where she most recently led the Talent Management area for Avon Products North America.

One page talent management: an interview with

Marc Effron and Miriam Ort

Interview by Alistair Craven

Alistair Craven: Can you tell us about the background to your new book?

Marc Effron and Miriam Ort: *One Page Talent Management* attempts to solve the puzzle of, and offer a solution for, why organizations aren't more effectively growing their talent despite the availability of well-proven techniques and practices. Years of experience in corporate environments and years of research and consulting with the world's leading organizations provided some insight. We concluded that organizations have made these processes incredibly complex, held no one accountable for their success and kept most managers in the dark about their workings.

We believed a better way existed and had the opportunity to prove that first in the turnaround of a $10B consumer products company and later through consulting with a number of the world's premier companies. Our approach – one based on eliminating complexity from, and adding value to, core talent management practices – resulted in their radical simplification. We found most became so simple that their core form or process could be expressed on a single sheet of paper – hence One Page Talent Management.

AC: What do you mean by your expression "one page talent management?"

Marc and Miriam: "One Page Talent Management" means radically simplifying the tools and processes organizations use to manage their talent, so that they can build better talent faster. Our premise is that wonderfully thorough science exists in the Human Resource field that tells us exactly how to grow talent. When trying to translate that science into practice however, academics, HR consultants and practitioners have added "well-intentioned complexity" that managers experience as complexity and bureaucracy. The result is that these powerful practices are never effectively implemented.

At its most practical level, OPTM is a new approach for creating more effective talent management (TM) practices. We do not expect that the key form or process for every talent practice can be reduced to one page, but we believe that aspiration forces an entirely new way of thinking about growing talent. Most importantly, we consider the OPTM approach to be a superior way to grow better leaders faster.

AC: How important is managerial transparency in the talent management process?

Marc and Miriam: We believe transparency is a critical element in successfully growing talent. It's also one that scares the hell out of many managers. For example, on the oft-discussed question of "should you tell a high potential that they are a high potential," we're quite direct. Yes, you should. Why? If this individual really is someone who can markedly add to the value of the company, why wouldn't you want them to understand that you recognize and appreciate that fact? Of course, that conversation should explain both the benefits and the increased risks associated with that status, and emphasize that the status is regularly re-evaluated.

Companies' fears about transparency in area like the "high potential" conversation are quite overblown. Will other employees be upset that certain people are considered high potential and they're not? Not if you've accurately selected the high potentials, although a few employees with unrealistic self-perceptions may be. It's better that those employees find out now so they're empowered to make decisions about their future. Isn't it demotivating to be told you have no potential? It's not a binary rating and shouldn't be communicated that way. It's likely that most employees have some potential to expand in their current role or move laterally to a new one. That should be the content conversation, and the development investment they receive should be commensurate with their potential.

AC: What are some of the biggest mistakes organizations make in implementing talent reviews?

Marc and Miriam:

(1) Allowing individual managers to assign ratings with no calibration from others. An effective talent review process includes calibration discussions where multiple managers offer input on each individual being discussed. This ensures a more accurate overall rating and one not coloured by the biases of any one manager.

(2) Not focusing on follow-up. Many organizations have great talent review discussions but no actions are taken as a consequence. In talent building organizations, every action agreed to in a talent review (geographic moves, project assignments, etc.) is recorded, tracked and followed-up at the next meeting.

(3) Not holding managers accountable for managing their talent. Developing talent and making tough talent decisions are not natural behaviours. Managers need to be held accountable for actively managing and growing their talent. The talent review process provides an ideal opportunity to evaluate how well each manager invests in, manages and divests talent.

This is a shortened version of "One page talent management: an interview with Marc Effron and Miriam Ort" To read a longer version visit http://first.emeraldinsight.com

Management Matters

Incisive commentary on topical business issues

A question of talent

Talent management has shot up the list of corporate buzz phrases over the last couple of years. As is usually the case with management tools and techniques, there is no single blueprint for success that we can all look to in order to solve our problems.

According to the CIPD, talent management is "difficult to define because it's a complex undertaking that operates within the strategic human resourcing task generally." In attempting to reach a definition, the CIPD settles on a "complex amalgam of employees' skills, knowledge, cognitive ability and potential."

Now, every HR department is well aware of all of these aspects, but grouping them together as an agenda in their own right is the objective of a talent management strategy. Doing so requires an organization to decide how it defines a "top performer", who

in the existing structure could be identified as such, and exactly what resources will be dedicated to development. Understandably, there is much debate about the best ways of going about this, but the evidence so far appears to suggest that we have a long, long way to go in making the most of our talent.

Authors Marc Effron and Miriam Ort believe that organizations are simply not doing enough with the available tools and techniques. Their extensive research with some of the world's leading organizations brought them to the worrying conclusion that organizations have made these processes "incredibly complex, held no one accountable for their success and kept most managers in the dark about their workings." That pretty much reads like a textbook example of how not to succeed!

Effron (President of the Talent Strategy Group) and Ort (senior HR manager at PepsiCo) set out to

simplify proceedings and help companies cut through the red tape and ensure that talent management does not become just another esoteric concept that few people buy in to. Interestingly, they found out that most HR practitioners acknowledged up front that talent management practices weren't working and could be significantly simplified. They also discovered that the most challenging problem was the lack of CEO support for building talent. Add to this a lack of accountability and layers of bureaucracy, and it was clear that many systems were doomed to failure.

A fascinating aspect of Effron and Ort's research focuses on transparency. Whilst it is often said that transparency is critical to many management initiatives, this rarely happens in practice. To quote the authors, "we believe transparency is a critical element in successfully growing talent. It's also one that scares the hell out of many managers." Coming to terms with this fear is a major challenge for management.

Effron and Ort state that building better talent faster is derived from their deep belief in the power of great leadership. "We believe that great leaders create successful companies and that their success has positive results for their communities and society as a whole." Getting everyone on board and keeping this at the forefront of your talent strategy discussions may help to make the difference between success and failure.

If you would like to read more about talent management, please visit http://first.emeraldinsight.com/interviews/effron_ort.htm

Emerald Management First is an award-winning online resource designed to help you circumvent the unnecessary and sharpen your focus on what really matters in management.

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Final thought …

" We now accept the fact that learning is a lifelong process of keeping abreast of change. And the most pressing task is to teach people how to learn. "

Peter Drucker

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