

Leadership's Role in Maximizing Strategic Performance Systems



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By Susan Frear

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EXECUTIVE SUMMARY

Approximately forty percent of all new executives will fail within two years of assuming their new position. The transition from manager to executive is often undermined by the fact that individuals do not understand that the skills and behaviors that made them successful as managers and that got them their promotions are not the skills and behaviors that will keep them in their new roles.¹ Scott Eblin, a former Fortune 500 human resource executive and author states “New executives also don’t understand that what gets them to the top – achieving results in a particular function or skill or area of expertise – isn’t what’s going to keep them there. While some of the skills and behaviors they used on their way up, such as their ability to manage teams, will still apply in their new roles, they need to let go of other practices that got them where they are today. Not understanding which new skills and behaviors to pick up and which to let go is the common denominator for failure for new executives.”²

This same problem exists when individuals transition from a front line management position to a mid-management position. At this level, the problem is a lack of understanding about the distinction between management and leadership. At the front line level, tactical prowess leads to success while at the mid-management level strategic prowess is critical. The bottom line for businesses is that both are necessary for optimum results. When an individual moves from a front line position to a mid-level position, the required knowledge, skills and abilities are not the same and performance excellence is not assured based on past success.

In order to support new mid-level managers, organizations must be able to clearly define leadership expectations and must provide these new leaders with development opportunities to develop and enhance these needed competencies. Intel, a leading technological organization with over 91,000 employees in 48 countries, addressed the problem of equipping new

mid-level managers through a new and innovative training program called “Leading Through People”.

INTEL CASE STUDY

Intel’s corporate mission is to “relentlessly deliver the platform and technology advancements that become essential to the way we work and live”. In order to strive for these objectives, Intel must have qualified leaders at all levels. However, Intel identified an effectiveness issue when individuals were promoted from front line management

¹ Levinson, M. (2006, December 1). Staying power. CIO Magazine. Retrieved from the World Wide Web at <http://www.cio.com>.

² Ibid.

positions to mid-level management positions. Mid-managers were defined by the organization as managers who managed other managers.

The transition to mid-level management is complicated by the fact that the success criteria of the two levels are unique. Success at the front line level is defined by the individual manager’s ability to handle the tactics while success at the mid-management level and beyond is the ability to develop and drive business strategy. Intel defined this problem from a mid-manager’s perspective:

Mid-managers were front line managers first
Success as a front line manager is what brought about a promotion to the mid-management level
Mid-managers find it difficult to “untie” themselves from what worked as a front line manager

Front line managers excel by the flawless execution of tactics

Mid-managers can appear to excel in the short-term by focusing on improving tactical execution³

Intel determined that this developmental void was a potential problem for approximately 2,000 of its mid-managers. In order to create an environment where these leaders could be successful, Intel had to design and deploy a developmental program that addressed the unique skills required at the mid-management level.

TRANSITIONING FROM FRONT LINE MANAGEMENT TO MID-MANAGEMENT

The first step required was to help new mid-managers to transition into their new roles, so Intel had to define the critical competencies required at that level. As a result of their research into this particular question, Intel defined a set of Management and Leadership Expectations (MLEs) that included:

Demonstrate Business and Strategic Acumen: Practice accountability

Build Strong and Vital Organizations: Hire and retain the best people

Manage Internal and External Stakeholders: Know your suppliers and customers and meet or exceed their expectations

Lead with Integrity: Be honest and ethical in all your interactions

Set the Pace and Execute: Plan, learn from mistakes, take informed risks⁴

Intel's five expectations or competencies are all equally important. And while these competencies are required at all managerial levels, when these expectations are aligned with organizational strategies the distinctions between the various management levels (front line, mid-level, and executive) become more distinct. At the front line management level, leaders are expected to develop plans that align to the business

³ Gazzara, K. (2006, December 5). Leadership's role in maximizing strategic performance systems. [Human Capital Institute](#).

⁴ Ibid.

strategy. Mid-management leaders are tasked with translating and aligning departmental strategies to the organizational vision. Finally, senior level managers must position the business to be one generation ahead of the competition.⁵ The combination of the expectations and the strategic process flow removes some of the role ambiguities that exist in organizations according to Kevin Gazzara, Program Manager of Intel's Leadership Program.

POSITIONING LEADERS FOR SUCCESS

In order to address the transition problem described above, Intel developed the formal "Leading Through People" program that has received both internal and external recognition. The objective of this development program is to "get managers and leaders to understand, internalize, and apply the Management and Leadership Expectations (MLEs) in a cross-functional, matrix managed platform environment".⁶

The program is a six-day off-site training session for 48 managers from all geographic regions. The participants are divided into six facilitated groups with eight managers in each group. The organization attempts to select participants in a way that allows for a 100% mixture of all business groups and job roles. Each team is given an action learning project and the tools needed to apply each of the five expectations. Practice in the managerial expectations is also facilitated through the use of simulations. At the end of the training session, the 48 participants develop a report of their projects to a senior level leader. Kevin Gazzara, Program Manager of the Leadership Program, believes that individual learning is cemented and made more impactful with the direct application of the exercises in this program.⁷

As a result of this program, Intel won *Workforce* magazine's "Optimas Award for General Excellence" in 2006. To win this award, an organization must excel in six categories: competitive advantage, global outlook, innovation, ethical practice, managing change, and vision. Some of the highlights of the "Leading Through People" program include the following:

The action based learning experiences of the program use real life market trends and the problem solving that is done during the training program has resulted in several business initiatives.

The structure of the program allows managers from all geographical regions to meet and interact which in turn enhances Intel's global presence.

The program, along with other organization programs, encourages innovation and creative problem-solving.

Intel expects ethical behavior from all of its leaders. This development program, along with others, allows leaders to discuss problematic situations and to hear different perspectives in order to make the best possible decisions in stressful situations.

⁵ Gazzara, K.

⁶ Ibid.

⁷ Ibid.

In the technological arena, perhaps more than any other, change is inevitable. Again, the action based learning experiences and the simulations allow participants to learn how to manage change in a safe environment.

In 2004, Intel invested approximately \$3,700 per employee in training and development. As a result of its focus and investment on employee development, Intel was recognized as one of the "Training Top 100" by *Training* magazine.⁸

PROGRAM IMPLEMENTATION

While the external recognition of the program has been good for the organization and the program itself, the program still needs to be maintained and improved in order to continue to meet the requirements articulated in Intel's mission statement. Table 1 provides

details the link between the management and leadership expectations and Intel's business strategy.

Table 1: Link Between MLE's and Organizational Strategy⁹

| Management and Leadership Expectations | Key Points | Implementation Strategies |
|---|---|---|
| Business and Strategic Acumen | Set and balance clear long-term and short-term expectations | Evaluate expectations for specificity – Quantity, Quality and Pace Elements |
| | Shape business direction using data and judgment | Look for leverage points |
| | Translate and align department strategy and objectives to the vision and mission | Look for linkage between the department strategy and organizational mission |
| Build Strong and Vital Organizations | Develop good managers and employees. Hold them accountable and reward for strong results and management | Create a Learning Organization |
| | Drive organizational capability | Hire for talent, train for skill, retain for performance Keep people aligned with their talents and motivators |
| Manage Internal and External Stakeholders | Drive synergy and business opportunities | Leverage short term needs but align with the long term perspective |
| | Communicate clearly, frequently and passionately with key stakeholders, management and employees | Identify and prioritize your stakeholders (utilize CAIRO tool) |
| Lead with Integrity | Be honest, ethical, sincere, fair, and principled | Walk the talk – employees are manager watchers |

| | | |
|--------------------------|---|--|
| | Insist on congruence between values and behaviors | Constructively confront divergence |
| | Develop cross-cultural management capabilities | Learn and respect other points of view |
| Set the Pace and Execute | Define scopes of authority and good decision making processes; empower your managers to do the same | Delegate tactics downward |
| | Ensure people, systems, processes, and measures are in place | Reducing undesired turnover is your best investment of time, money and resources |

⁸ Frauenheim, E. (2006, March 13). Intel: *Optimas Award* winner for general excellence. *Workforce Management*, p. 17. Retrieved from the World Wide Web at <http://www.workforce.com/section/09/feature/24/30/45/index.html>.

⁹ Gazzara, K.

Intel uses a number of tools to augment the training program including CAIRO and a deployment and closed loop accountability process. CAIRO is an acronym for CONSULT – APPROVER – INFORM – RESPONSIBLE – and OUT OF THE LOOP and is used to help identify stakeholder roles. Table 2 describes the various components of the process:

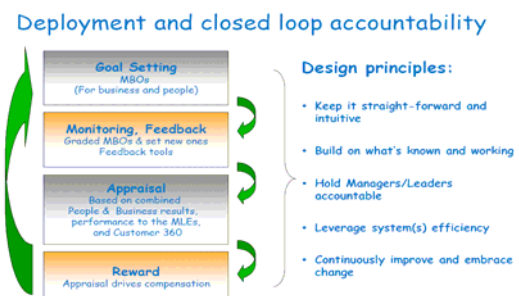
Table 2: CAIRO Process¹⁰

| Stakeholder Role | Description |
|------------------|--|
| Consult | Someone who is a stakeholder or a content expert and should be consulted as part of the decision-making proves |
| Approver | Someone with veto power – a decision cannot be made without a yes from the approver |
| Inform | Someone who should be informed about a decision, but does not need to be consulted and is not an approver |
| Responsible | The person responsible for the work to be done |
| Out of the Loop | Someone who plays none of the above roles |

Mr. Gazzara believes that this tool can be an excellent asset on large projects in particular. The advantage of using this tool is that it allows individual leaders to identify in advance of a program launch the various stakeholders and their roles. It also allows for the manager to communicate ahead of time with these individuals to clarify roles and responsibilities.¹¹

The second tool that Gazzara recommends is the Deployment and Closed Loop Accountability process (see Figure 1). This process allows managers to link reward systems, performance appraisals, feedback, goals and organizational performance.

Figure 1: Deployment and Closed Loop Accountability Process¹²



¹⁰ Gazzara, K.

¹¹ Ibid.

¹² Ibid.

Both of these tools, used in conjunction with the MLE's and organizational strategy can help new mid-level managers hone the knowledge, skills, and abilities gained in the "Leading Through People" development course. All of these used together help Intel achieve its mission through its most important assets, its employees.

Gazzara also suggests four implementation tips:

Lead by Example: Leaders are not the ones with all the answers, but they are the ones who ask the right questions

Use Rapid Prototyping: Don't wait for company-wide initiatives; some of the best knowledge is gained from feedback by doing, while others are planning

Stay Strategically Focused: But excel at tactical execution

Become a Change Agent: Acknowledge when change is needed, and create the right environment to allow the change to stick¹³

These four implementation tips offer specific tips for transitioning from a front line leader position to a mid-level position. New leaders who keep their tactical skills while developing and enhancing their strategic skills will ultimately increase their ability to be successful in their new role.

CONCLUSION

“Leading Through People” has been a very successful program for Intel and continues to allow mid-level managers to acquire the skills required in their new positions. Intel utilizes published success stories and business impact stories to communicate the value of the development program to potential internal recipients. Another critical success factor in the deployment of this program was the support and involvement of senior leadership. During the pilot program launch, a senior executive was asked to participate in an advisory role. This individual's passion and engagement in the program translated into her becoming a champion of the program.¹⁴

Steve Johnson, Vice President of Human Resources at Union Central, states that this process highlights the key finding that “passionate people will take things to a new level”.¹⁵ When individuals are provided with the knowledge and skills needed to be successful and when they are given the tools to implement business strategies, their passion for improving performance is ignited. And that passion translates to organizational vitality and resilience as evidence both by the engagement of this senior executive and the overall success of the development program.

While many new mid-level managers will struggle in their new positions, their transition to their new role can be facilitated by strategic development programs such as Intel's “Leading Through People” program. When developmental programs are linked to organizational strategy, the success rates of new mid-level managers and senior

¹³ Gazzara, K.

¹⁴ Ibid.

¹⁵ Ibid.

executives will increase. And, as leadership success is clearly linked to organizational performance, these types of programs play a key role in the overall success of the business.

Based on the Human Capital Institute webcast *Leadership's Role in Maximizing Strategic Performance Systems*,

PRESENTER

KEVIN GAZZARA
PROGRAM MANAGER- LEADERSHIP PROGRAM
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Intel Corporation has employed Dr. Gazzara since 1989; he is part of the Intel Learning and Development (ILD) Organization, where he is a program manager for the Strategy and Design Group. Previous to this current position he has managed; Intel's first-line Managing Through People (MTP) program, mid-line Leading Through People (LTP), Intel University, the HR graduate rotation program, the worldwide HR mentoring program, and marketing/ product development organizations for the i960 and i750 Intel chips. Prior to Intel, Kevin held positions for 10 years in Engineering, Technical Marketing, Advertising, Business Development and General Management for a division of Transamerica Corporation. Kevin holds a BS in Commerce and Engineering from Drexel University, an MBA in Marketing & Management from Philadelphia University and a Doctorate of Management in Organizational Leadership from the University of Phoenix. Dr. Gazzara's Task Quotient (TQTM) Assessment Tool for determining employee motivation, satisfaction, and retention was announced by Target Training International (TTI) in August of 2004.

<http://www.taskquotient.com/PromoSite/index.php>

TQTM is based on his doctoral dissertation, "A study of the relationships among the mixture of task types, and performance and satisfaction, and the implications for flow", copyright 2002. Kevin regularly delivers TQTM classes for organizational change and individual employee motivation and satisfaction throughout the United States and around the world.

EXPERT PANEL

STEVEN PRICE
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Steven Price is an International Society for Performance Improvement (ISPI), designated Certified Performance Technologist (CPT), with over 17 years of public, private sector and military "Special Operations" experience. He is responsible for affecting award winning organizational improvements using models from the ISPI, Human Performance Technology (HPT), the American Productivity and Quality Council's (APQC), Business Process Management (BPM), LEAN concepts and the 7-Step Process Base Management (PBM), developed by Kitty Sanminiago of Boeing Aerospace. He was a key player and leader in the "Start-Up" operations, implementation of ISO-9000 Certification Programs and creating a Team Based Organization at the Boeing Aerospace Support Center (BASC) in San Antonio, Texas. BASC won the Texas Quality Award and the national Malcomb Baldrige Award in 2004-2005. Most recently; he was the Lead Organizational Development Analyst responsible for re-engineering Call-Center operations and the implementation of the Integrated Performance Management System at CPS Energy in San Antonio, Texas. The implementation won the 2005 HR.com National Award for "Best Performance Management System Implementations."

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As a project director with Workbrain Inc., Monika Schmidt oversees the implementation of enterprise workforce management solutions that span long-term workforce planning, short-term labor forecasting and daily time and attendance. Prior to joining Workbrain, Monika spent 14 years as Managing Partner of Organization Metrics, a provider of HR management software and best practice consulting. With more than 20 years of enterprise implementation and strategic HR management experience in both the public and private sector, Monika has shared her experience and research with some of the world's largest and most successful organizations.

MICHAEL GEORGE
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Michael George is from Vurv Technology, formerly Recruitmax Software. He has been involved with technology applications for more than 15 years and is passionate about helping organizations utilize technology to attract and retain top talent, increase employee engagement through performance management and employee development and build a more strategic workforce.

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Brian Desautels, CPT, is a past ISPI Board Director and Society Treasurer, 2000 ISPI Conference Chair, and co-founder of the Seattle chapter of ISPI. He is a former Sr. HR Manager for Microsoft Corporation and is currently the Managing Partner of JB2D Performance, a Seattle-based consulting firm which applies performance technology strategies to human resource management.

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As Director of Talent Development and Leadership Communities at The Human Capital Institute, Joy brings twenty-five years of experience in multiple facets of organizational development, human resources and business management with an emphasis in customer satisfaction, service quality, process improvement, and applying the Malcolm Baldrige Criteria for Performance Excellence. As founder and President of Performance Partners in Health Care, a company dedicated to building better patient experiences, she has authored several curriculums in leadership and staff development, and co-authored with Harold Bursztajn, MD Senior Clinical Faculty member, Harvard Medical School, *Building a Treatment Alliance with Patients and Families*.

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ABOUT THE HUMAN CAPITAL INSTITUTE



The Human Capital Institute is a catalyst for innovative new thinking in talent acquisition, development and deployment. Through research and collaboration, our programs collect original, creative ideas from a field of top executives and the brightest thought leaders in strategic HR and talent management. Those ideas are then transformed into measurable, real-world strategies that help our members attract and retain the best talent, build a diverse, inclusive workplace, and leverage individual and team performance throughout the enterprise.

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