NORTHERN COLORADO



High Performance CEOs: What Makes Them Different?

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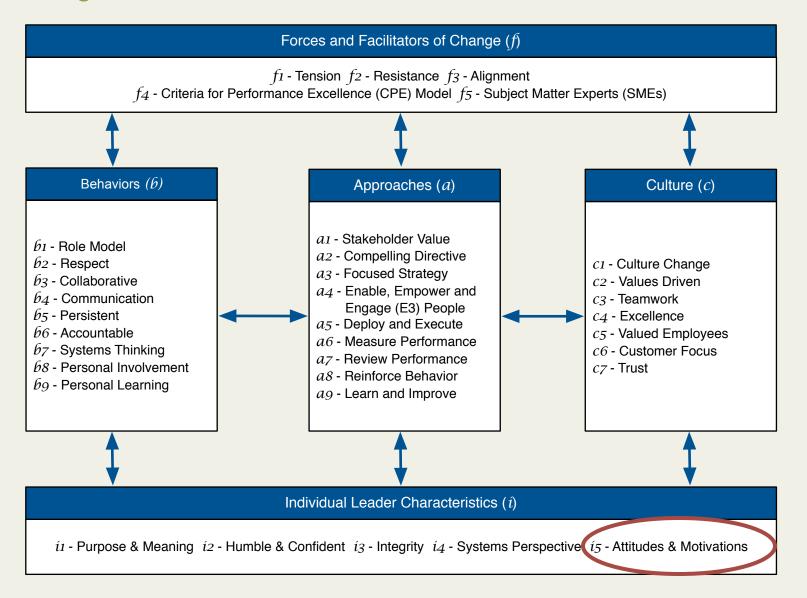




Agenda

- Background of the research
- Research Findings Significant Six
- Future Research Plans
- Q & A

Leading Transformation to Performance Excellence Framework



Latham, J. R. (Forthcoming). A Framework for leading the transformation to performance excellence part I: CEO perspectives on forces, facilitators and strategic leadership systems. *Quality Management Journal*, Accepted 2012.

Background to the Research

- Summit Meeting of Baldrige executives
- Top 2 priorities emerged:
 - O How do leaders from BAR's and non-BARs companies differ?
 - Most effective methods for leadership development?
- Although leadership research has looked at personality types of senior leaders, there is a current gap in leadership research looking at the motivations of senior leaders
- Mixed-method used to study the CEO's
- Access to a comparison group adds credibility

Research Participants

- CEO's from Baldrige recipient organizations
- Senior Leaders from successful companies not receiving the Baldrige award
- Employees from the iWAM Standard group database
- 75% of participants in the comparison groups were from private sector
- Cross-section of industries were represented in all groups

iWAM Instrument

- Published by jobEQ
- Measures a person's preferences and motivations in the context of work.
- Measures 48 patterns
 - Point of view (big picture vs. details)
 - Distribution of responsibility (sole vs. shared)
 - Decision making (internal vs. external)
 - Action level (proactive vs. reactive)
 - Body language (verbal vs. non-verbal)
 - Cycle time (rapid vs. stay-the-same)
 - Rules and conformity (unwritten rules and/or social contract)
 - Environmental Priorities (people vs. system vs. information vs. money vs. location etc)
 - Convincing Methods (see vs. hear vs. read vs. doing)

Results

- Six Motivational and Attitudinal Patterns that are significantly different for BAR's CEO's compared to other effective leaders:
 - Evolution higher
 - Focus on Systems higher
 - Sole Responsibility lower
 - Focus on Past higher
 - Focus on Information higher
 - Tolerance lower

Evolution - higher

- Baldrige CEOs are more likely to want to evolve change and drive continuous improvement.
- Baldrige CEOs have a very strong orientation to planned, evolutionary change rather than to radical, large change. This often translates to a focus on continuous improvement.
- All of the Baldrige recipient organizations used four key continuous improvement processes including strategic management system, continuous improvement process (e.g., PDSA), benchmarking, and Baldrige-based assessment and improvement.
- Possibly the most important culture theme that emerged in most of the interviews
 (12 of 14) was the length of time the culture had been in place or as this theme was
 labeled how ingrained are the "habits." The system changes had to be in place for a
 while before they became imbedded in the culture.
- As one Baldrige CEO put it, "While you may have to put the 'rudder over hard,' the ship doesn't turn quickly. It takes time for culture change and you have to take the group along with you."

Focus on Systems - higher

- Baldrige CEOs are strongly motivated to work with systems and processes.
- Many of the Baldrige CEOs (9 of 14) demonstrated an ability to understand the
 organization as a system. Systems thinking came out in many forms but often
 was focused on an understanding of the causal chain of engaged employees,
 quality products and services, customer satisfaction and financial success.
- Organizational Learning was focused on three key elements: the systems, the people, and the culture. All of the cases used four methods to facilitate system and process redesign and improvement.

Sole Responsibility - lower

- Baldrige CEOs are less likely to think that having sole responsibility is important.
- Baldrige CEOs are more team-oriented than self-oriented in terms of responsibility. They would rather share responsibility than keep it themselves.
- All of the Baldrige CEOs (14 of 14) described situations that indicated that they
 often were very collaborative in their approach to leading the organization.
- Most of the Baldrige CEOs (13 of 14) demonstrated a high degree of humility through their descriptions of how they handled particular situations.
- Teamwork was the most common organizational culture value identified by 12 of 14 Baldrige CEOs.

Focus on Past - higher

- Baldrige CEOs concentrate on the past and use experience to make decisions.
- Baldrige CEOs have a higher than average "Past" orientation to time.
- They all learned from performance "trends" which provided feedback on the effectiveness of previous changes.
- All CEO's of the Baldrige cases used four methods to facilitate continuous learning and improvement – strategic management, organization assessment using the Baldrige Criteria for Performance Excellence (CPE), benchmarking, and continuous improvement.

Focus on Information - higher

- Baldrige CEOs are strongly motivated to work with facts and knowledge (information).
- Baldrige CEOs works best with facts and knowledge. Having the right information and/or knowing where and how to get it is important.
- Baldrige CEOs always want to know more; gathering information, getting the facts, knowing what there is to know is important.
- All of the Baldrige CEOs used a comprehensive scorecard and results that included the current performance levels, trends over time, and comparisons to other high performing organizations to understand their performance and develop plans for improvement.
- All of the Balrige CEOs used four very fact-based continuous improvement processes including strategic management system, continuous improvement process (e.g., PDSA), benchmarking, and Baldrige-based assessment and improvement.
- As one Baldrige CEO noted, "Baldrige organizations are very fact based. They
 also know that running tests and trials are critical to successful product or
 service changes that will impact customers and clients.

Tolerance - lower

- Baldrige CEOs have a strong tendency to want to impose their "rules" on others; that is they are "Assertive."
- Most of the Baldrige CEOs (12 of 14) also identified follow through and persistence as key to successful transformation.
- Most of the Baldrige CEOs (12 of 14) had to get rid of employees that didn't change and support the transformation and desired reality. While some of these employees left on their own, half of the Baldrige CEOs (7 of 14) had to force some employees to leave.
- Many of the Baldrige CEOs (10 of 14) described how they had to deal with resistance to change. "And my basic belief in people is that I would rather work with you and do everything I can to help you get through denial and get on the right track and go." Or as another Baldrige CEO described it, "we are going to try it one year, if it doesn't work we will go back to what's not working now."

Future Research Plans

- Conduct a longitudinal study by adding more Baldrige CEOs and continue each year with new recipients. At the same time increase the diversity of the group by including female Baldrige CEOs.
- Increase the size and diversity of the leadership comparison group.
- Increase the number of comparison groups. Add a comparison group of leaders
 who attempted to transform their organizations using the Baldrige model but
 were unable to achieve performance high enough to receive recognition of the
 Baldrige award.
- Finally, a pre- and post transformation study of senior leader MAPs to identify
 how the MAPs changed during the transformation process would help answer
 the question whether the Baldrige CEOs MAPs were pre-existing or developed
 during the process.

Thoughts/Reactions

Questions?